



**GLOBAL
INITIATIVE**
AGAINST TRANSNATIONAL
ORGANIZED CRIME

ANNUAL REPORT

2023



FROM VISION TO ACTION: A DECADE OF ANALYSIS, DISRUPTION AND RESILIENCE

The Global Initiative Against Transnational Organized Crime was founded in 2013. Its vision was to mobilize a global strategic approach to tackling organized crime by strengthening political commitment to address the challenge, building the analytical evidence base on organized crime, disrupting criminal economies and developing networks of resilience in affected communities. Ten years on, the threat of organized crime is greater than ever before and it is critical that we continue to take action by building a coordinated global response to meet the challenge.

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Please direct inquiries to:
The Global Initiative Against Transnational Organized Crime
Avenue de France 23
Geneva, CH-1202
Switzerland
www.GlobalInitiative.net



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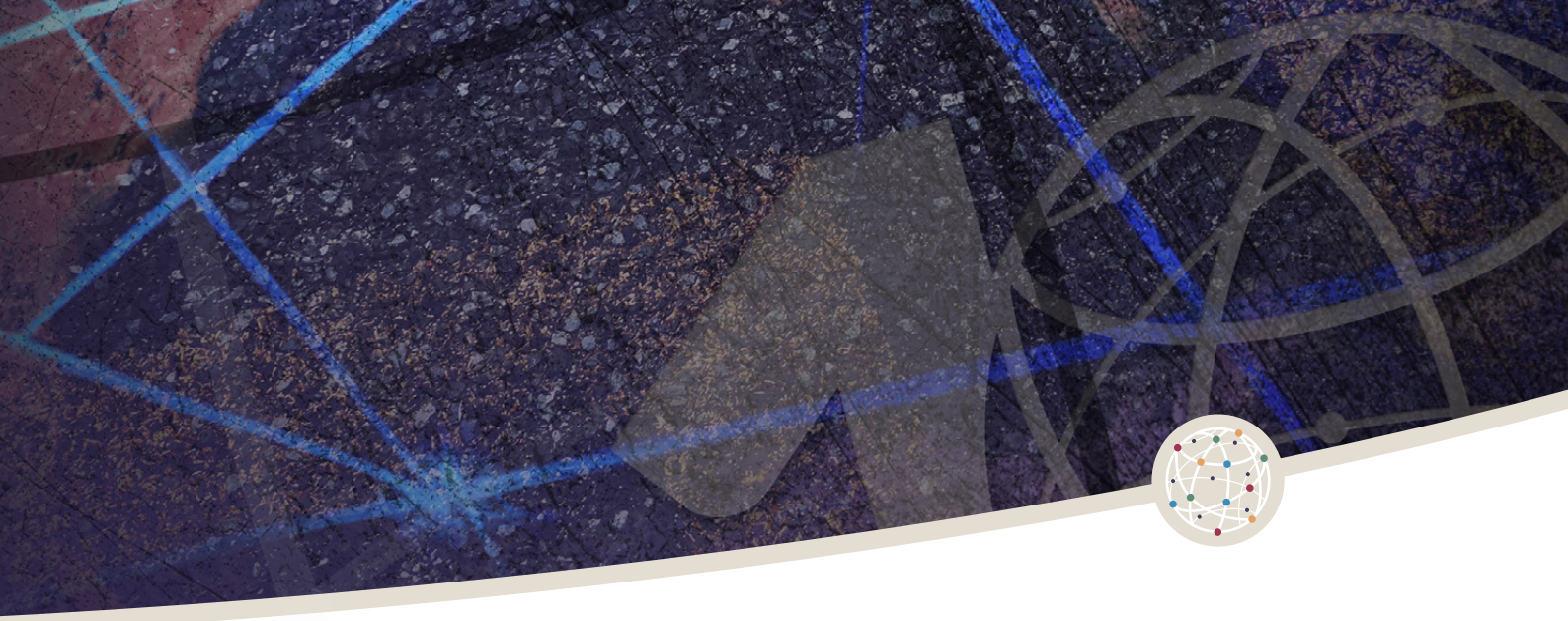
DIRECTOR'S MESSAGE

The year 2023 has been an important one in the life of the GI-TOC. September marked the tenth anniversary of the founding of the organization. You will have noticed our 10-year branding adorning our publications and communications platforms. What began in September 2013 as a vision shared by a small expert group looking to catalyze a more strategic global response to transnational organized crime ('a network to counter networks'), supported by a secretariat, has developed into something that is much bigger and more impactful. Today, our teams work worldwide providing analysis; engaging with civil society, government and other stakeholders; managing community resilience projects; and continuing to nurture the networks of expertise and advocacy on which our work depends, and upon which a global strategy to respond to the harms of organized crime can be developed.

An organization like ours that conducts primary investigative research on illicit markets and actors inevitably faces challenges and threats. These include threats against staff and legal actions. In February, one of our senior analysts, Raouf Farrah, was arrested and imprisoned in Algeria. He was released on 26 October. Raouf's incarceration and conviction highlight the risks of the work we do. To support Raouf's family we engaged both on and off the record with the Algerian authorities.

The ten-year anniversary of the GI-TOC was also an appropriate moment to launch the second Global Organized Crime Index. We also released the third sweep of the Organised Crime Index Africa. Such global longitudinal analyses of data are especially important in building a longer-term view and quantifiable results on shifting patterns associated with illicit markets. The inclusion of several new crime categories has significantly broadened the scope of the Index, exposing a wider area of global criminality under scrutiny, including financial crime, fraud and cybercrime. While it is difficult to determine from the first round of data how fast these additional criminal markets have been growing, it is clear that they pose a significant threat. This has huge implications both for our own work as well as for the UN and the wider international community in developing sustainable, actionable policy responses to these globalized criminal economies.

An important milestone this year was the signing of a major project focused on environmental crime and the harms it causes. The programme will seek to empower a wider network of action across multiple sectors, including the critical area of forestry crime. With this new programme, as always, how we operate is based on a recognition that the most important actors to respond to many forms of illicit markets and organized crime are those closest to the front end, with the



best knowledge of its impacts, and who are pioneering new ways to respond despite the challenges they face. In many cases, these actors form part of local civil society or community groups.

Unsurprisingly, conflict and geopolitics have closely influenced this year's activities. Our work in West Africa and south-eastern Europe has been shaped by political instability and war. Uncertainties in the world order and geopolitical tensions make our work much more challenging, with productive discussions about solutions to illicit markets harder to spark. Yet at the same time, these global conditions, which provide fertile ground for new criminal markets and intersections with conflict actors, have spurred us to develop new programmes providing the evidence base to better understand criminal markets that are fostered by conflict and instability.

If the world has become a more complex place to operate in, we recognize that the GI-TOC must maintain the highest levels of governance as an organization. Managing an organization of experts means that we seek to draw on and be inspired by the ideas of many people whose work is to study or respond to organized crime and illicit markets. To do so means listening and engaging with them. But it also means reporting as regularly and as transparently as we can on the work of the organization to the Global Initiative Network as well as the wider public. This has become an enormous task, and there is a small staff unit now dedicated to this end. Our oversight boards remain crucial sources of advice, guidance and oversight. We are deeply grateful for the time and energy that the Board and Network members put into their work with the GI-TOC.

The tenth anniversary is an opportunity to renew our vision: to put in place the building blocks of a global strategy to respond to organized crime. Much more work needs to be done. The GI-TOC and its staff remain committed to achieving it.

My best wishes,

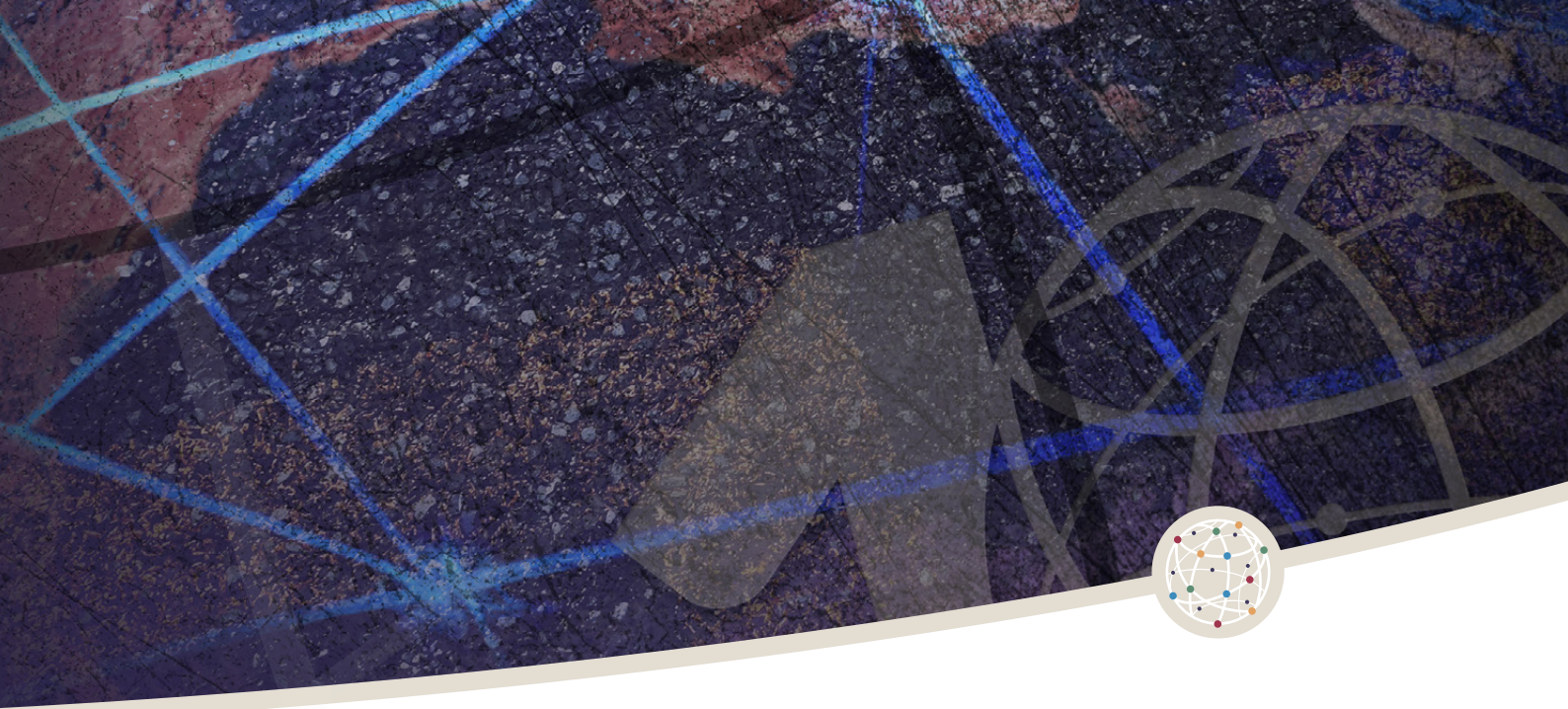
Mark Shaw
DIRECTOR, GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME

EXECUTIVE SUMMARY

In September 2013, the GI-TOC was conceived as a platform to articulate a vision for more effective responses to organized crime. This 10th birthday year was an opportunity not to celebrate, but rather to take stock of the work of the organization over a decade and consider its achievements in shaping the building blocks to construct a global response to counter organized crime. But, more importantly, we need to look ahead. Although much has been achieved over the decade, it would be inappropriate to rest on our laurels. Today, in a world order that has become unrecognizably fractured – to borrow from the narrative theme of the 2023 Global Organized Crime Index – organized crime poses an even greater challenge than it did 10 years ago. There is still much to be done. As it enters its second decade, the GI-TOC will continue to catalyze strategic responses to transnational organized crime and strengthen resilience.

Although in some respects the post-COVID period has proved challenging, this anniversary year was also a positive one. This report sets out the developments and milestones reached during the 2023 reporting period. Citing but a few major achievements this year:

- In February we launched the Eastern and Southern Africa Commission on Drugs programme with a high-level inaugural meeting in Cape Town and a second conference in Mauritius.
- The first research outputs of the new Observatory of Illicit Markets and the Conflict in Ukraine were published early in the year analyzing the impact of criminal economies in the context of the war.
- In July, through a vote at the UN, we were granted ECOSOC consultative status, which we had applied for in 2018.
- In August we registered a new GI-TOC entity in Colombia.
- The second Global Organized Crime Index, our flagship research project, was launched in September at a well-attended virtual event. It was also produced for the first time in a highly interactive online format, so that users can get the most out of the data. New funding has been secured for the next iteration.
- In November we published the third Organised Crime Index Africa.



By December 2023, there were 101 full-time staff working in 32 countries through seven regional observatories and country offices. (For more information about the staff, structure and governance of the organization, refer to the next section.) The Global Initiative Network, our core resource body, today consists of 684 experts. Ten years ago, it comprised a core group of around 30 experts who inaugurated the organization on the sidelines of the UN General Assembly. It is sobering – and a testament to a decade of the work of the GI-TOC, now the largest civil society organization committed to responding to organized crime – to think how steadily the Network has grown to become the large, globally representative expert body it is today, in tandem with the growth of the organization in general.

To fund this growth, and the programmes it generates, we need sustainable financing. The two are indivisible. We are fortunate that the financial position for 2023 was positive, and we have a wider base of donors than in previous years. Clean audits were received for the legal entities. In addition, several major new grants were signed in 2023, the culmination of many months of work, and these will contribute to the financial solidity of the organization over the next few years. These include a large EU-funded environmental programme; a US-funded project on environmental defenders in Latin America; and new funding for our North Africa and Sahel programmes and South Eastern Europe observatory. In South Africa, a private sector foundation grant was secured to support the work of the new observatory monitoring illicit economies and criminal governance. These grants, and the innovative projects they fund, will contribute to solidifying our sustainable growth and impact, while playing a role in recovering the overspend we experienced in 2022. We also took steps in 2023 to institutionalize well-managed cash planning and administration, partly by introducing a programme managers' tier with capacity-building sessions, including trainings on financial management and systems.

In 2023, our three-year strategy came to a close. How we have fared in meeting the targets we set in 2021, in consultation with the Board, is assessed later in this report, including a framework that measures our impact, influence and reach, and operational effectiveness across a number of indicators (see Appendix 1). We are currently developing our targets for the next strategy phase, which begins in 2024.

In early 2023, we conducted our second organization-wide survey to ascertain staff sentiment across a number of variables. The findings of the survey report indicated broadly positive feedback on most counts, although perhaps not as consistently favourable as the results of the 2021 survey. The report and subsequent post-survey meetings with staff brought to our attention some areas raised by respondents, which we are currently taking measures to address, such as improving internal communications, and policies on career paths and performance management.

The Resilience Fund received financial support this year from three governments, in addition to our original financial partner, Norway. The Fund has supported since its inception in 2019 over 170 recipients of grants in 55 countries – individuals and organizations nurturing community responses to criminality, addressing the impact of organized crime and contributing to increased resilience. In 2023, the Fund organized a meeting of participants in its fellowship programme to discuss civil society responses to mitigate the impact of organized crime on human rights and developed a number of publications linked to its community-based work.

In terms of our multilateral engagement initiatives, in New York we have been developing a programme focused on the peace and security threats caused by gang governance in Haiti, a country high on the UN's Security Council agenda. Our team also closely followed the UN cybercrime treaty negotiations and organized a number of events in the margins of the CCPCJ in Vienna.

Among other developments, the academic engagement team have expanded our direct funding relationships with universities, drawing a grant from the University of Birmingham's Serious Organised Crime & Anti-Corruption Evidence project.

Our publications are increasingly globally representative in their perspective, and available in a growing number of multi-lingual versions. Our target languages now include Ukrainian, in addition to the 10 languages we have been publishing material in over the last three years. And we had exceeded the target number of publications set in the 2021–2023 strategy. For the next strategy period, we intend to refine how we measure the impact of our published material in the policy, media and academic space.

Disseminating and promoting our work through social media platforms, podcasts and the website is a key component of our strategy. This year we registered a growing number of followers, higher volumes of traffic to the website and an ever-growing podcast audience. The statistics are available later in the report.

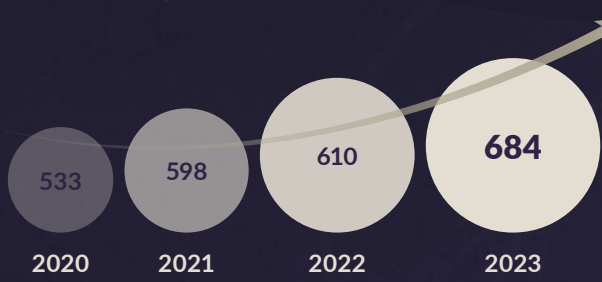
As mentioned, the pervasiveness of organized crime poses a greater threat in today's volatile world order than ever before, and it is vital to seek to change the conditions in which it operates and foster a unified, multisectoral response to disrupt it. In 2024, we will develop a report that sets out our global strategy for a response to organized crime, and which puts forward ideas on why such a strategy is needed and what it could contain.

The strategy – which seeks to understand how organized crime flourishes and where its components intersect – is a call to action that aims to unify and galvanize coalitions and alliances in a global response to transnational organized crime. To help us put this strategy into action, we are grateful to our Board and Network of Experts for their oversight and strategic direction, and our civil society and financial partners, who continue to support our initiatives.



ABOUT THE GI-TOC

The GI-TOC is an independent, international civil society organization headquartered in Geneva, Switzerland, with a globally dispersed secretariat and a high-level advisory board. The GI-TOC was established in 2013 and has grown to 100+ full-time staff members, with four registered entities in Switzerland, Austria, South Africa and Colombia, and seven regional observatories of illicit economies.



THE NETWORK

The Network is the GI-TOC's key resource body, providing a forum for exchanging knowledge, expertise and advice. As of December 2023, the Network consists of 684 members.

THE TEAM

The GI-TOC consists of a globally dispersed and culturally diverse team. As of December 2023, there are 101 people working in 32 countries. The team is almost gender balanced, with 54% of staff identifying as female and 46% identifying as male.

- 
101 staff members

- 
32 countries

PUBLICATIONS AND MULTIMEDIA OUTREACH

The GI-TOC's range of publications – whose typology encompasses research reports, policy briefs, trend reports, regional risk bulletins, analytical blog posts, guidance documents, conference reports and the two indexes of organized crime – support the organization's core strategy of helping mobilize a more effective, global response to organized crime.



145+

 Publications

- 40 Research reports
- 29 Policy briefs
- 10 Risk bulletins
- 19 Financial partner briefing documents
- 35 Articles
- 7 Background papers
- 4 Conference reports
- 2 Books



260+

 Podcast episodes

The GI-TOC's podcast network, which was launched in 2020, continues to grow. Since its establishment, the GI-TOC has produced over 260 episodes and our audience is steadily growing.



470k

 Main website users


875k

 All digital projects users


1.9m

 Total page views (vs 1.3m in 2022)

Compared to the previous year, our main website, globalinitiative.net, recorded a 8.3% rise in 'sessions' (period of time in which the user is actively engaged) and a 7% increase in the number of users (470 000 vs 437 000).



THE ORGANIZATION



The GI-TOC is an independent, international civil society organization headquartered in Geneva, Switzerland, with a globally dispersed secretariat and a high-level advisory board. Its Network members include prominent law enforcement, governance and development practitioners who are dedicated to seeking new and innovative strategies and responses to organized crime. The GI-TOC was established in 2013 and has grown to 100+ full-time staff members, with four registered entities in Switzerland, Austria, South Africa and Colombia, and seven regional observatories of illicit economies.

MISSION STATEMENT

To enhance the analysis of, encourage action against, and support resilience to organized crime in order to reduce its negative impact on people, the environment, businesses and states.

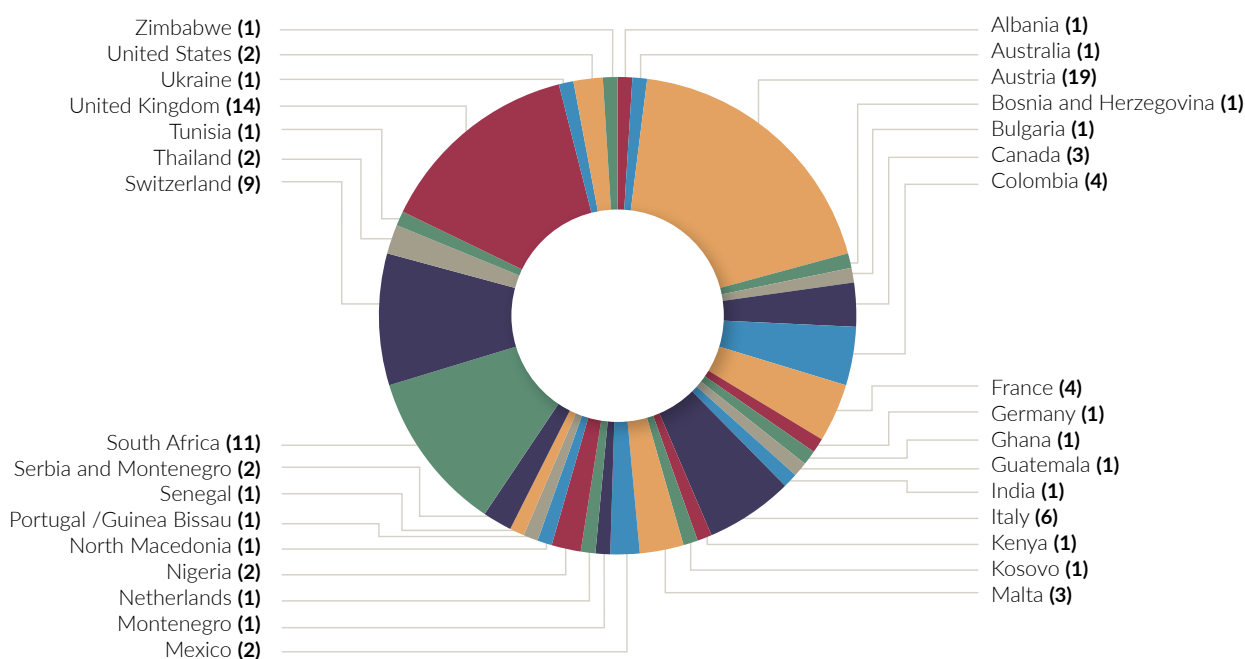
The functions of the GI-TOC can be summarized as follows:

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

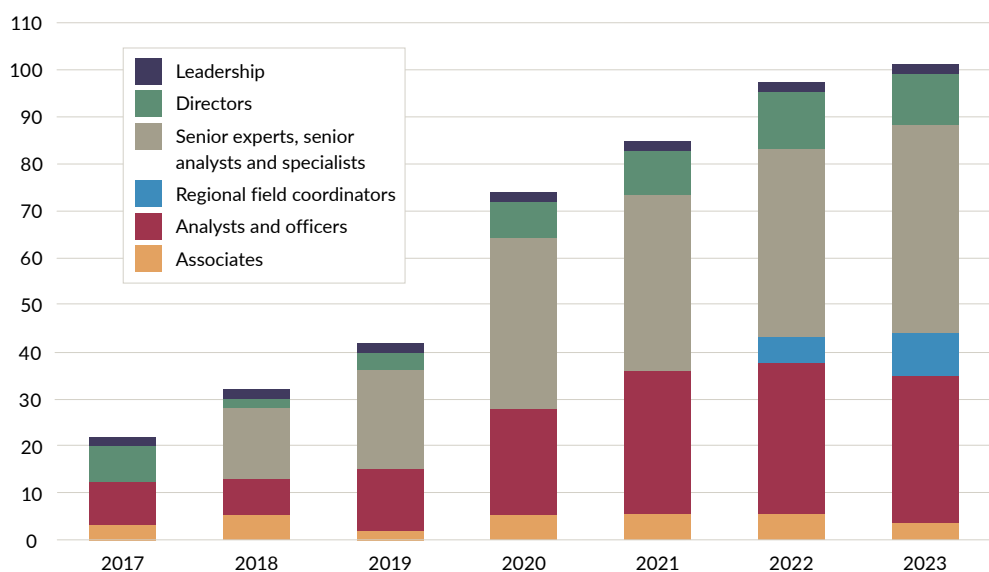
The team

The GI-TOC consists of a globally dispersed and culturally diverse team. As of December 2023, there were 101 people working in 32 countries; 75% of the GI-TOC team are research staff and 25% are programme staff. The team is almost gender balanced, with 54% of staff identifying as female and 46% identifying as male. We are making a conscious effort to recruit people from developing countries; at the moment, 53% of core staff are from developing countries.

GI-TOC team geographical spread



GI-TOC team

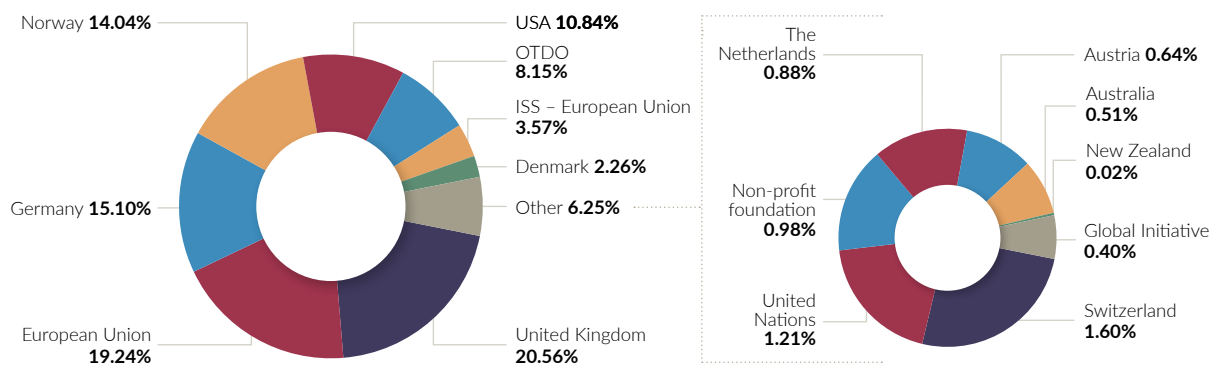


Financial overview

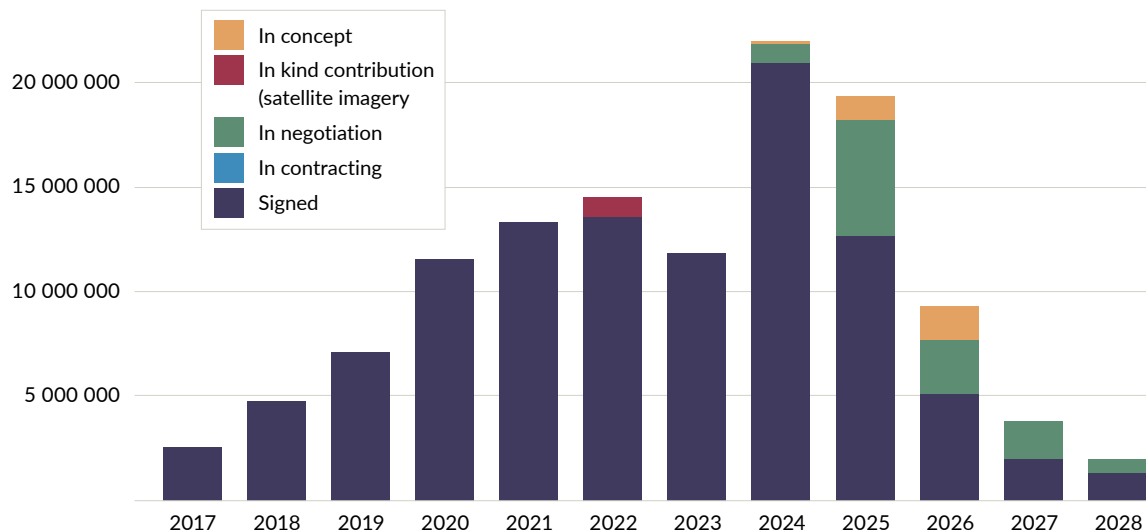
In 2023, the GI-TOC had a total income of CHF11.8 million, CHF2.69 million less than in 2022, when there was an income of CHF14.54 million (although this included a CHF1 million in-kind contribution). The total number of projects implemented in 2023 increased compared to 2022. In 2023, we managed 19 audits, which is two more than the previous year. Most of the audits came back clean, with no accounting errors or fraud flagged by the auditors.

The figure below illustrates the distribution of our 2023 revenue. Although it remains underpinned by five core financial partners, it is also becoming increasingly diverse, not only with different states contributing, but also with a number of alternative financial partners from non-profit foundations, multilateral organizations and the private sector. While these currently only represent 6.25% of the total income, there is scope for this to grow in the future.

Overview of income by financial partners for 2023



Income projection 2017–2028, in CHF



Publications and multimedia outreach

The GI-TOC's range of publications – whose typology encompasses research reports, policy briefs, trend reports, regional risk bulletins, analytical blog posts, guidance documents, conference reports and the two indexes of organized crime – support the organization's core strategy of helping mobilize a more effective, global response to organized crime. The publications provide the evidence base to support this global response through the dissemination of expert analysis. In this way, the published material forms one of the 'building blocks' for a global strategy, to use the term coined by the founding members of the organization 10 years ago, through primary research designed to inform and catalyze a policy-level response to organized crime commensurate to the threat it poses globally. The published material fills an information gap identified by our global strategy in the body of analytical work on organized crime, and in so doing provides a better global understanding of the phenomenon.

Reflecting on the formative years of the GI-TOC a decade ago, it is interesting to plot the trajectory of our published material. In 2013, the year the GI-TOC was founded, one of the strategic activities envisaged was to develop a 'global centre of excellence for analysis'. The work was presented to various high-profile platforms during the early days and a start-up brief ('Analyzing organized crime') was downloaded from the fledgling website 800 times in that year, it was noted. Between 2013 and 2017, we published some 60 reports. In 2018, which marked the start of a three-year strategy, a target was set to publish 10 impactful research reports per year, as well as policy briefs and blogs; by 2020, we had published more than 20 a year on average over the strategy period. The first Global Organized Crime Index report and accompanying analysis have been downloaded over 46 000 times.

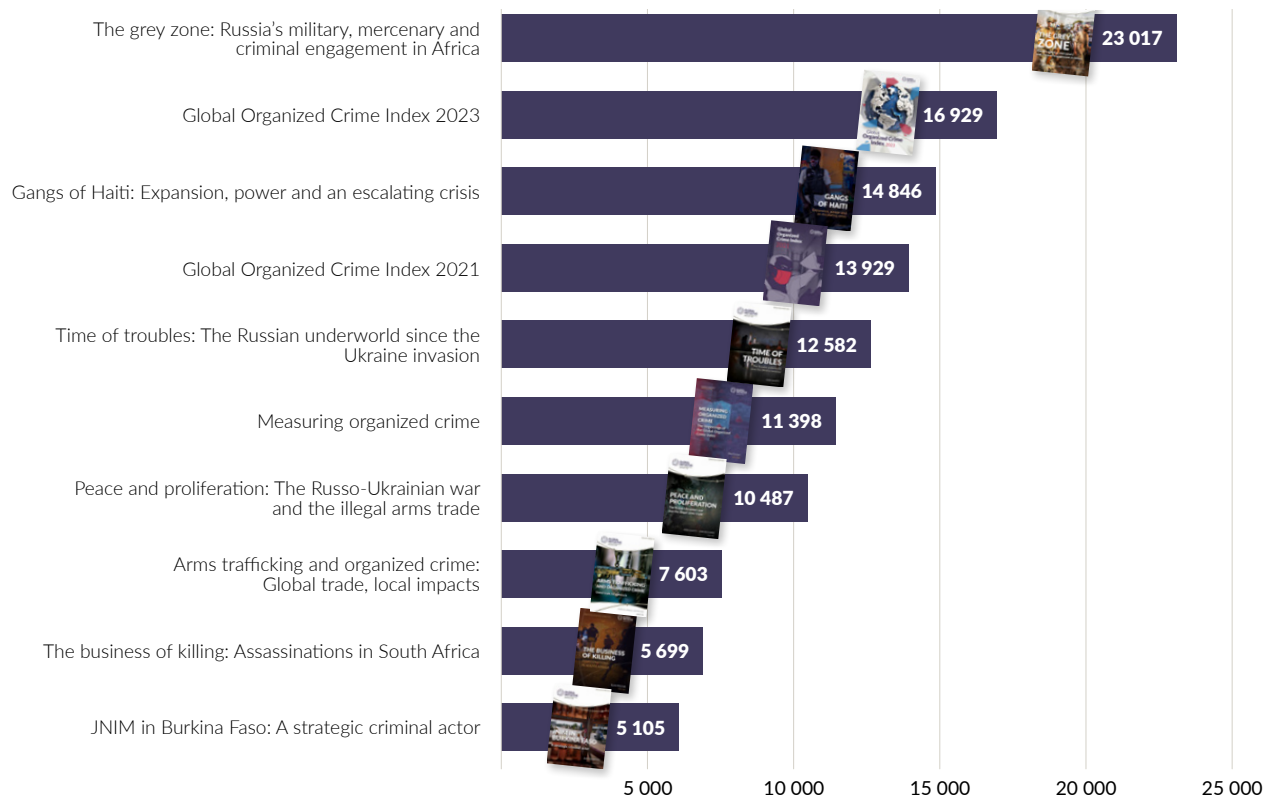
In our 10th anniversary year, we produced nearly 150 reports, briefs, blogs and other analysis, exceeding the target set in the 2021–2023 three-year strategy. For the next strategy period, a target has been set to continue to increase the number of publications and, importantly, refine how we measure their impact using indicators such as citations and reviews in the policy, media and academic space.

The publications are increasingly globally representative in scope and produced in several languages. In 2023, we produced 45 publications in languages other than English (see the graph below). Our target languages now include Ukrainian (added in the first quarter of 2023), as well as French, Spanish, Portuguese, several Balkan languages, Arabic, Russian, German, Italian and simplified Chinese.

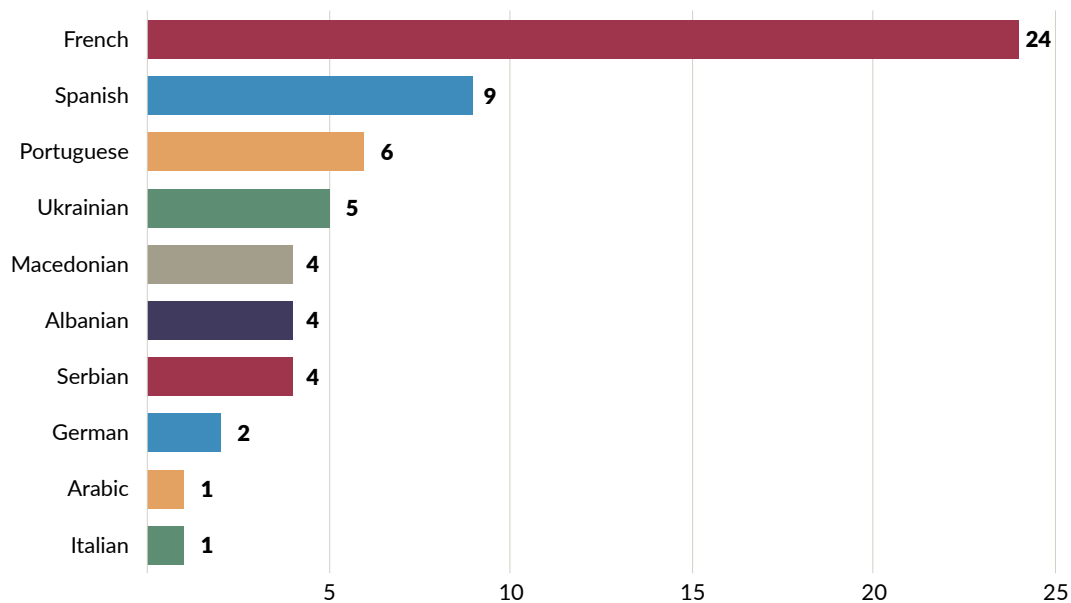
The first outputs of the new Observatory of Illicit Markets and the Ukraine Conflict were launched in March. The second iteration of the Global Organized Crime Index, the flagship research output of the GI-TOC, was launched in September in a versatile digital version. The 2023 Index features several new key criminal markets to provide a more comprehensive and accurate x-ray of the global organized crime threat. The third Organised Crime Index Africa was launched in Nairobi in November.

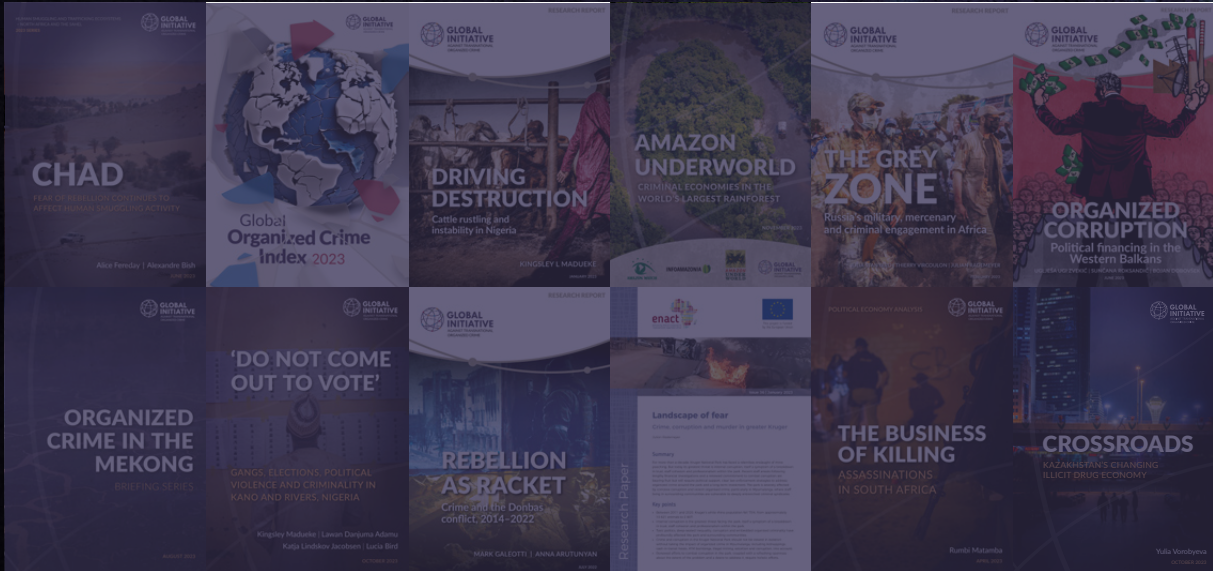
In 2024, the publications team will look to introduce ways of increasing efficiencies in how our publications are produced through restructuring, allocation of human resources, training and financial reporting.


Top 10 publications




Number of publications translated into multiple languages







 **145+** Publications

- 40 Research reports
- 29 Policy briefs
- 10 Risk bulletins
- 19 Financial partner briefing documents
- 35 Articles
- 7 Background papers
- 4 Conference reports
- 2 Handbooks/books

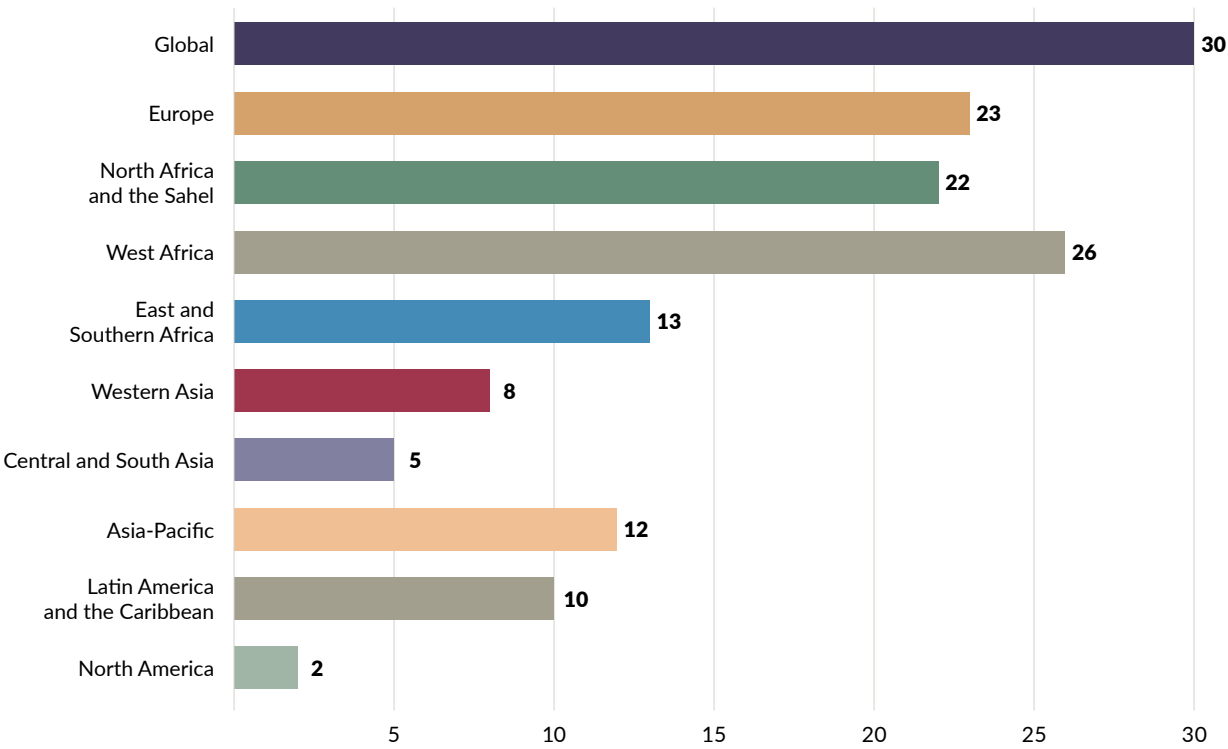
 **470k** Main website users

 **1.9m** Page views of all digital projects

 **260+** Podcast episodes



Regions covered by GI-TOC publications






Social media

In 2023, 31 339 users visited the GI-TOC website through social media, accounting for 6.8% of all visitors. This is a slight decrease from 2022, when 7.8% of visitors came from social media. Among social media platforms, X (formerly Twitter) was the largest source of website visitors, followed by LinkedIn and Facebook.

In 2023, the GI-TOC gained approximately 3 000 followers on X. To reach a wider audience, the organization created Spanish and French accounts that have 5 800 (+2k) followers and relevant posts in both languages, as part of the GI-TOC’s 2021–2023 strategy objective of ‘going global’.

LinkedIn is also a growing platform for the GI-TOC. The organization’s current follower count is 27 769, which is an increase of 35% since 2022. Of the total followers, 34.5% are senior-level professionals, while 27.9% are entry-level. Most of the followers are located in London, followed by Washington DC, Paris, Vienna, New York City, Rome and Geneva.

