



global witness

GLOBAL WITNESS ANNUAL REVIEW 2014

20 YEARS OF IMPACT

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“In essence, Global Witness created the movement, since joined by a number of other organizations, to disclose publicly the vast sums involved in the extraction of natural resources and the frequent misuse of those funds ...its impact in the human rights field in demonstrating how the Khmer Rouge financed itself, or in exposing the role of the Liberian dictator Charles Taylor in the ghastly conflict in Sierra Leone, has been substantial.

_Aryeh Neier,
former President, Open Society Foundations

1995-97 Global Witness shows that illegal timber trading between Cambodia and Thailand, with complicity at the highest official levels, is funding the genocidal Khmer Rouge. As a result, the border is closed, depriving Khmer Rouge of at least \$90 million a year.

1998 Investigations into the diamond trade in Angola and West Africa alert the world to blood diamonds, leading to the creation of the Kimberley Process. Global Witness co-nominated for Nobel Peace Prize in 2003 for its work to stop diamonds fuelling conflict.

2001 Global Witness exposes massive logging deal between Zimbabwe and DRC, preventing destruction of forest area the size of the UK.

2002 Publish What You