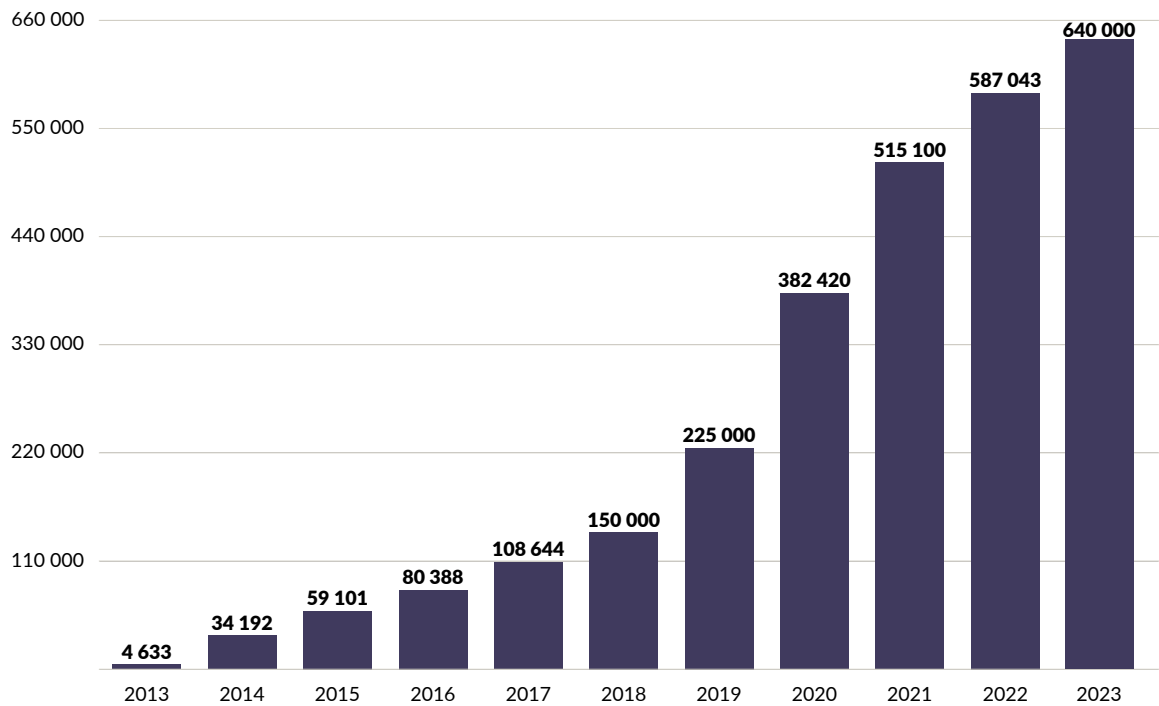
On Facebook, a large civil society audience engages well with posts about resilience to organized crime and through this platform we have been able to reach 35 000 users organically. Facebook, particularly our Spanish content, has the best interaction rates among social networks. Lastly, Instagram is a new channel for the GI-TOC, and the organization is testing new and creative ways to showcase the human element of its work.

-  23.5k
-  14k
-  27.8k
-  2.2k
-  9.6k

GI-TOC website

In 2023, the number of users on our primary website, globalinitiative.net, increased by 8.3% in terms of active user sessions. The total number of users also rose by 7%, with a count of 470 000 users as compared to 437 000 in the previous year. The age distribution of users remained consistent, with around 65% being below the age of 45. Most of the users are from the US, accounting for 22% of all users (an increase of 0.5%) followed by the UK, with 8% (a decrease of 0.7% from last year), South Africa, with 5% (an increase of 0.5%), Canada, with 4% (an increase of 0.5%) and Germany, with 3.5% (a decrease of 0.5%).

Annual web hits rate, 2013–2023: globalinitiative.net



* Data: Google Analytics. The amount refers to the total number of sessions within the date range. A session is the time a user is actively engaged with the website. All usage data (screen views, events, etc.) is associated with a session.

Video

We have continued to use video content to support the GI-TOC's strategic goals, such as showcasing the work of the Resilience Fund Fellows at UN events and on our website; providing insight into organized crime through documentary and explainer videos on YouTube and our website; supporting the launch of flagship reports such as the Global Organized Crime Index; and publishing official statements from the GI-TOC's director and other staff members.

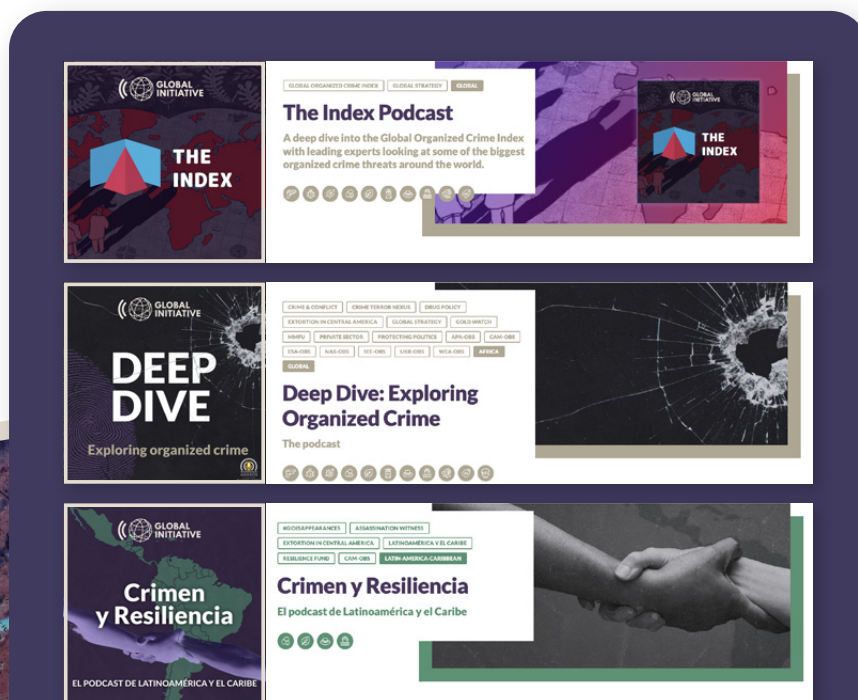
On YouTube, our videos had 302k views in 2023, with a watch time of 22.8k hours. We had +1.7k new subscribers in this period. In 2023, our highest-performing video was 'What Is the Wagner Group Doing In Africa?', with 2.5k views. Our top-performing video during this period was 'Armed Response: South Africa's Gun Violence', which had over 215k views during this period and a total of 955.3k views since it was published in September 2021. This video successfully tested a new format, which we intend to emulate with future videos. Our videos are often available with subtitles in a range of languages, with our communications officer for Latin America and the Resilience Fund spearheading Spanish video translations and publishing on social media.

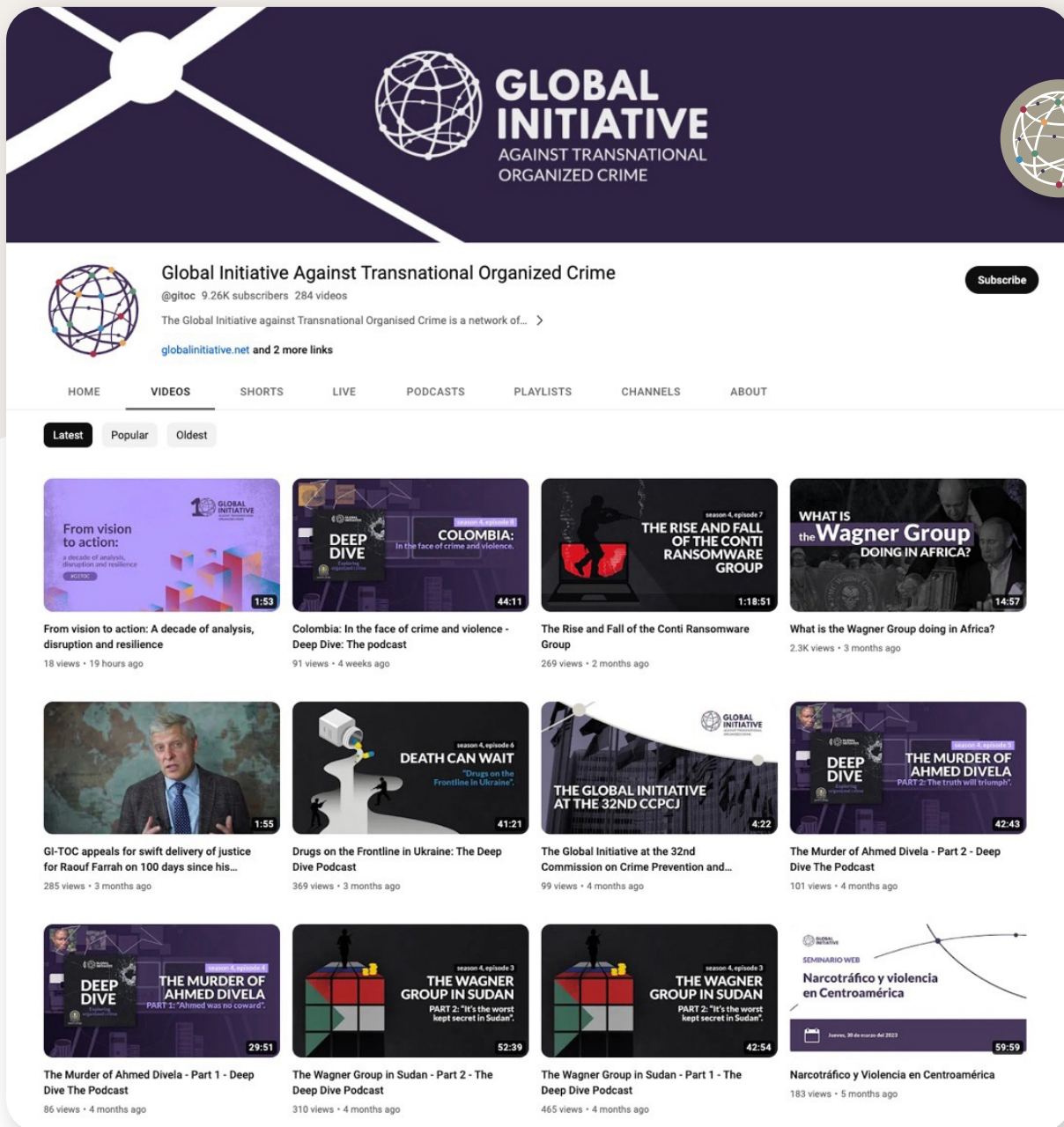
We have also continued to repurpose our content into various formats for different platforms, including to share in the form of Instagram Reels and short-form content on LinkedIn and Twitter.

Podcast series

The GI-TOC's podcast network, which was launched in 2020, has produced over 260 episodes and our audience continues to grow. The total number of downloads from January to December 2023 is 64 085. This is a 57% increase on the previous year. We far exceeded the target of 50 000 downloads/views.

This growth has largely been driven by our expansion into YouTube podcasting for our flagship and highest performing series, 'Deep Dive: Exploring Organized Crime'. The audio-only version continues to perform well, with all episodes achieving at least 1 200 downloads, some reaching close to 4 000 when combining the analytics from our publishing platform and YouTube. On YouTube alone, Deep Dive achieved over 10 000 views in 2023, which demonstrates how important this platform has become.





This year, 'Deep Dive' was again nominated for Best Investigative Podcast at the 2023 Publisher Podcast Awards and our head of podcasts and video won the top award at the event.

Although 'Deep Dive' is a strong series with a large and loyal audience, it is important that we continue to develop the podcast. That is why we have launched smaller, bite-sized episodes ('Deep Dive: Monitoring') based on GI-TOC research and current events. This allows us to produce more content that is shorter and reactive. In addition to that, it adds a video component to the series alongside the more detailed investigations.

In our second full year of our series 'The Index', which was created to accompany the Global Organized Crime Index, has performed well, with over 8 138 downloads/views with a reach of 148 countries. In 2023, we made the decision to restructure the series and pivot The Index

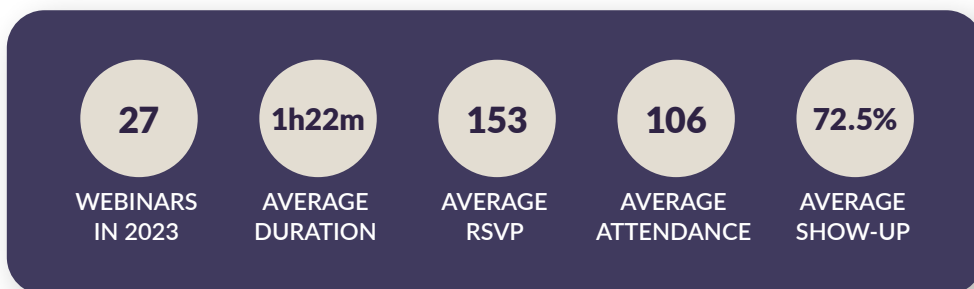
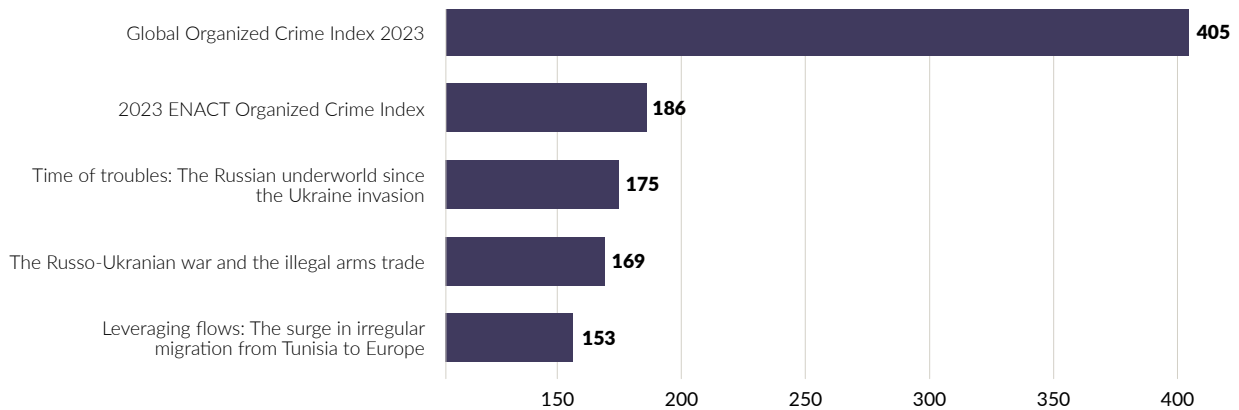
to become a video-first series. These numbers demonstrate that this was the right decision, as most of this growth has been driven by YouTube.

Alongside 'Deep Dive', our other longest running series is 'The UN & Organized Crime' podcast. This series follows policy discussions at the UN relating to organized crime. Since mid-2022, it has followed the progress of the UN cybercrime treaty. Given the niche nature of the topic, the podcast retains a good listenership, geographically located in UN hubs such as the United States and Austria.

Virtual events

In 2023, we hosted 77 webinars with a total of 2.8k attendees. On average, each webinar had 106 attendees and 153 attendance confirmations. Show-up rates have increased compared to the same period in 2022, with 72.5% of registered users attending the live webinars. Average show-up rates remained consistent with the previous year, with 72.5% of registered users attending the live webinars.

Top 5 webinars





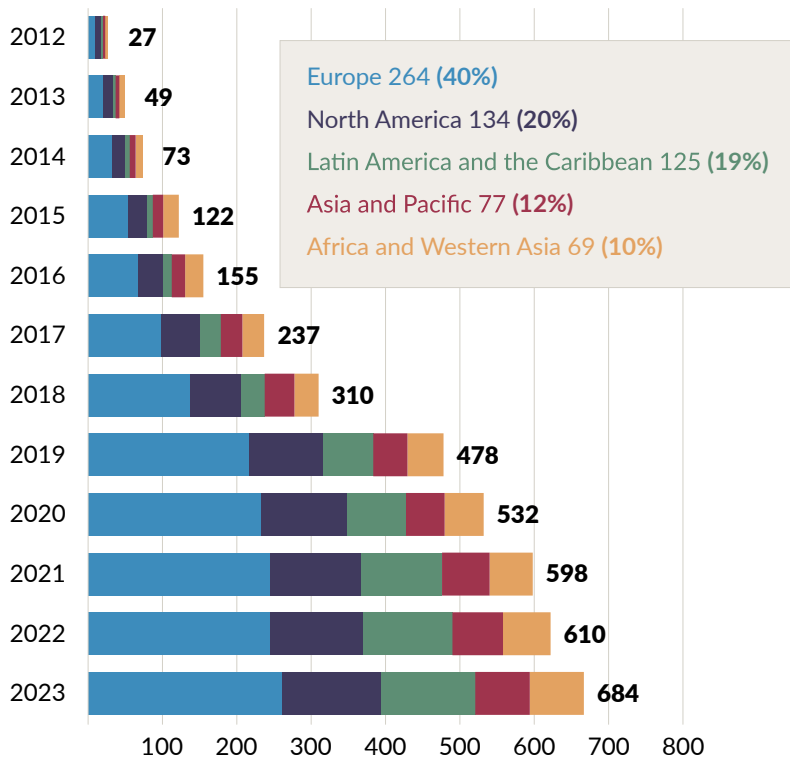
GLOBAL INITIATIVE NETWORK OF EXPERTS

Network of Experts

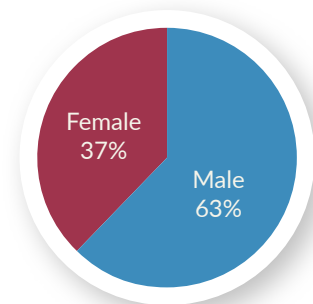
The Network is the GI-TOC’s key resource body, providing a forum for exchanging knowledge, expertise and advice. The Network is a multidisciplinary group of national and international experts such as policymakers, law enforcement specialists, academics, members of non-governmental organizations, investigative journalists and businesspeople, who are involved in researching or countering transnational organized crime.

At the end of 2023, the Network consisted of 684 members. Targeted recruitment is being used to increase membership from under-represented regions, as well as female experts. In addition, the GI-TOC is developing regional initiatives to facilitate networking, encourage dialogue and future collaborations, and increase members’ involvement with the GI-TOC’s work.

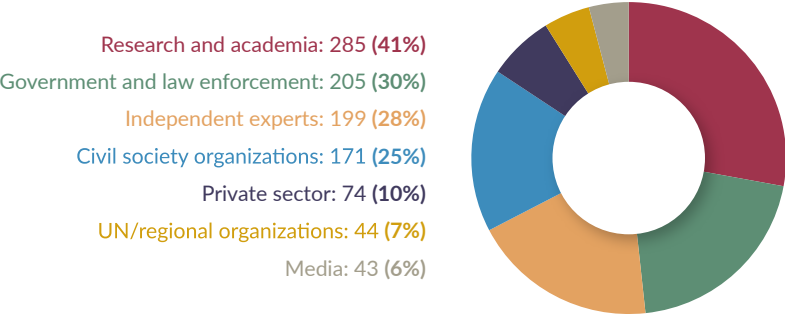
Growth of members by region of origin



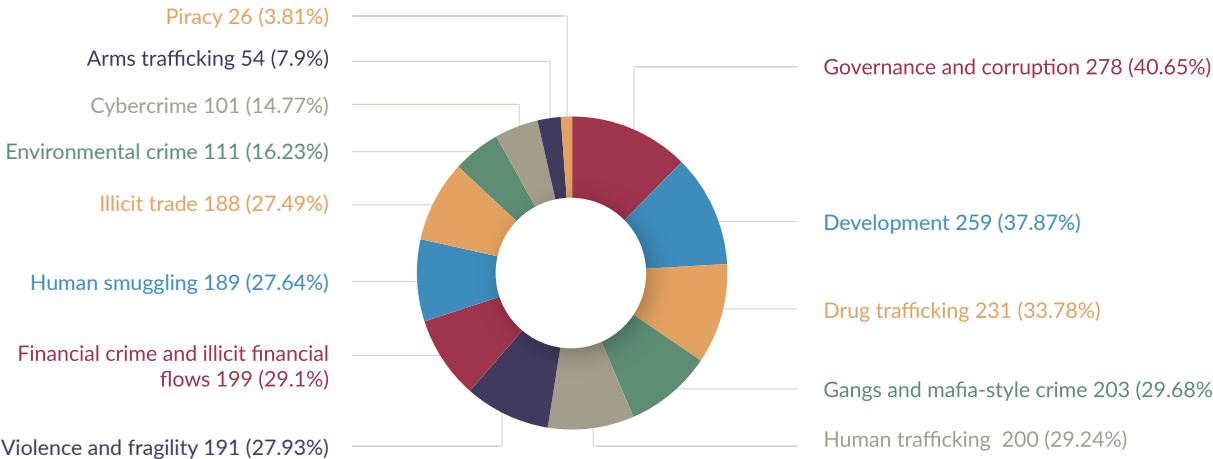
GENDER



Professional group



Subject area expertise



Initiatives and engagement

The GI-TOC engaged with Network members on flagship initiatives such as the Resilience Fund, the Organized Crime Index, Assassination Witness and the global strategy against transnational organized crime.

GLOBAL STRATEGY AGAINST TRANSNATIONAL ORGANIZED CRIME

The GI-TOC garnered the unique expertise of the Network through a steering committee composed of 12 members to oversee the development process of this strategy, but also to provide guidance for the timely delivery of high-quality outputs, including the final report, which the steering committee – and the wider Network – will help disseminate globally. To formulate the strategy, the GI-TOC drew on the expertise of the Network, guided by the steering committee.

ORGANIZED CRIME INDEX

The Network's participation and expertise is crucial to the development of the Organized Crime Index. Compared to over 50 Network members who were involved during the first iteration of the Index, for the 2023 edition over 110 Network members contributed to the project in various ways: by reviewing country profiles, scoring, and recommending and connecting the project team to their local and thematic experts and networks.

Meetings

The bimonthly virtual group discussions, exclusive to Network members, started in May 2019, are moderated by a GI-TOC staff member and feature presentations by two Network members. Many members welcomed the discussions, sending positive and encouraging feedback to the secretariat and the Network coordination team.

In 2023, the discussions have addressed:

- Wildlife trafficking in the online world
- The global convergence of organized crime and terrorism
- Illegal gold mining in Latin America and Africa
- Organized crime and gender identity

Thematic expert consultations

The Network coordination team holds group consultations on key issues to enable the GI-TOC to consult its Network experts on discussions for which it is called upon, including by the United Nations. These have included:

- A consultation on firearms trafficking, its illicit market expansion and the role of different actors.
- A cybercrime task force to provide input on the UN cybercrime treaty negotiations.
- A task force on drug policy reform, reviewing case studies on cannabis and cocaine in Brazil, cocaine in Colombia and Peru, and cannabis in Thailand and South Africa.

Communication

Biannual bulletins: Since the first bulletin was sent out in April 2019, the GI-TOC has received positive feedback and encouragement from Network members. The bulletins are circulated in

three languages (English, Spanish and French), highlighting members' recent projects, initiatives and publications, as well as welcoming newly accepted members. Each bulletin receives contributions from around 25 members.

#GINetwork: As part of our Network communication strategy, we have created a specific hashtag for Network activities and updates. This hashtag is used by both GI-TOC staff and Network members on Twitter, Facebook and LinkedIn to track the activity of the most active members on social networks, as well as to group information shared by members and the Network coordination team under a single keyword.

The following communication and engagement tools are being updated and improved on an ongoing basis:

- The Network onboarding guidelines, to inform members (and the public) on the Network's rationale and mission, its role, as well as details on what membership entails;
- The Network resource centre, where all documents and events related to Network activities are stored. This is a member-only space, where experts can find all summaries of past virtual group discussions, as well as the bulletins and upcoming events.

In addition to these reference documents and web pages, a private, unlisted LinkedIn group was created to increase engagement among members in real time, allowing members to:

- Create posts and trigger discussions with fellow members;
- Share ideas, research and insights;
- Connect with other Network members.

This group is creating a more immersive environment for Network members and we hope it will keep reinforcing the sense of ownership towards the Network, which was one of the recommendations made at the 2020 annual general meeting.

Governance

NETWORK OF EXPERTS REVIEW COMMITTEE

The review committee has the critical function of endorsing nominations of Network members (and may also reject nominations or seek further information to aid its decision making) and is a crucial body of the GI-TOC, governing its evolution since its inception.

For the purpose of ensuring inclusiveness and representation of all governing bodies of the organization, this group traditionally consists of representatives from the Board, senior advisors and representatives from the secretariat. In 2023, the GI-TOC secretariat added two new positions for Network members.

Currently, the review committee is composed as follows:

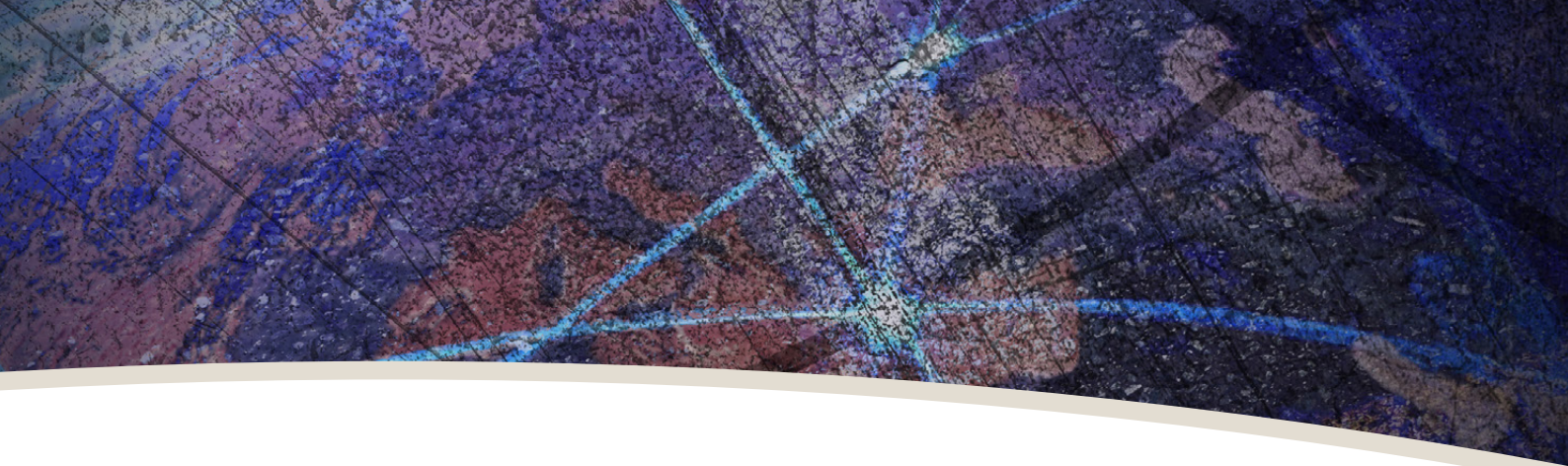
- Board: François Mathieu and Nirmal Ghosh
- Senior Advisors: Jean-Paul Laborde and Odd Berne Malme
- Secretariat: Tuesday Reitano and Livia Wagner
- Network: Shirleen Chin and Maria-Goretti Ane Loglo
- Chair: Mark Shaw

Governance

The GI-TOC's structure has evolved organically over time since its founding in 2012 to reach the internal architecture that guides its governance principles today. The GI-TOC Constitution outlines the GI-TOC's legal status and work as a membership-based organization and provides that the organization's structure consists of four entities: the Network of Experts; the Board; the director and the secretariat; and the auditor. It also defines the Network and the Board as the organization's governing bodies.

The dynamics between the core entities are interconnected through a balanced system of governance. This includes the appointment of the Board by the Network; the appointment of Network representatives to the Board; the appointment of the director by the Board; and the power of the Board to exclude Network members under certain conditions (set out in Constitution Article 6(5)(d)).





The Network, through the annual general meeting (AGM), provides high-level policy guidance to the director and the secretariat.

The Board has fiduciary oversight over the GI-TOC's operations, and provides more detailed regular strategic and ethical guidance to the organization. It also reviews and evaluates management actions taken by the GI-TOC.

The director reports directly to the Board and indirectly to the Network (through the AGM).

Board composition

The GI-TOC has put a growing emphasis on Board diversity and inclusion, which has led to a broader range of perspectives and expertise as well as ensuring continuity and stability by appointing board members in stages.

The GI-TOC's global Board oversees the organization's actions and operations throughout the world, and provides governance and strategic advice to the director. The African Board, which is appointed by and subservient to the global Board, has fiduciary and substantive oversight of the GI-TOC's work in Africa. The global Board may also appoint other regional Boards.

In December 2023, the global Board consisted of 11 active members and two honorary members. The Board is gender and regionally representative and convenes at least twice a year. In December 2022, the Board approved the renewal of the third (and last) terms of office of six Board members, coming to an end in February 2026. The Board also recommended to begin the process of finding relevant candidates to join the Board in intervals to replace some of the Board members leaving but also to join the current Board to ensure a smooth transition.

In 2023, Network members were provided the opportunity of nominating one additional candidate to represent the Network on the global Board, who was appointed at the year-end Board meeting in December 2023. The new Network representative appointed to the global Board, Tariq Khosa, will take up his term of office in February 2024.

GI-TOC 2024–2026 strategy

THE GI-TOC AT 10: MORE NEEDED THAN EVER

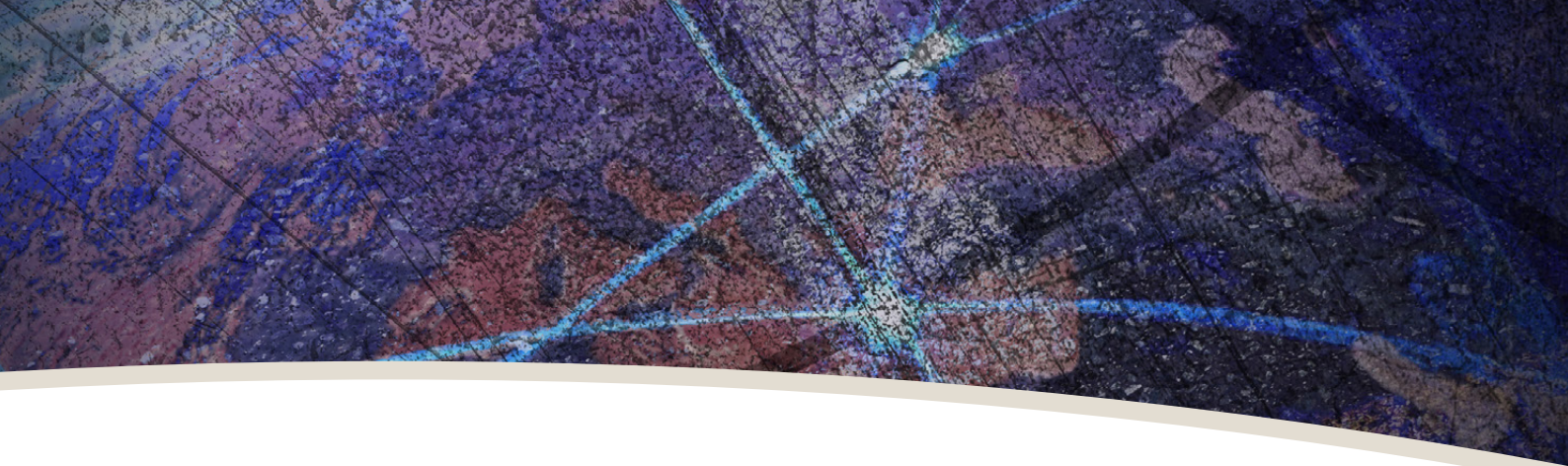
The GI-TOC has been in existence for 10 years. It started out as a small network of mostly law enforcement personnel concerned about the harms posed by illicit economies. A decade later, the GI-TOC's added value includes:

- being the single largest civil society organization committed to analyzing and responding to illicit economies;
- a truly global network uniting more than 600 experts;
- seven observatories focusing on illicit economies in key regions;
- a Resilience Fund supporting more than 170 civil society grantees;
- an annual output of more than 90 high-quality and high-impact publications that shine a light on a wide variety of criminal markets and actors from different parts of the world;
- the flagship Global Organized Crime Index;
- being a thought leader in proposing new methodologies for analyzing organized crime and designing more effective strategic and policy responses to prevent and disrupt it.

While this 10th anniversary is a good opportunity to celebrate and reflect on how far the GI-TOC has come in a short period of time, the GI-TOC's research – particularly the Global Organized Crime Index – shows that there is much work to be done. Therefore, this medium-term strategy for 2024–2026 maps out a number of objectives that the GI-TOC intends to strive for, which are consistent with recommendations outlined in the global strategy against transnational organized crime and the GI-TOC's mandate to improve the knowledge and evidence-base about illicit economies and strengthen resilience and multilateral responses.

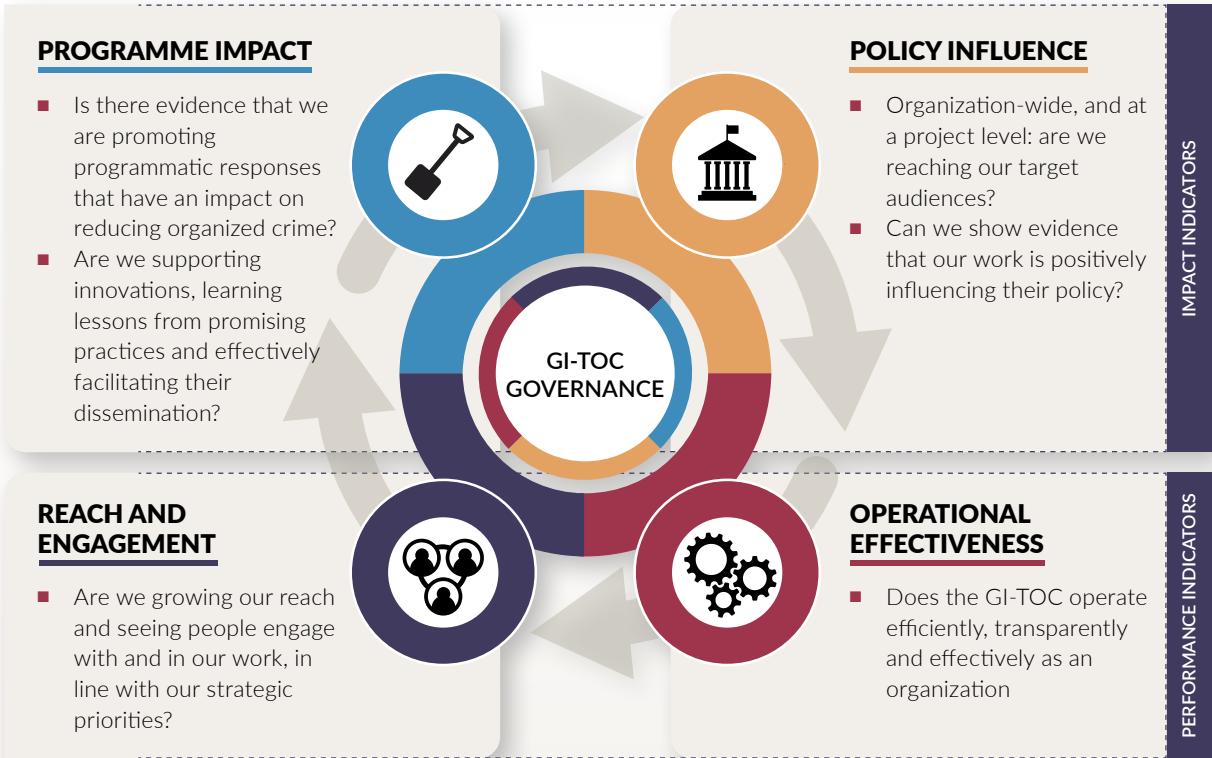
These objectives include:

- Developing a better analysis and evidence basis
- Innovative programming for market disruption
- Building resilience in vulnerable communities
- Strengthening networks of action
- Strengthening operational effectiveness



MEASURING IMPACT AND PROGRESS

To measure impact, the GI-TOC will introduce a progress indicator framework.



REGIONAL OBSERVATORIES OF ILLICIT ECONOMIES

The GI-TOC's regional observatories form a global network of civil society actors and researchers working together to address organized crime. The observatories were created to analyze and expose more fully the extent and damage caused by organized crime, illicit trade and corruption, and to bolster state and non-state actors committed to achieving an effective response. Rather than regional offices, these observatories should be considered nodes in a network: clusters where like-minded crime analysts and activists come together to collect, share and analyze data, and take part in dialogues about the 'hidden economy' and the impact of organized crime. The observatories provide a unique platform for engagement with states, and for narratives and joint action between researchers, civil society, law enforcement and other state actors.

North America Strategic Platform on Organized Crime



Observatory of Violence and Resilience In Haiti



Observatory of Illicit Economies in Central America



Observatory on Organized Crime in the Andean Region



Observatory of Illicit Economies in the Amazon Basin





SOUTH EASTERN EUROPE



The GI-TOC's Observatory of Illicit Economies in South Eastern Europe is a platform that connects and empowers civil society actors in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia, and aims to enable civil society to identify, analyze and map criminal trends and their impact on illicit flows, governance,

development, inter-ethnic relations, security and the rule of law. Established in 2018 with a strong focus on the Western Balkans Six, in 2021 the observatory started to expand its work across South Eastern Europe more widely, including Bulgaria, Croatia, Greece, Romania and Slovenia.

Research and publications

Every year, the observatory publishes a series of reports and other publications, including a flagship report on illicit economies in the region.

Reports

In March, the observatory published 'Mind the gap: Analysis of research on illicit economies in the Western Balkans'. The aim of this study was to systematically and strategically identify gaps in the current understanding of organized crime in the Western Balkans, and to suggest future areas of work that could help fill these gaps and better understand illicit practices. This gap analysis maps existing knowledge, identifies trends and emerging issues, and highlights the under-researched aspects of illicit economies in the region. The study aims to better understand areas of uncertainty and initiate new studies more quickly. Identifying blind spots in the existing literature is a necessary step for creating a new research agenda, setting strategic and funding priorities, and designing research projects that can build the knowledge base, enhance analysis and contribute to evidence-based policymaking.

Prior to its publication, the preliminary findings of the report were presented to the UK government, our financial partner, as well as to the core diplomatic teams of the governments of several European countries at a meeting held in London in 2022.



Using a similar model to the research conducted for the report 'Portholes: Exploring the maritime Balkan routes', we worked with airport security experts to develop a methodology for conducting a risk assessment of airports in the region. 'Catch me if you can: Illicit flows through



Balkan airports’, published in May, focuses on two case studies, the international airports of Belgrade and Skopje. These seem to be the hubs for illicit activities related to human trafficking, smuggling of migrants and goods, as well as main entry points for shipments of drugs and precursors. Among the issues explored in the report are airport ownership; trade and passenger volumes; security measures; major illicit markets; criminal actors involved; law enforcement operations; and enabling factors for illicit activity, such as infrastructure, governance and corruption. The report also provides an analytical overview of security at airports, factors of vulnerability in aviation departing from and arriving in the Western Balkans, and how these vulnerabilities are exploited for criminal purposes. In addition, the report considers how airports are part of a wider regional infrastructure that feeds into a network of trade and travel corridors, and particularly how they serve as nodes connecting Western Europe and Asia. Since its publication, the report has been viewed 2 544 times on the GI-TOC website.

Building on the GI-TOC’s ‘Infrastructure of integrity’ series, the research report ‘Organized corruption: Political financing in the Western Balkans’, published in June, looks at what the lead author Ugi Zvekić describes as ‘organized corruption’ – a crooked ecosystem that allows for systemic illicit financial gains and the manipulation of social support for political benefit. The report focuses on three types of political financing: financing of political parties and elections, political influence and control over state-owned enterprises, and the use of and control over public procurement. The report calls for deep reforms to counter organized corruption in the Western Balkans and highlights the need to promote a culture of integrity, dismantle organized corruption and institutionalize civil society’s oversight role in the region. The report was widely covered in major regional media outlets, including Aljazeera



Balkans, while our senior advisor and the lead author of the report gave a number of interviews for main television stations and newspapers and magazines in Serbia. Since its publication, the report has been viewed 2 142 times on the GI-TOC website.

In 2022, the observatory partnered with the Bulgarian organization Center for the Study of Democracy to conduct research on the impact of the war in Ukraine on illicit markets in South Eastern Europe. The research focused on four illicit markets – drugs, fuel, migrants and illicit financial flows – and resulted in a series of four reports published between July and September 2023.

‘Disruption or displacement? Impact of the Ukraine war on drug markets in South Eastern Europe’ assesses whether the war and its resulting disruption are having a significant impact on drug flows through South Eastern Europe. The research is based on the assumption that, because of an intensified military presence in Eastern Europe, traditional flows of drugs have been, at least temporarily, disrupted. Conversely, flows along alternative routes, such as the Balkan route, appear to have intensified. In view of these shifts, this report offers an assessment of emerging trends in drugs flows and provides an overview of data on seizures in South Eastern Europe. It also assesses the impact that the war in Ukraine is having on wholesale and retail drug prices and, where assessment is possible, on levels of purity and the perceived quality of substances.

The primary goal of the report ‘Cash is king: Impact of the Ukraine war on illicit financial flows in South Eastern Europe’ is to assess the major enablers and vulnerabilities of illicit finance in the eight Balkan countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia) after Russia’s invasion of Ukraine. The study aims to analyze the primary sources



and channels of illicit financial flows in the region, and identify any emerging trends concerning modus operandi, routes, business models, use of information and communications technology. In addition, the study examines the pressing challenges to border control, police and anti-money laundering authorities to effectively prevent, investigate and counter organized crime involved in cash smuggling and money laundering. Finally, the report aims to suggest feasible recommendations for improvement.

The report 'Fuel to the fire: Impact of the Ukraine war on fuel smuggling in South Eastern Europe' analyzes the mechanisms of fuel smuggling during times of crisis and instability in the Balkans, considering both internal and external factors that contribute to the overall landscape. It identifies lessons learned from fuel smuggling in the early 1990s and then moves on to explain the evolution of this activity with reference to trafficking methods, actors and routes through to 2022. The report also identifies countries in the Balkans at particular risk from fuel smuggling, as well as hotspots that allow illicit trade, particularly on rivers and seas. Finally, the report assesses the typical profile of criminal actors active in

fuel smuggling. The research is limited to cross-border fuel smuggling operations rather than illegal distribution within a specific country.

Lastly, the report 'Borderline: Impact of the Ukraine war on migrant smuggling in South Eastern Europe' looks at how the war spurred the largest refugee crisis in Europe since World War II and assesses the factors that contributed to the emergence of the Western Balkan route as the most critical for irregular migration to the EU during 2022. It focuses in particular on the impact of the war in Ukraine on refugee flows from the Middle East and North Africa and its implications for the future.

Risk bulletins

Risk bulletins profile hotspots of organized crime in the region, highlight recent trends and developments related to organized crime and corruption, and profile civil society organizations that are strengthening local resilience to organized crime. Stories are translated into the Balkan languages to reach a wider audience. In 2023, the observatory published four issues of the risk bulletin.



Meetings and events

In March, the observatory organized a regional network meeting in Vienna, which brought together more than 30 regional experts. The regional network is a key resource of the observatory, providing a valuable forum for sharing knowledge, expertise and advice. The network includes representatives from civil society, media and academia

who have volunteered to participate in a cross-regional network to exchange knowledge and expertise on organized crime and corruption in the Western Balkans. The meeting provided a platform to present the observatory's recent work and publications, and to receive feedback and recommendations on the way forward.



As part of a project on crime prevention for youth, the Organization for Security and Co-operation in Europe (OSCE)'s Transnational Threats Department and the GI-TOC, in coordination with the OSCE's field operations in South Eastern Europe, organized a regional multi-stakeholder conference in Skopje, North Macedonia, on 6 and 7 June. The objectives of the conference were to strengthen regional dialogue and cooperation in the field of youth crime prevention in the region, to provide a platform for dialogue among key stakeholders on youth crime trends, to reflect on existing policy solutions and challenges, to identify capacity gaps, and to exchange best practices and innovative approaches on youth crime prevention. The event brought together representatives from government, academia, civil society and youth from Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia, and followed a participatory format combining panel discussions, expert presentations and working group sessions.

In November, a technical expert meeting on anti-corruption took place in Skopje, North Macedonia, where experts discussed the methodology and progress on data collection for a study on the integrity of the police and prosecution in the Western Balkans.

On 16 November, the observatory hosted a regional conference titled 'Impact of the Ukraine war on illicit economies in South Eastern Europe' in Pristina, Kosovo. This event provided a platform for presenting the four research briefs published by the observatory on this topic earlier in the year. The conference aimed to disseminate the findings and recommendations to key stakeholders and policymakers from Kosovo, the international community, as well as journalists and selected representatives from civil society from the Western Balkans.

In June, a core team of experts working on the implementation of a project on combating illicit financial flows (IFFs) in the Western Balkans met in Belgrade to discuss progress, challenges and the way forward regarding national baseline assessments and the development of an online toolkit, which will serve as a resource centre on IFFs in the region.



Online tools

The observatory continues to invest in online visual and interactive tools as a medium to disseminate research findings and reach a wider audience. In December, the observatory launched an online tool on drug markets in the Western Balkans, providing an overview of the current illicit drug economies and recent developments, drawing from the GI-TOC's ongoing studies in the region.

A Deep Dive podcast episode on IFFs in the Western Balkans was released in November. The GI-TOC's field

coordinators for Bosnia and Herzegovina and Kosovo, and an expert from Albania discussed money laundering investigations in Kosovo, corruption and the role of the private sector in Albania, and tax evasion in Bosnia and Herzegovina.

An online tool on IFFs in the Western Balkans, providing country profiles and assessments of existing measures to prevent and respond to IFFs, is under development and is expected to be launched in February 2024.



Building resilience

In the framework of the youth crime prevention project implemented with the OSCE, the observatory supported 10 civil society organizations in five countries of the

Western Balkans, namely Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia.



Through small grants, the project supported and mentored civil society organizations to host grass-roots and non-conventional (organized outside the school curriculum) educational events for youth on legality and integrity. The aim was to increase young people’s understanding and awareness of the dangers of organized crime and corruption. Between July and October 2023, the organizations implemented over 70 activities in their countries, including workshops, round tables and discussions, training sessions, multimedia campaigns and art performances, with over 5 140 young people directly reached and benefiting from these activities.



Looking ahead

The observatory continues its work on regional anti-corruption efforts by coordinating and participating in initiatives regarding this issue. Building on a successful conference that was held in Sibenik, Croatia, in May 2022, the observatory is planning another high-level anti-corruption meeting with the Albanian Ministry of Justice. The conference, planned for March 2024, will aim to address several anti-corruption issues of regional interest and importance with representatives of government institutions, anti-corruption agencies, international and regional organizations, and civil society.

The observatory is finalizing several reports, including regional studies on IFFs and money laundering, a study on the integrity of the police and the prosecution in the region, and the impact of sanctions in the Western Balkans.

Two thematic briefs on environmental crime and labour exploitation in the Western Balkans are also due to be published in early 2024.

We will continue to participate in events and engage with stakeholders, sharing and disseminating our work, research findings and recommendations in the Western Balkans and beyond, with the aim of influencing policy-makers and translating our research into concrete action.

The observatory will work on several research and resilience outputs for a Dutch-funded project on the links between violent extremism, terrorism and organized crime in the Western Balkans, which will run until 31 December 2024.

Financial partner	Focus areas	Geographic focus
United Kingdom	Serious organized crime with a special focus on illicit financial flows and money laundering, as well as anti-corruption.	Western Balkans 6 (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia)
Germany	Countering illicit financial flows.	Western Balkans 6
OSCE	Youth crime prevention; building resilience to organized crime and corruption among youth.	Western Balkans, excluding Kosovo
The Netherlands	Links between violent extremism, terrorism and organized crime.	Western Balkans 6

EAST AND SOUTHERN AFRICA



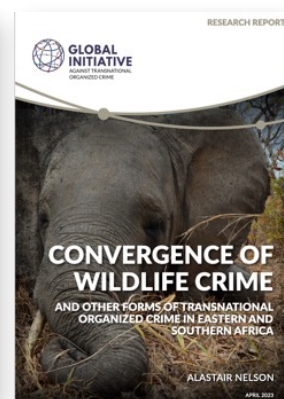
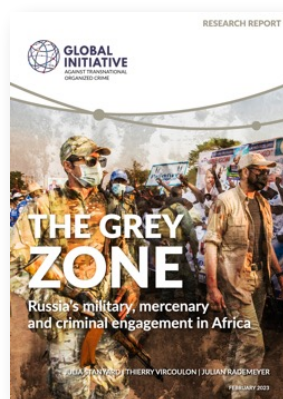
The Observatory of Illicit Economies in East and Southern Africa is a network of researchers and analysts working across the region, with hubs in Cape Town and Nairobi. Launched in 2019, the observatory maps and analyzes criminal trends and illicit flows in the area through political economy analyses and surveys of illegal markets and

contraband flows. The observatory is playing an increasingly influential role in shaping policy discussions, public debate and government responses and strategies on the impact of organized crime on society and ways to counter its malign influence.

Research and publications

In 2023, the observatory published seven key reports on topics ranging from Russia's military, mercenary and criminal engagement in Africa, to assassinations in South Africa, kidnappings in the Democratic Republic of Congo, crime and corruption in South Sudan's gold sector and the convergence of wildlife crime and other types of organized crime in East and Southern Africa and around South Africa's Kruger National Park.

1. As the war in Ukraine entered its second year, 'The grey zone' investigated the Wagner mercenary group and its involvement in conflicts and political influence operations in Africa, its economic interests and its involvement in transnational criminal enterprises. These activities and characteristics reflect broader trends in the evolution of Russia's oligarchs and organized crime groups, their respective relationships with the Russian state and their activities in Africa.
2. Wildlife crime has become a significant form of transnational organized crime, worth billions of dollars and affecting every continent. As wildlife crime has increased in seriousness and profitability and evolved



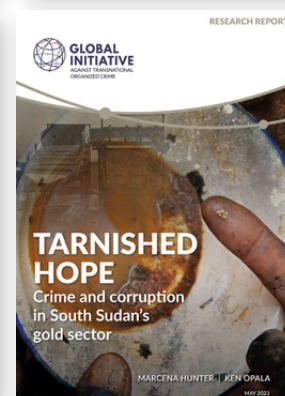
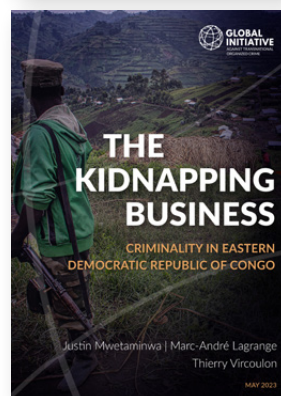
into an organized crime type, it has developed corrupt support systems and associated illicit financial flows. Reports of its convergence with other forms of organized crime have also grown. Crime convergence occurs when criminal economies, networks and trafficking systems mature enough for convergent relationships and systems to develop and become established. This report on the intersection of wildlife crime and other forms of transnational organized crime in East and Southern Africa broke new ground

in assessing illicit supply chains, interlocking criminal economies and criminal convergence at network, hub and broker levels.

3. In the third of a series of 'black market' briefs examining the illegal wildlife trade, market dynamics and price data, we published a report investigating how politics, economics and corruption continue to fuel live great ape trafficking. This area is little researched today. In some countries, the political and economic interests of corrupt governments and law enforcement officials facilitate illegal trade and hinder practical actions to stop it. Even international organizations dedicated to wildlife conservation are not free from the political and economic interests that impede successful trafficking-mitigation efforts, particularly in the case of great apes.
4. As South Africa prepares for the 2024 elections, the rise in assassinations – particularly political ones – is cause for serious concern. Drawing on the observatory's assassinations database, which has tracked killings over the past 23 years, 'The business of killing' describes how murder has become a monetizable commodity, with assassins blooded in the criminal underworld and the taxi industry readily available for hire. In 2022, we recorded 141 assassinations in South Africa, an average of more than two a week. And that is almost certainly an undercount given the limited sources of data and the number of cases that go unreported as assassinations.
5. Over the past seven years, kidnapping has become widespread in North and South Kivu in the Democratic Republic of Congo. Members of all segments of society are kidnapped, and many people – not only the members of armed groups – have become kidnapers. The government's declaration of a state of emergency in 2021 has not impacted this crime problem. As kidnapping still goes unpunished in North and South Kivu, communities have been developing coping strategies that may help mitigate this problem, but cannot solve it. 'The kidnapping business' provides unique insight into the criminalization of security services more broadly and why a growing segment of the population is being pushed into criminal activity to survive.
6. Artisanal and small-scale gold mining offers a multitude of positive development outcomes for communities and the broader population when practised

responsibly and with transparent access to global gold markets. However, under the control of kleptocratic networks and foreign nationals jockeying for positions to maximize profits, the gold sector in South Sudan is currently characterized by deep-seated corruption and criminality. Political elites and well-connected businesspeople are accused of deliberately mismanaging or abusing political authority and mining policy to shore up power and profits. This study was informed by field research in South Sudan, Uganda and Kenya carried out between December 2021 and March 2022. Over 80 interviews were conducted across the three countries.

7. South Africa's Kruger National Park has faced a relentless onslaught of rhino poaching for more than a decade. Between 2011 and 2020, Kruger's white rhino population fell 75%, from approximately 10 621 animals to around 2 607. But today, its most significant threat is internal corruption, a symptom of a breakdown in trust, staff cohesion and professionalism within the park. Toxic politics, deep-seated inequality, corruption and embedded organized criminality have profoundly affected the park and surrounding communities. Crime and corruption in the Kruger



National Park cannot be viewed in isolation without taking the impact of organized crime in Mpumalanga – including kidnappings, cash-in-transit heists, ATM bombings, illegal mining, extortion and corruption – into account. This report, published by the ENACT project, which is implemented by the Institute for Security Studies in partnership with INTERPOL and

the GI-TOC, investigated criminal networks operating in and around Kruger and their links to criminal economies that have taken root as a result of a worsening governance and law enforcement void in the province. It has formed the basis of ongoing engagement to support efforts to address corruption and criminality around the park.

A dedicated South Africa Organized Crime Observatory

Organized crime poses an existential threat to South Africa’s democratic institutions, economy and people. A complex, corrosive combination of criminal actors, diverse illicit economies, deep-seated corruption, broken parastatals, toxic local politics, and absent and ineffective law enforcement and local and national government has allowed organized crime to metastasize and become entrenched in the fabric of society. In September 2022, the GI-TOC published a strategic organized crime risk assessment of South Africa with funding from the UK’s Foreign, Commonwealth and Development Office. It was the first assessment of its kind in South Africa.

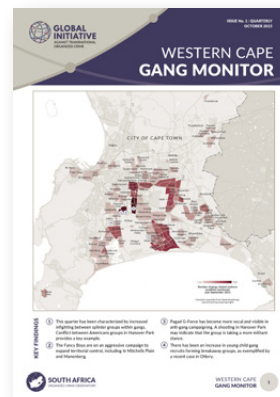
That assessment paved the way for engagements with state actors, notably the National Prosecuting Authority (NPA), and led to the establishment of a dedicated observatory focused on South Africa, which works to monitor, analyze and ultimately disrupt organized crime ecosystems. The observatory, which began initial work in late August 2023, utilizes a network of communities, civil society organizations and field researchers to gather granular information on local organized crime dynamics. It serves as a standalone observatory under the auspices of the existing Observatory of Illicit Economies in East and Southern Africa.

In October 2023, the observatory published the first edition of a regular Western Cape Gang Monitor that maps changing gang dynamics, evolving gang structures and violence across the province.

The observatory also served as a convening platform bringing together civil society groups with diverse and opposing views on firearms control, to collaborate in challenging the ineffective implementation of the Firearms



SOUTH AFRICA
ORGANIZED CRIME OBSERVATORY



Control Act, corruption and maladministration in South Africa’s Central Firearms Registry, and the exploitation of these weaknesses by organized crime.

In December 2023, the observatory published an in-depth research report investigating South Africa’s illicit copper economy, criminal networks, their impact and potential solutions to a problem that is having a devastating impact on South Africa’s economy and society.

Both publications have been the basis of engagement with civil society and national and local government.

Engagement

Engagement in 2023 centred strategically on three key areas: 1) the role of the Wagner mercenary group, Russian influence operations and criminal actors in Africa, 2) support for South Africa's NPA in drafting a strategy to combat organized crime and 3) support for efforts in and around the Kruger National Park to address issues of corruption and organized crime.

The report on Russia's criminal, mercenary and criminal engagement in Africa, 'The grey zone', was launched at the Munich Security Conference, bringing together high-level delegates from several countries and multilateral organizations. Following the publication of the report, the observatory conducted a series of high-level briefings with key stakeholders in the European Union, members of the diplomatic community in South, East and central Africa, representatives of European Union institutions in

Brussels and at the German Bundestag, the UK Foreign and Commonwealth Office, and EU diplomats involved in South Sudan.

Throughout the year, the observatory supported the NPA in developing a strategy to prevent and disrupt organized crime that recognizes the threat it poses to the country's democratic institutions, economy and citizens and the need for a strategic response given the limited resources available.

The observatory also provided support to the Kruger National Park and other parties in the greater Kruger area through its participation in a process to workshop responses to corruption within the park and efforts to implement the newly approved National Integrated Strategy to Combat Wildlife Trafficking in the greater Kruger.

Looking ahead

In the next few months, the East and Southern Africa observatory will support the scaling up of the South Africa Organized Crime Observatory and the three thematic areas it will focus on in the first year: the plundering of critical infrastructure in South Africa; gangs and economies of violence, including targeted killings and extortion; and the convergence between wildlife crime and other crimes. These three activities will allow us to identify critical vectors in the criminal ecosystems causing significant harm to the country's economy and society, and contribute to targeting key criminal actors and markets, including supporting the work of the NPA as it implements its strategy to combat organized crime. This includes workshopping the final organized crime strategy.

We are also participating in a series of high-level strategic dialogues with state actors and civil society as part of a new initiative, Building the Centre, which aims to strengthen responses to challenges faced by the criminal

justice system through basic education, state reform and civic action.

Building on our work on Russia, we continue researching the role of Russian and Chinese private security and military companies and the legal grey zone they inhabit. The research will identify which private military companies are active (or have been active) in Africa, what activities they are carrying out in these contexts, their motivations, their relationship to political and business interests, and what impact this has had on the regional security landscape. The observatory will also be participating in a high-level event in Germany in September to discuss the continuing threat posed by the Wagner group and its African proxies.

We will continue to support the work of the East and Southern Africa Commission on Drugs, which in August held a meeting of commissioners led by former South African president Kgalema Motlanthe, in Mauritius. (See separate section later in the report.)

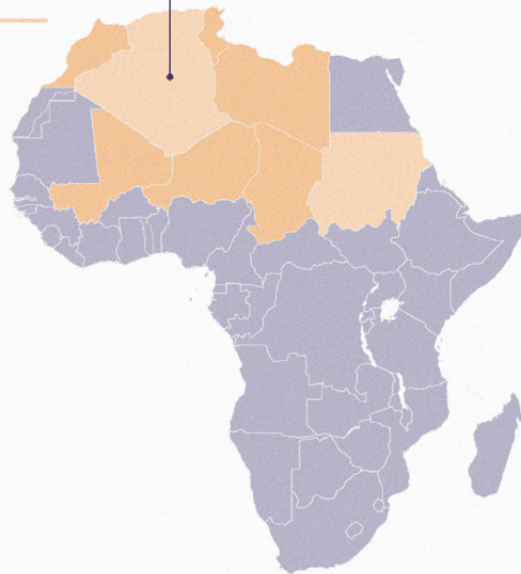
NORTH AFRICA AND THE SAHEL



Launched in 2018, the Observatory of Illicit Economies in North Africa and the Sahel initially focused on Libya, Niger, Chad and Mali, and particularly on human smuggling and trafficking. Since then, Tunisia, Morocco and Sudan have been added to the list of countries monitored regularly, while research has also intermittently been

conducted in Algeria. During 2023, the observatory also conducted research on artisanal gold mining; the interaction between armed groups, conflict and crime; the application of international sanctions on organized crime, as well as drug trafficking in Libya and Niger.

Observatory of Illicit Economies in North Africa and the Sahel



NOTE: The Observatory of Illicit Economies in West Africa and the Observatory of Illicit Economies in North Africa and the Sahel both cover Sahel countries: Chad, Mali and Niger.

Programmes, research and publications

The observatory continues to lead a monitoring programme focused on human smuggling and trafficking in North Africa and the Sahel, financed under the European Union Emergency Trust Fund for Africa (EUTF) and the Neighbourhood, Development and International Cooperation Instrument (NDICI). Through these EU-funded projects, the observatory monitors and analyzes the political economy of the phenomenon in Libya, Tunisia, Morocco, Niger, Chad, Mali and Sudan. The programme has three primary streams of work: granular monthly reports on the situation in North Africa and the Sahel; focused research on themes developed jointly by the GI-TOC and the EU around smuggling and trafficking dynamics in North Africa and the Sahel; and the development of conflict sensitivity analysis and policy recommendations, particularly in the Libyan context.

The monthly briefs have been produced since July 2018, comprehensively delving into key human smuggling and trafficking issues, organized crime dynamics, government response efforts in North Africa and the Sahel and profiling of various actors relevant to these criminal markets. In December 2023, the observatory had delivered 70 reports under this programme. The bulk of this research work relies on a network of field monitors in the Maghreb–Sahel, which now counts more than 200 monitors, who are typically local activists, journalists and researchers, and who are the core of the observatory’s network-based research system.

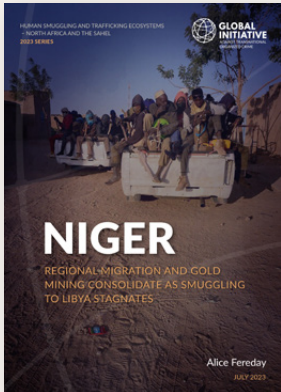
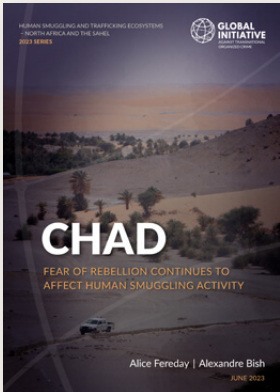
In 2023, research for this project resulted in a series of publications titled ‘Human smuggling and trafficking ecosystems in North Africa and the Sahel (2023 series)’.

The series follows the smuggling dynamics from and through Libya (August), Tunisia (July), Morocco (July), Niger (July), Chad (June) and Mali (June) and the ways in which dynamics play out differently in the individual countries in focus, as the global economic picture worsens, governance strains become more pronounced, and peace and security challenges rise.

The series, which has become a yearly staple, provides granular reporting and analysis of developments and changes in human smuggling and trafficking, as well as a regional assessment focusing on the effects of these criminal activities on state fragility, the resilience of states and smugglers, as well as issues such as corruption, conflict and instability. An update of this series in 2024 is slated for publication in June and July.

The programme was extended for another year and Sudan was added for the first time to the countries covered periodically. The first report covering Sudan was delivered in December 2023. Negotiations are currently underway for the programme’s extension until the end of 2025.

In July, the observatory also signed a contract with the UN Departments of Political and Peacebuilding Affairs and Peace Operations to conduct research on the political and conflict dynamics in southern Libya and their interplay with the criminal economy in the region, with a view on the possible impact on the 2023 coup in Niger and the conflict in Sudan. The project culminated in a policy document that includes recommendations for UN actions in Libya and particularly the UN Support Mission in Libya.



Other publications

- 'Labour-trafficking in ASGM: Assessing risks in the Sahara-Sahel goldfields': This report, published in June, was a joint project with the Observatory of Illicit Economies in West Africa for the Commission of the Economic Community of West African States and was published in English, French and Portuguese.
- In July, the observatory published an article under the ENACT programme, titled 'Countering Libya's illicit economies through targeted sanctions', which details the impact of targeted sanctions on criminal actors in Libya.
- In July, the observatory published a report on Libya under the UN Security Council Illicit Economies Watch series. The report details recent evolutions in Libya's illicit economies and their intersection with political and military dynamics in the country.
- A series of reports were published with the Observatory of Illicit Economies in West Africa on the use of sanctions and restrictive measures by the international community as a tool to tackle organized crime and illicit markets, focused both globally and on specific countries and organized crime typologies. Two reports in the series were published and accompanied by an executive brief in the last quarter of 2023. More are planned for 2024.
- In the first quarter of 2024, a report is set to be published with the Observatory of Illicit Economies in West Africa on how peace agreements in northern Mali and regional trafficking economies influenced each other.

Events, briefings and external engagement

In 2023, GI-TOC analysts have been cited in news and analysis pieces by the BCC, Al Jazeera, Middle East Eye, Radio France Internationale, *El País*, Al Monitor and Deutsche Welle. The North Africa and Sahel observatory held events together with other GI-TOC observatories and advised at a number of briefings and round tables, including:

- **31 January:** Participation at 'BZ strategy days: Demographic trends in the MENA region: blessing or curse?' by the Dutch Foreign Ministry.
- **27-28 February:** Participation in the Transnational Conference on Criminalization of Migration, held in Niamey, Niger, by Alarm Phone Sahara.
- **9-10 March:** Participation in the conference 'Criminalità e resilienza: L'Italia vista dal Global Organized Crime Index', in Palermo, Italy, by the GI-TOC.
- **10 March:** 'The nexus between organised crime and terrorism in the MENA region,' in a counter-terrorism investigations and prosecutions course by the International Institute for Justice and the Rule of Law.
- **17 March:** Delivered a presentation, 'Exploring the dynamics of drug markets in contemporary times', at a side event of the 66th Commission on Narcotic Drugs organized by the International Society for the Study of Drug Policy.
- **29 March:** Observatory staff provided a two-hour briefing to the Dutch Foreign Ministry on organized crime dynamics in Niger, including human smuggling and trafficking, drug trafficking, artisanal gold mining and banditry.
- **11 April:** Together with analysts from the Observatory of Illicit Economies in South Eastern Europe, presentations were delivered on organized criminal dynamics in North Africa and the Balkans, at a seminar organized by the University of Genova, in Genova.
- **26-27 April:** Participation in the 2023 Forum on Responsible Mineral Supply Chains, held by the Organisation for Economic Co-operation and Development.
- **8 May:** 'Impact of the conflict in Sudan on organized crime in Libya and Chad'. The observatory briefed US Department of State officials, including from applicable embassies and DC-based staff, on the impact of Sudan's internal conflict on organized crime dynamics in Libya and Chad.
- **23 May:** 'The dynamics of human smuggling and trafficking on routes to the Central Mediterranean', side event at the Commission on Crime Prevention and Criminal Justice organized with the EU and the government of the Netherlands.
- **23 May:** 'Impact of the conflict in Sudan on organized crime in Libya and Chad'. The observatory briefed the Serious and Organized Crime Team for UNPOL on the impact of Sudan's internal conflict on organized crime dynamics in Libya and Chad.

- **25 May:** The observatory took part in an invitation-only event by the UK Treasury Office of Financial Sanctions Implementation, aimed at building bridges between the UK government and civil society working on sanctions issues.
- **30 May:** Expert round table event, 'Search and rescue in the Central Mediterranean: Perspectives from civil society', hosted by the Federal Minister for Foreign Affairs of Germany, Annalena Baerbock.
- **22 June:** 'Human smuggling dynamics in eastern Libya and their intersection with Egypt'. The observatory briefed the EU Delegation and member state migration counsellors on the evolution of human smuggling dynamics in eastern Libya, with a particular focus on the sinking of the *Adriana* migrant vessel, and the intersections with Egypt.
- **12 July:** 'Leveraging flows – the surge in irregular migration from Tunisia to Europe', by the GI-TOC.
- **23 August:** 'Illicit economies and Libya'. The observatory briefed the Serious and Organized Crime Team for UNPOL on the report 'Illicit economies and Libya' published on 21 July.
- **27 September:** Social Science Research Council Conflict Prevention and Peace Forum workshop on cross-border conflict dynamics between Chad, Sudan, the Central African Republic and Libya.
- **19 October:** Panel at the GI-TOC's 24-hour conference on organized crime on strengthening policies against organized criminal networks involved in the smuggling of migrants and related crimes along the central and western Mediterranean routes.
- **26 October:** Webinar 'Human smuggling in Libya, Niger and Chad: Evolution amid conflict and political turmoil' based on the 2023 report series.
- **20 November:** Presentation on sanctions to the Washington Institute for Near East Policy.
- **5 December:** A round table on cocaine flows together with the GI-TOC's West and East Africa observatories for the German development agency.
- **12 December:** Webinar 'Via Mali, Morocco and the Canaries: Shifts in routes and methods in human smuggling in West and North-West Africa', based on the 2023 report series.

In line with the growing international profile of human smuggling and trafficking through Tunisia, the observatory provided briefings to various diplomatic delegations on migration dynamics to and through Tunisia. This included: EU and member states (6 April), the EU ambassador to Tunisia (26 April), the UK (29 May), EU and member states (31 May), the US (1 June), the EU (12 October), the US Embassy to Tunisia (1 November), the EU (16 November) and the US Department of State (1 December). This also encompassed an executive training on human smuggling and trafficking in Tunisia on 25 April, with observatory staff providing a two-hour training on migrant smuggling and human trafficking in Tunisia to European External Action Service and member state officials credentialed to Tunisia.

Release of Raouf Farrah after reduction of sentence

Senior analyst Raouf Farrah, who was arrested in Algeria on 20 February 2023, was finally released on 26 October 2023. His sentence was reduced by the appeals court in Constantine, Algeria, from a two-year effective term to an eight-month prison term followed by 12 months of probation. Given the time that Raouf had already served in pre-trial detention and since his initial conviction on 29 August, he was able to leave prison immediately and return to his family. His father, Sebti Farrah, had already been released on bail on 13 April. Given a suspended sentence, he remained free afterwards.

Raouf Farrah's arrest has had continued operational implications for the observatory. The GI-TOC and his colleagues are glad to have one of its most dynamic and versatile members of staff returned. Nonetheless, the GI-TOC remains convinced that neither Raouf nor his father Sebti should have been convicted, as the case brought against them had no merit. Since his release, Raouf has reintegrated with his team and is already working on upcoming publications.

Looking ahead

At the time of writing, the observatory has successfully renewed both of its EU projects, commissioned by the EUTF and the NDICI. One more extension has already been negotiated on all of the observatory's EU programmes until the end of 2025. One contract focuses on conflict sensitivity in Libya, which is financed under NDICI. The other contract focuses on the monitoring of human trafficking and smuggling in North Africa and the Sahel. Another contract is scheduled to be signed in June 2024, extending all ongoing programming until December 2025.

The observatory has continued with the implementation of its strategy, adopted in October 2022, encompassing 2023–2025, following a process that involved the whole team and management staff in the second half of 2022. This process is aimed at adapting the wider GI-TOC strategy to the North Africa and Sahel region, while providing an accountable roadmap for implementation.

Three main goals are detailed in the strategy:

- Expand public knowledge of transnational organized crime (fuel, drugs, wildlife, resource and human trafficking) through analytical products.
- Catalyze avenues for action to address transnational organized crime among civil society and policymaking communities.
- Support resilience to organized crime to mitigate and reduce its impact on people, the environment, businesses and states.

In line with the presented activities, the observatory has made headway with regards to engagement with key governments to further influence and impact policymaking on issues around organized crime and resilience in North Africa and the Sahel. The observatory looks forward to build on this progress in 2024.

LATIN AMERICA



The GI-TOC's objectives in Latin America are to promote policies that counter organized crime, build community resilience through a human rights-based approach, strengthen the foundations of analysis on organized crime in the region, and provide technical and institutional capacity building to financial partners and governments.

The priority areas of the GI-TOC's work in Latin America include political and urban violence, environmental crime, migration, gender, drug trafficking and community resilience. These issues are cross-cutting in the region but vary depending on local contexts.

Central America

Research and publications

In May 2023, we published 'Punitive governance in Central America' in English and Spanish. Central America faces ongoing insecurity due to drug trafficking, gang activity, weak law enforcement, corruption and poverty. The region ranks poorly in the Global Organized Crime Index, with El Salvador, Honduras and Guatemala experiencing high levels of gang-related extortion. In response to rising crime, El Salvador declared a state of emergency in 2022, seemingly improving security but at the expense of civil rights. This resulted in thousands of detentions without due process and deaths in custody. Honduras also adopted strict measures to counter extortion, but their effectiveness remains uncertain due to limited data. The policy brief examines and compares the impact of El Salvador's state of emergency with Honduras's approach, both aimed at tackling gang violence.



Webinars and events

In the reporting period, five capacity-building webinars were held for members of the Network against Extortion in Central America.

- The policy brief ‘Punitive Governance in Central America’ was the outcome of a webinar of the same title, held on 26 January. This explored the phenomenon of criminal governance in El Salvador and Honduras, where gangs have triggered states of emergency in response to violence and extortion. Journalist and researcher Celia Medrano and Andreas Daugaard, research coordinator at ASJ-Honduras, analyzed the authorities’ responses to criminal governance in these two countries and their impacts. International citizen security consultant Luis Enrique Amaya provided commentary, drawing on his background in international relations, justice and citizen security.
- On 23 February, a webinar was held on punitive governance and human rights in Central America. The webinar explored the human rights implications of punitive governance and addressed concerns about its resurgence in the region. Panellists included Ana María Méndez Dardón, director of the Washington Office on Latin America, and Juan Pappier, deputy director for the Americas at Human Rights Watch.
- Central America’s strategic location makes it a key route for drug trafficking. At the same time, it faces challenges from weak institutions and criminal governance. On 30 March, in the webinar ‘Narco-trafficking and violence in Central America’,

Carolina Duque and Paul Chaves, members of the GI-TOC Network of Experts, discussed how these dynamics are reshaping the region and explored evidence-based strategies to reduce violence and state responses.

- On 27 April, the Network against Extortion examined the penitentiary crisis in Central America. The webinar ‘Violence, crime and prisons’ looked at the Mara Salvatrucha-13 gang’s takeover of Honduran prisons and the overcrowding of El Salvador’s prisons due to the prolonged state of emergency. The discussion highlighted the links between violence, crime, the penal system and gangs in the region, and addressed the challenges posed by weak and overcrowded prisons. The discussion included insights from Juan José Martínez d’Aubuisson, a socio-cultural anthropologist from the University of El Salvador, who has specialized in gang issues since 2008.
- Illicit and legal arms flows across the region escalate conflict and violence. To address this, Organization of American States (OAS) members have ratified the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, a tool for a coordinated regional response. On 25 May, Pier Angelli De Luca Maciel, coordinator of the Arms and Ammunition Control Program at the OAS, discussed efforts to engage civil society and collaborative strategies to understand arms flows and their negative impacts in Central America in the webinar ‘Civil society and the fight against arms trafficking in Central America’.



Mexico

The GI-TOC has increased engagement in national discussions through a dedicated Mexico programme. This has allowed the organization to address critical challenges in a country that is key to understanding and countering organized crime in the region and globally. As a result, we are working with key stakeholders in Mexican civil society (such as the NGO México Unido contra la Delincuencia), academia (with the Colegio de México, Tecnológico de Monterrey and the University of California, San Diego – USMEX Institute), and strategically engaging with the government of Mexico to address pressing issues such as arms trafficking, synthetic drug production and trafficking, extortion and protection rackets, femicide and gender-based violence, enforced disappearances and the rise in political violence linked to organized crime.

By participating in national discussions, the GI-TOC aims to make a meaningful contribution to ongoing efforts to combat organized crime and mitigate its impact on Mexican society. Four thematic priorities have been identified:

- Protection of citizen participation against organized crime violence
- Illicit firearms trafficking and homicide violence
- Drug trafficking and drug policy: the Fentanyl crises in Mexico and the United States
- Environmental crime and its impact on local communities

Research and publications

The research report 'Ten years of vigilantes' was published in March, in Spanish and English. Based on longitudinal fieldwork conducted in the states of Michoacán



and Guerrero, the report explores how the landscape of criminal violence in Michoacán has developed over the past decade, why vigilante groups have multiplied, how closely they are linked to criminal groups and public authorities, and what role they play in regulating violence and governing regions historically marked by the war on drugs.

The report was followed by two publications, in Spanish, English and French, in *Gatopardo* magazine (Mexico) and *Le Grand Continent* (France), as part of our dissemination and alliance strategy. The report was also presented and cited in a number of media outlets.

In June, the policy brief 'Sea of Cortez: The social and environmental threats of organized crime' was published in English and Spanish. The brief analyses how criminal groups in Sinaloa, Sonora, and Baja California, displaced from traditional criminal markets such as cannabis trafficking, have managed to diversify their operations into the production of synthetic drugs, trafficking in endangered species and control of fishing markets. This has begun to leave a significant environmental and social footprint, accelerating the disappearance of certain marine species and the disintegration of fishing communities.



The Mexico programme has also engaged in cross-observatory collaboration with the Observatory of Illicit Economies in West Africa. Based on the research conducted on Mexican vigilante groups, the two programmes organized a round table with experts from Mexico, Burkina Faso and Nigeria to discuss the issue of armed vigilantism and organized crime from a comparative perspective. This work led to the drafting of the report 'Self-defence groups as a response to crime and conflict in West Africa: Learning from international experiences'. Drawing parallels

with Latin American experiences, the report warns of the risks associated with state collaboration with vigilante groups. This approach can undermine state authority and contribute to local power struggles, as these groups often become involved in illicit activities for self-financing. The analysis adopts a pragmatic stance, acknowledging the entrenched role of self-defence groups in West Africa. It suggests that outright opposition to these groups is unrealistic, given their established presence and influence in addressing crime and conflict.

Finally, the Mexico programme conducted a research project on the impact of organized crime on avocado production and market regulations in Mexico. This project, supported by the Greens group in the EU Parliament, led to the report 'Violent and vibrant: Mexico's avocado boom and organized crime'. Focusing on the state of Michoacán, the world's top producer of avocado, the report shows how international demand and organized crime groups have shaped a multi-billion-dollar industry in which politico-criminal relations continue to play a crucial role. While the EU and Mexico are in the final rounds of



negotiations towards the 'modernization' of the EU-Mexico Trade Agreement (Global Agreement) our objective was to understand the dynamics of violence that accompanied the avocado boom, including organized crime activities, human rights violations, environmental crime and harm, and the potential impact of further liberalizing trade between Mexico and the EU. The report will be released in English and Spanish in January 2024, and presented during a dedicated session at the EU Parliament.

SEA OF CORTEZ PROJECT

Given the economic significance of the Sea of Cortez region for Mexico, it is crucial for the public agenda to address criminality in the region and identify tools that contribute to the resilience of the various stakeholders. To initiate discussions on the economic and social development of this region, including the environmental and social impacts of crime and violence, we have begun implementing a project on the Sea of Cortez.

We conducted a preliminary assessment on drug consumption, with a focus on methamphetamine, homicides, forced disappearances, seizures, illegal fishing and other indicators related to organized crime in communities in the region. This research was published in the policy brief 'Sea of Cortez: The social and environmental threats of organized crime'.

We also organized multisectoral meetings on citizen security and resilience that brought together local fishermen and fisherwomen from neighbouring communities. This discussion and learning process aims to exchange ideas and conceptualize elements that promote resilience within the communities. The pilot phase has resulted in the creation of the Interlocal Resilience Committee, a network of leaders from participating communities.

Following the pilot phase, the GI-TOC's Resilience Fund will provide opportunities to fund local projects that connect these community networks in the Sea of Cortez region to a global civil society network coordinated by the Resilience Fund Community Platform. This platform works globally to promote cooperation and knowledge exchange among the Fund's beneficiaries. It works to strengthen their capacities, by providing them with tools related to project protection and implementation.

Events and external engagement

The Mexico programme launched a series of engagement events – public and closed formats – to better establish the GI-TOC in the country. We launched a series of activities aimed at expanding our network, presenting our agenda and research, and promoting networking.

These include the Mexico Experts Briefings Series, closed-door briefings held at Chatham House (in January, on firearms trafficking; in March, on Fentanyl and synthetic drugs trafficking; and in May, on the protection of civil society and political violence). The briefings have gathered more than 50 people each time, with an audience composed mainly of Mexican and international stakeholders, financial partners, the international cooperation community, embassy staff, journalists and experts. This has helped us consolidate our audience and develop stronger links and relationships with key stakeholders.

We also organized in-person and virtual meetings with civil society actors, financial partners and stakeholders to present the GI-TOC's work and strategic planning for Mexico. Since January, we have held 26 virtual meetings and 17 in-person meetings with representatives of key organizations. This has helped to consolidate our positioning in the country.

The policy brief 'Sea of Cortez: The social and environmental threats of organized crime' was also launched in an in-person event in Culiacán, Sinaloa, on 31 May. The event was widely covered by regional and local media.

The GI-TOC has also engaged with Mexican and international media to provide them with research, data and analysis on the country's most pressing issues. Our work and staff have been quoted in *The New York Times*, the *Financial Times*, *The Guardian*, *El País*, W Radio and several regional media outlets in Mexico.

The Mexico programme has been particularly active in multilateral forums. In March, we participated in the event 'Criminalità e resilienza: L'Italia vista dal Global Organized Crime Index', organized by the GI-TOC in Palermo, Italy. The aim of our intervention was to offer a comparative Mexican perspective on crime, mafia and resilience. In May, we participated in several round tables and meetings at the United Nations in Vienna, at the Second Constructive Dialogue on Firearms Trafficking, where we presented our work on arms trafficking in Mexico and how it should be articulated with multilateral efforts to address the issue. The topic was also addressed during the Commission on Crime Prevention and Criminal Justice. In both cases, we received the active support and sponsorship of the Mexican government, through its Permanent Representation team. On the topic of firearms trafficking, we also participated in the UN Office on Drugs and Crime (UNODC) consultation 'Defining the engagement of non-governmental stakeholders in the implementation of the UNODC Global Strategy on illicit firearms and interconnected threats 2023–2030' to present our work and recommendations. Lastly, in July, we attended the Human Rights Council Session in Geneva to co-host a side event on firearms trafficking and its impact on human rights violations. The side event was organized by the government of Mexico with the support of the Office of the High Commissioner for Human Rights.

In October, the Mexico programme was invited by the government of Mexico, the Mexico Foreign Affairs Ministry, the German development agency and the Cooperation Programme between Latin America, the Caribbean and the European Union on Drugs Policies to present findings and suggestions for the establishment of an 'alternative, integral and sustainable development' programme in the country. This event, held in Mexico City, allowed us to deepen our network with civil society organizations, international agencies and several governments (Mexico, Colombia and Jamaica) interested in innovative drug policies.



The Mexico programme also established an alliance with the university Colegio de México, through its seminar on violence and peace, to create a consortium of civil society organizations dedicated to research and analysis on the protection of citizen participation. This consortium, installed at the Colegio de México in May 2023, gathers 14 Mexican civil society organizations that meet monthly to share information, present findings and plan for common strategies in a Chatham House space. The consortium also serves as a space to invite Mexican stakeholders (public officials, private sector representatives, activists, academics and journalists) to exchange information, engage in open dialogue and work towards the strengthening of citizen participation in the country.

Looking ahead

The objective for 2024 is to sign a project on Fentanyl trafficking and consumption in the US and Mexico, funded by Open Society Foundations. This project will allow us to better position ourselves on the crucial topic of synthetic drugs and the opioid crisis, as well as to deepen our network in Washington DC, where we will conduct a number of research and advocacy missions throughout the year.

In addition, the team will continue with networking and fundraising activities, aiming at finding structural support for the future development of the programme. The project on the protection of citizen participation, will be one of our primary focuses, given that Mexico will hold presidential elections in June 2024. Several donors have expressed strong interest in the project, as well as in the support of the abovementioned consortium.

Colombia and Ecuador

Ongoing projects

SOMOS COMUNIDAD

In 2023, the GI-TOC continued implementing the Somos Comunidad (Resilient Communities) project in Colombia. Funded by USAID, this project aims to improve citizen security in 35 municipalities in Colombia affected by conflict and crime. This is achieved by strengthening social cohesion and local security institutions.

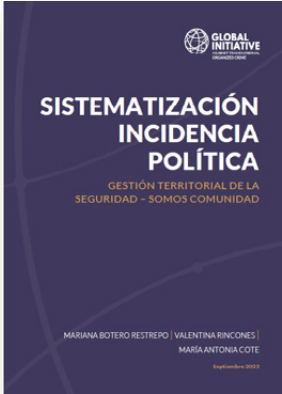
The GI-TOC's role this year has been rooted in the collaboration, learning and adaptation component of the project. We are actively involved in supporting the knowledge management strategy and evaluating project activities. Two internal reports were produced in the first half of 2023. These papers are based on fieldwork involving more than 172 in-person interviews.

The first assesses the impact of 50 community resilience initiatives aimed at preventing crime and violence, all of which have been supported by Somos Comunidad. The second summarizes Somos Comunidad's experience in strengthening local security management systems. Both products have been instrumental in guiding project decision-makers in adapting the ongoing implementation strategy.

NEGOTIATING WITH CRIMINAL GROUPS: TOTAL PEACE POLICY IN COLOMBIA

In April, the GI-TOC received a grant from the University of Birmingham's Serious Organised Crime and Anti-Corruption Evidence programme to implement a project in Colombia. The aim is to provide empirical evidence regarding negotiations with criminal groups, in line with the Colombian government's pursuit of total peace. This encompasses inclusive negotiations with armed and criminal factions operating in the country.

Using three case studies, the project aims to explore the legal framework applied for the different types of engagement at the local and national level, the ways in which criminal governance and the Total Peace policy interact, and the extent to which legal frameworks and local criminal governance structures shape negotiations with armed and criminal groups in Colombia. The



case studies will include several types of armed groups with different levels of criminal governance in diverse settings (urban and rural), allowing for further comparative research.

During 2023, all contracts were formalized with our local partners: Conflict Responses and Laboratorio de Justicia y Política Criminal. Work plans were mutually agreed upon, and case studies were defined. Literature reviews and initial research for the first two reports were completed by our partners. Additionally, fieldwork was conducted for two out of the three study cases.

TEJIENDO ESPERANZA – SERIOUS ORGANIZED CRIME PREVENTION IN GUAYAQUIL, ECUADOR

In October, the GI-TOC was awarded Tejiendo Esperanza, an 18-month project funded by the UK in Guayaquil, Ecuador. The project’s objective is to reduce the drivers of serious organized crime and the ability of organized crime groups to exploit the vulnerabilities of young people. In partnership with TAG International, the GI-TOC will be the key partner of the project’s different workstreams.

Within the framework of the project, the GI-TOC will lead the drafting of a research report, adapt its Resilience Dialogues methodology to promote multistakeholder conversations in Guayaquil, and promote political will from authorities towards the inclusion of prevention in different security policy responses. The project’s inaugural meeting took place in December in Quito.



Research and publications

In August, we published the first volume of the Atlas of Resilience, a collection of profiles illustrating the experiences of those who participated in the 50 community resilience initiatives implemented by Somos Comunidad in 10 municipalities in Colombia. From the mountains and savannahs of the Caribbean and the valleys of the Pacific to the streets of Catatumbo and the mountains of Cauca, this illustrated book tells the stories of those who continue to put their lives on the line in pursuit of a better future for their community.

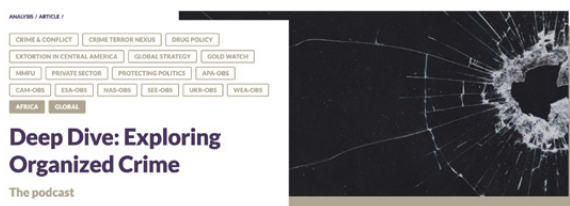


In November, the team published a policy brief titled ‘Amazon underworld: Criminal economies in the world’s largest rainforest’. This policy brief was the result of a partnership with the journalistic network of Amazon Underworld and the international NGO Amazon Watch. Using the results of a two-year journalistic research project conducted by Amazon Underworld, a series of consultations were held with the GI-TOC’s Network of Experts and with indigenous communities from the Amazon region to design policy recommendations to address organized crime in this region. The policy brief was launched in Lima, Peru, together with a series of direct engagements with government officials from Peru, Brazil and Colombia.



Podcasts

An episode of the Deep Dive podcast series was also produced as part of the Somos Comunidad project. 'Colombia: In the face of crime and violence' highlights the resilience of communities facing the threat of forced recruitment by criminal actors.



Completed projects

During 2023, the GI-TOC in Colombia finalized the implementation of three projects: supporting the PAZOS strategy in Palmira, organizing a conflict and organized crime event, and supporting Colombia's Unit of Financial Information and Analysis (UIAF).

SUPPORTING THE PAZOS STRATEGY IN PALMIRA

The GI-TOC supported the globally awarded PAZOS (Peace and Opportunities) strategy – a local violence prevention initiative – in Colombia. Our contribution was to conduct local resilience dialogues to identify community-based initiatives. The aim was to build capacity on violence prevention in line with the municipal policy of citizen security, tailored to the context. This project was the first partnership between the GI-TOC and a government entity in Colombia.

As part of the project, we carried out a mapping of resilient actors in the municipality, identifying the civil society organizations involved in crime and violence prevention efforts. We also conducted three resilience dialogues, engaging 64 participants. The aim was to identify community-led initiatives to effectively disseminate the PAZOS strategy. We then supported the design and implementation of eight community initiatives, supporting a total of 1 108 beneficiaries. At the end of the project, a final city-level resilience dialogue was convened to share the results with key stakeholders.



CONFLICT AND ORGANIZED CRIME

In collaboration with Fundación Ideas para la Paz, our partner in Colombia, we organized a high-level international event on conflict and organized crime. This brought together academics, policymakers, politicians and practitioners from Latin America and beyond. The main focus was to discuss different mechanisms to combat organized crime and to provide substantive recommendations for the government's Total Peace policy, which expects to negotiate with all armed and criminal entities.



As a result of this initiative, we published two reports. The first summarizes the conclusions of the event. The second describes recent developments in total peace and makes recommendations on possible avenues for international cooperation in the country. The report was launched at a meeting attended by more than 30 participants from embassies and development agencies based in Colombia.

Supporting UIAF

The Unit of Financial Information and Analysis is the Colombian government's civil intelligence agency responsible for combating illicit financial flows and money laundering in the country. The GI-TOC extended its support by signing a memorandum of understanding to integrate geospatial analysis tools into the Unit's analytical processes. As part of this project, a comprehensive needs assessment was carried out, which led to the provision of 20 hours of training in geospatial representation for 14 analysts. In addition, in August, we published a report on responses to money laundering in Colombia.



Other publications and engagement activities

In 2023, the GI-TOC was engaged in various activities in Colombia. We participated in an international seminar on drugs, vulnerabilities and urban territories in

Brazil

The GI-TOC is building up a programme of activities and research on Brazil, as we seek to secure an initial funding stream to support further work in the country. Our work stream in Brazil focuses on two core policy areas: illicit economies in the Amazon and urban violence. The latter is integrated into the GI-TOC's Cities and Illicit Economies thematic research programme, managed by the same thematic lead.

The Amazon region is a major focus area for the GI-TOC's work in the country going forward. Initial work will be made possible by funding secured from the EU for research on global environmental crime. Following an initial set of deliverables that will present our views on illicit economies in

Fortaleza, Brazil, where we presented the experience of the Resilience Fund on micro-trafficking. The seminar brought together government representatives and civil society organizations from Latin America and Europe. The GI-TOC also presented the recommendations from the Amazon Underworld policy brief to an audience of government representatives working on drug policy in Latin America and the Caribbean at the Expert Group Meeting on Alternative Development in Lima, Peru.

Similarly, through our collaboration with the municipality of Palmira, we were invited to the Peace in Our Cities retreat and international symposium to present the results of the PAZOS strategy in Palmira. Peace in Our Cities is a rapidly growing network of 22 cities and 39 community-based and international partners working together to halve violence by 2023. The GI-TOC has been invited to become a member of this network.

In September, the Andean region team launched the 2023 Organized Crime Index at a high-level event in Quito, Ecuador, presenting its findings to an audience of policymakers, law enforcement officials and international community representatives.

Finally, the team presented the Latin America results of the 2023 Organized Crime Index at the International Drug Policy Reform Conference held in Arizona, US. The presentation focused on the links between drugs markets and criminal organizations.

the Amazon, we aim to fundraise for a more stable source of funding on this issue, potentially in partnership with a Brazilian organization.

Ongoing and future projects

- Research report 'Coercive brokers: Militias and urban governance in Rio de Janeiro', to be published in early 2024.
- Workshop on organized crime and urban areas of the Amazon region: to be organized in Q1 2024 in Belém, Brazil.
- An article on organized crime in the Brazilian Amazon (2024).

Haiti

The situation in Haiti constitutes one of the world's major current crises. The gangs' stranglehold on Port-au-Prince and the surrounding area, the atrocities documented in recent months and the humanitarian urgency form a worrying landscape. This has been recognized at the multi-lateral level, with the UN Security Council establishing an unprecedented sanctions regime, targeting not armed conflict and belligerents, but criminal actors and their supporters, and the vote for a non-UN, international intervention led by Kenya. However, while the international response still lies on an unclear legal and political path, the need to address civil society support is not receiving the appropriate attention. Moreover, as confirmed by the Haiti Panel of Experts, the increasing number of violent actors on the ground, and the collusive networks that tie the gangs to Haitian elites, are fuelling atrocities and active participation in licit and illicit markets, which will require a political solution.

In 2023, the GI-TOC began a project on Haiti funded by the Office of the United Nations High Commissioner for

Human Rights. Focusing on the political economy of gangs in Haiti, this led us to conduct our first mission in Haiti, in November 2023, and the expansion of our network in the country. A second mission is planned for February 2024, before the release of several reports in 2024.

We have been negotiating with the government of Canada (Canada Global Affairs) for the establishment of a Haiti Observatory. The discussions are well advanced and the observatory is set to begin activities in 2024, with a three-year programme. A report on the situation in Haiti will be published in early 2024. This is intended to guide the international intervention in Haiti and the sanctions regime of the UN Security Council

This initiative will produce ground-based analysis in order to provide timely data to international community actors. It will also inform and support the international intervention in Haiti, while monitoring its operation and mandate.

LATIN AMERICA COMMUNICATIONS

Spanish social media

Our Spanish X account, @GI_TOC_Esp, has maintained a steady growth rate, with the highest growth period being Q3 2023, gaining nearly 300 new followers. Posts in Spanish continue to perform well on Facebook and Instagram..

Spanish content

The report 'A critical moment: Haiti's gang crisis and international responses' was one of the 10 most viewed publications on our website in 2023. The report 'On the border: The Gulf clan, irregular migration and organized crime in Darién', published in English and Spanish, was within the top 20.

Media mentions in Spanish

With the launch of the second iteration of the Global Organized Crime Index, there was notable media coverage addressing the region's performance. Spanish-speaking media outlets that featured our work include: *Milenio* (Mexico), *Diario Financiero* (Global), *El Universo* (Ecuador), *El Sol de México* (Mexico), *El Confidencial* (Spain), *Revista Estrategia y Negocios* (Central America), *Criterio.hn* (Honduras), *El Heraldo* (Honduras), *Infobae* (Global), *Revista Espejo* (Mexico), *La Estrella de Panamá* (Panama) and *Haiti Libre* (Haiti).

Cross-observatory initiatives

Criminal groups from the Western Balkans have increased their presence in Latin America. They have left a trail of blood in the Americas and smuggled tonnes of cocaine into Europe and beyond, suggesting long-standing transnational criminal links.

The presence of these groups in Latin America has been noted since the late 1990s, coinciding with the increase in cocaine production in Latin America and growing demand for cocaine, particularly in Europe. Over the last 20 years, however, they have significantly increased their presence and influence in the international cocaine trafficking market. For years, Balkan nationals have facilitated cocaine shipments from Colombia, Ecuador, Brazil and Peru to Europe and the United States. Many have been killed or arrested in South America, particularly in Ecuador.

To identify and map these transnational links, the GI-TOC and Instituto Prensa y Sociedad (IPYS) have joined forces to create a new investigative journalism network. As part of the project, the GI-TOC and IPYS have published stories of individuals and criminal groups from the Balkans involved in cocaine supply chains. These stories reveal how homicides and arrests of Balkan individuals in Latin America have increased over the last decade, and how major cities, ports and airports have been used as hubs by these criminal groups. The collaboration has led to a deeper understanding of the relationships between these groups. The research looks at the evolution of drug prices, cases of money laundering, as well as data on cocaine seizures in the Balkans and homicides linked to drug trafficking.

ASIA-PACIFIC



The Observatory of Illicit Economies in the Asia-Pacific has expanded its activities in 2023 as part of the GI-TOC's efforts to work towards a more global presence. Progress has been made to further diversify activities, issues and geographic areas covered in the observatory's second year of formal and physical presence in Bangkok, Thailand. The observatory continues to be co-located with the Thailand Institute of Justice (TIJ).

The TIJ and the GI-TOC continue to work jointly to promote the exchange of information, experience and expertise in transnational crimes, crime prevention, and criminal

justice and the rule of law. Several meetings have been organized on TIJ facilities and the team is working jointly to develop and share analysis of regional transnational organized crime threats, undertake stakeholder mapping and engage widely throughout Thailand.

The observatory continues to build effective and strong relationships with financial partners. We are currently supported by a number of partners, including ASEAN–Australia Counter Trafficking, the Regional Support Office of the Bali Process, Australia, the United States Institute of Peace and the US, among others.

Research and publications

In 2023, the observatory contributed significantly to understanding the dynamics, trends and networks of the many and diverse criminal markets in the Asia-Pacific region. In the Mekong, for example, it compiled a baseline review focusing on financial crimes, illicit drug markets and child sexual exploitation and abuse across Cambodia, Laos, Thailand and Vietnam. The observatory continued its work on environmental crime by looking at wildlife trafficking and crime cases in China that link to the Golden Triangle and the Greater Mekong region. Research also focused on illicit financial flows in the Mekong, illicit financial flows stemming from environmental crime, the criminal networks behind the Laos Golden Triangle Special Economic Zone and the impact of the recent cannabis reforms on drug markets and organized crime in Thailand.



In South East Asia more broadly, the observatory team is currently exploring the vulnerabilities of critical technology to improve understanding and access to information

on cybercrime and transnational organized crime's use of critical technologies in their operations. A number of workshops were organized in November to discuss research findings and start a conversation with stakeholders on how to create regulatory and standard environments that are safe from organized criminal groups, including through a series of stakeholder events and engagement. In addition, the observatory began a research project on cyber-scam operations in South East Asia, which have proliferated since the start of the COVID-19 pandemic.

In the Pacific, we have worked on a four-part paper series that focuses on foreign actors engaged in organized crime in Pacific Island countries and territories. The first three papers and accompanied multimedia content are due for publication in Q1 2024. The fourth paper – a policy brief on responses to foreign actors in a charged geopolitical environment, will be released later in the year following a consultative process with local stakeholders. In July, we published an article on the role of civil society in victim support in the Pacific.



Webinars and events

Continuing from 2022, between January and June 2023, the observatory team organized three online expert briefings on organized crime challenges in the Mekong together with Australia’s Department of Foreign Affairs and Trade, which were aimed at Australian government partners, Mekong counterparts and other interested stakeholders. This has given the GI-TOC a unique opportunity to present its research and approach a wide audience, including national authorities, the international donor community and civil society who are working on related topics across the region.

In March 2023, we co-organized a conference in Bangkok on improving cross-agency responses to biological threats and environmental crimes across the borders of the Greater Mekong Subregion. The conference convened relevant stakeholders to identify challenges and opportunities in building partnerships between civil security actors and more traditional ‘One Health’ actors.



The observatory team participated and presented at a number of regional and national events, including

- the first national conference on children in the digital age, Together for Safer Internet for Children in Thailand, (8–9 February), hosted by UNICEF in Bangkok, Thailand;
- the Inaugural Pacific Criminology Symposium (21–22 April), hosted by Victoria University of Wellington (New Zealand);
- the Mekong–US Partnership Policy Dialogue on Trafficking and Cyber-enabled crime (8–9 May);
- a discussion on trafficking for forced criminality and cyber-scam operations hosted by the Foreign Correspondents Club of Thailand (10 May);

- the Unwaste: Tackling Waste Trafficking South East Asia regional meeting (14–16 June);
- the Expert Convening on Combating Transnational Crime in Southeast Asia (27–28 July), hosted by the United States Institute of Peace;
- a conference on technology-facilitated labour exploitation for forced criminality, hosted by Meta (25–26 April); and the ASEAN-Australia Cybercrime Capacity Building Workshop: Recognising and Responding to Cybercrime Activity Presented or Exacerbated by the Covid-19 Pandemic (28 February–2 March).
- the Indo-Pacific Security Conference hosted at the German Bundeswehr Command and Staff College in Hamburg (4–5 September)
- a conference on China–Europe: Reconnecting in an Era of Competition and Rivalry? (7–8 September), hosted by the China in Europe Research Network and Vrije Universiteit Amsterdam, the Netherlands;
- a round table discussion on the role of technology in combating trafficking in person and migrant smuggling (24–25 October), hosted by the Bali Process Regional Support Office in Manila, the Philippines;
- the 2023 Constructive Dialogue on Irregular Migration, Trafficking in Persons, People Smuggling, and related Transnational Crime (10–11 October 2023), hosted by the Bali Process Regional Support Office in Bangkok, Thailand;
- the 2nd Practitioner Seminar, Towards a Principled and Inclusive Indo-Pacific, hosted by Tokyo University for Japanese government officials (31 October);
- The GI-TOC’s Development Dialogue on State Threats and Illicit Economies organized for the UK Foreign, Commonwealth and Development Office in London (14–15 November);
- an online discussion jointly hosted by Transparency International New Zealand and Transparency International Australia on fighting organized crime and corruption in a fractured world (4 December);
- The Royal United Services Institute Serious and Organised Crime Conference 2023, organized on behalf of the UK National Crime Agency (4–5 December) in London;
- a conference on China in the world (5–7 December), hosted by Doublethink Lab in Taipei, Taiwan;
- the Regional Anti-Corruption and Transnational Organized Crime Workshop (6 December) hosted by USAID in Bangkok, Thailand;

In addition, the observatory co-hosted the South East Asia workshop on strengthening peacemaking to deal with criminal agendas and illicit economies (7 December) together with the Centre for Humanitarian Dialogue and the UN Office on Drugs and Crime in Bangkok, Thailand, and provided a training, which was facilitated by ASEAN–Australia Counter Trafficking, to 40 Vietnamese law enforcement officers on cyber-scams and exploitation for forced criminality in the Mekong.

In South Asia, the observatory continued its engagement with the Indian National Defence College, which every year invites the GI-TOC’s director to deliver a guest lecture on transnational organized crime to high-ranking military officers and civilian government officials from India and other countries. Data from the GI-TOC’s Global Organized Crime Index was presented in the 2023 lecture.

The observatory team worked with the GI-TOC’s Resilience Fund, for example by supporting a resilience dialogue held in Jakarta, Indonesia, in October. It also supported the 2023 iteration of the Global Organized Crime Index and convened three expert group meetings in Bangkok and Canberra in March and April, as well as another discussion online focused on South Asia, to discuss the Index’s research findings, thematic review and scoring. A short pre-launch event of the Index to discuss findings and share embargoed copies was also hosted in Bangkok in September 2023.

Networks

Externally and internally, progress is being made to develop extensive networks with a wide range of relevant stakeholders, particularly from civil society, with regular meetings and events taking place in Bangkok. Two extended visits to the Pacific region resulted in over 200 meetings, most of which involved several stakeholders in Palau,

Australia, Vanuatu, Fiji, Solomon Islands, New Zealand and Papua New Guinea. These have been complemented by remote conversations with contacts based elsewhere in the region, such as Samoa, Tonga and Hawaii, which pave the way for the next visits to the region. We now have 18 recommendations for Network of Experts membership

from the Pacific and multiple expressions of interest for the Resilience Fund. In addition, we engaged Pacific civil society organizations on a OC24 panel; we are involving Pacific nationals as experts and research assistants in the production of the next iteration of the Global Organized Crime Index; and we have made recommendations for possible Pacific members as part of the GI-TOC Board.

Our research into China has stimulated network development within the GI-TOC and beyond, as prospective

partners seek out our expertise in what is a difficult and complex research landscape.

In South Asia, the observatory's programme lead travelled to New Delhi in January 2023 to introduce the work of the GI-TOC, scope out possible partnerships and ascertain the potential for policy engagement. Further contacts are being developed with NGOs working on human trafficking, cybercrime, maritime security and wildlife conservation.

Partnerships

We continue to develop partnerships, especially in Bangkok and the Pacific, where physical presence proves significant. There is a deepening relationship with the Pacific Security College at the Australia National University (the College is funded by the Department of Foreign Affairs and Trade), including an invitation to speak at the next Pacific Regional Law Enforcement Conference in 2024, and the Korean Institute of Criminology and Justice. We have also established strong partnerships with financial

partners based in Bangkok, including Canada, the United States, Australia and the United Kingdom, which the observatory is working to transform into concrete projects. Crucially for our presence and engagement in the Pacific, we are building ties with the Pacific Islands Chiefs of Police Secretariat with the view of putting in place a road map for cooperation for which we will seek the endorsement of the Pacific Islands Forum, the main regional body.

Looking ahead

The observatory team will continue to consolidate its presence and reach in Asia and the Pacific, and strengthen existing and new relationships, partnerships and thematic focus in the following subregions:

- **Pacific Island countries**, where we are currently working on building the Pacific outputs portfolio to support and reflect the expansion in substantive terms, including the topic of resilience in Pacific communities. This will be done primarily, but not exclusively, through Resilience Fund projects on nature crimes and fragility for which we have already identified Pacific grantees. Research-wise, and building on the findings of the organized crime in the Pacific Islands paper series as well as in line with wider international trends, we plan to embark on a work stream to understand and address the private sector and enablers of crime. Within this framework, we intend to focus on three areas: (1) exposing the criminal risks linked to special economic zones; (2) a comprehensive study of citizenship schemes/golden passports and associated criminal risks, and (3) unveiling

current and future risks linked to casinos. In all three cases, it will be our priority to highlight the human dimension and vulnerabilities caused and/or exacerbated by special economic zones, passport schemes and casinos.

- **East Asia**, where we have expanded our capacity to explore Chinese party-state linked criminality and its growing impact in the region. This approach is already producing results in terms of building common positions among diverse stakeholders to catalyze policy and programmatic shifts. In addition, we are monitoring and will report on China's impact on global crime prevention norms, through measures such as its Global Security Initiative, for example.
- **South Asia**, where we are continuously working to expand our existing networks in India, especially with a focus on wider regional and transregional issues. Potential collaborations are also being explored more broadly across the region.
- **South East Asia**, where, in addition to the new focus on cyber-scam operations and their associated illicit

financial flows, we will focus on corruption and the role of state-embedded actors. Going forward, the team will also work on Chinese linked criminality

across South East Asia, focusing specifically on cultivating capacity to counter the rise of foreign influence and its impact on illicit economies.

Financial partner	Focus areas	Geographic focus
Australia	Continuation of the expert briefing series and compendium, and biosecurity conference.	Mekong
Australia	Understanding cybercrime and transnational organized crime's use of critical technologies in criminal operations in South East Asia.	South East Asia
United States Institute of Peace	The state and criminal networks behind the Laos Golden Triangle Special Economic Zone.	<ul style="list-style-type: none"> ■ Laos ■ China
World Wide Fund for Nature	Records of illicit wildlife transactions at China's border.	<ul style="list-style-type: none"> ■ China ■ The Greater Mekong
ASEAN-ACT and the Bali Process Regional Support Office	Improving the evidence base on trafficking in persons for the purpose of forced criminality in cyber-scam operations and associated illicit financial flows in South East Asia	South East Asia



WEST AFRICA



The Observatory of Illicit Economies in West Africa was launched in June 2021, covers 18 countries in West Africa, central Africa and the Sahel, and has principally been focused on implementing two significant projects – commissioned by the German government and the European Commission – together with a range of smaller programming streams, outlined below.

The Organised Crime: West African Response to Trafficking (OCWAR-T) project was contracted by the EU Commission and the German government, with the Economic Community of West African States (ECOWAS) as a key strategic partner and the GI-TOC as implementing partner together with the Institute for Security Studies (ISS). The observatory's second significant programme, titled 'Promoting stabilization through crime-sensitive interventions in West Africa', focused on the links between organized crime and conflict and instability in West Africa and the Sahel, and was supported by the German government. Both programmes ended in December 2023, but a consolidated rollover project has been agreed between the GI-TOC and the German government, which retains a focus on the intersection of conflict, instability and crime.

The Observatory of Illicit Economies in Guinea-Bissau sits within the umbrella of the West Africa observatory and is a joint venture with the UN Development Programme (UNDP). The Guinea-Bissau observatory has continued widespread engagement with civil society and communities through its programming. This included further engagement with state representatives and civil society on the preliminary results of a drug user survey; continuing

support to alternative livelihood programming and early warning cells across cocaine trafficking routes; and regular engagement with the network of civil society organizations, including journalists, built by the observatory. This has also included the establishment of a series of journalistic partnerships between individuals in Brazil and coastal West African countries, including Guinea-Bissau. A new phase of the observatory is currently being planned with UNDP, embedded in the planned restructure of the UNDP's rule of law and access to justice new programme, co-financed by the European Union.

The West Africa observatory is also a partner in implementing the SOC Prevent – Alternative Pathway Ghana project, which started in September 2023, spans 33 months and is led by TAG International (Torchlight) with funding from the UK Home Office and the British High Commission Accra. The project's central objective is to sever the connection between illegal/artisanal and small-scale gold mining and serious organized crime. It encompasses work streams focusing on community resilience building, strategic communications, alternative intervention pathways, regulatory reform and baseline research to ensure the evidentiary basis for interventions. The GI-TOC's role focuses on developing a research framework and data collection plan, supporting in data collection and analysis of value chains and existing regulatory structures, and in shaping planned interventions.

Finally, the observatory has been supporting a number of international organizations through briefings, restricted circulation reporting and strategic engagement.

Research and publications

In 2023, the observatory finalized 34 research reports (not including an additional tranche of reports developed by the extractives team focusing on West Africa). Of these, 20 research reports were published in 2023, two were restricted circulation outputs, and 12 were held back for publication in Q1 and Q2 of 2024, to stagger outputs. In addition, the observatory published four risk bulletins, with one held for publication in Q1 2024. All publications under OCWAR-T constituted a report and a policy brief, in English, French and Portuguese. Publications under other programming have been translated into either French or Portuguese, or both, depending on the research theme and target audience. While the vast majority are public, some sensitive reports were for restricted circulation only.

All the publications listed below were launched through virtual webinars or in-person events. Only the latter are outlined.

Resilience to organized crime: New insights from West Africa

This report and policy brief explored the building blocks of community resilience to organized crime, focusing on illicit economies that flourish in areas affected by instability, and enable conflicts to start and endure. Local communities are key to dealing with the impact of organized crime in conflict settings, but knowledge of how to build resilience is limited. New research in Nigeria, Guinea-Bissau and Burkina Faso starts to address this gap.

Labour trafficking in ASGM: Assessing risks in the Sahara-Sahel goldfields

This report assesses risks of exploitation and labour trafficking in gold-mining areas in northern Niger and

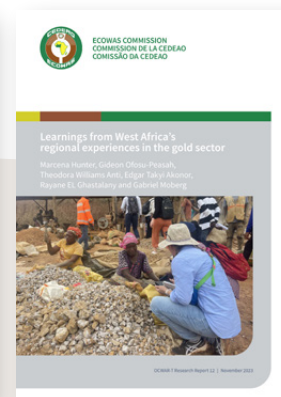
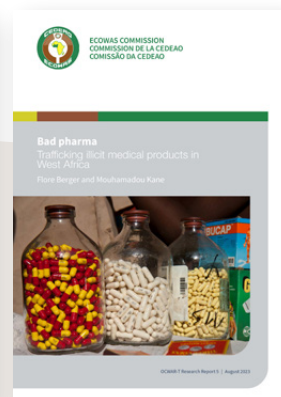
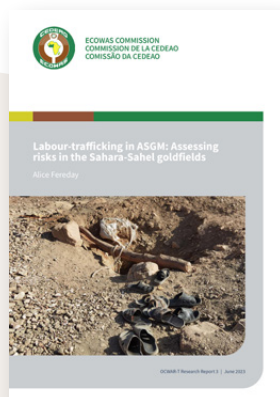
northern Mali. It examines the modalities of recruitment and employment, the risks they pose to workers and the structural factors that contribute to the vulnerability of gold miners. The report was launched with a policy brief, which identifies key opportunities for policymakers to address these risks while recognizing the crucial role of gold mining for local livelihoods and stability. The GI-TOC organized the launch of the report at a workshop on the formalization of the artisanal and small-scale gold mining (ASGM) sector, which took place from 20 to 22 June in Abidjan, Côte d'Ivoire. The report and policy briefs were published in English, French and Portuguese.

A growing threat? Online child sexual exploitation and abuse in Ghana, Côte d'Ivoire and Cape Verde

This report examines the prevalence of online child sexual exploitation and abuse (OCSEA) in West Africa, specifically in Ghana, Côte d'Ivoire and Cape Verde, highlighting key risk factors. Data on OCSEA is scarce due to under-reporting and weak reporting mechanisms, but preliminary data indicates an acceleration in uploads since 2019. Case studies in Côte d'Ivoire, Ghana and Cape Verde reveal gaps and shortcomings in victim identification, protection and prosecution. This report formed the basis for engagement with law enforcement and civil society in the case study countries (detailed below).

Bad pharma: Trafficking illicit medical products in West Africa

This report analyzes the illicit medical product market's key characteristics and enablers, and assesses national and regional responses. West Africa has become a hotspot for the trafficking of medical products, with estimations that the illicit market makes up to 80% of medical products



in Burkina Faso and Guinea, the two case studies of this report. Despite its enormous scale, there are gaps in knowledge that this report seeks to address by providing a qualitative analysis of the market's key characteristics and enablers (corruption and insecurity), and an assessment of national and regional responses.

Learnings from West Africa's regional experiences in the gold sector

This study, aimed at resolving ASGM-related challenges and supporting sector formalization in the West African context, provides policymakers and stakeholders with clear and actionable recommendations. It is anticipated that this investigation will forge a path towards establishing sustainable, responsible and formalized mining practices in the region. The study drew on the discussions of a workshop with expert stakeholders (detailed below).

Hostage to violent extremism: Kidnapping in northern Benin

In line with the observatory's ongoing focus on illicit economies particularly central to conflict dynamics, this report scrutinizes the increase in kidnappings in the northern areas of Benin, and their interlinkages with armed group activity in the area. Finalized in 2023, the report will be published in Q1 2024.

The challenge of responding to synthetic drug markets, through the lens of tramadol in West Africa

Drawing on data from three case study countries – Togo, Benin and Niger – this report explores how synthetic drugs pose a particular challenge to responses, using tramadol as a lens through which to analyze prevalent response options and their impacts. Finalized in 2023, the report will be published in Q1 2024.

Organized Crime Resilience Framework

The GI-TOC developed, in consultation with ECOWAS, the Organized Crime Resilience Framework (OCRF), a tool specifically created for ECOWAS to assess priority criminal threats and resilience vulnerabilities in West Africa that focuses on responding to organized crime in the region. The tool's foundational report and three 'deep dives' were launched at a policy workshop in Accra, Ghana, on 28–29 November 2023.

The foundational report sets out the organized crime and security landscape in the region, identifying the key risks and vulnerabilities in West African states. This is complemented by a nuanced analysis of states' resilience, so that existing structures, measures and initiatives can be best harnessed.

This is followed by three 'deep dives', exploring several factors identified in the initial stage of analysis. The deep dives (and the OCRF more broadly) focus on informing and assessing existing responses and gearing these towards prevention.

The first examines the recent drug policy reform in Ghana to understand the impact of alternatives to incarceration on people who use drugs and illicit drug markets in the country. The second explores the proliferation of self-defence and vigilante groups in West Africa, identified as both a threat and a source of resilience by different actors, drawing from the experience in Mexico – a country with a long history of armed groups forming in response to crime and insecurity. The third studies one of the most crucial challenges of our time: climate change. It provides an overview of the complex relationship between climate change and criminal activity, in particular how scarcity shapes illicit markets, before assessing the ways



in which community-driven solutions can start to mitigate the impacts of climate change on organized crime and other security threats.

Driving destruction: Cattle rustling and instability in Nigeria, February 2023

Cattle rustling in Nigeria has evolved from a sustainable community practice into a significant illicit economy, delivering material profits to conflict actors and multiplying harms. Since 2011, the country has experienced a surge in the number of rustling incidents, resulting in thousands of deaths, loss of livelihoods, widespread destruction and displacement of people. This has had a debilitating impact on the country’s stability. This report focuses on Zamfara and Plateau states, where cattle rustling has fuelled large-scale violence and instability over the past decade. The report also explores the concerning southward diffusion of cattle rustling, with an emphasis on Kwara and Oyo states. While some underlying causes of cattle rustling cut across regions, this research highlights that local drivers of cattle rustling and instability are often distinct and therefore require context-specific responses. The report was launched on 7 February 2023 at a virtual event hosted by the author of the report, Kingsley Madueke, who was joined by Lawan Danjuma Adamu, the GI-TOC’s northern Nigeria field coordinator, Nengak Daniel Gondyi, project officer at the Centre for Humanitarian Dialogue, and Manji Mangrock from the Plateau State Peacebuilding Agency. The author and speakers presented the report to more than 120 attendees.

The silent threat: Kidnappings in Burkina Faso, March 2023

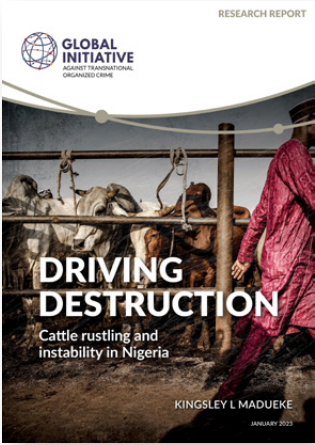
Kidnappings of nationals in Burkina Faso reached record-breaking levels in 2021 and continued at an

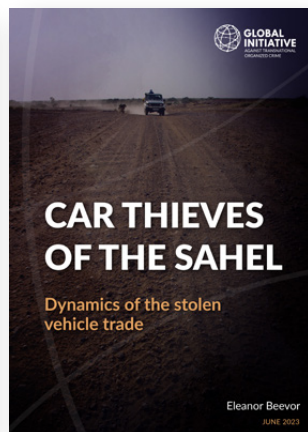
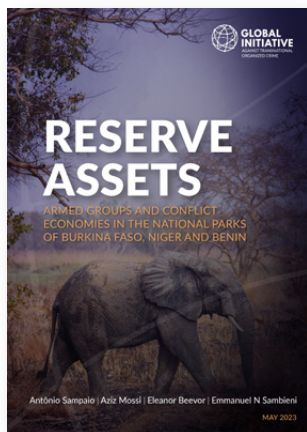
unprecedented scale throughout 2022. Non-state armed groups are the primary perpetrators, particularly the Group for the Support of Islam and Muslims (Jama’at Nasr al-Islam wal Muslimin – JNIM).

This report sheds light on the political economy of Burkina Faso’s kidnapping industry, analyzing it as a criminal economy that fuels instability while itself being fuelled by conflict. The report explores how kidnapping for ransom operates as an entry point for violent extremist groups and how it has evolved as the conflict has become more violent, involving intercommunal conflict and spreading to most of Burkina Faso’s 13 regions. The report was launched on 31 March 2023 at a virtual event led by the author of the report, Flore Berger, senior analyst at the GI-TOC, who was joined by Mouhamadou Kane, analyst at the GI-TOC, Abdoul Aziz Azeibou, the consultant and data-collection coordinator for the report, director of the SOAFRICA CONSEILS, and Aboul Aziz Mossi, regional researcher at the Armed Conflict Location & Event Data Project (ACLED). The author and speakers presented the report to more than 130 attendees.

Locked horns: Cattle rustling and Mali’s war economy, May 2023

Cattle rustling in Mali surged in 2021 and continues at unprecedented levels, with the dominant perpetrators being violent extremist groups operating in the country. The scale of cattle rustling in Mali is the climax of a decade of growth of the practice, and cattle rustling is now a central and under-reported element of the country’s security crisis variously as a driver of conflict, as a governance and intimidation mechanism, and as a key source of revenue for non-state armed groups. This has dramatic humanitarian, social and economic effects on communities.





This report assesses the intersection of the criminal economy of cattle rustling with Mali’s instability. The report looks at the evolution of cattle rustling in Mali as well as its links with other illicit economies that have played central roles in the country’s war economy – namely, trafficking of small arms and other criminal economies, such as kidnapping for ransom. It then focuses on understanding the political economy of cattle rustling – the actors involved, motivations and profits – and the relationship between these actors and local communities, with a focus on violent extremist groups’ governance of natural resources. The report was launched on 16 May 2023 at a virtual event hosted by the author of the report, Flore Berger, senior analyst at the GI-TOC, who was joined by Modibo Galy Cissé, PhD candidate at Leiden University, Mouhamadou Kane, analyst at the GI-TOC, Kalidou Sidibé, professor at the University of Law and Political Science of Bamako, and Kingsley Madueke, Nigeria research coordinator at the GI-TOC. The author and speakers presented the report to more than 60 attendees.

Reserve assets: Armed groups and conflict economies in the national parks of Burkina Faso, Niger and Benin, May 2023

Violent extremist groups have been expanding from their primary bases in Mali and Burkina Faso towards the southern and coastal states of West Africa. One of the main corridors for this expansion has been the stretch of protected land comprising the W, Arly and Pendjari national parks. Its location along multiple national borders (it straddles the borders of Benin, Niger and Burkina Faso and runs close to those of Nigeria and Togo), the cover offered by its forests and savannah vegetation, and its relative isolation, have made it a critical operational space for the non-state armed groups feeding political instability in the Sahel. This report focuses predominantly

on natural resource exploitation and how armed groups leverage local resources for governance purposes, rather than on land conflict or tensions between farming and herding communities. The report was launched on 11 July to more than 100 participants. The speakers included the authors of the report, Antônio Sampaio and Eleanor Beevor, senior analysts at the GI-TOC, and Aziz Mossi, researcher at the Laboratory of Studies and Research on Social Dynamics and Local Development.

Car thieves of the Sahel: Dynamics of the stolen vehicle trade, June 2023

This report showcases many of the dynamics of car theft in the central Sahel region, an underexplored phenomenon. In particular, it shows how borders are exploited by car thieves to evade law enforcement. Here, the central Sahel refers to Mali, Burkina Faso and the western part of Niger, specifically the provinces of Tillabéri and Tahoua. In this instance, cross-border cooperation between security services led to an arrest. However, car theft networks realize this is still rare, and so persist with cross-border activities to mitigate risks of detection. Given that cars are in demand and easy to resell and can be used as a mode of transporting other goods, actors operating in the vehicle theft market often diversify across other illicit economies. Individuals with low-level official contacts, or histories of working with the state, may exploit their knowledge and contacts to produce counterfeit paperwork.

Atlantic connections: The PCC and the Brazil-West Africa cocaine trade, August 2023

This report examines the flow of cocaine between Brazil and West Africa, which largely supplies the lucrative European consumer market, and in particular on the role of the Primeiro Comando da Capital, which straddles various illicit supply chains.

The report was launched on 5 October 2023 to an audience of more than 100 participants from Africa and Latin America.

Motorbikes and armed groups in the Sahel: Anatomy of a regional market, August 2023

This report examines how motorbikes are drivers of stability and instability in the Sahel region of West Africa.

Specifically, it examines how variants of motorbike crime contribute to destabilization at a local economic level and in the broader Sahelian conflict. In that regard, the practices of motorbike theft and trafficking are examined. The involvement of the Sahel's armed groups in trafficking is closely explored, and it is argued that motorbike trafficking is critical to the operations and mobility of JNIM and IS Sahel.

North-eastern Côte d'Ivoire: Between illicit economies and violent extremism, September 2023

This report examines the presence of violent extremist groups in north-eastern Côte d'Ivoire, far from their bastions of influence in the central Sahel.

The report was launched on 4 October 2023 to an audience of more than 60 participants.

Non-state armed groups and illicit economies in West Africa, October 2023

This is a joint series of publications by ACLED and the GI-TOC, profiling non-state armed groups in West Africa and exploring the intersections between their involvement in illicit economies and the provision of governance.

The series brings new material and updated analyses using the ACLED database and qualitative research, examining

how armed groups survive in their political and economic environments.

Each paper will examine the evolution, structure and tactics of armed groups, as well as their transnational relationships, means of financing and governance practices. The series will offer a closer look at JNIM, bandit groups in north-western Nigeria and Ambazonian separatists in Cameroon, with a summative paper reflecting on broader findings. The first report was launched on 19 October to circa 50 attendees.

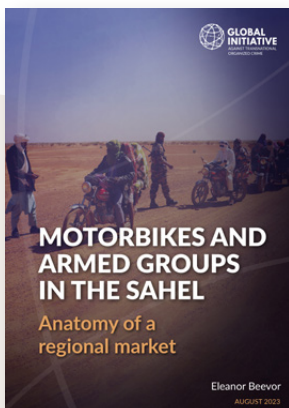
'Do not come out to vote': Gangs, elections, political violence and criminality in Kano and Rivers, Nigeria, November 2023

This report sheds light on the complex interplay between gangs, political violence and criminal markets in Nigeria, focusing on the 2023 elections. Addressing this issue demands comprehensive strategies that go beyond isolated responses to political violence such as security deployments. Efforts should encompass disrupting the criminal networks involved, tackling the illicit activities that sustain these groups and, importantly, pursuing the sponsors of political violence to ensure they face justice. The report was launched at a virtual event on 9 November 2023 to circa 50 participants.

Sanctions and organized crime: 2023/2024 series

The use of targeted sanctions has emerged as part of the expanding international toolkit to address organized crime.

Such sanctions can be defined as legal authorities that prohibit certain forms of otherwise licit activity, including financial access or travel, for a specific entity in order to hamper their pursuit of a specific goal. Historically, they have mostly been used against countries whose activities





were interpreted as threats to peace and security or individuals who had breached international law or norms. Despite the growing use, there has been limited tracing of why and how different international actors have converged in their use of targeted sanctions, how they have developed processes to issue and implement sanctions regimes and their impact and effectiveness.

This report series focuses on the use of targeted sanctions against criminal actors. The series encompasses global reports and country-specific or thematic studies. A report focusing on the Central African Republic, finalized in 2023, will be published in Q1 2024.

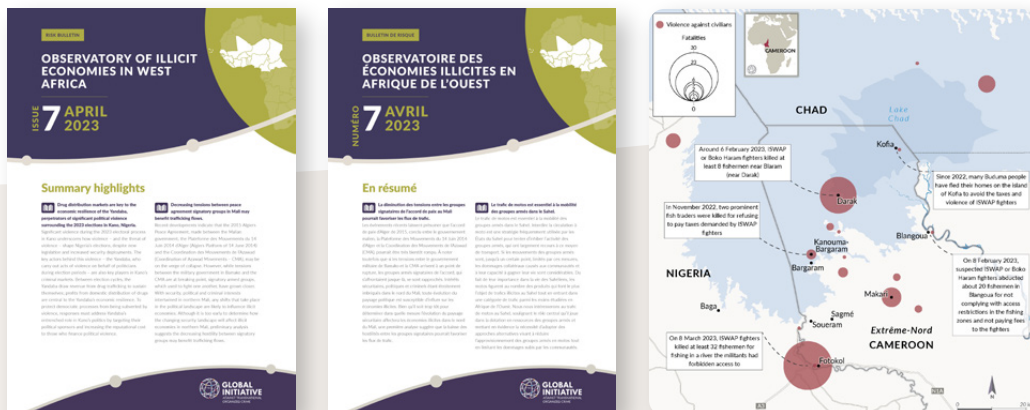
In Q1 and Q2 of 2024, the observatory will continue publishing reports on a wide range of priority topics focusing on the conflict-crime intersection, including three papers developed in partnership with ACLED, focusing on the role of armed groups as criminal actors; a report analyzing community resilience drawing on the dialogues implemented in the region; assessing arms trafficking in the tri-border area between Cameroon, Chad and the Central African Republic; and updating the GI-TOC's scrutiny of the Russian Wagner mercenary group in West Africa.

Risk bulletins

Quarterly risk bulletins report a trend or development in the criminal economy, and link this to contemporary conflict or instability dynamics. Risk bulletins are published in an online format to facilitate viewing on low bandwidth devices, which are common in the region, with most articles available in English and French. Syndication with regional publications commenced in early 2023; articles are syndicated with the South African newspaper *Daily Maverick* since January 2023.

Nine issues of the risk bulletin have been published to date. Each issue features four articles focusing on a wide range of project focus countries. Cumulatively, risk bulletin issues were viewed 19 453 times on the GI-TOC website, with viewership of single issues reaching 2 781.

The risk bulletins have drawn on contributions from the growing research network established under the project, a number of whom have become regular partners of the project team, sharing information, research and analytical findings.



Events, workshops and capacity building

The events hosted and coordinated by the observatory are outlined below. In addition, the observatory team provided inputs and briefings at a wide range of open and restricted attendance events. These have included, although are not limited to, events coordinated by Chatham House, the Global Public Policy Institute, INTERPOL, the EU, the UN and the US government.

Artisanal gold mining in West Africa: Learning from regional innovation and exploring land and mining rights (20–22 June, Abidjan, Côte d'Ivoire)

The observatory hosted a research launch and multistakeholder workshop event on the formalization of the ASGM sector. The event (in hybrid format, allowing virtual participation by invitation only) brought together over 45 participants (many from mining departments within governments) from Mali, Côte d'Ivoire, Niger, Burkina Faso, Ghana, Mauritania, France and Nigeria. An additional circa 20 stakeholders participated online. The event also focused on generating new ideas and learning from regional experiences. The topics discussed included formalization efforts, gender inclusion in policy and programme design, and operator experiences in the gold sector.

Workshops in the framework of the launch of the report on commercial online child sexual exploitation in West Africa (29–31 August 2023, Abidjan, Côte d'Ivoire and Accra, Ghana)

The observatory hosted two workshops on online child sexual abuse with national cyber security agencies in Ghana and Côte d'Ivoire in August and September 2023, during which the GI-TOC's report on the prevalence of online child sexual exploitation and abuse in West Africa (specifically in Ghana, Cote D'Ivoire and Cape Verde) was launched. Case studies in focus countries revealed gaps and shortcomings in victim identification, protection and prosecution. The multistakeholder workshops involved over 40 representatives from various governmental entities, UN organizations as well as international and national child protection stakeholders. The workshops used the findings of our research and drove towards practical recommendations.

Policy workshop on enhancing regional responses to instability and transnational organised crime in West Africa (28–29 November, Accra, Ghana)

The ISS and the GI-TOC hosted a two-day policy workshop on enhancing regional responses to instability and transnational organized crime in West Africa, aimed at fostering sustainable approaches to combat organized crime threats in the region, which included more than 30 representatives of regional and international governments, civil society and the media.

During the workshop, the West Africa Organized Crime Resilience Framework was launched, including the foundational report and three deep dives, followed by the launch of the research papers 'Hostage to violent extremism: Kidnapping in northern Benin' and 'Learnings from West Africa's regional experiences in the gold sector'.

National Working Group on Illicit Economies and Instability (5 December, Abuja, Nigeria)

The GI-TOC has established a formal partnership with the Institute for Peace and Conflict resolution in Nigeria (IPCR), an intra-governmental institution, to bolster capacity around researching organized crime, and continue strengthening engagement with government stakeholders. The IPCR and the GI-TOC held the inaugural meeting of the National Working Group on Illicit Economies and Instability in Nigeria on 5 December 2023, and gathered 23 participants, which included high-level representatives from government institutions and from key civil society organizations and international NGOs.

The National Working Group serves as a crucial platform that brings together a diverse network of stakeholders both from government and civil society organizations actively engaged in responding to organized crime and its impact on local communities and the broader society in Nigeria.

Consequently, the National Working Group also serves as a platform for stakeholders to share knowledge and experiences, strengthening the collective expertise and capacity of the stakeholders involved as well as building

sustainable multi-stakeholder coalitions, designing and implementing evidence-based responses to criminal markets and to provide a clear pathway for policymakers to respond to organized crime. The National Working Group will meet quarterly in Abuja to build multi-stakeholder coalitions responding to organized crime and illicit markets, and create a bulwark against their negative impact on local stability by strengthening civil society networks within the region's civil society community, and between civil society and other national and international actors.

West African Research Network on Organized Crime

In collaboration with the ISS, the observatory launched the West African Research Network on Organized Crime (WARNOC) in March 2022. The WARNOC is made up of 39 civil society organizations, research and applied policy research institutes, and related existing networks across the ECOWAS region. The observatory conducted 12 capacity building sessions for the WARNOC members on different aspects of illicit economies with a focus on research skills. Eight capacity-building modules have been delivered virtually and four have been delivered to the WARNOC in person, with the latest two lessons delivered in person in July 2023, in Abidjan, Côte d'Ivoire, focusing on the intersection between crime, conflict and instability. The GI-TOC also supported a workshop with the WARNOC to explore ways forward for the network, with a focus on sustainability.

Mapping illicit hubs in West Africa: Promoting community resilience in priority hubs

In 2022, the observatory implemented a regional mapping of 280 galvanizing centres of regional criminal markets and how they are interlinked, providing a bottom-up picture of how criminal groups infiltrate the political, social and economic life in the project focus countries.

The mapping tool, together with the methodological and analytical reports, was launched in 2022. Drawing on the granular database established under the initiative, the observatory aims to support community-based resilience interventions seeking to erode the link between illicit economies, violence and instability by implementing

resilience programming, drawing on the GI-TOC's proven track record in working with civil society to build resilience to the negative impacts of illicit economies, including violence and conflict.

Resilience dialogues were held in high priority hubs where illicit economies play particularly prominent roles in fueling instability, namely Natitingou (October 2023, northern Benin), Jibya (September 2023, north-west Nigeria) and Bouna (October 2023, northern Côte d'Ivoire). These hubs were recognized as regions of growing armed group infiltration, focusing on particularly vulnerable topographies, most prominently border areas, national parks and zones particularly impacted by climate change.

The resilience dialogues were conducted in three identified hubs of illicit economies that most contribute to instability in order to (i) enhance community engagement on the topic of illicit economies; (ii) identify local solutions to the destabilizing impacts of illicit economies; and (iii) select resilience actors to work with as implementation partners. This workstream ensures that evidence feeds into direct programming, working with communities to disrupt the destabilizing impacts of illicit economies. More than 25 participants took part in each dialogue, comprising village chiefs, religious and community leaders, women's and youth associations, as well as professional associations. The dialogues have shaped ongoing workstreams to design and implement tailored community resilience interventions.

Engagement with regional investigative journalists

Building on the research implemented under the OCWAR-T programme and widening existing engagement with research elements of civil society, the observatory, in partnership with CENOZO and the GIJN investigative journalist networks, delivered tailored capacity building to investigative journalists in West Africa focusing on how to issue evidence-based and constructive coverage of illicit economies in the region. The trainings were designed for both experienced journalists seeking to enhance their investigative skills and early-career journalists interested in understanding this complex issue, and delivered in English, French and Portuguese.

Six trainings have been delivered. The first one was an introductory session on how to investigate organized crime in West and central Africa, followed by a specialized training on illicit artisanal gold mining (including on-the-ground engagement at an ASGM site in Côte d'Ivoire), and one coordinated by ISS in Dakar on illicit financial flows arising from migrant smuggling, with GI-TOC representatives providing substantive inputs throughout. An in-person workshop with 15 Ghanaian journalists, and an online session with 25 journalists of the CENOZO investigative journalism network, focused on how to investigate and ethically report on child sexual abuse material,

resulting in publications in leading regional newspapers on this under-explored topic.

The Guinea-Bissau observatory also engaged with nine journalists from Guinea-Bissau, Brazil, Cape Verde, Guinea, Gambia and Mali, established partnerships among members of the group and supported the journalists in research on cocaine trafficking from Latin America to Europe via West Africa. The journalists shared preliminary findings, engaged in validation workshops and published investigative stories.

Looking ahead

The observatory will continue to focus on the intersection between conflict, instability and crime across West Africa, while also engaging with other priority dynamics – including the expanding cocaine trade – building upon its extensive publication record to provide deeper analysis and policy support. A second iteration of the hotspot mapping initiative will provide an updated picture of subnational crime and conflict dynamics, enabling trend analysis, and for the tool to become further inserted in programming design and policymaking.

The observatory will continue to operate in close collaboration with regional civil society (including investigative journalism networks), ECOWAS, international analytical organizations (such as ACLED) and national governments, establishing firm collaborative engagements with a number of intra-governmental research institutions in the region.

UKRAINE



Organized crime has witnessed mixed fortunes since the Russian invasion of Ukraine in February 2022: while several major illicit markets have been profoundly disrupted, other areas have remained relatively unaffected – and criminals have been quick to exploit the new opportunities generated by the disrupted status quo. The risk of corruption in the reconstruction process, the proliferation of arms, the pool of traumatized veterans and the rise in the domestic production (and consumption) of synthetic drugs will be key trends to watch in this space, among others. The migration of Ukrainian criminals to Europe is also likely to have an impact on the continent's organized crime landscape and potentially beyond.

Since its establishment in 2022, the Observatory of Illicit Markets and the Conflict in Ukraine has sought to provide an early-warning system to monitor and analyze trends and emerging risks within Ukraine and regionally to ensure that any peacebuilding and reconstruction work does not bake criminality into its foundations. The observatory's work has been designed around a series of thematic workflows, bound together by the GI-TOC's proven methodology for analyzing illicit economies and organized crime in complex environments. In particular, this observatory focuses on facilitating civil society networks as key building blocks for data gathering, analysis and ultimately fostering community resilience to organized crime.

Publications

- The observatory's first report, 'New front lines: Organized criminal economies in Ukraine in 2022,' was published in February 2023. The report assesses the impact of the conflict on the illicit political economy in Ukraine in 2022. Key areas of change include the rise in criminal activity in western Ukraine, the migration of organized crime actors overseas and the rise in drug trafficking to the front line.
- 'The vulnerable millions: Organized crime risks in Ukraine's mass displacement' – the observatory's report on human trafficking and smuggling dynamics in the wake of the Russian invasion – was published in March 2023. The report assesses illicit activities involving people flows (migrant smuggling and human trafficking) both within and outside of Ukraine and maps potential future risks.



- 'The grey zone: Russia's military, mercenary and criminal engagement in Africa,' published in February 2023, primarily focused on the Wagner Group's activities in Africa, and particularly their involvement in illicit economies and criminal activity. The report situates Wagner in the wider context of Russian organized crime and Russian oligarchs' business interests in Africa.
- 'Peace and proliferation: The Russo-Ukrainian war and the illegal arms trade,' published in March 2023 and authored by Anna Arutunyan and GI-TOC Network expert Mark Galeotti, assesses the risks and potential trajectories of arms trafficking in 2022 and beyond, in Ukraine and elsewhere.
- 'Port in a storm: Organized crime dynamics in Odesa,' published in August 2023, examines the disruption and opportunities brought about by the Russian invasion in Odesa, which before the invasion was arguably the most significant smuggling hub in the Black Sea region. The report also examines changes in the political economy of Bessarabia, a part of Odesa oblast and home to the Danube River ports of Izmail and Reni.
- The article 'The devil's not-so-new psychoactive substance,' published in May 2023, on the rise in the domestic production and consumption of alpha-PvP, a highly addictive synthetic drug, since the Russian invasion of Ukraine.
- "Death Can Wait": Drugs on the Frontline in Ukraine,' a Deep Dive podcast episode released in May 2023, provides an in-depth analysis in the rise in drug use and trafficking at the Ukrainian front line, and profiled Khimprom, a transnational organized crime group that reportedly has monopolized the trade in synthetic drugs.
- 'Scam Call Centres in Ukraine', a Deep Dive podcast episode released in October 2023, accompanied by a written article on the topic, delves into the hundreds of scam call centres based in Ukraine, where investment scams are mainly targeting Russians.
- The research report 'Reconstructing Ukraine: Context-tailored approaches to corruption', published in October 2023, examines corruption before and during the conflict, suggesting anti-corruption strategies for the reconstruction of Ukraine.
- The report 'Crossroads: Kazakhstan's changing illicit drug economy' by Network member Yulia Vorobyeva, published in October 2023, explores changes in illicit drug routes and markets in and through Kazakhstan.



As tracing changes in the northern route flows of heroin, meth and cannabis resin, the report also explores the emergence of Kazakhstan as a major producer of synthetic drugs, in part driven by the relocation of some Russian drug trafficking organizations to Kazakhstan after February 2022.

- The observatory's first risk bulletin on its longitudinal study on arms trafficking connected to the conflict, published in November 2023. This output shares the basis and methodology of our longitudinal study on arms trafficking and four stories based on initial findings in Ukraine, Eastern Europe and Sweden.
- 'Time of troubles: The Russian underworld since the Ukraine invasion' by GI-TOC Network member Mark Galeotti, published in December 2023, maps the

changes in organized crime in Russia since the beginning of its full-scale invasion of Ukraine, including how criminals have adapted or struggled in Russia's sanctioned economy, the rise in corruption, the risk

of increased arms trafficking, changing drug routes and markets, the conscription of convicts by the Wagner Group and the exodus of Russian organized crime figures abroad.

Fieldwork

The observatory conducted extensive fieldwork in Ukraine, Poland, Romania, Moldova, Slovakia, Austria and Sweden, among other European countries, across a broad range of thematic interests.

Ongoing research

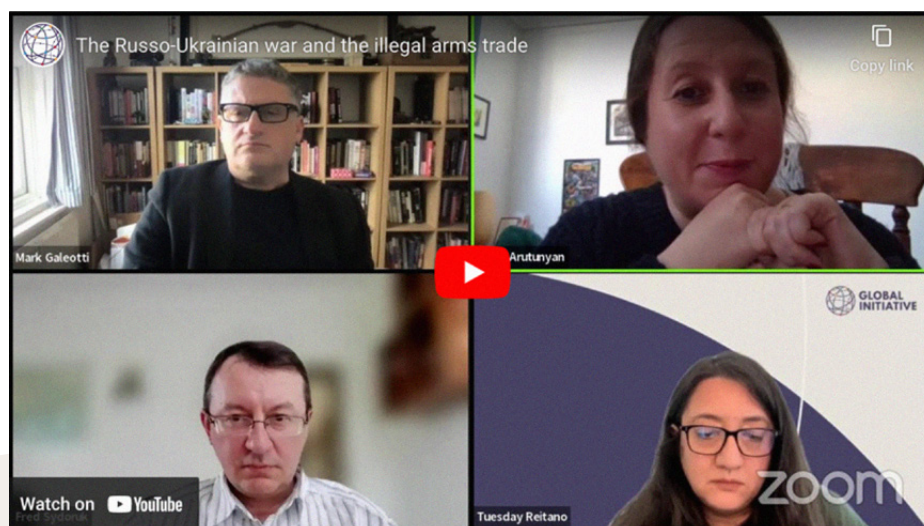
- A longitudinal study on the pricing of weapons from the Ukraine conflict: the project monitors and analyzes the price of Western-made weapons on the black market both inside Ukraine and in Europe, from the Balkans to the Benelux, to create an early warning system for emergent black-market weapons flows.
- A research report, to be published in 2024, on the impact of the war on drug flows and consumption patterns. Our research indicates that the war in

Ukraine will have several consequences for the supply and trafficking of illicit drugs and domestic consumption patterns. Already the conflict has seen significant disruptions to flows of heroin via Russia (the northern route) and cocaine (via Odesa), although supply of synthetics has remained robust, with soldiers on the front line a new consumer market. As well as assessing the evidence for such changes in Ukraine and the broader region, the report will also consider future shifts, taking into account the uncertain trajectory of the conflict.

- The observatory is engaging with academia to produce a special issue of the *Journal of Illicit Economies and Development* on the war in Ukraine and its impact on transnational organized crime in the region, to be published in 2024.

Events

- **EU public briefing, 4 May 2023:** The observatory organized a public briefing directed mainly at Brussels-based organizations and representatives of the European Union. The purpose of this event was to catalyze greater involvement of EU institutions in the activities and objectives of the observatory.
- **Online briefing, The Russo-Ukrainian war and the illegal arms trade, 10 May 2023:** This webinar discussed the report 'Peace and proliferation: The Russo-Ukrainian war and the illegal arms trade' by Mark Galeotti and Anna Arutunyan, which analyzes the complex issues surrounding the illegal arms trade



in Ukraine and its potential implications for the wider region. The panellists explored the key findings, insights and recommendations presented in the report and offered their perspectives on the current situation in Ukraine, including a deep dive into the drivers of the illegal arms trade, the role of non-state actors, clandestine supply chains and the prospects for proliferation after the end of hostilities.

- **SIPRI 2023 Forum, 16–18 May 2023:** The GI-TOC was accepted for a session at the Stockholm International Peace Research Institute 2023 Global Forum in Stockholm, where the observatory presented its research regarding monitoring illicit arms flows stemming from the conflict in Ukraine. The session explored the current understanding of illicit arms trafficking flows within and out of Ukraine, and the GI-TOC’s price-based methodology to evaluate future shifts.
- **2023 Conference of the International Society for the Study of Drug Policy hosted by RAND Europe in Leuven, Belgium on 30 May–1 June 2023:** GI-TOC senior analyst Ruggero Scaturro presented on the impact of the war in Ukraine on South Eastern Europe drug trafficking routes, spotlighting South Eastern European ports as a key transit route and proxy indicator for broader market disruptions. The presentation was attended by around 40 participants from academia, international organizations (UN Office on Drugs and Crime and European Monitoring Centre for Drugs and Drug Addiction representatives) as well as representatives of NGOs working on harm reduction.
- **Conference organized by the German Foreign Ministry on ‘Shaping Cyber Security,’ 18–19 June 2023:** This conference had a strong focus on the cyber angles of the Ukraine conflict, including sessions on strategies to build cyber resilience, and how to understand better the connections between different actors and avoid and mitigate risks. The conference was attended by officials from many countries and civil society and academic experts. GI-TOC representatives were invited to provide a transnational organized crime perspective to the discussions and were able to showcase the work of the observatory in workshops and other sessions.
- **Workshop organized by German Institute for International and Security Affairs (SWP) in Berlin, 27 June 2023:** Julia Stanyard, GI-TOC senior analyst and co-author of ‘The grey zone’ research paper, was invited to a workshop organized by SWP in Berlin attended by government officials, including the German Foreign Office, other German political institutes and research organizations. Stanyard discussed the role of Wagner in Africa and presented case studies of where Wagner’s strategies have not been successful.
- **EU Conference at the Hanns Seidel Foundation in Brussels (4–7 September 2023):** Senior analyst Julia Stanyard and co-author of the Wagner report presented on global power shifts in Africa, the Wagner Group and the European response.
- **Briefing to the European Institute for Crime Prevention and Control, 1 November 2023:** The GI-TOC’s director, Mark Shaw, participated in the International Advisory Board meeting of the European Institute for Crime Prevention and Control, a UN-affiliated organization. Additionally, he served as the keynote speaker during an extra session of the round-table discussion on transnational organized crime, corruption and rule of law. During this session, he presented the 2023 Global Organized Crime Index and shared insights of the GI-TOC’s initiatives in Ukraine.
- **Briefing to the EU on the observatory’s arms trafficking study, 7 November 2023:** The GI-TOC’s deputy director, Tuesday Reitano, was invited by European Commission representatives to brief on the observatory’s illicit arms monitoring project. Attendees included colleagues working on security in the NEAR headquarters, the European Commission’s Directorate-General for Migration and Home Affairs, the European Multidisciplinary Platform Against Criminal Threats and members of the 23 EU delegations. The GI-TOC’s deputy director presented the observatory’s findings on its work on small arms and light weapons, with a special focus on the security spillover effects of Russia’s war in Ukraine.
- **Security and Development Dialogue on State Threats and Illicit Economies, 14–15 November 2023:** The observatory outlined how organized crime has long been a core component of Russia’s evolving strategy in the Donbas and Crimea, and how this reflects a broader understanding between organized crime and the Russian state, which provides Moscow with a deniable form of power projection. Attendees included members of the UK’s Foreign, Commonwealth

and Development Office, other UK departments, as well as multiple Development Dialogue partners such as government representatives from Canada, Australia and the EU.

- **Senior Advisory Group of the EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism, 27–28 November 2023:** GI-TOC senior expert Walter Kemp briefed the group on organized crime in Ukraine at its second meeting. Many high-profile EU representatives attended the meeting, which allowed for the dissemination of the observatory's key findings in a key multilateral forum.
- **Presentation of the report 'Time of troubles: The Russian underworld since the Ukraine invasion', 18 December 2023:** Network member and

distinguished expert Mark Galeotti presented his latest report in an event that took place online with nearly 250 attendees.

- **US SOCAFRICA (Special Forces division of AFRICOM) conference in December, Germany:** Senior analyst Julia Stanyard presented on the Wagner report and the related topics of a hybrid state and criminal threats. The audience included delegations from special forces from around 20 African countries, plus representatives from the UK, Canada, Italy and Japan. The aim of the conference was for the US and African partner countries to discuss priorities and key threats for special operations and military training.

GLOBAL POLICY INITIATIVES

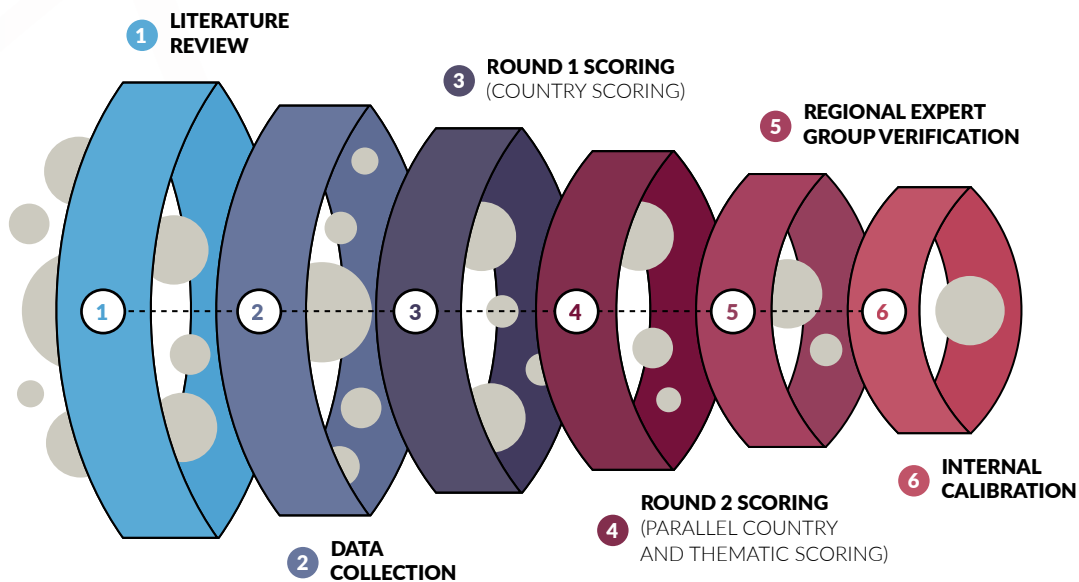
GLOBAL ORGANIZED CRIME INDEX

The 2023 Global Organized Crime Index is the second iteration of the first-ever global assessment of organized crime – the 2021 Global Organized Crime Index, published by the GI-TOC in September 2021. With an expanded scope to cover five additional criminal markets and one additional criminal actor type (cyber-dependent crime, extortion and protection racketeering, financial crimes, smuggling of counterfeit goods, smuggling of excise goods, and private sector collaborators), the second issue of the Index was officially launched on 26 September 2023. Assessing the prevalence and impact of criminality and the effectiveness of resilience measures, the Index data covers the year 2022. The tool presents not only an innovative approach to the analysis of organized crime flows, but also offers a more nuanced look at the types of criminal actors involved, juxtaposed against institutional and non-state sources of resilience.

Building the 2023 Index

Alongside disseminating the 2021 Index results, in 2022 the Index team began building the second iteration of the Global Organized Crime Index, which carried into and was completed in 2023. In the first quarter of 2023, geographic and thematic expert scoring across all 194 country profiles were finalized. Following the completion of these rounds of expert assessments, a final round of score verification – the so-called expert group meetings (EGMs) – took place during the second quarter. Overall, 17 EGMs were held, of which three were in person, held in Fiji, Thailand and Guatemala. Regional experts were asked to review the country profiles and scores once again with the aim of calibrating for regional comparisons. To finalize the scores and calibrate for global comparison, consultations with GI-TOC observatories were held. For the 2023 Index, over 400 experts from all over the world contributed to the development of the tool.

In addition, country summaries – the synthesized version of the country profiles that underpin the scores – were uploaded onto the Index platform, along with the 2023 Index report. Once again, the Brazilian Art Studio Café worked on the layout and graphics for the report as well as

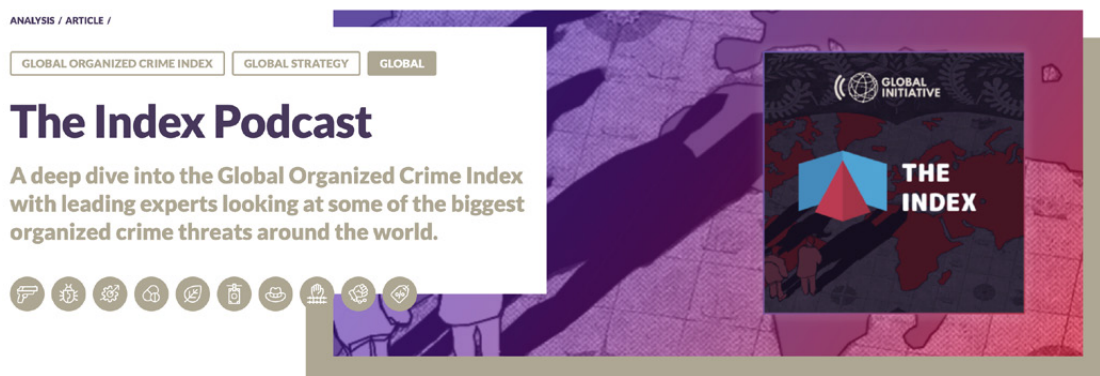


on the dedicated Index platform to allow for temporal changes in the data and improved user experience. Another design studio, Electric Book Works, known for its work on the GI-TOC's risk bulletins, implemented the digitization of the Index report, a new interactive feature that has increased users' ease of navigation and boosted engagement around the tool.

Dissemination

Throughout 2023 until the month leading up to the publication of the second edition, the team continued to produce analytical pieces delving into the results of the Index, commissioning articles to external experts and GI-TOC staff. These articles were published monthly and initially explored the 2021 Index findings and their effects on policy and anti-organized crime measures from a thematic or regional perspective, gradually shifting focus to topics that were to be included in the expanded 2023 Index edition in an effort catalyze attention and build interest ahead of the tool's launch. In 2023, 10 analytical pieces were published, contributing to the over 33 500 views identified since the start of the analytical series in 2022.

The GI-TOC also continued to produce the Index podcast, with each episode centring on a current topic, a thematic area, country or region, linking the discussion to the tool's results. In 2023, nine podcast episodes were published, with the final three episodes of the year piloting a new, shorter format and accompanied by complementary videos on YouTube as a way to expand its audience.



In 2023, we began regularly publishing a series of expert-commissioned methodology papers on measuring organized crime. Each paper takes a deep dive into considerations surrounding the measurement of a particular criminal market indicator under the Index. Over the course of 2023, seven such papers were published: an introductory paper on measuring organized crime; one on using seizure data for assessments of organized crime; a paper on measuring illegal, unreported and unregulated fishing; another on estimating the impact of mafia-style crimes; another on measuring illicit trade and counterfeit goods; one on waste management crimes; and one on economic crimes and financial flows. The series was proven to be successful, identified as among the most viewed publication series in 2023 across all GI-TOC publications, with over 11 000 views.



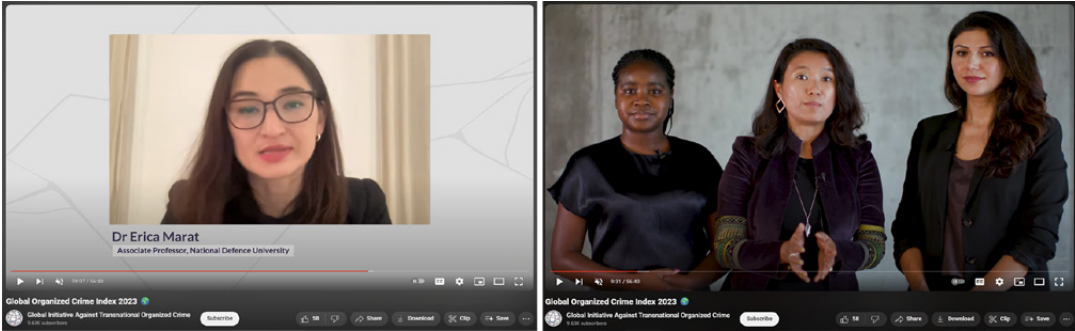
The Index results also continued to be featured across publications by GI-TOC staff, spanning a variety of geographical areas and organized crime-related topics. All pieces and products are hosted on both the official Global Initiative website (globalinitiative.net), as well as the Global Organized Crime Index platform (ocindex.net). Finally, engagement around the Index results included participating in and organizing a number of events throughout 2023 with a wide range of stakeholders, from international and regional bodies such as the UN Office on Drugs and Crime (UNODC) and the Economic Community of West African States, to national stakeholders (governments of Colombia, Bulgaria and more), to civil society, academia and the private sector.

Launch of the 2023 Index and reception

The launch of the 2023 Global Organized Crime Index was held in virtual format on 26 September 2023, achieving a global reach with a recorded 2 443 views (including live and replays), the highest number of views of any event the GI-TOC has ever hosted. In addition to hundreds of individual experts, academics, law enforcement, and other members of the public, viewers included members of UNODC, the European Union, the European Monitoring Centre for Drugs and Drug Addiction, the Organization for Security and Co-operation in Europe, the International Committee of the Red Cross, the Association for the Implementation of the UN Convention against Corruption (UNCAC Coalition), the Inter-American Development Bank, the Organization of American States, as well as the governments of South Africa, Malta, the UK, Germany, Canada, Mexico, Portugal, Kenya, the Netherlands and Colombia, among many others.

The Index platform saw a record high user count in September 2023, with a total user count of 42 310 at the end of the month. This followed the consistent growth seen throughout the year. Since its initial launch in 2021, the dedicated Index platform has had 472 000 users from 236 countries and territories, generating 1.1 million page views.

Beyond the launches, the tool has been featured in over 1 000 news articles in a range of media outlets. The team has collected hundreds of articles and requests from journalists in a number of countries such as South Africa, Spain and Belgium. In addition to media coverage, the tool has become a reference point and is frequently cited to provide context on current affairs across a multitude of countries heavily afflicted by organized crime. For example, a reference to the tool was made during Turkish political party discussions, while the Chilean ministry of interior and public security drew on it for the development of the country’s counter-organized crime strategy.



Funding

The Global Organized Crime Index has been largely funded by the US Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL). The initial grant spanned the period of October 2019 to September 2021, with two one-year costed extensions being signed to cover the development of the second iteration of the Index. Given the fact that the initial grant could not be extended any further, the Index team had to recompute the grant for further funding. In February 2023, a concept note was sent to INL and in Q2 2023, an official invitation for a grant proposal was sent to the GI-TOC. The GI-TOC’s proposal was successful, and funding was secured for a third iteration of the Index and to begin the development of a fourth iteration.

GLOBAL STRATEGY AGAINST ORGANIZED CRIME

One of the reasons that the GI-TOC was founded 10 years ago was to identify the building blocks of a global strategy against transnational organized crime. A decade later, the need for such a strategy is more urgent than ever. GI-TOC reports such as ‘The global illicit economy’ and the latest edition of the Global Organized Crime Index (2023) show that the problem is serious and growing. There is an increasing recognition that this global problem requires a global response. For example, a report published by the UN High-Level Advisory Board on Effective Multilateralism proposed that the UN Summit of the Future (scheduled for autumn 2024) should ‘agree on a global strategy on transnational organized crime, laying out the key areas for collaboration, strategic priorities, and common benchmarks for the multilateral system, and providing inspiration and direction for collaborative responses across a wide range of sectors and regions.’ The GI-TOC intends to publish a report entitled ‘Intersections: Building blocks of a global strategy against transnational organized crime’ in mid-2024 that will put forward a number of ideas on why such a strategy is needed and what it could contain.

Diagnostic and remedies

In the first half of 2023, the global strategy team carried out a number of regional and thematic consultations on the main themes of the report. The team then began drafting the report drawing on input from the GI-TOC’s Network of Experts, GI-TOC staff and external experts, guided by the gender-balanced and regionally diverse global strategy steering committee.

The report begins by making the case for why a global strategy is urgently needed and highlights the harms caused by organized crime. The second section provides a diagnostic of what is wrong with current international responses. The third section outlines what can be done differently, including new narratives and approaches. For example, it underlines the need for a whole-of-society approach and systems thinking to look at illicit economies. It also highlights the need for identifying points of intersection: between different criminal markets; linking transnational networks; connecting the upperworld and the underworld; and between organized crime and other global challenges such as climate change, armed conflicts, migration, sustainable development and the risks associated with rapid technological change. These intersections are seldom clear vectors, distinct nodes or hotspots; most often they are blurred lines and grey zones where the licit meets the illicit. Understanding these intersection points will enable more effective prevention and remedial action to disrupt and degrade criminal networks.

The fourth and main part of the report sets out nine building blocks of a global strategy. These are:

- Illicit markets: Rethink regulation
- Governance: Fold the umbrella of impunity
- Geopolitics: Beware the chess game under the table
- Environment: Protect the planet
- Violence and instability: Build peace and accountability
- Vulnerable communities: Strengthen local resilience
- Infrastructure: Expose the enablers
- Secrecy jurisdictions and financial crime: Lift the veil on hidden wealth
- Technology: Gain a digital advantage

The fifth and last section looks at how different levels of government, sectors and actors can play a role in implementing the ideas and recommendations contained in the report.

To appeal to a wide audience, the report is written in plain language and is visually impactful thanks to the work of Café, a socially conscious and award-winning design studio based in Brazil. The report is designed to generate debate and be a call to action that can affect change.

Rallying support

The success of the report will depend on its implementation. Therefore, the strategy development process is addressing the challenge of how to put good ideas into practice. This is being done by looking at promoting effective communication, how to reach and impact different target audiences and how to galvanize support among a wide range of stakeholders. In 2024, funds permitting, the GI-TOC plans an advocacy campaign to generate debate around the report.

The GI-TOC is reaching out to states, relevant international organizations such as the UN Office on Drugs and Crime and INTERPOL, and regional organizations to familiarize them with the strategy formulation process and to build support for it. It is also seeking to build support among a group of 'friends of the global strategy against organized crime' to gain traction for its recommendations within inter-governmental processes and organizations.

The plan is to feed the strategy process into the Summit of the Future and the process building up to the Palermo Convention in 2025.



RESILIENCE FUND

Supporting community responses to organized crime

RESILIENCE FUND

Since its launch in 2019, the Resilience Fund (hereafter, 'the Fund') has expanded and consolidated its support to community-based activists, NGOs, journalists and other collectives the world over. The Fund continues to be inspired by the strength and resilience of its partners, and by the results that they achieve under considerable adversity.

To date, the Fund has supported over 170 grantees, individuals and NGOs, in 55 countries and five continents, and provided networking and capacity-building opportunities for grantees. In 2023, the Fund supported 32 grantees: 17 community resilience grants, 14 individuals, including Fellows, and one media house. During this period, the Fund has also received support from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), with which we supported four individuals and three organizations; from the government of New Zealand, with which we supported 10 organizations; from the government of the Netherlands, with which we supported four organizations; and from the UK, with which we supported four organizations and one individual.

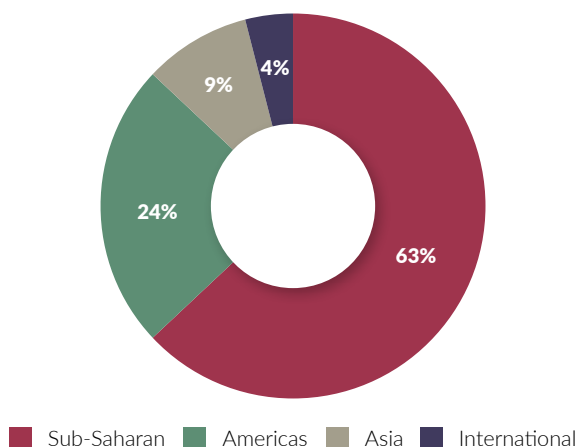
The Fund has witnessed and reported on the impact that grantees have achieved through its incubator model, the support of its primary grant liaison system and the expertise of GI-TOC staff. Some examples of grantees supported this year include:

- **Mexico:** Support for the families of journalists who have been victims of serious human rights violations. The initiative includes the creation of a national network for these families, providing them with psycho-emotional and psycho-cultural support, and helping them seek justice.
- **Rwanda:** Development of a toolkit to help understand the impact of anti-human trafficking efforts. Some of the activities include stakeholder engagement between citizens and organizations focused on eradicating human trafficking, the establishment of community centres at health facilities, and community training for those in the labour and migration sectors on the existing local and international anti-human trafficking toolkits.
- **South Africa:** Support for MathMoms, an organization that trains women to teach mathematics to children in vulnerable communities with the objective of providing skills for future employment while creating safe spaces for children in communities challenged by drug abuse, gangsterism and violence.
- **Latin America:** Grantees have been able to develop and strengthen the personal and collective capacities of victims to confront death threats, assassinations and disappearances. This work includes supporting journalists and journalism projects responding to increasing attacks on media workers and rights defenders.
- **Uganda:** The Fund enabled grantees to improve the organizational structure and culture at mine sites, foster further collaboration between the Kenyan and Ugandan artisanal and small-scale mining organizations, improve inclusivity and provide a foundation for a supply chain that offers better value to miners. Other initiatives include training journalists and researchers in reporting on organized criminal markets across East Africa.

- **South and South East Asia:** Support for initiatives addressing human trafficking and smuggling affecting refugees and other vulnerable communities through awareness raising, cross-sectoral training and policy engagement.

This year, the Resilience Fund supported grantees from 23 countries, the majority in sub-Saharan Africa.

Budget distribution by region, 2023



Fellowship on human rights and organized crime

The Resilience Fund’s Fellowship programme is a key part of the Fund’s approach in bringing local actors of change together with the aim of channelling hyper-local perspectives of organized criminal dynamics to multilateral forums. Every year, the Fellowship is focused on a specific issue such as disappearances, extortion and environmental crime. In 2023, the theme of the Fellowship was organized crime and human rights. Comprising grants, spaces for collaboration and customized capacity-building sessions on critical topics such as security and coalition building, the Fellowship selects a cohort of 10 individuals through an open call for applications to work around a pressing global issue related to organized crime.

In July 2023, the Resilience Fund organized its first in-person meeting of Fellows in Vienna to discuss civil society responses that can mitigate the negative impact of organized crime on human rights. During the week-long event, fellows participated in a number of capacity-building training sessions, such as understanding the intersection of international human rights law and the legal regime on transnational organized crime; community responses to human rights violations; security, and multilateral engagement. They also had the opportunity to present their experiences and share their work with the multilateral community. To enable this, the Fund arranged a lunch with diplomats and a video presentation followed by a discussion to build

Fellows' networks of support and advocacy. As an outcome, the Resilience Fund published a meeting report highlighting the key takeaways of the event.

In November, on the occasion of the 30th anniversary of the adoption of the Vienna Declaration and Programme of Action, and the 75th anniversary of the adoption of the Universal Declaration of Human Rights, the Fund hosted a discussion on the links between organized crime and human rights, with the participation of a number of grantees and Fellows, who contributed with insightful experiences.



Communications

Campaigns

In 2023, the Resilience Fund launched various campaigns and communication efforts relevant to grant beneficiaries and Fellows. The year began with the public presentation of the Fund's 2023 Fellowship in February. In March, the Fund launched the campaign 'Women, equity and resilience' for International Women's Day, sharing stories and insights that highlight the Fund's women grantees through a gendered perspective on resilience to organized crime. The third campaign celebrated the Fund's fourth anniversary and highlighted the achievements of grantees and their communities around the world.



In the second half of the year, we began unveiling the profiles of the 2023 Fellows through our 'Follow the Fellows' campaign, which was launched in July with the profile of Stephen Okwany, a queer 'art-ivist' and human rights advocate from Kenya. The campaign seeks to raise awareness of the negative impact of organized crime through the Fellows' perspective. It also seeks to position the Fellows' work as an essential component of the Fund. The profiles highlight Fellows' work, regional contexts, community involvement, relationship with resilience and their impact. In July, we published the story 'Threats, defence and resilience', highlighting the work of our 2022 Fellows to defend and protect the environment and the communities most affected by the exploitation of natural resources.



In August, the Fund commemorated the mothers of those disappeared in Mexico with the campaign 'In memory of Mexico's mothers', highlighting the stories of eight women who were murdered between October 2020 and May 2023 while searching for their disappeared relatives. A second 'Follow the Fellows' profile was published in October, featuring Luisa Riascos, our Fellow from Colombia who works to ensure that young people and women in her community have the opportunity to build a life project and develop an individual and collective identity. Our final campaign in 2023 was 'Freedom, equality and justice,' a story about Renildo Barbosa and the LGBTQ+ project Coração de Mãe, published on the 75th anniversary of the Universal Declaration of Human Rights and the 30th anniversary of the Vienna Declaration and Plan of Action.



Publications and other outputs

- Eight publications related to the Resilience Fund were launched in 2023, which are detailed below.
- **Resilience to organized crime: New insights from West Africa:** This research report delves into the thriving illicit economies across West Africa and highlights how local communities play a crucial role in addressing the impact of organized crime.
 - **Cartillas de prevención y resiliencia** (prevention and resilience booklets): This series of booklets identifies organized crime issues in specific contexts and offers ideas to prevent them based on experiences, needs and resources. These booklets are the result of 10 resilience dialogues held as part of the Resilient Communities project in Colombia.

- **Sea of Cortez: Social and environmental threats of organized crime:** This policy brief sheds light on the environmental threats posed by clandestine laboratories producing synthetic drugs, the social problems of rising drug addiction and the challenges faced by fishing communities in Sinaloa, one of the five states in the Sea of Cortez region around the Gulf of Mexico. The report is part of a pilot project that includes resilience dialogues as a tool to support local responses to organized crime. This year, the Fund hosted two dialogues in Sinaloa and organized community actions supported by state health institutions, as well as the formation of a local resilience committee made up of representatives from various fishing cooperatives.
- **Atlas of Resilience:** This publication is a collection of profiles illustrating the experiences of those involved in 50 community resilience initiatives implemented by the GI-TOC's Resilient Communities project in 10 Colombian municipalities. The publication invites readers to reflect on the construction of community resilience promoted by the project. It takes readers on a visual journey through different areas of Colombia to understand how communities organize and take action to confront situations of conflict, crime and violence.
- **Rethinking human rights and responses to organized crime:** In July, the Fund's Fellowship cohort met in Vienna to discuss how community and civil society responses can mitigate the negative impact of organized crime on human rights. The meeting provided a platform for the Fellows to share experiences and current challenges related to the human rights impact of organized crime in their communities. This report provides a summary of the meeting's outcomes.
- **Supporting resilience among environmental defenders:** With the aim of supporting individuals in building resilient communities to prevent, counter and limit the damage of environmental crime, this handbook documents the challenges faced by defenders working in the environmental crime field and provides guidance to support their resilience.
- **Four reasons why organized crime is a human rights issue:** The report draws attention to four areas where synergies in the human rights and anti-crime regimes should be enhanced, so that safeguards for human rights are woven into states' policy responses to transnational organized crime.
- **Impact of environmental crime on indigenous women:** This report presents case studies from four forest ecosystems: the Arajuno forests of the Ecuadorian Amazon, the Sierra Tarahumara forests in Mexico, the Yabassi forests in Cameroon and the rainforests of North Sumatra in Indonesia. The findings show that while local indigenous communities rally to defend their territories against extractive operations and perceived environmental crimes, gender norms and patriarchy limit women's voices and participation. However, women's participation in resistance movements has gradually increased, especially against large-scale state concessions, and many have become leading environmental defenders in their communities.



RESILIENCE FUND, WEA-OBS
**Resilience to organised crime:
 New insights from West Africa**



SOMOS COMUNIDAD
**Cartillas de prevención y
 resiliencia**



LATINOAMÉRICA Y EL CARIBE, CAM-OBS
Región Mar de Cortés

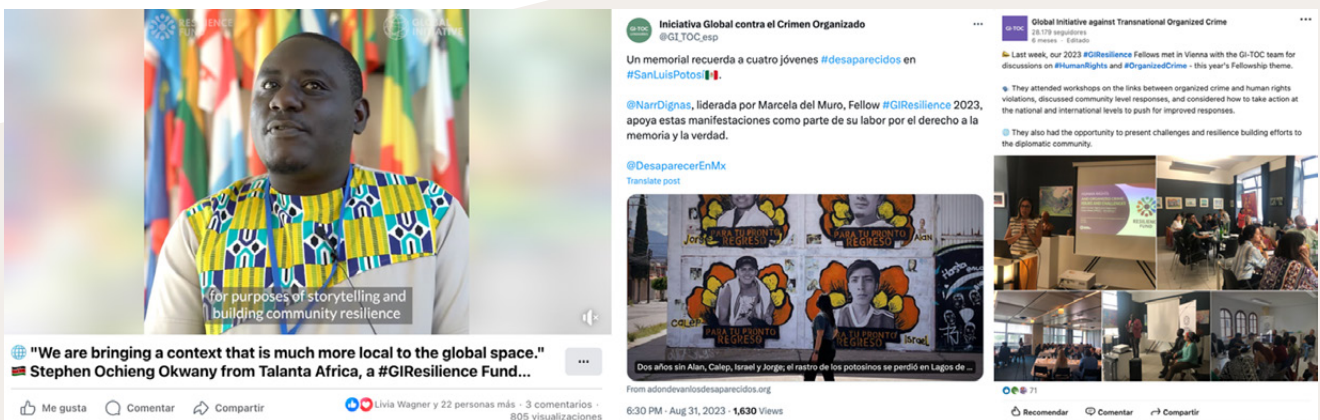
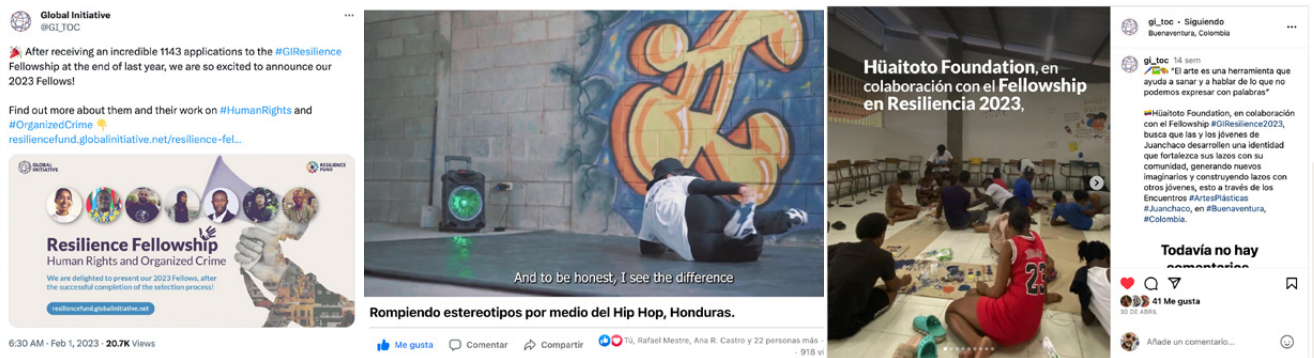


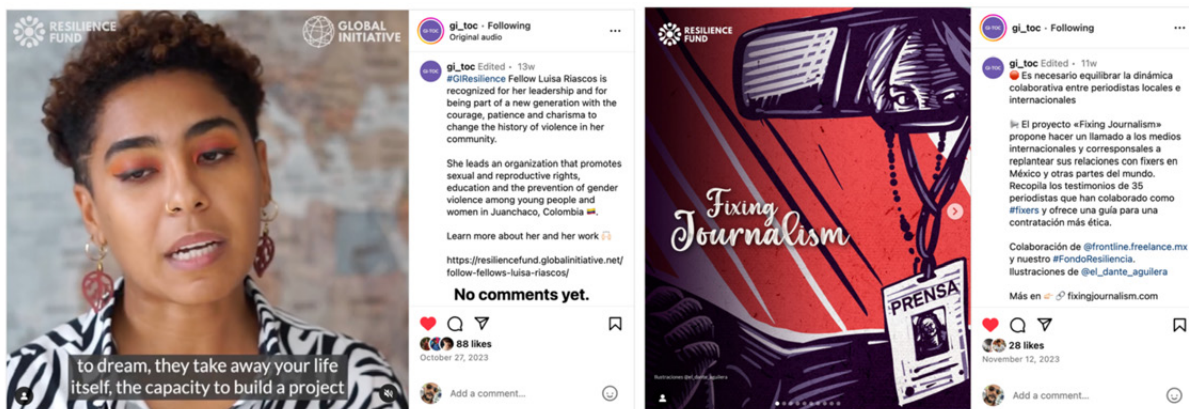
In addition, Resilience Fund grantees Griselda Triana, Vania Pigeonutt and Marlene Leon shared their experiences and discussed their projects on a podcast episode for 'The Index', launched in March, exploring the beginnings of the Resilience Fund in Sinaloa, Mexico.

Social media

The Resilience Fund's social media engagement results have surpassed previous years' general averages across all social media platforms. By centering our communication on the activities and viewpoints of our grantees and Fellows, we have noted improvement in our engagement numbers. This strategic approach has proven effective in capturing the audience's interest and involvement. Our Resilience fund-related posts in X increased by +200% in 2023.

Below is a sample of our most engaging social media content in 2023.



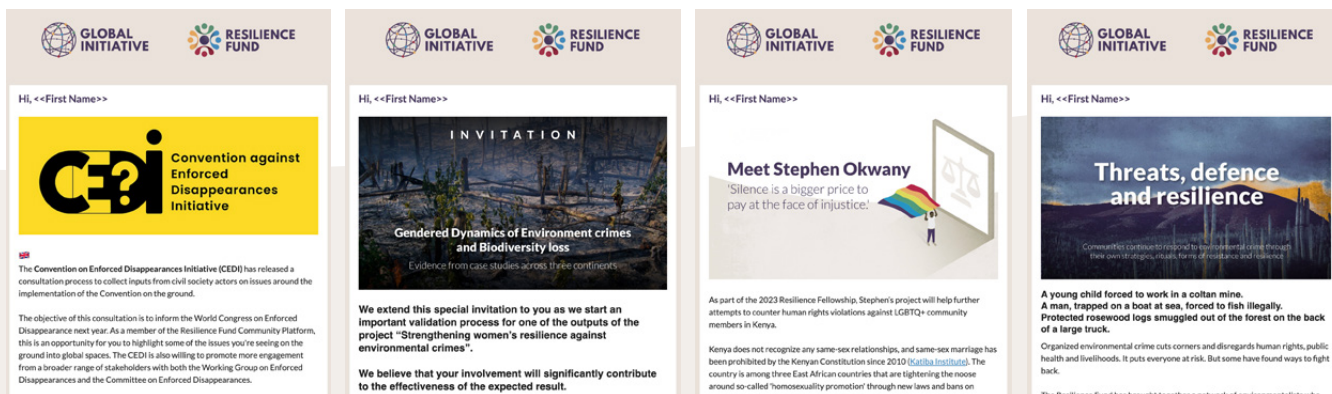


Resilience Fund Community Platform

Through the Resilience Fellowship and the VIVA app, the Fund has facilitated collaborative spaces and processes, and collected lessons learned. This has resulted in a robust network of activists, journalists, indigenous leaders, artists, rights defenders, victims' collectives and other organizations whose impact is felt in their communities. To sustain the collaborative efforts of this network and ensure greater impact at the international level, the Fund created the Resilience Fund Community Platform. We maintain ongoing communication with our registered members, which encompass over 100 grantees and Fellows from around the world who have either completed or are currently working on Resilience Fund projects or grants.

Through the Platform, we have provided capacity-building opportunities, invitations to various validation processes and information about the Resilience Fund's activities and other relevant content from the GI-TOC, the Resilience Fund and external partners. The 34 newsletters sent since April boast a remarkable 60% opening rate, underscoring the active engagement of our community.

Furthermore, a dedicated landing page providing a general overview of the platform has been published on the Resilience Fund website, and our quarterly newsletter, 'Resilient connections', was launched in December.



Strengthening women’s resilience to environmental crimes

In April 2023, the Resilience Fund and the UK’s Foreign, Commonwealth and Development Office signed a year-long project on strengthening women’s resilience to environmental crimes. The project focuses on empowering women leaders in Mexico, Ecuador, Cameroon and Indonesia, who work at the intersection of environmental and human rights, and community development – protecting both fragile ecosystems and their communities.

In the framework of the project, the Fund published a policy brief exploring the links between biodiversity loss, organized crime and gender, presented through four case studies from target countries. Additionally, the Fund implemented community dialogues in Cameroon, Indonesia, Ecuador and Mexico, as well as two regional multi-sectoral dialogues and Resilience Dialogues in Latin America and Asia. During these events, special guests addressed the recommendations of the policy brief and provided further suggestions for putting them into action. The dialogues were insightful, with participants discussing ways to create awareness, recognize resilience and propose strategies to address these specific challenges.

Another strategic line of action for the project is the support of gender-transformative interventions through key organizations in each target country. Through this project, Action pour la Protection en Afrique des Déplacés Internes et des Migrants Environnementaux in Cameroon, Inisiasi Masyarakat Asali in Indonesia, Prograssio Ecuador in Ecuador and Awe Tibuame in Mexico were selected as Resilience Fund grantees committed to working towards the resilience of women to environmental crime.



Building community resilience to nature crimes

The Fund and the US Department of State's Bureau of Oceans and International Environmental and Scientific Affairs signed a two-year cooperative agreement on building community resilience to nature crimes by strengthening global, regional and local networks. The project is aimed at strengthening and supporting up to 120 global, regional and local networks of civil society actors and initiatives in 32 countries in Latin America, Asia and Oceania to respond to and build resilience to environmental crimes. The Resilience Fund team and the primary liaisons will develop a series of activities primarily focused on incubating local initiatives to address nature crimes, implementing grants for civil society organizations, delivering capacity building sessions and hosting local events, and implementing Resilience Dialogues across the African continent.

Security support and resources

As part of the Resilience Fund's commitment to contribute to the creation of tools that can be used globally as a guide to better respond to criminal governance and mitigate the risks associated with these responses, the Resilience Fund and Assassination Witness teams are jointly developing four manuals on community responses to violence (assassinations, disappearances, extortion and death threats) that scheduled for publication in 2024.

The manuals form a toolkit that aims to bring together collective knowledge on a specific type of organized crime-related violence and to support communities, journalists, institutions, organizations and other civil society actors in responding to threats or violence deriving from criminal governance.

The Resilience Fund and Assassination Witness teams, with the support of the partner organization Open Briefing, have jointly developed a pilot protection programme consisting of a two-stage risk management process (including proactive and reactive responses to security incidents). The overall objective of this pilot is to enhance the GI-TOC's capacity to act preventively and to increase its constituency's awareness of their own security risks deriving from organized crime-related violence. It aims to enable grantees and Fellows to mitigate risks and provide them with tools to prevent security incidents from occurring, and to respond in the safest way possible when faced with a security challenge.

ASSASSINATION WITNESS

Through research and advocacy, the Assassination Witness initiative has monitored, documented and raised awareness of the ways in which civil society individuals and groups – including human rights defenders, politicians, investigative journalists, whistle-blowers, lawyers and others – are threatened by organized criminal actors. Through a range of activities, including data collection, podcasts, webinars, reports and the publication of individuals stories, Assassination Witness sheds light on the sheer number of organized-crime related assassinations, the impunity that usually surrounds these cases and the ripple effect assassinations have on affected communities.

Four combined approaches to the assassinations crisis

Organized criminal groups have profited from the instrumental use of criminal violence, including assassinations, in many ways: by using it to finance criminal activities, to gain and maintain territorial control and take over illicit markets, and as a means of silencing those who openly oppose their criminal interests. The human cost of organized crime violence is high. The lack of state responses to it has led to even more cases of intimidation, abuse, physical violence and assassinations that could have been prevented. As a result, many civil society institutions and courageous activists and advocates are at great risk, working in dangerous environments where they are targeted by criminal interests.

After extensive consultation, including at the multilateral level, we have found that there are significant gaps in the prevention, detection and response to violence, particularly assassinations. Assassination Witness is committed to contributing to filling this gap. By addressing the phenomenon through a more cohesive and sustainable strategy, we can improve the protection of civil society actors, promote their safety and well-being and protect their lives. In 2023, Assassination Witness, in collaboration with the Resilience Fund, sought to extend the scope of its ongoing work in communities harmed by organized crime-related assassinations. The programme has developed four ongoing work streams: monitoring, awareness raising, preventing and supporting communities. The four work streams have been piloted in Mexico, one of the world's hotspots for organized crime-related assassinations and where civil society actors have mobilized to respond to this violence.

Global Assassination Monitor

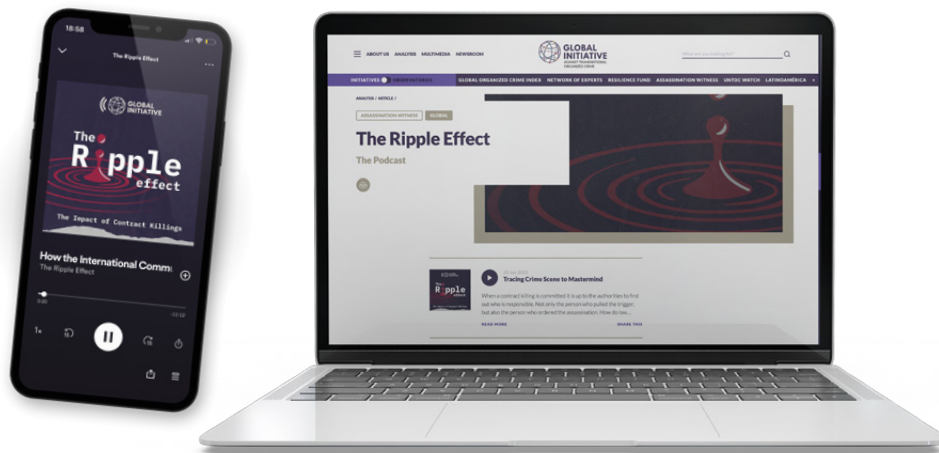
The Global Assassination Monitor is a database launched in November 2021 with the publication of a data set on contract killings for 2019 and 2020, accessible through the Global Assassination Monitor website, and the report 'Killing in silence: Monitoring the role of organized crime in contract killings.'

In 2022 and 2023, data collection continued to update the Global Assassination Monitor to include data for 2021 and 2022. The scope of the data collection has been expanded to allow for case studies of an increasing number of countries.

Awareness raising

In 2023, Assassination Witness continued to pay tribute to those who have lost their lives in the context of the illicit economy and to raise awareness about the impunity of assassinations linked to organized crime and specific clusters where civil society actors face a higher risk of violence. Following the environmental thematic work stream initiated in 2022, the initiative published four profiles of environmental crime-related assassinations.

We launched the last two episodes of the podcast series 'Ripple Effect', discussing criminal justice procedures against masterminds of contract killings and ways to overcome impunity, and a digital campaign to shed light on the killings of *buscadoras* (mothers and other relatives searching for their disappeared) in Mexico.



FOLLOWING INDIVIDUAL CASES

María Elena Ferral

In partnership with the Resilience Fund and Mexican civil society organization Propuesta Civica, Assassination Witness is supporting an investigative journalist to follow the criminal proceedings against the accused in the murder of Mexican journalist and political candidate María Elena Ferral. The aim is to evaluate the criminal proceedings from a media perspective and to shed light on alternative lines of investigation that have not been explored by the prosecution and that could lead to a different outcome. The overall objective is to contribute to the promotion of the right to truth and access to justice. The joint investigation will be published in late 2024.

Ahmed Divela

In collaboration with Amnesty International and the Committee to Project Journalists, the GI-TOC produced two 'Deep Dive' podcast episodes following the case of Ahmed Divela, a Ghanaian journalist who was murdered in connection with his exposé on organized crime and corruption in football. The episodes were part of a wider campaign to mark World Press Freedom Day, and a follow-up to an Amnesty International statement signed by the GI-TOC and 80 other civil society organizations, shedding light on violence against human rights defenders working on issues related to corruption.

Prevention

In 2023, Assassination Witness shifted its focus to research and support on prevention measures through a pilot prevention programme. This is a risk management exercise that includes two main types of response: proactive support to the Resilience Fund constituency and reactive support for the GI-TOC, including incident response. The programme is based on the Resilience Fund's expertise in providing support to grantees when facing security risks and the lessons learned from Assassination Witness research. The implementation and development of the programme is being led by the GI-TOC's partner Open Briefing, in coordination with the Resilience Fund and Assassination Witness teams.

Community tools

Creating tools that can be used globally to better understand the violence and threats associated with criminal markets, and community responses to mitigate these risks, is part of the core aim of Assassination Witness. To this end, Assassination Witness and the Resilience Fund are working to create a series of tools for communities on organized crime violence associated to extortion, disappearances, death threats and killings. This series of four manuals is a toolkit that aims to bring together collective knowledge on a specific type of criminal violence and support communities, journalists, institutions, organizations and other civil society actors in responding to it.

Development of the manuals began in early 2023 and will be completed in 2024. The aim of these manuals is to provide communities with access to relevant information on violence and practical suggestions on how to address it effectively. This effort is driven by the goal of creating a just, safe and inclusive society for all. To achieve this goal, the team has placed a strong emphasis on gathering feedback from community members who are deeply affected by the issue. Through resilience dialogues, we outlined the needs of the intended recipients of the manual. Each need will be incorporated into the manual as valuable information, accompanied by space to add pertinent details specific to each reader. As a result, the manual will become a dynamic tool that evolves based on user input and needs.

HUMAN TRAFFICKING

The GI-TOC runs the RESPECT initiative and is the research lead for the Tech Against Trafficking initiative and the expansion of the Modern Slavery Map.

Initiatives

Tech Against Trafficking

Tech Against Trafficking (TAT), launched in June 2018, is a coalition of technology companies collaborating with global experts to help eradicate human trafficking by using technology. The member companies are Amazon, Google, Meta, Microsoft and Salesforce.org.



RESPECT was appointed as the research lead to guide the initiative, alongside Business for Social Responsibility, acting as the TAT secretariat.

In 2023, TAT concluded its third accelerator programme with Issara Institute and Polaris Project's Nonechka programme, a collaborative initiative to advance and scale the work of selected organizations with technology solutions by providing potential resources and support from our Tech Against Trafficking member companies, while building an ecosystem of actors that will provide ongoing support for the participant organizations over the course of the accelerator. Tech Against Trafficking aims to exponentially accelerate their respective impact over the coming years.



Respect Resource Centre

RESPECT Resource Centre is a global one-stop shop for businesses and relevant stakeholders on materials related to trafficking. This database hosts 1 100+ publications, reports, blogs, interviews and event information. Our resources are grouped into risk and governance areas (such as recruitment, due diligence, etc), industries (for example, garment, construction, tourism, etc.) and seven regions.

Interactive Map for Business of Anti-Human Trafficking Organizations

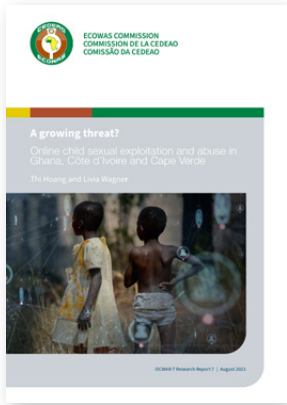
Launched in the UK in 2018, the interactive map is a joint project between the RESPECT founding organizations, the Global Business Coalition Against Trafficking and the UN Global Compact through its Action Platform on Decent Work in Global Supply Chains. The map aims to provide a unified repository of information as a resource to facilitate stakeholders in their engagement with the private sector in the response to human trafficking.

The map currently contains 112 organizations and initiatives that 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 and the International Labour Organization’s Global Business Network on Forced Labour and Human Trafficking.

Research

- Horizon 2020 project HEROES: Novel strategies to fight child sexual exploitation and human trafficking crimes and protect their victims. The GI-TOC joined the project consortium to explore how to use the latest technological advances and strategies to prevent and combat child sexual abuse and exploitation and human trafficking, support investigations into these crimes and their victims’ protection in Peru.
- ENACT OCWAR-T: A growing threat? Online child sexual exploitation in Ghana, Côte d’Ivoire and Cape Verde. This report examines the prevalence of child sexual exploitation and abuse materials (CSEAM) online in West Africa, highlighting key risk factors. Data on CSEAM is scarce due to under-reporting and weak reporting mechanisms, but preliminary data indicates an acceleration in uploads since 2019. Case studies in Côte d’Ivoire, Ghana and Cape Verde reveal gaps and shortcomings in victim identification, protection and prosecution. Urgent action is required to prevent devastating consequences for individuals in West Africa.
- Observatory of Illicit Markets and Conflict in Ukraine – The vulnerable millions: Organized crime risks in Ukraine’s mass displacement. Conflict has long been recognized as a driver of trafficking, from forced labour and sexual exploitation to the recruitment of child soldiers. Another reason for concern is the deeply entrenched nature of these crimes within Ukraine prior to the invasion, as reported in the Global Organized Crime Index 2021. A large number of actors, especially Ukrainian civil society, have worked to alleviate the suffering of the vulnerable population in Ukraine, but millions of people continue to endure extreme poverty as a consequence of the Russian invasion. Desperate for money, food and other basic necessities, some may have turned to informal work to survive, leaving them vulnerable to exploitation by traffickers. This report assesses the extent to which those criminal actors succeeded in exploiting the opportunities within Ukraine and in Europe in 2022, and where future risks may lie.



GI-TOC ENGAGEMENT

MULTILATERAL ENGAGEMENT

New York

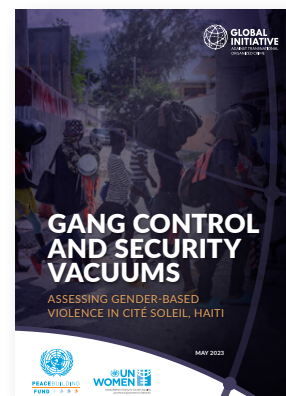
In New York, the GI-TOC continues to provide research into and reports on the peace and security agenda. We have focused on building our Haiti programme in relation to the peace and security threats from gangs in the country, and continued to develop our broader research and engagements on global peace and security threats.

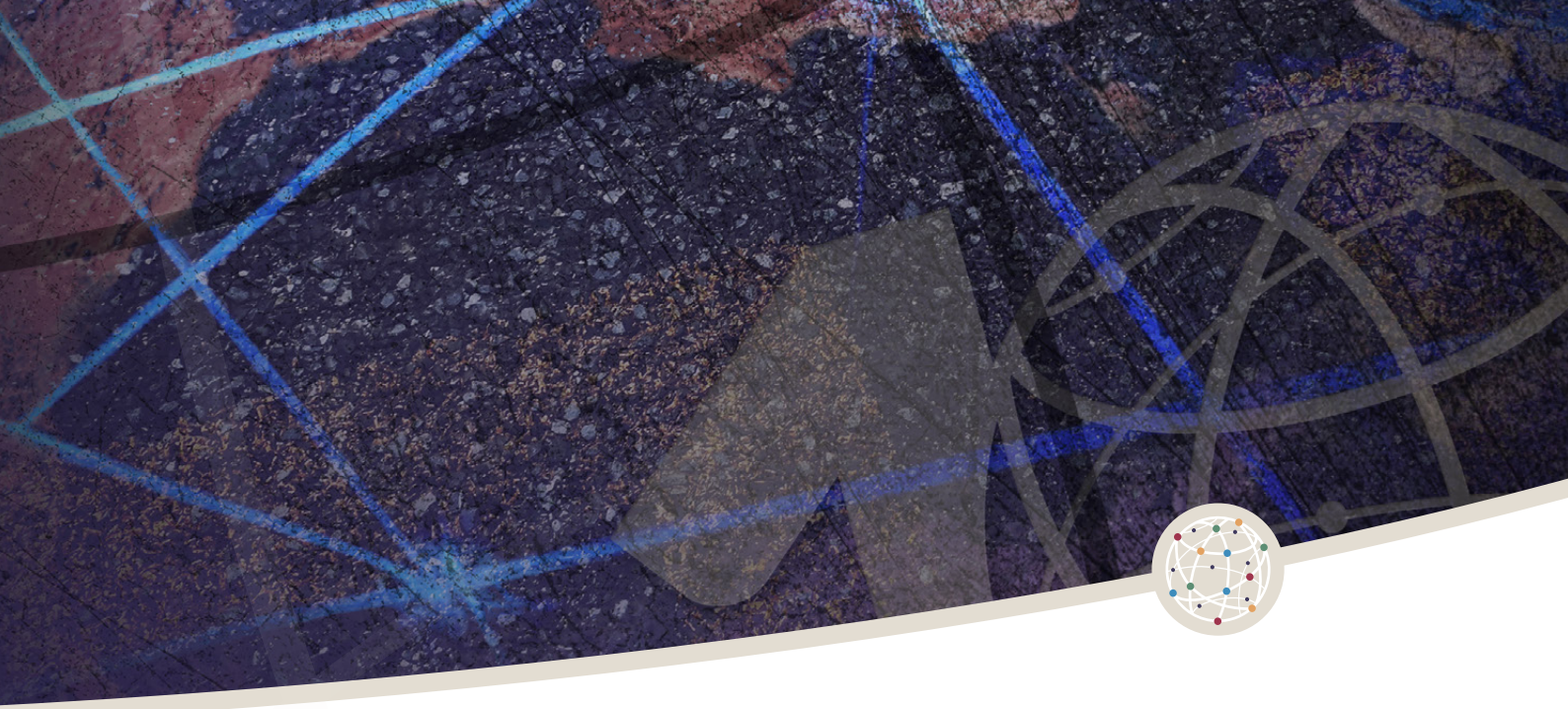
Haiti programme

Haiti remains high on the UN Security Council (UNSC)'s agenda, and the GI-TOC continues to expand its research and programming on the country. We work with multiple local partners on topics including gang dynamics and their impacts on citizens, in particular women.

In May 2023, the GI-TOC released a report drafted with local partners titled 'Gang control and security vacuums: Assessing gender-based violence in Cité Soleil, Haiti'. We have briefed the new UNSC Haiti Sanctions Panel of Experts, other UN offices (the United Nations Integrated Office in Haiti, the Department of Peace Operations and the Office of Rule of Law and Security Institutions), and government missions in New York via the Special Police Advisory Group on this report.

Our report from October 2022, 'Gangs of Haiti', continues to draw attention from policymakers and we are working on follow-up research with our local partners. In addition to presentations and briefings in 2022 with the UN and multiple US government agencies, in April 2023 the GI-TOC provided a separate briefing on





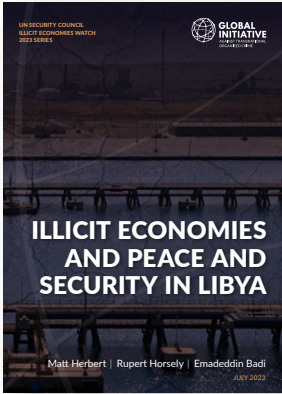
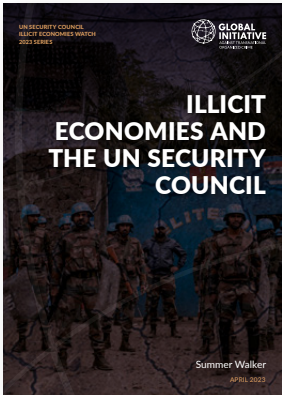
this report and recent updates to the UN Panel of Experts; and presented for USAID through its LACLearn programme. In 2023, the GI-TOC conducted new field research in Haiti. Preliminary findings and an analysis of the current international responses in place, including the sanctions regime and a multinational police force, will be published in early 2024 (see 'Haiti' section under the Latin America observatory above).

Peace and security agenda

The GI-TOC continued its analysis of how the UNSC responds to illicit economies and organized crime by updating its annual review of resolutions tracking references to organized crime and initiating a new series, UN Security Council Illicit Economies Watch, which will draw on research produced by the GI-TOC's regional observatories and the Global Organized Crime Index to assess the impacts of illicit economies for Council-relevant countries through periodic country reports.

The first brief, published in April 2023, provides an overview of how the UNSC addresses illicit economies and offers ideas for advancing the agenda in the context of the New Agenda for Peace. It was listed as a top 10 report in the monthly 'Follow the Money' newsletter by the head of Global Risk Inventory at Deutsche Bank for April 2023. The second brief was a country study of Libya published in July 2023. The Libya report authors have been asked to brief the UN peace operations department on the report.

We continue to work with UN partners in the peace and security field. We are collaborating with the United Nations University in relation to the High-Level Advisory Board on Effective Multilateralism to build on the recommendation on a global strategy for transnational organized crime. In late 2023 we will host a consultation on the recommendation to discuss its potential impact and uptake.



The GI-TOC continues to engage with the United Nations Police (UNPOL) and the Office of Rule of Law and Security Institutions. The GI-TOC presented five times this year to the UNPOL monthly Serious and Organized Crime Focal Points Network meeting, which includes UNPOL staff from missions around the world, staff from headquarters and invited members from relevant missions. The presentations included:

- **March 2023:** West Africa hotspots research
- **May 2023:** GI-TOC research on the recent conflict in Sudan
- **August 2023:** UNSC Illicit Economies Watch paper on Libya
- **October 2023:** Research on Afghanistan under the University of Birmingham's Serious Organised Crime & Anti-Corruption Evidence project
- **October 2023:** Research on the crime and conflict nexus in the Sahel

Cybercrime treaty negotiations

The GI-TOC has been a consistent analyst of the UN cybercrime treaty negotiations. In June 2023, the team published a brief on the outcomes of the negotiations ahead of the release of the zero draft treaty. The meeting shifted from Vienna to New York in August 2023 and the GI-TOC published a policy brief to analyze the treaty text, and co-hosted a side event on multistakeholder contributions to the process. It also published a summary guidance note, a podcast and participating in events in the last months of 2023. These included a media briefing in Berlin (hosted by the Heinrich Böll Foundation), a briefing for member states hosted by the Canadian permanent mission in Vienna and an online briefing hosted by Chatham House.



Vienna

32nd Commission on Crime Prevention and Criminal Justice (CCPCJ) and 66th Commission on Narcotic Drugs (CND)

The GI-TOC co-organized a number of side events in the margins of the 32nd CCPCJ in May 2023:

- The dynamics of human smuggling and trafficking on routes to the central Mediterranean. Organized by the European Union, the GI-TOC and the Netherlands.
- Illicit firearms trafficking and its nuances in Latin America, organized by Mexico and the GI-TOC.
- Under-explored 'accelerant' markets driving instability in the Sahel: Kidnapping and cattle rustling. Organized by Denmark, Norway, Sweden, Germany, the African Union, Ghana, Switzerland and the GI-TOC.

- Gold, crime, conflict and fragility in West Africa and the Sahel: Converting knowledge into evidence-based prevention and response frameworks. Organized by Ghana, Nigeria, Côte d'Ivoire, the African Union, Switzerland and the GI-TOC.
- Illegal trading into and through Africa. Organized by the Institute for Security Studies, INTERPOL and the GI-TOC.
- Online child sexual exploitation: A global perspective of how vulnerable children are victimized online. Organized by the International Centre for Missing and Exploited Children, Peru and the GI-TOC.



In March 2023, the GI-TOC was active at the 66th CND, where we participated in events to highlight our latest research and activities connected to drug trafficking and drug policies, including:

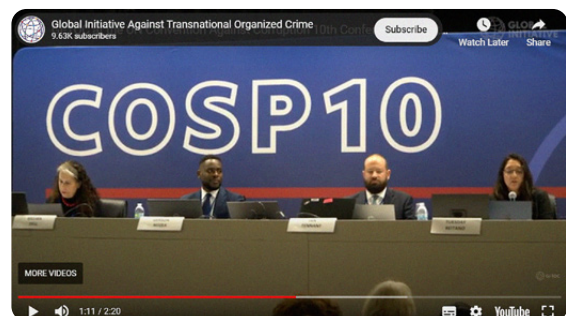
- Understanding the drug trafficking threat along the southern route: special focus on the southern and eastern Africa region, with the UN Office on Drugs and Crime, the UK, the US, Japan, South Africa, Kenya and the EU.
- The future of illicit economies in Afghanistan, with the London School of Economics.
- Exploring the dynamics of drug markets in contemporary times, with the International Society for the Study of Drug Policy.



United Nations Convention against Corruption (UNCAC) Conference of States Parties (COSP), Atlanta

In December 2023, the GI-TOC took part in the 10th COSP to the UNCAC in Atlanta, US. Our engagement at the COSP focused on enhancing understanding of the links between organized crime and corruption, and the harms that are caused, as well as encouraging a more strategic and coordinated response, including through the implementation of the UNCAC and UNTOC.

We were invited to organize a breakout session at the pre-COSP civil society forum, on the links between organized crime and corruption, with panellists including the US State Department's Assistant Secretary of State for International Narcotics and Law Enforcement, and the Italian Permanent Representative to the UN in Vienna. Our main side event was organized in partnership with the US State Department and focused on how the Global Organized Crime Index can be used to analyze corruption.



United Nations Convention against Transnational Organized Crime (UNTOC) review mechanism and constructive dialogues

The GI-TOC finalized the development of the UNTOC Hub, a platform where civil society can access data on how to participate in the mechanism. It includes information about the review process, review clusters, reports, how civil society can engage with the UNTOC review mechanism and support through FAQs. The tools available in the hub include a review mechanism map, civil society questionnaires and a calendar of key events.

The GI-TOC was not able to officially participate in the three first Constructive Dialogue meetings held in 2022. Significant efforts were dedicated to ensuring political support from member states for our participation in 2023. We participated in the 2023 Constructive Dialogues on firearms, technical assistance, international cooperation, trafficking in persons and smuggling of

migrants, during which we made statements and engaged in question-and-answer sessions with states and NGOs. The highlight was a panel presentation from the GI-TOC's director, Mark Shaw, on the topic of civil society participation in transnational organized crime policies, during which he was asked extensive questions from state and civil society stakeholders. The deputy director, Tuesday Reitano, was a panellist in the migrant smuggling dialogue, and senior adviser Jean-Paul Laborde was a panellist in the session on international cooperation.



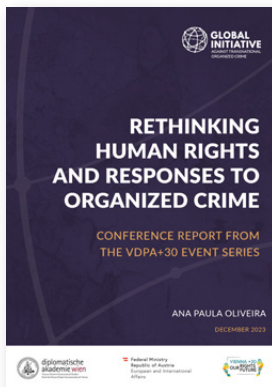
Human rights and organized crime: Follow-up events to the Vienna Declaration and Programme of Action (VDPA+30)

The GI-TOC, with the support of the Austrian Federal Ministry for European and International Affairs, organized a series of events to raise awareness of organized crime as a multifaceted issue that poses serious challenges to human rights, as part of follow-up events to celebrate the 30th anniversary of the Vienna Declaration and Programme of Action (VDPA) and the 75th anniversary of the adoption of the Universal Declaration of Human Rights.

The programme comprised a two-day expert group meeting held from 29 November to 30 November in Vienna, and a public event. The group meeting brought together experts based in

Vienna and selected global experts (from academia, NGOs and international and grass-roots organizations) from the human rights and crime prevention fields to discuss the interactions between organized crime and human rights. It was designed to spark discussion on organized crime as a global challenge that keeps human rights from being fulfilled, based on our research and evidence on the issues.

The GI-TOC also hosted a public panel at the Vienna Diplomatic Academy. This event reflected on high-level principles, community experiences and responses, as well



as the dissemination of community tools to respond to organized crime through a human rights lens. The GI-TOC then published a report summarizing the key points discussed in these events and proposing a way forward for those who would like to pursue further work on the issue.



ECOSOC consultative status

In July, through a vote at the UN in New York, the GI-TOC was finally granted ECOSOC consultative status. The GI-TOC applied for consultative status with ECOSOC in 2018. The benefits of obtaining ECOSOC consultative status include the ability to participate in UN events, attend meetings, submit written statements prior to sessions, make oral statements, meet official government delegations and other NGO representatives, organize and attend parallel events that take place during the session and participate in debates, interactive dialogues, panel discussions and informal meetings. Consultative status with ECOSOC enables easier access across the UN system including in New York, Vienna, Geneva and Nairobi, and means we automatically get invited to a wide range of UN meetings and our attendance cannot be objected to. This includes the annual CND and CCPCJ meetings, and in addition our participation in the UNTOC and UNCAC is guaranteed, as well as other relevant processes across the spectrum of the UN in New York and Geneva.

This will make it much easier for us to make statements, table our own events and get passes for staff; in addition to conferences, we will get a certain number of annual passes at UN buildings. We have always worked around this, but this will facilitate our research, analysis and engagement to gain traction at the UN, which is a core part of our ongoing strategy and is a recognition of the value of our work.

EASTERN AND SOUTHERN AFRICA COMMISSION ON DRUGS

Many countries in Eastern and Southern Africa are increasingly becoming transit hubs and destination points in the illicit drug market. This is due in part to their strategic location, as primary nodes on main shipping routes through the Indian Ocean. This has led to a rise in regional organized criminality, which fuels violence and corruption, undermining the security and stability of the region. Yet many countries in the region lack comprehensive and evidence-based drug policies. Instead, policies tend to favour punitive measures over harm reduction and rehabilitation. There is a need for a shift towards comprehensive policies that address the root causes and harms of drug use, and offer rehabilitation and treatment options for people who use drugs.

The Eastern and Southern Africa Commission on Drugs (ESACD) is an independent advocacy group championing drug policy reform and capacity building in the region. It was formally launched in Cape Town in February 2023 with the mandate to enhance regional awareness of the drug problem, engender public discussions and engage with policymakers and other stakeholders with a view to catalyzing new approaches and reforms. While the inaugural meeting was fairly wide-ranging (covering public health risks, improving access to medicines, the impact of drug policies on young people and the role of civil society organizations in developing evidence-based policy), a second meeting in Mauritius focused on drug policy reform, improved law enforcement strategies for disrupting illicit markets and the expansion of maritime trafficking routes.

Commissioners

The ESACD currently comprises the following commissioners:

- H. E. Kgalema Motlanthe, Former President of South Africa
- H. E. Joaquim Chissano, Former President of Mozambique
- H. E. Cassam Uteem, Former President of Mauritius
- H. E. James Michel, Former President of Seychelles
- Professor Quarraisha Abdool Karim, Associate Scientific Director, CAPRISA, and Professor in Clinical Epidemiology, Columbia University
- Honourable Willy Mutunga, Former Chief Justice/President, Supreme Court of Kenya

2023 engagements

- On 14 March, the ESACD was invited to participate in a panel on the sidelines of the Commission on Narcotic Drugs, together with representatives of the United Nations Office on Drugs and Crime, the UK and others. The panel, 'Understanding the drug trafficking threat along the southern route: Special focus on the southern and eastern Africa region', was organized by the UK Mission to the UN in Vienna and co-sponsored by the EU and others. The ESACD presented research prepared by its experts, which included an overview of the drugs coming from Latin America and Afghanistan through the southern route, passing

through Eastern and Southern Africa, and ending up in markets in Europe and the US. The wider diplomatic community in Vienna and participants and country representatives became well acquainted with the commission's work through this event. Following this, the ESACD has received requests for further engagement with national authorities (for example from Eswatini) seeing alignment between the ESACD's priorities and their own.

- In July 2023, we took part in the Global Commission on Drug Policy's plenary in Edinburgh, Scotland, presenting on the ESACD's regional role and its advocacy for policy reform. There was wide participation from other regional commissions, including the West Africa Commission on Drugs, Latin American Commission on Drugs and Democracy, and Eastern and Central European and Central Asian Commission on Drug Policy.
- On 10 and 11 August 2023, the ESACD held a meeting in Mauritius – the second in a series of consultations on drug policy and drug markets in the region. The meeting gathered representatives of civil society organizations, academia and the media alongside high-level officials, including the prime minister of Mauritius, Hon. Pravind Kumar Jugnauth; the former president of South Africa, Kgalema Motlanthe, ESACD chair; commissioners, as well as other high-level participants. Participants discussed a range of issues related to drug policy in Eastern and Southern Africa, including drug policy reform, maritime drug trafficking, the role of civil society in evidence-based policy recommendations and law enforcement strategies to disrupt illicit drug markets. The event was co-hosted by the European Union, through the ENACT project, and the GI-TOC, which acts as the secretariat for the commission, providing administrative and diplomatic support.



- On 14 August, H.E. Motlanthe delivered a keynote address at the Africa Drug Policy Week, advocating reform of drug policy approaches in Africa and raising awareness of the ESACD and its activities.

- On 21 November, the EU delegation in Nairobi hosted a meeting of the ESACD Steering Committee, where we presented an overview of the ESACD, contextualized the region's drug challenges, outlined the guiding points of the working commission and its achievements so far, and provided an overview of planned future activities. The EU recognized the work of the commission over the past year and provided positive feedback on the activities and high-level advocacy and outreach work carried out by the commissioners and the secretariat.

Looking ahead

The commission plans to organize four events in 2024. The first, a high-level event on the sidelines of the Commission on Narcotic Drugs in March 2024. The second, another meeting of the commission that will be held in Maputo, Mozambique, focusing on cannabis legislation. This will enable representatives from countries in Eastern and Southern Africa to engage with other countries that have already amended their cannabis policies, or are in the process of doing so, and be encouraged to take further steps towards reforming their approaches to the cannabis trade. The meeting will gather experts from countries that have revised their cannabis policies, as well as other international experts, to share best practices and lessons learned. In the third quarter of 2024, we will convene a high-level meeting of the ESACD in Zanzibar, and in June 2024 H.E. Motlanthe, H.E. Chissano and Professor Abdool Karim will share a panel during the Crime Fighting Week scheduled to be held in Brussels.

ACADEMIC ENGAGEMENT

The GI-TOC's focus on academic engagement serves as a bridge between academia and policy. It aims to use the GI-TOC's unique strengths to bring together existing global networks, support academics to engage with policy processes, and provide an avenue for policymakers to connect with key academics in the fields of illicit economies and transnational organized crime. To further these aims, in October 2020 the GI-TOC appointed a director of academic engagement.

Over the past three years, the organization has solidified and expanded the GI-TOC's partnerships with a number of universities around the world, such as the Universidad de los Andes in Colombia, the University of Milan, the University of Cape Town, the London School of Economics (LSE), the Jackson Institute at Yale University, the University of Oxford, the University of Groningen, the University of Essex, the University of Hong Kong, the Munk School of Global Affairs & Public Policy at the University of Toronto, and the International Anti-Corruption Academy. In addition, the GI-TOC has continued to cement its role as the home of the International Association for the Study of Organized Crime.

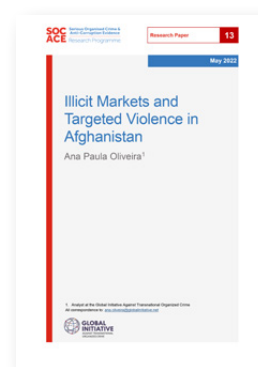
In 2023, the GI-TOC co-delivered two pioneering global short courses:

- Summer school on illicit trade, organized by the University of Groningen and the University of Catania.
- 'Organized crime and security policy: Understanding the threat to design better responses 2023', with the Geneva Centre for Security Policy.

The GI-TOC is currently developing a joint research project on drugs and harm reduction with the University of Hong Kong, with funding covered by the Hong Kong Research Grants Council. The GI-TOC has also designed a module on corruption and organized crime for the master's in Anti-Corruption Studies at the International Anti-Corruption Academy, which started in November 2023.

The academic engagement team has expanded the direct funding relationships with universities, drawing sizable grants from the University of Birmingham Serious Organised Crime & Anti-Corruption Evidence project. As part of this, the GI-TOC has produced a series of papers on illicit economies in Afghanistan as well as looked at the issue of illicit financial flows globally. We are concluding phase III of this project, with a series of outputs published in 2023. Meanwhile, the director of academic engagement is part of a major EU COST Action grant, as part of the management committee, looking at the evolution of illicit markets in Europe. This project will run from October 2022 to October 2026 and provide significant opportunities for network development and capacity building, as well as providing a series of small grants for our network building and local research work.

The GI-TOC also publishes three to four issues a year of the open access *Journal of Illicit Economies and Development* (JIED), produced in close partnership with LSE Press. To guide the journal in its strategic development and priorities for 2021–2023, JIED appointed seven strategy committee members and 25 editorial board members representing a diversity of thematic and geographical expertise as well as of stakeholder and gender balance across the world. In 2022, JIED was accepted to Scopus, the largest abstract and citation database of peer-reviewed journals worldwide, as well as awarded the Directory of Open Access Journals seal of approval.



Since 2020, the GI-TOC has assumed leadership of the International Association for the Study of Organized Crime (IASOC). To guide the association in its strategic development and priorities for 2021–2023, IASOC appointed 10 steering committee members reflecting a diversity of thematic and geographical expertise as well as gender balance.

In line with the GI-TOC's strategic goals for academic engagement, the team has achieved financial self-sufficiency, enabling it to continue its activities in the coming years and achieving its medium-term goal to serve as a net financial contributor to GI-TOC activities across the organization. We expect our footprint on university and research council grants to continue to expand in the coming years and provide significant funding, research and network capacity support to the GI-TOC in pursuit of our overall organizational strategy and mission. The GI-TOC's core financial partners for the academic engagement portfolio are the EU, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Open Society Foundations and the UK's Foreign, Commonwealth and Development Office.

2023 outputs

Dozens of peer-reviewed articles were published in the JIED covering all aspects of organized crime and illicit economies, with over 167 000 views and 25 000 open-access downloads to date.

The GI-TOC has increased publication in leading peer-reviewed journals, with roughly 10 articles published or under production with journals such as the JIED, the *LSE Review of Public Policy*, the *International Journal of Drug Policy* and others.

The GI-TOC has assumed leadership of the Drugs and Development Hub (DDH), in partnership with the GIZ Global Partnership on Drug Policies and Development (GPDPD). Under DDH, two special issues on the topic of African drug markets and of Cannabis regulation and development are planned for publication with JIED in 2023 and 2024, respectively. The DDH's 2023 regional focus continues by reviewing drugs and development in the African context, and it has expanded to include Latin America, Asia and the Western Balkans, drawing on the GI-TOC's extensive networks in these regions. In addition, under the framework of the DDH, the GI-TOC co-organized a high-level round-table event with GIZ and GPDPD on key trends in cocaine flows between Latin America, West Africa and Europe, which took place in December 2023. Drawing from GI-TOC Network members and GPDPD partners, the GI-TOC has established a task force on drugs and development since 2022. In addition, the GI-TOC will issue quarterly newsletters targeting civil society, governments, experts and other interested parties that include a variety of materials, including updates on the DDH task force and its members.

In addition, we are producing four special issues in JIED in 2023–2024, with an average of 8–10 original research, method, policy and review contributions per issue, and have a number of books under development with academic and independent publishing houses. In 2023, JIED published two issues: Vol 5, Issue 1 (regular issue) and Vol 5, Issue 2 (special issue) on drug policy history, design and practice in Asia. Forthcoming issues include illicit drug markets in Africa, the war in Ukraine and its impact on transnational organized crime in the region, cannabis regulation development, and the new international relations of drugs. Our issues are published in various languages, including Portuguese, Spanish, French and English. Since October 2021, the GI-TOC has also launched a podcast series called 'Crime Beyond Borders', highlighting research and journal articles published in various JIED special issues, as well as featuring one-on-one conversations on specific organized crime and illicit economy topics such as drug trafficking and drug policy, with distinguished professors and practitioners in the field.

Welcome to the second edition of the

24h CONFERENCE ON GLOBAL ORGANIZED CRIME


A virtual conference to bring together OC scholars.



Following up on the previous years' 24-hour conference's success, the GI-TOC, in collaboration with the European Consortium for Political Research's Standing Group on Organized Crime, the Centre for Information & Research on Organized Crime and IASOC, organized the fourth edition of the 24-hour virtual conference on global organized crime on 18–19 October 2023, aiming to bring together organized crime scholars, practitioners, students and relevant stakeholder groups from all corners of the world. Wishing to stimulate constructive and engaging discussions among panellists and between speakers and the audience, the organizers continued with the four innovative session formats, including regular panels, round-table discussions, library/book interviews, and video and visual sessions. Each session is 75 minutes long, followed by a 15-minute break. The 2023 edition of the conference hosted a global audience of over 2 600 participants.

The GI-TOC's LinkedIn group 'Illicit economies and organized crime: Researchers and policy professionals', launched in 2020, has continued to grow and facilitate discourse and engagement among its members, representing all stakeholder groups (law enforcement, researchers, academia, NGOs, the private sector, etc.), and coming from all over the world. This group is currently providing a collaborative platform for over 900 members who share knowledge, experience and insights into the world of transnational organized crime research activities and projects. The group is aimed at creating new connections between the GI-TOC and the academic community, and building a receptive audience for the GI-TOC's products and initiatives.

ARE YOU:

 an academic / scholar / researcher / policy professional / practitioner

WHOSE WORK IS FOCUSED ON ORGANIZED CRIME AND ILLICIT ECONOMIES?

Join our LinkedIn group
'Illicit Economies and Organized Crime'



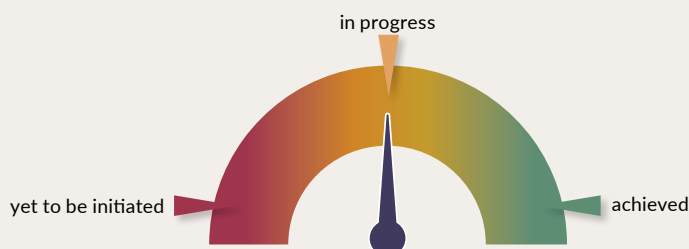
JIED Journal of Illicit Economies and Development

LSE Press

GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME


























APPENDIX 1: PERFORMANCE AGAINST THE STRATEGY



Activity report

STRATEGIC OBJECTIVE	ACTIVITIES	PROGRESS TRACKER (Second of three years)
1. Awareness and analysis: Increasing the evidence base and understanding of organized crime	1.1. Continue to publish a steady stream of high-quality reports each year as well as shorter publications.	
	1.2. Increase the number of regional observatories from five to seven.	
	1.3. Increase the number of GI-TOC outputs in languages other than English.	
	1.4. Expand the geographic and thematic range of topics to ensure that the outputs have a truly global perspective and coverage.	
	1.5. Broaden the range of GI-TOC outputs, including podcasts, videos, infographics and webinars, as well as their promotion through the media, and define metrics to measure the impacts of publications of digital outputs	

STRATEGIC OBJECTIVE	ACTIVITIES	PROGRESS TRACKER (Second of three years)
2. Action: facilitate and catalyze innovative policy-relevant responses	2.1. Regional observatories will develop a diverse range of products and convene at least five dialogues per year around their outputs.	
	2.2. Invest in tools (including digital metrics) that can track and measure more effectively the impact of GI-TOC outputs and build an evidence basis on how the GI-TOC influences outcomes.	
	2.3. Increase Network member engagement by holding group discussions (using online platforms if necessary) around specific regions and issues as well as GI-TOC products, in addition to our current quarterly Network virtual group discussion.	
3. Resilience: Strengthen local resilience and responses to organized crime	3.1. Grow the Resilience Fund by 10% per year	
	3.2. Extend the number of funded projects to at least five in (each of) Latin America, Africa, Asia and the Western Balkans	
	3.3. Develop a hub on lessons learned and how to replicate them.	
	3.4. Develop a centralized repository and online resources for local anti-organized crime initiatives.	
	3.5. Enhance monitoring and evaluation of GI-TOC and GI-TOC supported initiatives to better assess their impact, risk and effectiveness.	
4. Partnerships: Enhance and leverage partnerships for more effective responses.	4.1. Use the presence of the GI-TOC in key hubs of international dialogue (e.g. NY etc) to facilitate meetings and side events, and create opportunities to input ideas to key TOC related meetings and debates.	
	4.2. Strengthen network and partnerships with academic institutions and develop a module on TOC that can be used for teaching.	
	4.3. Grow partnerships with regional and global law enforcement agencies.	
	4.4. Initiate a strategic discussion between law enforcement and the private sector on strengthening partnership to prevent and combat TOC.	

STRATEGIC OBJECTIVE	ACTIVITIES	PROGRESS TRACKER (Second of three years)
	4.5. Enhance publishing partnerships with academic journals, including JIED.	
	4.6. Facilitate at least one meeting per year involving international and/or regional organizations to promote the idea of a global strategy on TOC.	
	4.7. Develop a (donor) partnership with at least one foundation and one private sector entity per year.	
5. The Future: Consolidate a decade of growth and position the organization for the future.	5.1. Established regular (virtual) regional network group discussions, linking to global experts and trans-regional online workshops to exchange ideas and experiences to policymakers.	
	5.2. Increase members of the Network from under-represented regions and professional backgrounds.	
	5.3. Enhance internal coordination and workflow while maintaining decentralizations by a yearly all-staff retreat and regular online meetings.	
	5.4. Increase staff training on security, legal and research/methodical issues.	
	5.5. Review publications procedures and develop a publications strategy to ensure sustainable growth, timely delivery and maximum impact on GI-TOC material.	
	5.6. Develop guidance on archiving and access to GI-TOC material to maintain institutional memory, enhance user-friendliness and cross referencing to GI-TOC research and publications, and grow the GI-TOC as a "learning organization".	
	5.7. Based on lessons learned from adapting as a result of COVID-19, make more effective use of video conferencing and webinars to provide direction, simulate debate, connect staff, liaise with strategic partners and affected communities, and reduce travel costs and carbon footprint.	
	5.8. Develop a strategy to celebrate the 10 th anniversary of GI-TOC.	

The background is a dark, textured surface with a complex network of glowing blue and purple lines that resemble a globe or a network diagram. The lines are thin and intersect to form various shapes, including circles and polygons. The overall color palette is dominated by deep blues, purples, and hints of red and orange, creating a futuristic and technical atmosphere.

ANNUAL REPORT

2023

**APPENDIX 2:
AUDITED FINANCIAL
STATEMENTS**

Report of the independent auditor to the Board on the limited examination of The Global Initiative against Transnational Organized Crime, Geneva combined financial statements for the year ended December 31, 2023.

In accordance with your instructions, we have examined the combined financial statements (combined balance sheet, combined statement of income and expenses and notes) of The Global Initiative against Transnational Organized Crime for the financial year ended December 31, 2023.

These combined financial statements are the responsibility of the Board. Our responsibility is to perform a limited 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 combined financial statements. A limited statutory examination consists primarily of inquiries of entity personnel and analytical procedures as well as detailed tests of entity 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 examination, nothing has come to our attention that causes us to believe that the combined financial statements do not comply with Swiss law and the association's articles of incorporation.

Forvis Mazars Ltd

Jean-Marc Jenny
Licensed audit expert
(Auditor in charge)

Karim Chaouki
Manager

Geneva, June 12, 2024

Attachments

- Combined financial statements for the year ended December 31, 2023 (combined balance sheet, combined statement of income and expenses and notes)

The Global Initiative Against Transnational Organized Crime Combined

Combined Balance Sheet as of 31 December 2023
(in Swiss Francs)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3'774'273	809'166
Grants receivables	561'093	747'119
Other current receivables	62'740	82'207
Accrued income	886'305	2'164'859
Prepaid expenses	76'351	170'521
Current assets	5'360'762	3'973'872
Non-current assets		
Fixed assets	207'492	102'155
Financial assets	122'538	182'676
Non-current assets	330'030	284'831
Total Assets	5'690'792	4'258'703
LIABILITIES		
Short-term liabilities		
Vendors payables	91'440	280'603
Other current payables	614'093	618'095
Accrued expenses	367'630	380'485
Deferred income	4'114'022	1'508'169
Short-term liabilities	5'187'185	2'787'352
Association own funds		
Capital fund	879	
Balance brought forward	1'499'998	1'351'139
Expenditures over income	-932'262	148'859
Exchange gain & losses from the combination process	-65'008	-28'647
Total association own funds	503'607	1'471'351
Total Liabilities	5'690'792	4'258'703

The Global Initiative Against Transnational Organized Crime Combined

Combined Statement of Income and Expenses for the year ended 31 December 2023
(in Swiss Francs)

	2023	2022
INCOME		
Grants received	15'496'569	13'268'285
Deferred income variation	-2'606'540	898'376
Accrued income variation	-1'287'531	-754'224
Donations in kind	234'586	1'122'577
Total Revenues	11'837'084	14'535'014
PROGRAMME EXPENDITURE		
Personnel costs and salary consultants	-7'380'577	-6'746'309
Consultant costs	-2'111'358	-3'093'119
Consultant costs in kind	0	-942'111
Grants	-724'924	-824'371
Travel expenses	-1'078'152	-1'529'118
Professional services	-356'591	-313'506
Communications, media and outreach	-202'207	-99'359
Total Expenditure related to programs	-11'853'808	-13'547'894
Net contribution to overheads	-16'724	987'120
OVERHEAD COSTS		
Rental and maintenance	-114'511	-107'276
Rent in kind	-135'031	-136'882
Administration costs	-301'964	-277'991
VAT not recoverable	-9'818	-3'365
Overhead from projects' partners	-13'574	-16'617
Depreciation	-49'263	-39'345
Total Overhead Costs	-624'161	-581'477
Earnings before financial results	-640'885	405'643
FINANCIAL RESULTS		
Exchange gain & losses	-248'413	-198'689
Bank fees	-72'436	-74'568
Total financial results and expenses	-320'623	-273'257
OPERATION FROM PREVIOUS YEARS		
Operating revenue from previous years	56'937	50'046
Operating charge from previous years	-27'690	-33'574
Total revenue and charges from previous years, net	29'246	16'472
Expenditures over income	-932'262	148'859

The Global Initiative Against Transnational Organized Crime Combined

Notes to the combined financial statements for the year ended 31 December 2023
(in Swiss Francs)

Basis of Preparation

These financial statements are based on a combination. A combination puts together the financial statements of several separate entities that are not related by investments into a single group while a consolidation combines different subsidiaries of a single parent entity in its financial statements. All entities combined are listed below. Cross transactions between entities have been eliminated.

Scope of combination

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

The Global Initiative Against Transnational Organized Crime, Geneva, Switzerland
Funded 20 September 2013 - Registered 24 September 2014

The Global Initiative - Verein gegen transnationale organisierte Kriminalität, Vienna, Austria
Registered 17 September 2018

The Global Initiative Against Transnational Organised Crime Cape Town NPC, Cape Town, South Africa
Registered 01 February 2019

Fundacion Iniciativa Global Contra El Crimen Organizado Transnacional Colombia
Registered 04 September 2023

The entities listed above are independent from one another. Nonetheless, they are considered internally as related parties.

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

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.

The Global Initiative Against Transnational Organized Crime Combined

Notes to the combined financial statements for the year ended 31 December 2023
(in Swiss Francs)

Contribution

Contributors	2023		2022	
	in CHF	in %	in CHF	in %
Australia	61'197	0.52%	97'351	0.67%
Austria	76'151	0.64%	34'784	0.24%
Canada	0	0.00%	25'592	0.18%
Denmark	270'391	2.28%	73'885	0.51%
European Union	2'296'588	19.40%	2'793'318	19.22%
Germany	1'802'333	15.23%	1'486'151	10.22%
Global Initiative	-48'098	-0.41%	-19'382	-0.13%
ISS - European Union	426'361	3.60%	719'133	4.95%
New Zealand	-2'756	-0.02%	144'497	0.99%
Norway	1'675'760	14.16%	3'410'014	23.46%
Other donor	972'426	8.22%	493'264	3.39%
Private Donation	117'250	0.99%	0	0.00%
Switzerland	191'074	1.61%	374'593	2.58%
The Netherlands	104'626	0.88%	175'455	1.21%
United Kingdom	2'455'162	20.74%	2'340'854	16.10%
United Nation	144'749	1.22%	41'887	0.29%
USA	1'293'871	10.93%	2'343'617	16.12%
Total	11'837'084	100.00%	14'535'014	100.00%

Expenditure recognition

Expenses are recognized in the financial statements on an accrual basis. All cross charge expenditure between related parties have been eliminated.

Declaration of full-time equivalents

Together, the combined entities and related parties employ about a hundred consultants - employees.

The Global Initiative Against Transnational Organized Crime Combined

Notes to the combined financial statements for the year ended 31 December 2023
(in Swiss Francs)

Exchange Rates applied

Devises	2023	2022
AUD	0.5821	0.6323
CAD	0.6438	0.6883
COP for 10000	2.1981	1.9249
DKK for 100	12.6442	13.4155
EUR	0.9424	0.9938
GBP	1.0840	1.1237
JPY for 100	0.6017	0.7043
NOK for 100	8.3560	9.4321
NZD	0.5407	0.5912
PKR for 100	0.3028	0.4115
SEK for 100	8.5295	8.9616
SGD	0.6459	0.6936
THB for 100	2.4835	2.6997
USD	0.8513	0.9325
ZAR	0.0462	0.0550

Expenses and Revenues have been recorded locally using the exchange rate set per local regulation. During the combined process, transactions have been converted at the exchange rate of the day of the transaction using the exchange rate of the Swiss Federal Tax Administration. Year-end position have been converted using the exchange rate listed above.

Contingencies and litigations

During the 2020 year, a third party individual instigated proceedings against three GI staff members alleging defamation for a paper published under the EU-funded ENACT programme in 2018.

The GI-TOC has engaged legal counsel who considers that the claim has no merit, and they have recommended that to defend by all means necessary against the allegations which have been filed in the High Court of Kenya. An interlocutory procedural motion was refused in March 2021. Once the case begins, the process is likely to take upwards of 18-24 months to conclude. There were no significant developments in 2023 in relation to this case.

Accordingly, and in line with Swiss regulations, a contingent liability has been made in the financial statements to cover litigation costs and the required percentage of a potential judgement.

Subsequent events

The Management assessed subsequent events occurring after the date of the annual financial statements for the year ended December 31, 2023. It has not noted the existence of any significant event likely to require a modification of the annual accounts.

Report of the statutory auditor to the General Meeting of Members on the limited statutory 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 Crime for the financial year ended December 31, 2023.

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 entity personnel and analytical procedures as well as detailed tests of entity 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.

Forvis Mazars Ltd

Jean-Marc Jenny
Licensed audit expert
(Auditor in charge)

Karim Chaouki
Manager

Geneva, June 12, 2024

Attachments

- Financial statements for the year ended December 31, 2023 (balance sheet, statement of income and expenses, notes)

The Global Initiative Against Transnational Organized Crime Geneva

Balance Sheet as of 31 December 2023
(in Swiss Francs)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3'302'382	424'707
Grants receivables	550'845	862'558
Sister organisation receivables	85'979	319'660
Other current receivables	60'756	82'207
Accrued income	476'503	1'524'663
Prepaid expenses	75'765	82'149
Current assets	4'552'230	3'295'944
Non-current assets		
Fixed assets	161'941	51'165
Financial assets	77'862	70'847
Non-current assets	239'803	122'012
Total Assets	4'792'033	3'417'956
LIABILITIES		
Short-term liabilities		
Vendors payables	50'956	216'045
Sister organisation payables	312'404	69'972
Other current payables	455'925	433'127
Accrued expenses	312'691	330'030
Deferred income	3'396'514	1'191'257
Short-term liabilities	4'528'490	2'240'431
Association own funds		
Balance brought forward	1'177'525	1'066'392
Expenditures over income	-913'982	111'133
Total association own funds	263'543	1'177'525
Total Liabilities and Association own funds	4'792'033	3'417'956

The Global Initiative Against Transnational Organized Crime Geneva

Statement of Income and Expenses for the year ended 31 December 2023 compared to 2022
(in Swiss Francs)

	2023	2022
INCOME		
Grants received	10'863'459	10'581'412
Revenue from sister organisation	852'124	504'188
Deferred income variation	-2'205'257	314'725
Accrued income variation	-1'060'896	-1'191'365
Donations in kind	201'603	1'092'745
Total Revenues	8'651'033	11'301'705
PROGRAMME EXPENDITURE		
Personnel costs and salary consultants	-5'118'366	-4'420'442
Salary and consultant fees from sister organisation	-1'167'417	-1'136'785
Consultant costs	-1'326'905	-2'239'127
Consultant costs in kind	0	-948'892
Grants	-45'733	-47'776
Grants to sister organization	-883	-67'531
Travel expenses	-723'603	-1'255'588
Professional services	-240'900	-223'021
Communications, media and outreach	-159'444	-72'006
Total Expenditure related to programs	-8'783'251	-10'411'168
Net contribution to overheads	-132'218	890'537
OVERHEAD COSTS		
Rental and maintenance	-18'247	-33'091
Rent in kind	-102'048	-102'098
Administration costs	-208'031	-218'733
VAT not recoverable	-9'818	-3'365
Overhead from projects' partners	-13'574	-16'617
Overhead from sister organisation	-157'353	-172'184
Depreciation	-31'333	-23'671
Total Overhead Costs	-540'404	-569'759
Earnings (losses) before financial results	-672'622	320'778
FINANCIAL RESULTS		
Interests received	226	0
Exchange gain & losses	-225'885	-173'198
Bank fees	-48'672	-56'545
Total financial results	-274'331	-229'743
OPERATION FROM PREVIOUS YEARS		
Operating revenue from previous years	56'699	48'034
Operating charge from previous years	-23'728	-27'936
Total revenue and charges from previous years, net	32'971	20'098
Expenditures over income	-913'982	111'133

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(in Swiss Francs)

Association domicile

Avenue de 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, regional and national levels; undertake research and develop new policy options to help inform a strategic development at national, regional and international levels; create the basic materials of a global strategy on organized transnational crime.

Accounting principles applied in the preparation of the financial statements

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

Revenue recognition

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.

Contribution

Contributors	in CHF	in %
Australia	61'197	0.71%
Canada	0	0.00%
Denmark	270'391	3.13%
Europe Union	2'264'177	26.17%
Germany	1'704'632	19.70%
Institute for Security Studies as implementing	426'361	4.93%
New Zealand	0	0.00%
Norway	743'971	8.60%
Other donors	663'390	7.67%
Smaller projects and sister organisations	780'046	9.02%
Switzerland	191'074	2.21%
<i>Core Contribution</i>	89'165	1.03%
<i>Rent in kind</i>	109'906	1.27%
<i>Civil Society Engagement in UNTOC Mechanism 2</i>	-7'996	-0.09%
The Netherlands	80'101	0.93%
United Kingdom	100'488	1.16%
United Nations	69'817	0.81%
United States of America	1'295'389	14.97%
Total	8'651'034	100.00%

In many cases these contributions were contracted and received in their original currencies, and converted to CHF.

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(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 grants agreements.

Projects Name	Contract N°	in GBP
Development Dialogue London	Ecm_5523	89'971

Expenditure recognition

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

Depreciation

From 1 January 2022, Computers bought in the previous years have been activated at their net amortized value on 1 January 2022 as disclosed below. The computers are depreciated over their estimated useful life of 3 years.

Declaration of full-time equivalents

The association employs about seventy consultants - employees (2022 - about sixty) of which less than ten are located in Switzerland.

Pension liabilities

	2023	2022
Liability to pension scheme as at 31 December	CHF 1314.70	CHF 8'399.80

Lease commitment not considered in the financials

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 2026.

Exchange Rates applied

Devises	2023	2022
AUD	0.5821	0.6323
CAD	0.6438	0.6883
DKK for 100	12.6442	13.4155
EUR	0.9424	0.9938
GBP	1.0840	1.1237
JPY for 100	0.6017	0.7043
NOK for 100	8.3560	9.4321
NZD	0.5407	0.5912
PKR for 100	0.3028	0.4115
SEK for 100	8.5295	8.9616
SGD	0.6459	0.6936
THB for 100	2.4835	2.6997
USD	0.8513	0.9325
ZAR	0.0462	0.0550

The Global Initiative Against Transnational Organized Crime Geneva

Notes to the financial statements for the year ended 31 December 2023

(in Swiss Francs)

Operation from previous years

Operating revenue from previous years

2022

From 1 January 2022, Computers bought by the organisation have been considered as fixed asset while previously considered as expenses during the year of purchase. Computers that were bought in the previous years have been capitalised on 1 January 2022 for a total amount of CHF 31'049, thus generating revenue from previous years. Finally, a correction on a partner's invoice had to be filed.

2023

Income from previous years partly consists of in-kind revenues, which can only be recorded when they are definitively acquired. Additionally, in 2023, one of our suppliers conducted a reconciliation of the services provided in 2022 and sent us credit notes based on the actual costs.

Operating charge from previous years

2022

Several invoices related to the year 2021 have been received after the conclusion of the audit last year.

2023

Expenses from previous years come partly from in Kind expenses which can only be recorded when fully recognised. Like in the previous year, several invoices related to the year 2022 have been received after the closing of the 2022 audit.

Contingencies and litigations

During the 2020 year, a third party individual instigated proceedings against three GI staff members alleging defamation for a paper published under the EU-funded ENACT programme in 2018.

The GI-TOC has engaged legal counsel who considers that the claim has no merit, and they have recommended that to defend by all means necessary against the allegations which have been filed in the High Court of Kenya. An interlocutory procedural motion was refused in March 2021. Once the case begins, the process is likely to take upwards of 18-24 months to conclude. There were no significant developments in 2023 in relation to this case.

Accordingly, and in line with Swiss regulations, a contingent liability has been assessed and recorded in the financial statements to cover litigation costs and the required percentage of a potential judgement.

Subsequent events

The Management assessed subsequent events occurring after the date of the annual financial statements for the year ended 31 December 2023. It has not noted the existence of any significant event likely to require any modification to the annual accounts.

Audit Report on the Financial Statements

as of December 31, 2023

The Global Initiative - Verein gegen
transnationale organisierte Kriminalität

1010 Vienna

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Forvis Mazars Audit GmbH Wirtschaftsprüfungsgesellschaft
Kärntner Ring 5-7, 1015 Wien, · Tel. +43 1 531 74 · Hafnerplatz 12, 3500 Krems · Tel. +43 2732 847 50
Handelsgericht Wien · FN 71563s · ATU 37400905 · WT-Code: 800 130 · APAB Code 0700381 · Wir sind Mitglied der Kammer der
Steuerberater:innen und Wirtschaftsprüfer:innen (KSW) und unabhängiges Mitgliedsunternehmen der Forvis Mazars Group SC. Eine
Liste der Geschäftsführer:innen und Partner:innen unseres Unternehmens finden Sie auf unserer Website: forvismazars.com/at

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Appendices

Financial Statements

Notes to the Financial Statements

General Conditions of Contract for the Public Accounting Professions (AAB 2018)..... 1

The Global Initiative - Verein gegen transnationale organisierte Kriminalität

To the

Members of the Administrative Board of

The Global Initiative - Verein gegen transnationale organisierte Kriminalität

Vienna, Schwarzenbergplatz 1/3rd floor

We have completed the audit of the financial statements and the assurance services pursuant to Section 21 of the Austrian Associations Act (VerG) as of 31 December 2023 of

The Global Initiative - Verein gegen transnationale organisierte Kriminalität

1010 Vienna, Schwarzenbergplatz 1/3rd floor

(referred to as „the Association“)

and provide the results of our audit in the following report:

1. AUDIT CONTRACT, AGREEMENT FOR ASSURANCE SERVICES PURSUANT TO SECTION 21 OF THE AUSTRIAN ASSOCIATION ACT (VERG) AND PERFORMANCE OF THE ENGAGEMENT

The Association, represented by the director Dr. Mark Shaw, concluded a contract with us for the audit of the annual financial statements as at 31 December 2023, including the accounting and the audit of the financial statements. According to § 22 (2) VerG the auditor also takes over the task of assurance services pursuant to § 21 VerG.

The audited Association is a **large Association** as defined by the Austrian Association Act (VerG). For Associations in this size category, the accounting provisions of § 22 (2) VerG similar to the regulations of the Austrian Commercial Code (UGB) are applicable.

The audit is a **statutory audit** pursuant to section 22 of the Austrian Association Act.

The principles set out in § 269 ff UGB and the supplementary provisions of the VerG were observed in conducting the audit. The audit of the financial statements **extends to** whether the statutory provisions and the supplementary provisions of the Articles of Association were observed in the preparation of the financial statements and the accounting records. We draw attention to the fact, that the audit of the financial statements is intended to provide reasonable assurance that the financial statements are correct. Absolute assurance is not attainable due to the inherent limitations of any accounting and internal control system and due to the sample-based test nature of an audit, there is an unavoidable risk that material misstatements in the financial statements remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

The **audit pursuant to Section 21 of the Austrian Associations Act (VerG) comprises** whether the accounting is correct in all material respects and whether the funds of the Association have been used in accordance with the Articles of Association. The assessment of the economy or efficiency of the management is not the subject of the audit. Any deficiencies in management or risks to the going concern of the association that are identified must be pointed out in our reports, and particular attention must be paid to unusual income or expenses, especially on self-dealings.

We conducted our audit in accordance with **laws and regulations applicable in Austria** and the **professional standards for the performance of audits of financial statements and audits of the accounts of Associations**. Those standards require that we comply with International Standards on Auditing (ISA).

We performed the audit, with interruptions in the period from February to June 2024 mainly at our premises in Vienna. The audit was substantially completed at the date of this report.

The **audit partner** responsible for the proper performance of the engagement is Mr. Günther Mayrleitner, Austrian Certified Public Accountant.

Our audit is based on the audit contract concluded with the Company. The "General Conditions of Contract for the Public Accounting Professions" issued by the Austrian Chamber of Auditors and Tax Advisors (see Appendix) form an integral part of the audit contract. These conditions of contract do not only apply to the Company and the auditor, but also to third parties. Section 275 UGB (Austrian Company Code) and Section 24 (4) VerG applies with regard to our responsibility and liability as auditors towards the Company and towards third parties.

2. DISCLOSURE OF AND NOTES ON SIGNIFICANT ITEMS IN THE FINANCIAL STATEMENTS

All required disclosures of significant items in the financial statements are included in the notes to the financial statements. We therefore refer to the related disclosures by the Administrative Board in the notes to the financial statements.

3. SUMMARY OF THE RESULTS OF THE AUDIT

3.1. Conclusion on the Compliance of the Accounting and the Financial Statements

During our audit, we obtained evidence that the statutory requirements as well as the regulations set forth in the Association's articles of association and generally accepted accounting principles in Austria have been complied with.

In line with our risk and control based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the financial statements with all applicable statutory requirements we refer to the auditor's report.

3.2. Information provided

The Director and the other members of the Administrative Board of the association responsible for accounting and financial management provided all evidence and explanations requested by us. We obtained a representation letter signed by the authorized representatives of the Administrative Board which we included in our working papers.

3.3. Adverse changes in the financial position and financial performance and significant losses

In the 2023 financial year, the association generated a net loss for the year of EUR -48,992.41, resulting in a deterioration in the annual result of EUR -53,280.62 compared to the net profit of EUR 4,288.21 in the previous year. Higher personnel expenses due to inflation-related increases were the main reason for the deterioration in the annual result. The net loss for the year is covered by the association's equity.

3.4. Statement on the Matters Pursuant to Section 273 (2) and (3) UGB (Execution of Reporting Obligation)

During our audit we did not note any facts which indicate there could be substantial doubt about the Association's ability to continue as a going concern, or which indicate a material deterioration of the Association's performance or a material offence of the Association's Administrative Board or its employees against Austrian law or the Association's statutes. We did not note any material weaknesses in the internal controls over the financial reporting process. The financial statements do not meet the requirements for the assumed need of reorganization in accordance with section 22 par. 1 subsec. URG (Austrian Corporate Restructuring Act).

4. AUDITOR'S REPORT

Report on the Financial Statements

Audit Opinion

We have audited the accompanying financial statements, including the accounting system of The Global Initiative - Verein gegen transnationale organisierte Kriminalität, Vienna, for the fiscal year from 1 January 2023 to 31 December 2023. These financial statements comprise the balance sheet as of **31 December 2023**, the income statement for the year ended **31 December 2023** and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Association as of **31 December 2023** and of its financial performance for the year then ended in accordance with the provisions of the Austrian Associations Act, with the provisions of the Austrian Commercial Code applying accordingly.

Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Association in accordance with the provisions of the Austrian Association Act and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Responsibilities of Management and of the Administrative Board for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the provisions of the Austrian Associations Act (VerG) analogous to the regulations of the Austrian Commercial Code (UGB) applying accordingly, for them to present a true and fair view of the assets, the financial position and the financial performance of the Association and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Austrian Standards on Auditing, which require the application of International Standards on Auditing, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Associations's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Associations's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Vienna, 07.06.2024



Günther Mayrleitner
Certified Public Accountant

ppa. Elisabeth Hasler
Certified Public Accountant

The 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. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

5. REPORT ON ASSURANCE SERVICES PURSUANT TO SECTION 21 OF THE AUSTRIAN ASSOCIATIONS ACT (VerG)

We have conducted assurance services pursuant to Section 21 of the Austrian Associations Act (VerG) of the The Global Initiative - Verein gegen transnationale organisierte Kriminalität, Vienna, for the **financial year from 1 January 2023 to 31 December 2023**.

Responsibility of the management for financial management

The proper financial management of the Association with regard to the correctness of the accounting and the use of the funds in accordance with the statutes is the responsibility of the management who shall ensure that an accounting system is set up that meets the requirements of the Association and that the financial situation of the Association is sufficiently and in time recognizable.

Auditor's responsibility for Assurance Services pursuant to Section 21 of the Austrian Associations Act (VerG)

Our responsibility is to express an conclusion, based on our procedures, if the accounting, in all material respects, is in accordance with Austria Generally Accepted Accounting Principles and whether the funds of the Association have been used in accordance with the statutes of the Association. Any cash deficiencies or risks to the existence of the Association that are identified must be pointed out in our report, and particular attention must be paid to unusual income or expense, especially self-dealing.

We conducted our assurance services pursuant to Section 21 of the Austrian Associations Act (VerG) in accordance with laws and regulations applicable in Austria and the Austrian Standards on Auditing. Those standards require that we comply with ethical requirements, including independence guidelines, and plan and perform the assurance services based on materiality principles to obtain reasonable assurance.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system, if relevant to the Association's preparation of the accounting, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. The use of funds in accordance with the statutes of the Association is given, if the funds are used to fulfill the purpose of the Association, in particular to finance the activities intended for the realization of the purpose.

An audit of a review of the financial statements, or the detection or investigation of criminal violations, such as embezzlement or other breaches of trust and administrative offenses, is also not the purpose of our assurance services.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

Conclusion

Based on the results of our assurance services pursuant to Section 21 of the Austrian Associations Act (VerG), the accounts for the financial year from 1 January 2023 to 31 December 2023, in all material respects, are in accordance with Austrian Generally Accepted Accounting Principles and the Association's funds have been applied in accordance with the statutes of the Association; no unusual income or expenditure, in particular self-dealing, has been identified.

Vienna, 07.06.2024




Günther Mayrhofer
Certified Public Accountant


ppa. Elisabeth Hasler
Certified Public Accountant

The 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. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

II. Balance sheet as at December 31, 2023

	2023-12-31 EUR	2022-12-31 EUR
ASSETS		
A. Fixed assets		
<i>I. Tangible assets</i>		
1. Tools and equipment	31,028.23	40,889.72
B. Current assets		
<i>I. Accounts receivable and other assets</i>		
1. Accounts receivable - Affiliated companies	247,100.47	0.00
thereof arising from deliveries and services	247,100.47	0.00
2. other receivables and assets	493,145.91	699,736.79
thereof with a remaining maturity of more than one year	46,779.06	13,779.06
	740,246.38	699,736.79
<i>II. Bank balances</i>	342,089.82	314,567.08
	1,082,336.20	1,014,303.87
C. Prepayments and accrued income	622.49	88,919.67
Total assets	1,113,986.92	1,144,113.26

II. Balance sheet as at December 31, 2023

	2023-12-31 EUR	2022-12-31 EUR
ASSOCIATION'S EQUITY AND LIABILITIES		
A. Association's equity		
I. Association's result	91,024.63	140,017.04
thereof profit carried forward from the previous years	140,017.04	135,728.83
B. Provisions		
1. other provisions	153,248.29	161,594.20
C. Liabilities		
1. Accounts payable - Trade	35,628.53	124,833.12
thereof with a remaining maturity of up to one year	35,628.53	124,833.12
2. Accounts payable - Affiliated companies	39,556.68	360,320.31
thereof trade	39,556.68	360,320.31
thereof with a remaining maturity of up to one year	39,556.68	360,320.31
3. other liabilities	33,141.89	38,663.92
thereof taxes	3,441.53	4,198.19
thereof social security	29,700.36	34,395.78
thereof with a remaining maturity of up to one year	33,141.89	38,663.92
	108,327.10	523,817.35
thereof with a remaining maturity of up to one year	108,327.10	523,817.35
D. Accruals and Deferred income	761,386.90	318,684.67
Association's equity and liabilities	1,113,986.92	1,144,113.26

III. Income statement for the fiscal year 2023

	2023 EUR	2022 EUR
1. Revenue		
a. Public subsidies	3,946,621.77	3,640,860.33
b. other income	957,401.18	879,427.47
	<u>4,904,022.95</u>	<u>4,520,287.80</u>
2. other operating income		
a. Income from release of provisions	2,247.00	2,000.00
b. Other	418.47	154.00
	<u>2,665.47</u>	<u>2,154.00</u>
3. Cost of purchased services		
a. Statutory task fulfillment costs thereof personnel expenses	-793,881.05	-700,967.72
	-793,881.05	-700,967.72
4. Personnel expenses		
a. Salaries	-1,244,925.07	-1,173,309.63
b. Social security costs	-293,991.20	-261,554.39
aa. Contributions to corporate severance and retirement funds	-17,561.82	-17,116.37
bb. statutory social security costs and payroll related taxes	-269,147.02	-238,866.12
	<u>-1,538,916.27</u>	<u>-1,434,864.02</u>
5. Amortisation and Depreciation		
a. Of tangible fixed assets	-14,740.20	-19,462.39
6. other operating expenses		
a. other	-2,608,143.31	-2,362,859.46
	<u>-2,608,143.31</u>	<u>-2,362,859.46</u>
7. Subtotal no. 1 to 6 (Operating result)	<u>-48,992.41</u>	<u>4,288.21</u>
8. Net loss/profit for the year	<i>-48,992.41</i>	<i>4,288.21</i>
9. profit carried forward from the previous years	140,017.04	135,728.83
10. Association's result	<u>91,024.63</u>	<u>140,017.04</u>

IV. Notes

for the fiscal year 2023

of

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

1 Accounting and valuation principles

1.1 General principles

The financial statements as of December 31, 2023 were prepared in accordance with current accounting principles of the Unternehmensgesetzbuch (UGB, Austrian Corporate Code) and the Vereinsgesetz (VerG, Austrian Association Act).

The association is classified as "large" according to § 22 VerG. Therefore, the association is obligated to prepare annual financial statements consisting of the balance sheet, the profit and loss statement and the notes. Furthermore, the association is obliged to have the financial management of the association audited by the auditors with regard to the correctness of the accounting and the use of the funds in accordance with the articles of association within 4 months of the preparation of the annual financial statements.

The annual financial statements have been prepared in accordance with the Austrian generally accepted accounting principles and the general principle of presenting a true and fair view of the net assets, financial position and results of operations of the Association.

The principle of completeness was applied at preparation of the statutory financial statements.

The valuation was based on the assumption of the continuation of the association.

The principle of individual valuation was applied in the valuation of assets and liabilities.

Estimates are based on prudent judgment. To the extent that statistically determinable experience from similar situations is available, these have been taken into account in the estimates.

Taking into account the principle of prudence, the association only reported the profits realised at the balance sheet date. All identifiable risks and impending losses occurred with the balance sheet date were taken into account.

1.2 Fixed Assets

Tangible assets are valued at acquisition or production cost less scheduled straight-line depreciation.

Scheduled depreciation is based on the following useful lives:

Fixed assets	Useful life in years
Technical equipment, plant and machinery	3 - 10

1.3 Current Assets

Accounts receivable and other current assets are valued at their nominal value. Recognizable risks are considered by individual allowances.

1.4 Provisions

When measuring provisions, all identifiable risks and impending losses are taken into account in accordance with legal requirements.

Other provisions take into account risks identifiable at the balance sheet date and liabilities and liabilities whose amount has not yet been determined. They are calculated in the amount of the expected claim.

1.5 Liabilities

Liabilities are valued at the settlement amount taking into account the principle of prudence.

1.6 Currency conversion

Receivables in foreign currencies are translated using the exchange rate at the date of the original transaction or the lower bank buying rate prevailing at the balance sheet date.

Liabilities in foreign currencies are valued at the date of the original transaction or the higher bank selling rate prevailing at the balance sheet date.

1.7 Change in valuation methods

The valuation methods previously applied have been retained in the preparation of these financial statements.

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).

Accounts receivable and other assets

Accounts receivables towards affiliated companies in the amount of EUR 247,100.47 mainly include other services in connection with projects within the affiliated companies.

The other receivables and assets contain values in the amount of EUR 46.779,06 (prior year: EUR 13.779,06) with a remaining maturity of more than one year.

The other receivables and assets contain revenues in the amount of EUR 434,863.11 (prior year: EUR 644,163.61), which are cash-effective after the balance sheet date.

2.1.2 Liabilities

Provisions

The provisions developed in the fiscal year 2023 as follows; whereby these included expenses regarding the preparation of the statutory financial statements as of December 31, 2023, the corresponding audit of the financial statements as well as bonus payments to employees and holiday accruals for employees.

	Status 2023-01-01 EUR	Usage EUR	Cancellation EUR	Allocation EUR	Status 2023-12-31 EUR
other provisions	161,594.20	159,347.20	2,247.00	153,248.29	153,248.29

The Global Initiative - Verein gegen, Wien

Liabilities

The liabilities consist of the following positions:

	Remaining maturity up to one year EUR	Remaining maturity between one and five years EUR	Remaining maturity of more than five years EUR	Status 2022-12-31 EUR	Status 2021-12-31 EUR
Accounts payable - Trade	35,628.53	0.00	0.00	35,628.53	124,833.12
Accounts payable - Affiliated companies	39,556.68	0.00	0.00	39,556.68	360,320.31
Other liabilities	33,141.89	0.00	0.00	33,141.89	38,663.92
	108,327.10	0.00	0.00	108,327.10	523,817.35

Accounts payables towards affiliated companies in the amount of EUR 39,556.68 mainly include other services in connection with projects within the affiliated companies.

The other liabilities contain expenses in the amount of EUR 33,141.89 (prior year: EUR 38,663.92), which are cash-effective after the balance sheet date.

2.2 Profit and loss account

Revenue

	2023 EUR	2022 EUR
Public subsidies	3,946,621.77	3,640,860.33
Other income	957,401.18	879,427.47
	4,904,022.95	4,520,287.80

Relatable Expenditures

	2023 EUR	2022 EUR
Statutory task fulfillment costs	793,881.05	700,967.72
Personnel expenses	1,538,916.27	1,434,864.02
Other operating expenses	2,608,143.31	2,362,859.46
	4,940,940.63	4,498,691.20

Allocation to the projects in 2023 classified according to countries (EUR):

Country	Public subsidies	Statutory task fulfillment costs
Germany	96,520.79	14,803.10
Switzerland	43,721.37	10,578.34
New Zealand	-2,779.35	240.92
Norway	923,179.00	179,551.29
The Netherlands	11,270.19	5,620.34
United Kingdom	2,559,394.78	608,620.95
Austria	257,715.61	-28,830.72
Columbia	22,332.03	2,875.43
South Africa	0.00	421.40
Other	35,267.35	0.00
Total	3,946,621.77	793,881.05

Country	Personnel expenses	Other operating expenses
Germany	66,405.37	84,798.22
Switzerland	861,125.12	125,443.52
New Zealand	1,375.01	7.10
Norway	108,003.09	635,624.62
The Netherlands	2,531.70	1,485.83
United Kingdom	393,565.75	1,564,050.80
Austria	78,519.96	175,592.47
Columbia	0.00	21,752.20
South Africa	0.00	-252.03
Other	27,390.27	-356.42
Total	1,538,916.27	2,608,143.31

The Global Initiative - Verein gegen, Wien

The public subsidies also include in 2023 contributions from the United Kingdom in regards of the following projects, whereby the underlying exchange rate is in general the one, which was published by OANDA:

	2023 subsidy in GBP	2023 subsidy in EUR
Western Balkans SOC (CSSF) Project	759,026.20	868,524.13
Cyber Crime Project	20,000.00	22,593.00
Danube Project	28,418.40	32,811.40
Guinea Project	177,347.63	204,131.90
Strengthening Women Project	149,284.50	172,821.01
Ukraine Project	955,934.35	1,094,474.38
Wagner Project	11,869.60	13,693.92
	2,101,880.68	2,409,049.74
	2022 subsidy in GBP	2022 subsidy in EUR
Western Balkans SOC (CSSF) Project	1,313,106.67	1,503,999.91
Cyber Crime Project	96,289.30	117,912.64
Ukraine Project	116,977.85	136,822.47
Guinea Project	12,002.95	13,559.83
	1,538,376.77	1,772,294.85

Personnel expenses

	2023 EUR	2022 EUR
Salaries	1,244,925.07	1,173,309.63
Social security costs	293,991.20	261,554.39
	1,538,916.27	1,434,864.02

In 2023 and in 2022, the position "social security costs" is split into contributions to corporate severance and retirement funds and statutory social security costs and payroll related taxes.

The value related to § 231 par. 2 no. 6 lit. b "social security costs" in the amount of EUR 293,991.20 (prior year: EUR 261,554.39) consists in the amount of EUR 17,561.82 (prior year: EUR 17,116.37) of benefits from staff provision fund.

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Depreciation of tangible assets

Scheduled depreciation/amortization in the current financial year totaled EUR 14,740.20 (prior year: EUR 19,462.39). Thereof, EUR 0.00 (prior year: 7,281.41) are related to the depreciation of low-value fixed assets.

Other operating expenses

The other operating expenses consist of the following positions:

	2023	2022
	EUR	EUR
maintenance and operational costs	19,097.51	18,705.92
travel expenses	286,763.64	284,433.98
Rental expenses and other leasing costs	111,909.69	98,377.04
allocated staff costs	353,552.04	197,690.61
costs for office supplies	5,999.91	19,432.08
communication expenses	7,931.78	3,716.28
Expenditure on advertising and representation	41,304.44	33,095.38
insurance expenses	4,637.29	3,874.78
Legal and consulting expenses	151,989.27	82,229.27
education and training expenses	71,507.32	37,205.63
fees and contributions	5,745.60	1,175.00
bank charges	23,846.63	17,116.34
book value retired assets	0.14	0.00
consulting expenses	740,209.10	649,933.49
grants and grants to the sister organization	743,780.54	831,194.31
other operating expenses	39,868.41	84,679.35
	<u>2,608,143.31</u>	<u>2,362,859.46</u>

The other operating expenses include expenses for the auditors in the amount of EUR 17,820.00 (prior year: EUR 7,500.00).

3. Other notes

The association is represented by Dr. Mark Shaw (Director).

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

Employees

In 2023, the association employed 20 employee on average (prior year: 17 employees).

	<u>2023</u>	<u>2022</u>
Employees	<u>20</u>	<u>17</u>
	20	17

Vienna, June 07, 2024



Dr. Mark Shaw

Statement of fixed assets as at December 31, 2023

Status 2023-01-01 EUR	Purchase/historical costs		accumulated depreciations		Carrying values						
	Additions EUR	Disposals EUR	Depreciations EUR	Write-ups EUR	Disposals EUR	Status 2023-01-01 EUR	Status 2023-12-31 EUR				
66,253.40	4,878.85	2,149.00	0.00	68,983.25	25,363.68	14,740.20	0.00	2,148.86	37,955.02	40,889.72	31,028.23

A. FIXED ASSETS

I. Tangible assets

1. Tools and equipment

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

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flatrate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSchG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSchG: If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSchG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSchG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSchG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice

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

Provided by the Board of the Chamber of Tax Advisers and Auditors

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether any relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSchG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSchG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSchG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSchG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSchG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non profit company
Directors	G.S.W Otieno E.E Alemika P.H.P Gastrow V.P Pikoli Z.D Ghanem C.E.R De Oliveira F Intissar
Business address	2nd Floor The Armoury Buchanan Square 160 Sir Lowry Road Cape Town 7925
Postal address	2nd Floor The Armoury Buchanan Square 160 Sir Lowry Road Cape Town 7925
Bankers	Nedbank Group 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 Lategan Associate General Accountant (SA)
Issued	21 June 2024

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
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**Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
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 year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB).

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the IASB 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 sets 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 to 5.

The annual financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were approved by the directors on 21 June 2024 and were signed on their behalf by:

DocuSigned by:

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Director

Forvis Mazars, 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
Email: cpt@mazars.co.za
forvismazars.com/za



Independent Reviewer's Report

31 December 2023

To the Members of Global Initiative Against Transnational Organised Crime Cape Town NPC

Report on the Review of the Financial Statements

We have reviewed the financial statements of Global Initiative Against Transnational Organised Crime Cape Town NPC, set out on pages 8 to 20, which comprise the statement of financial position as at 31 December 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the IASB 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.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, S Beets, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, TVDL De Vries, G Deva, Y Dockrat, DS Dollman, S Doolabh, A Driscoll, M Edelberg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, T Gangen, M Groenewald, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, J Marais, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MV Patel, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

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.

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 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 2023, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the IASB and the requirements of the Companies Act of South Africa.

Other Matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 21 does not form part of the financial statements and is presented as additional information. We have not reviewed this information and accordingly do not express an opinion thereon.

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.

Forvis Mazars
Partner: M Odendaal
Registered Auditor
21 June 2024
Cape Town

**Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
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 year ended 31 December 2023.

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.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the IASB and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements and do not, in our opinion require further explanation.

3. Directors

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

Directors	Nationality	Changes
G.S.W Otieno	Kenyan	
E.E Alemika	Nigerian	
P.H.P Gastrow	South African	
V.P Pikoli	South African	
Z.D Ghanem	French	
C.E.R De Oliveira		Appointed 22 December 2023
F Intissar		Appointed 12 September 2023

There have been 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. 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
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Directors' Report**

7. Review

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

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Financial Position as at 31 December 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	352,502	188,367
Current Assets			
Trade and other receivables	3	2,627,451	2,822,373
Cash and cash equivalents	4	1,376,454	538,451
		4,003,905	3,360,824
Total Assets		4,356,407	3,549,191
Equity and Liabilities			
Equity			
Retained income		3,395,231	2,839,013
Liabilities			
Current Liabilities			
Trade and other payables	5	961,176	710,178
Total Equity and Liabilities		4,356,407	3,549,191

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	6	14,756,408	14,791,237
Other income	7	-	200,000
Operating expenses		(14,200,190)	(14,611,260)
Operating profit	8	556,218	379,977
Surplus for the year		556,218	379,977

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2022	2,459,036	2,459,036
Surplus for the year	379,977	379,977
Balance at 01 January 2023	2,839,013	2,839,013
Surplus for the year	556,218	556,218
Balance at 31 December 2023	3,395,231	3,395,231

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from (used in) operations	10	<u>1,089,646</u>	<u>(543,547)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(251,643)</u>	<u>(70,040)</u>
Total cash movement for the year		838,003	(613,587)
Cash and cash equivalents at the beginning of the year		<u>538,451</u>	<u>1,152,038</u>
Total cash at end of the year	4	<u>1,376,454</u>	<u>538,451</u>

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from (used in) operations	10	<u>1,089,646</u>	<u>(543,547)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(251,643)</u>	<u>(70,040)</u>
Total cash movement for the year		838,003	(613,587)
Cash and cash equivalents at the beginning of the year		<u>538,451</u>	<u>1,152,038</u>
Total cash at end of the year	4	<u>1,376,454</u>	<u>538,451</u>

**Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
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 IFRS for SMEs Accounting Standard as issued by the IASB, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

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 or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Computer equipment	Straight line	5 years
Computer software	Straight line	2 years

**Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Accounting Policies**

1.2 Property, plant and equipment (continued)

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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 loans, trade receivables and trade payables. They 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 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Accounting Policies

1.5 Impairment of assets (continued)

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, 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.

1.7 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.

1.8 Revenue

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

Revenue is recognised if the performance conditions of the grants are met.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Operating expenses

Operating expenses, other than those specifically detailed within another accounting policy, are recognised in profit or loss when there is a decrease in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

**Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Accounting Policies**

1.11 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 in profit or loss.

1.12 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
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Notes to the Annual Financial Statements

Figures in Rand **2023** **2022**

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	536,219	(185,606)	350,613	284,576	(106,098)	178,478
Furniture and fixtures	39,998	(38,109)	1,889	39,998	(30,109)	9,889
Computer software	899	(899)	-	899	(899)	-
Total	577,116	(224,614)	352,502	325,473	(137,106)	188,367

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	178,478	251,643	(79,508)	350,613
Furniture and fixtures	9,889	-	(8,000)	1,889
	188,367	251,643	(87,508)	352,502

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	163,239	70,040	(54,801)	178,478
Furniture and fixtures	17,889	-	(8,000)	9,889
Computer software	18	-	(18)	-
	181,146	70,040	(62,819)	188,367

3. Trade and other receivables

Deposits	-	61,657
Prepayments	79,044	165,922
Trade receivables	2,548,407	2,594,794
	2,627,451	2,822,373

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,376,454	538,451
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5. Trade and other payables

Accrued leave pay	802,930	595,463
Income received in advance	-	3,449
Other payables	8,545	66,815
Trade payables	149,701	44,451
	961,176	710,178

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Notes to the Annual Financial Statements

Figures in Rand	2023	2022
6. Revenue		
Grant income	14,756,408	14,791,237
7. Other income		
Recoveries	-	200,000
8. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	585,631	451,636
Depreciation on property, plant and equipment	87,508	62,819
Employee costs	10,963,791	9,324,416
Consulting fees	1,261,502	3,211,242
Service fees	130,299	262,271
Travel expenses	166,607	463,378
Website publications	537,222	499,354
9. Taxation		
Non provision of tax		
The company is registered as a Public Benefit Organisation accordingly is exempt from taxation in terms of section 10(1)(cN) of Income Tax Act.		
10. Cash generated from (used in) operations		
Surplus before taxation	556,218	379,977
Adjustments for:		
Depreciation	87,508	62,819
Loss on foreign exchange	13,540	20,560
Changes in working capital:		
Trade and other receivables	205,202	(699,707)
Trade and other payables	227,178	(307,196)
	1,089,646	(543,547)

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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11. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	526,380	545,604
- in second to fifth year inclusive	89,467	615,847
	615,847	1,161,451

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of one year.

No contingent rent is payable.

12. Related parties

Relationships

Companies under common control

The Global Initiative Against Transnational Organised Crime

The Global Initiative - Verein gegen transnationale organisierte Kriminalität

Directors

E E Alemika

G S W Otieno

P H P Gastrow

V P Pikoli

Z D Ghanem

C.E.R De Oliveira

F Intissar

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in Trade Receivables regarding related parties

The Global Initiative - Verein gegen transnationale organisierte Kriminalität	801,345	1,321,632
The Global Initiative Against Transnational Organised Crime	1,723,242	1,273,162

Related party transactions

Revenue from related parties

The Global Initiative - Verein gegen transnationale organisierte Kriminalität	(3,093,808)	(1,681,634)
The Global Initiative Against Transnational Organised Crime	(8,770,382)	(12,167,556)

Operating expenses paid to related parties

The Global Initiative - Verein gegen transnationale organisierte Kriminalität	-	46,199
The Global Initiative Against Transnational Organised Crime	134,220	55,936

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Notes to the Annual Financial Statements

13. Directors' and prescribed officer's remuneration

Non-executive

2023

Directors' emoluments	Consulting fees	Total
Services as director or prescribed officer		
V.P Pikoli	240,000	240,000

2022

Directors' emoluments	Consulting fees	Total
Services as director or prescribed officer		
V.P Pikoli	120,000	120,000

14. Financial assets by category

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

2023

	Financial assets at amortised cost	Total
Trade and other receivables	2,548,407	2,548,407
Cash and cash equivalents	1,376,454	1,376,454
	3,924,861	3,924,861

2022

	Financial assets at amortised cost	Total
Trade and other receivables	2,822,373	2,822,373
Cash and cash equivalents	538,451	538,451
	3,360,824	3,360,824

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Notes to the Annual Financial Statements

15. Financial liabilities by category

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

2023

	Financial liabilities at amortised cost	Total
Trade and other payables	(158,246)	(158,246)

2022

	Financial liabilities at amortised cost	Total
Trade and other payables	(111,266)	(111,266)

16. 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.

17. 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.

Global Initiative Against Transnational Organised Crime Cape Town NPC
(Registration number: 2019/05557/08)
Annual Financial Statements for the year ended 31 December 2023
Statement of Financial Performance

Figures in Rand	Notes	2023	2022
Revenue			
Revenue		14,756,408	14,791,237
Other income			
Recoveries		-	200,000
Operating expenses			
Bank charges		7,948	12,758
Computer expenses		60,167	56,329
Consulting fees		1,261,502	3,211,242
Depreciation		87,508	62,819
Employee costs		10,963,791	9,324,416
Independent reviewer's fee		96,025	-
Insurance		3,620	3,848
Inter-company recharge costs		-	46,200
Legal expenses		35,219	59,906
Loss on exchange differences		13,540	20,560
Other expenses		2,539	2,352
Postage		142	6,189
Printing and stationery		7,463	7,674
Rent paid		585,631	451,636
Repairs and maintenance		13,038	-
Service fees		130,299	262,271
Staff welfare		192,601	12,324
Subscriptions		24,966	40,483
Telephone and fax		7,147	11,795
Training		3,215	55,726
Travel - local		166,607	463,378
Website publications		537,222	499,354
		14,200,190	14,611,260
Surplus for the year		556,218	379,977

INFORME DEL REVISOR FISCAL

Sirs

Members of the Founders' Assembly
FUNDACIÓN INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL
COLOMBIA
Bogotá D.C.

1. We have audited the financial statements of FUNDACIÓN INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA, which comprise the statement of financial position as of December 31, 2023, the statement of income and expenses, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and explanatory disclosures.
2. The Company's Administration is responsible for the preparation and correct presentation of the financial statements, their notes, and disclosures, in accordance with the Financial Accounting and Information Standards, as well as instructions given by the Colombian rules. The responsibility of the administration also implies maintaining an effective internal control structure relevant to the presentation of financial statements free of material misstatements, due to fraud or error; select and enforce appropriate accounting policies, make reasonable accounting estimates, and comply with the laws and regulations that affect it.

In preparing the financial statements, management is also responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and for using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or there is no more realistic alternative than to proceed in one of these ways.

Those charged with corporate governance are responsible for overseeing the Foundation's financial reporting process.

3. Our responsibility is to express an opinion on these financial statements based on our audit. We obtained the information necessary to perform our audit and conducted our audit in accordance with Generally Accepted Auditing Standards in Colombia. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the auditor's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies adopted and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

4. In our opinion, the accompanying financial statements, audited by us, which have been fairly extracted from the accounting records, present fairly, in all material respects, the financial position of FUNDACIÓN INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA as of December 31, 2023, and the results of its operations, the changes in its equity and its cash flows for the year then ended, in conformity with the Accounting and Financial Reporting Standards accepted in Colombia.
5. The financial statements as of December 31, 2023, are not presented with comparative figures, since the Foundation was incorporated on August 31, 2023.
6. The Foundation's management is also responsible for compliance with certain regulatory aspects in Colombia, related to accounting document management, preparation of management reports; our responsibility as Statutory Auditors in these matters is to carry out review procedures to issue a concept on the adequacy of compliance.
7. Based on the scope of our audit, we are not aware of situations indicative of non-compliance in the fulfillment of the following obligations
 - a. The accounts are kept in accordance with accounting standards and legal provisions.
 - b. Transactions recorded in the accounting records, correspondence, accounting vouchers and minute books are properly kept and maintained.
 - c. As of December 31, 2023, the Foundation had no personnel in its service and therefore, in its accounting records there were no liabilities for Integral Social Security.
8. As part of our duties as Statutory Auditor and in compliance with articles 1.2.1. 2 of the Sole Regulatory Decree 2420 of 2015, modified by Article 4 of Decree 2496 of 2015, we must report on compliance with numerals 1 and 3 of Article 209 of the Code of Commerce, in our concept, during the year 2023, the acts of the administrators of the Foundation are in accordance with the bylaws and orders or instructions of the Assembly of Founders, and there are adequate internal control measures and measures for the conservation and custody of the assets or third parties in their possession.
9. Likewise, according to Article 1.2.1.5 of said Decree, for purposes of the application of Article 1.2.1.2, it shall not be necessary for the statutory auditor to prepare separate reports, but it shall be necessary for him to express an opinion or concept on each of the matters contained therein. The Technical Council of Public Accountancy shall issue the necessary technical guidelines for these purposes.

Our opinion is based on the audit procedures performed, which were mainly the following:

- a. Obtaining a letter of written statements from the management as to whether the acts of the administrators were in accordance with the bylaws and the decisions of the Shareholders' Meeting and whether the internal control measures and the conservation and custody of the assets and those of third parties in their possession, are adequate.
- b. Reading and verification of compliance with the Foundation's bylaws.
- c. Reading of the minutes of the Founders' Meetings, significant meetings of the Board of Directors and other supervisory bodies.
- d. Understanding and evaluating the design, implementation and effectiveness of the relevant controls, of the key business processes related to the significant accounts of the financial statements.
- e. Issuance of letters to management and those charged with corporate governance with our recommendations regarding deficiencies in internal control considered not significant, which

were identified during the statutory audit work and follow-up on matters included in the recommendation letters issued in prior periods regarding deficiencies in internal control.

Original issued in Spanish signed by,

Tania Lizeth Lizarazo Mendieta
Statutory Auditor
T.P. 210082 - T
Designated by:
Mazars Colombia S.A.S.

Bogotá D.C., March 4, 2024

This is a free translation of the original document issued in Spanish, signed by the designated statutory auditor. Please refer to that document to any reference.

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA

*Estados Financieros al 31 de diciembre de 2023
(cifras expresadas en miles de pesos colombianos)*

Certificación del Representante Legal y Contador de FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA

A la Asamblea de Fundadores de:
FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA

14 de febrero de 2024

El suscrito Representante Legal certifica que los estados financieros de la compañía al 31 de diciembre de 2023 han sido fielmente tomados de los libros contables y que antes de ser puestos a su disposición y de terceros he verificado las siguientes afirmaciones contenidas en ellos:

1. Todos los activos y pasivos, incluidos en los estados financieros de la Fundación al 31 de diciembre de 2023, existen y todas las transacciones incluidas en dichos estados se han realizado durante el año terminado en esta fecha.
2. Todos los hechos económicos realizados por la Fundación durante el año terminado al 31 de diciembre de 2023 han sido reconocidos en los estados financieros.
3. Los activos representan probables beneficios económicos futuros (derechos) y los pasivos representan probables sacrificios económicos futuros (obligaciones), obtenidos o a cargo de la Fundación al 31 de diciembre de 2023.
4. Todos los elementos han sido reconocidos por sus valores apropiados, de acuerdo con la Normas de contabilidad generalmente aceptadas en Colombia.
5. Todos los hechos económicos que afectan la Fundación han sido correctamente clasificados, descritos y revelados en los estados financieros al 31 de diciembre de 2023.

FELIPE BOTERO ESCOBAR
Representante Legal

Con base en las afirmaciones anteriores efectuadas por el Representante Legal de la compañía manifiesto que, de acuerdo con el alcance de mis servicios de outsourcing contable brindados por JA del Rio S.A.S., la información que me ha sido entregada en el proceso contable ha sido adecuadamente clasificada y registrada en los estados financieros de FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA. al 31 de diciembre del 2023. La Entidad se constituyó durante al año 2023, razón por la cual se omiten saldos del periodo fiscal anual comparativo.

YOLANDA SUESCÚN COBARÍA
Contador Público
Tarjeta Profesional No.150316-T
Miembro designado por JA del Rio S.A.S


FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
ESTADO DE SITUACIÓN FINANCIERA
POR EL AÑO TERMINADO AL 31 DE DICIEMBRE DE 2023
(Cifras expresadas en miles de pesos colombianos)

	<u>Nota</u>	<u>2023</u>
ACTIVO		
ACTIVOS CORRIENTES		
Aportes por cobrar	5	4.000
Total activos corrientes		4.000
Total activos		4.000
PASIVO		
PASIVOS CORRIENTES		
Cuentas por pagar		-
Total pasivos corrientes		-
Total pasivos		-
ACTIVO NETO		
Fondo Social	5	(4.000)
Excedente del ejercicio		-
Total activo neto		(4.000)
Total pasivos y activo neto		(4.000)

Las notas adjuntas forman parte integral de los estados financieros.

Felipe Botero Escobar
Representante Legal
(Ver certificación adjunta)

Yolanda Suescún Cobaría
Contador Público
Tarjeta Profesional No. 150316-T
(Ver certificación adjunta)



Tania Lizeth Lizarazo Mendieta
Revisor Fiscal
Tarjeta Profesional No. 210082-T
Miembro de Mazars Colombia S.A.S
(Véase mi informe del 4 de marzo de 2024)

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
ESTADO DE INGRESOS Y GASTOS
POR EL PERIODO COMPRENDIDO DEL 31 DE AGOSTO (FECHA DE CONSTITUCION) AL 31 DE DICIEMBRE
DE 2023
(Cifras expresadas en miles de pesos colombianos)

	<u>Nota</u>	<u>2023</u>
Ingresos Ordinarios		-
Costos y gastos operativos		-
Excedente por actividades de operación		-
Otros ingresos (egresos), neto		-
Ingresos (gastos) financieros		-
Excedente del ejercicio		-

Las notas adjuntas forman parte integral de los estados financieros.



Axel Chaptal
Director of Finance
GI-TOC



Tania Lizeth Lizarazo Mendieta
Revisor Fiscal
Tarjeta Profesional No. 210082-T
Miembro de Mazars Colombia S.A.S
(Véase mi informe del 4 de marzo de 2024)

Felipe Botero Escobar
Representante Legal
(Ver certificación adjunta)


FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
ESTADO DE CAMBIOS EN EL FONDO SOCIAL
POR EL PERIODO COMPRENDIDO DEL 31 DE AGOSTO (FECHA DE CONSTITUCION) AL 31 DE DICIEMBRE
DE 2023
(Cifras expresadas en miles de pesos colombianos)

	Fondo Social	Reservas	Excedente del ejercicio	Excedentes acumulados	Total Fondo Social
Constitución de la Fundación	4.000	-	-	-	4.000
Aportes permanentes	-	-	-	-	-
Constitución de reservas	-	-	-	-	-
Excedente del ejercicio	-	-	-	-	-
Saldo al 31 de diciembre de 2023	4.000	-	-	-	4.000

Las notas adjuntas forman parte integral de los estados financieros.

Felipe Botero Escobar
Representante Legal
(Ver certificación adjunta)

Yolanda Suescún Cobaría
Contador Público
Tarjeta Profesional No. 150316-T
(Ver certificación adjunta)



Tania Lizeth Lizarazo Mendieta
Revisor Fiscal
Tarjeta Profesional No. 210082-T
Miembro de Mazars Colombia S.A.S
(Véase mi informe del 4 de marzo de 2024)


FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
ESTADO DE FLUJO DE EFECTIVO
POR EL PERIODO COMPRENDIDO DEL 31 DE AGOSTO (FECHA DE CONSTITUCION) AL 31 DE DICIEMBRE
DE 2023
(Cifras expresadas en miles de pesos colombianos)

	<u>2023</u>
Flujos de efectivo de las actividades de operación	
Excedente del ejercicio	-
Ajustadas por:	
Partidas que no generan flujo de efectivo	-
Cambios en el capital de trabajo:	
Aumento / Disminución en activos cuentas por cobrar	4.000
Aumento / Disminución en pasvos	-
Efectivo neto generado por (utilizado en) las actividades de operación	<u>4.000</u>
Flujos de efectivo de las actividades de inversión	
Adquisiciones de propiedades, planta y equipo	-
Efectivo neto utilizado en las actividades de inversión	<u>-</u>
Flujos de efectivo de las actividades de financiación	
Aportes de capital	(4.000)
Efectivo neto generado por las actividades de financiación	<u>(4.000)</u>
Incremento / (decremento) neto del efectivo y equivalentes de efectivo	-
Efectivo y equivalentes de efectivo al comienzo del año	-
Efectivo y equivalentes de efectivo al final del año	<u><u>-</u></u>

Las notas adjuntas forman parte integral de los estados financieros.

Felipe Botero Escobar
Representante Legal
(Ver certificación adjunta)

Yolanda Suescún Cobaría
Contador Público
Tarjeta Profesional No. 150316-T
(Ver certificación adjunta)



Tania Lizeth Lizarazo Mendieta
Revisor Fiscal
Tarjeta Profesional No. 210082-T
Miembro de Mazars Colombia S.A.S
(Véase mi informe del 4 de marzo de 2024)

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
NOTAS A LOS ESTADOS FINANCIEROS
POR EL AÑO TERMINADO AL 31 DE DICIEMBRE DE 2023
(Cifras expresadas en miles de pesos colombianos)

1. INFORMACIÓN CORPORATIVA

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA, en adelante GI-TOC Colombia, fue constituida por documento privado de acuerdo con las leyes colombianas el 31 de agosto de 2023, inscrita ante la Cámara de Comercio de Bogotá el 4 de septiembre de 2023 bajo el No.00370452 del libro I de las entidades sin ánimo de Lucro y su término de duración es indefinido, y podrá disolverse por voluntad del Fundador o por causas.

La Fundación es una entidad privada sin ánimo de lucro, de tipo fundacional, de conformidad con lo establecido en los artículos 633 a 652 del Código Civil Colombiano, el artículo 40 del decreto 2150 de 1995 y demás normas concordantes. Se constituyó como una entidad sin ánimo de lucro, de carácter permanente, independiente, autónoma y de utilidad común. GI-TOC COLOMBIA tiene su domicilio principal en la ciudad de Bogotá.

La Fundación forma parte de la organización paraguas "The Global Initiative against Transnational Organised Crime" (en adelante GI-TOC Suiza) con sede en Ginebra. GI-TOC Suiza es una asociación suiza sin ánimo de lucro conforme a los artículos 60-79 del Código Civil suizo. Está inscrita en el Registro Suizo de Asociaciones con el número CHE-296.622.304 y es la sede administrativa de todas las organizaciones de GI-TOC

De acuerdo con los estatutos, la Fundación se constituyó para promover el derecho humano a la libertad y la seguridad de la persona y para proteger la seguridad pública y ciudadana mediante la realización de las siguientes actividades, que se ajustan a la cartera de la organización paraguas GI-TOC Suiza:

1. Crear la base y promover la aplicación de una estrategia global contra la delincuencia organizada transnacional.
2. Promover procesos transfronterizos catalizadores que atraigan a nuevos actores y faciliten la reestructuración del pensamiento, la coordinación y las respuestas a la delincuencia organizada transnacional.
3. Dinamizar el debate mundial sobre la delincuencia organizada transnacional para promover la integración sostenible de nuevos enfoques en los marcos multilaterales, regionales y nacionales existentes.
4. Explorar y desarrollar nuevas opciones políticas y programáticas para contribuir al desarrollo de estrategias informadas a escala nacional, regional e internacional.
5. Diseñar y desarrollar los mecanismos de financiación, inversiones a nivel nacional e internacional, necesarios para la financiación y sostenibilidad de la Fundación, sus actividades y proyectos.

Por el año 2023, la Fundación no ha realizado operaciones pues todas las actividades desde su constitución se enfocaron en realizar todos los trámites preoperativos legales, administrativos y de planeación para iniciar operación durante los primeros meses de 2024.

Negocio en Marcha

La gerencia de la Fundación prepara los estados financieros sobre la base de un negocio en marcha. En la realización de este juicio la gerencia considera la posición financiera, las intenciones actuales de la entidad Fundadora, el resultado de las operaciones, el acceso a los recursos financieros y analiza el impacto de tales factores en las operaciones futuras de la Fundación.

A la fecha de este informe la gerencia no tiene conocimiento de ninguna situación que le haga creer que la Fundación no tenga la habilidad o intención para continuar como negocio en marcha en períodos posteriores, con base a los siguientes elementos enunciados:

- GI-TOC Colombia cuenta con un plan de acción para el inicio paulatino de operaciones durante 2024 que considera acciones en materia administrativa, financiera y contable. La puesta en marcha de este plan de acción permitirá su óptimo funcionamiento durante 2024
- Durante el 2024, GI-TOC Colombia se financiará con recursos provenientes de proyectos firmados por las oficinas de The Global Initiative Against Transnational Organized Crime Geneva, Vienna o Capetown según lo estipulado en el GI-TOC Intraoffice agreement, así como de nuevos proyectos que se esperan gestionar en Colombia o América Latina.
- No existen situaciones legales, ni intenciones de liquidar la entidad.

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
NOTAS A LOS ESTADOS FINANCIEROS
POR EL AÑO TERMINADO AL 31 DE DICIEMBRE DE 2023
(Cifras expresadas en miles de pesos colombianos)

2. BASES DE PREPARACIÓN

Bases de presentación - Los estados financieros de la Fundación se han preparado de acuerdo con las Normas de Contabilidad y de Información Financiera Aceptadas en Colombia, fundamentadas en las Normas Internacionales de Información Financiera para las Pymes emitidas por el Consejo de Normas Internacionales de Contabilidad (IASB por sus siglas en inglés) en el año 2015; y otras disposiciones legales definidas para las entidades vigiladas y/o controladas por la Superintendencia de Sociedades y la Alcaldía Mayor de Bogotá, que pueden diferir en algunos aspectos de los establecidos por otros organismos de control del Estado.

Para Colombia el Marco Técnico Normativo está compilado en el Decreto 2420 del 14 de diciembre de 2015, modificado por los decretos No.2496 de 2015, No.2131 de 2016, No.2170 de 2017, No.2483 de 2018 y No.1670 del 2021, con cumplimiento a lo establecido en la Ley 1314 de 2009, (en adelante NCIF).

Bases de preparación – La Entidad tiene definido por estatutos efectuar un corte de sus cuentas, preparar y difundir estados financieros de propósito general una vez al año, al 31 de diciembre, los cuales se expresan en pesos colombianos, por ser la moneda de presentación o reporte para todos los efectos. La moneda funcional es el peso colombiano, que corresponde a la moneda del entorno económico principal en el que opera la Compañía.

Los estados financieros han sido preparados sobre la base del costo histórico.

3. RESUMEN DE LAS PRINCIPALES POLÍTICAS CONTABLES

Las principales políticas contables adoptadas en la preparación de los estados financieros se describen a continuación.

Transacciones en moneda extranjera

Moneda funcional y moneda de presentación

Las partidas incluidas en los estados financieros se miden utilizando la moneda del entorno económico primario en el cual opera la Fundación ('la moneda funcional'). Los estados financieros se presentan en pesos colombianos, que es la moneda funcional y de presentación de la Fundación.

Transacciones y saldos

Las transacciones en monedas extranjeras se convierten a la moneda funcional utilizando las tasas de cambio vigentes en las fechas de las transacciones. Las ganancias o pérdidas en monedas extranjeras que surgen de esas transacciones y de la conversión a las tasas de cambios al cierre del año para activos y pasivos monetarios denominados en monedas extranjeras, se reconocen en el estado de resultados.

Las ganancias o pérdidas en monedas extranjeras se presentan en el estado de actividades en '(costos)/ingresos financieros'.

Al 31 de diciembre del 2023 la tasa de cambio fue COP \$3.833,05 (en pesos) por cada USD1 y EUR \$4.222,03 (en pesos) por cada EUR1

3.1 Efectivo

Bajo este rubro del estado de situación financiera se registrará el efectivo en bancos, a su valor nominal en pesos colombianos.

La Fundación abrió dos cuentas bancarias a final de año con el Banco BBVA, sin embargo, sólo hasta el mes de enero de 2024 se habilitó el portal Bancario, por lo cual no se realizó ningún movimiento de efectivo durante 2023.

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
NOTAS A LOS ESTADOS FINANCIEROS
POR EL AÑO TERMINADO AL 31 DE DICIEMBRE DE 2023
(Cifras expresadas en miles de pesos colombianos)

3.2 Deudores

La Compañía reconocerá cuentas por cuando se presenten derechos de cobro. Se medirán a su valor nominal, y los riesgos asociados a su deterioro serán evaluados a nivel individual.

Los principales rubros para manejar en la operación corresponderán a contribuciones o cuentas por cobrar por la ejecución de proyectos entre las Compañías miembros de la organización en otros países.

3.3 Equipo

La Fundación espera adquirir equipos de cómputo en el desarrollo de la operación, el cual se medirá a su costo histórico menos la depreciación acumulada y cualquier pérdida por deterioro del valor acumulada.

La depreciación de los activos se determinará utilizando el método de línea recta, bajo una vida útil estimada de 2,5 años sin considerar valores residuales por considerarlos inmateriales.

Las ganancias y las pérdidas por disposiciones de los activos, en caso de que se presenten, se determinarán comparando los ingresos con el importe en libros y se reconocen en el estado de resultados en otros (gastos)/ingresos, netos.

3.4 Cuentas comerciales por pagar

Las cuentas por pagar comerciales son obligaciones de pago por bienes o servicios que se adquieren con proveedores en el curso ordinario de los negocios y se reconocen inicialmente al precio de la transacción.

Las cuentas por pagar se clasificarán como pasivos corrientes, si el pago debe ser efectuado en un período de un año o menos (o en el ciclo normal de operación de la Fundación si es más largo). Si el pago debe ser efectuado en un período superior a un año se presentan como pasivos no corrientes.

Teniendo en cuenta que la entidad no ha iniciado operaciones, al 31 de diciembre de 2023 no existen pasivos por pagar.

3.5 Fondo Social

Está constituido por los aportes en dinero entregado (o prometido a entregar) por los Fundadores al momento de constitución de la Fundación.

3.6 Reconocimiento de ingreso

Los ingresos se reconocerán sobre la base de contratos específicos de donantes o acuerdos con terceros, utilizando el método del porcentaje de finalización.

3.7 Reconocimiento de Costos y gastos

La Fundación reconocerá sus costos y gastos, en la medida en que ocurren los hechos económicos, de tal forma que queden registrados sistemáticamente en el período contable correspondiente (causación), independiente del flujo de recursos monetarios o financieros (caja).

Se reconoce un gasto inmediatamente, cuando un desembolso no genera beneficios económicos futuros o cuando no cumple con los requisitos necesarios para su registro como activo.

FUNDACION INICIATIVA GLOBAL CONTRA EL CRIMEN ORGANIZADO TRANSNACIONAL COLOMBIA
NOTAS A LOS ESTADOS FINANCIEROS
POR EL AÑO TERMINADO AL 31 DE DICIEMBRE DE 2023
(Cifras expresadas en miles de pesos colombianos)

4. CAMBIOS NORMATIVOS

Modificaciones incorporadas al marco contable aceptado en Colombia

El Decreto 2270 de 2019 compiló y actualizó los marcos técnicos de las Normas de Contabilidad y de Información Financiera aceptadas en Colombia, que habían sido incorporadas por los Decretos 2420 de 2015, 2496 de 2015, 2131 de 2016, 2170 de 2017 y 2483 de 2019. No se incluyeron cambios a las NIIF para las Pymes que están incluidas en el Anexo técnico del Decreto 2420 de 2016 desde el año 2018.

Nuevos estándares, interpretaciones y enmiendas emitidas por el IASB aún no efectivas:

Decreto 1670 del 9 de diciembre de 2021 por el cual se modifica el Decreto 2420 de 2015, Decreto Único Reglamentario de las Normas de Contabilidad, de Información Financiera y de Aseguramiento de la Información, en relación con la simplificación contable y otras disposiciones.

El Decreto 1670 modifica los artículos 1.1.2.1, 1.1.2.4 y 1.1.3.1 del decreto 2420 de 2015, precisando cuales son los preparadores de información financiera que hacen parte del grupo 2, reitera el tiempo de permanencia mínimo para quienes hagan parte de dicho grupo y abre la posibilidad de que los preparadores de información financiera del grupo 3 adopten voluntariamente el marco de información financiera del grupo 2 a partir del 01 de enero de 2023.

Modificaciones que son efectivas en los períodos contables futuros que la compañía ha decidido no adoptar de manera anticipada.

5. APORTES POR COBRAR Y FONDO SOCIAL

La Fundación asumirá sus funciones con un patrimonio inicial por la suma total de cuatro millones de pesos (\$4.000), los cuales fueron aportados por The Global Initiative against Transnational Organized Crime, constituida bajo las leyes de Suiza, identificada con el número de registro CHE-296.622.304. Es aporte quedó pendiente de pago al 31 de diciembre de 2023 teniendo en cuenta que se encontraba abierto el proceso de apertura de cuentas bancarias y habilitación del portal Bancario.

6. CONTINGENCIAS Y COMPROMISOS

Al 31 de diciembre de 2023, no se tienen conocimiento de litigio o reclamos pendientes y/o potenciales que derive en pasivos contingentes; ni compromisos con terceros; teniendo en cuenta que la Fundación se encuentra en etapa preoperativa.

7. HECHOS POSTERIORES

No existen hechos ocurridos después del período sobre que se informa, correspondientes al año terminado el 31 de diciembre de 2023, hasta la fecha de autorización de los estos estados financieros que se requiera revelar o reconocer.

8. APROBACION DE ESTADOS FINANCIEROS

Los estados financieros y las notas que se acompañan fueron aprobados por el Representante Legal, el 14 de febrero de 2023, para ser presentados a la Asamblea de Fundadores para su aprobación a más tardar el 14 de marzo de 2024, la cual podrá aprobarlos o modificarlos.



GLOBAL INITIATIVE

AGAINST TRANSNATIONAL
ORGANIZED CRIME

Geneva

Avenue de France 23
Geneva, CH-1202
Switzerland

Vienna

Schwarzenbergplatz 1
1010 Vienna
Austria

Cape Town

2nd Floor, The Armoury
Buchanan Square
160 Sir Lowry Road, Woodstock
Cape Town 7925
South Africa

Malta

SOHO Office
Edge Water Business Complex
Triq Elija Zammit San Ġiljan
STJ 3120, Malta

Bogotá

Av. Calle 100 No. 19^a - 30
Oficina 401 - Edificio Ecotower
Bogotá
Colombia

Bangkok

999 Thailand Institute of Justice
Chaengwattana Road, Thungsonghong, Laksi
Bangkok, Thailand, 10210

globalinitiative.net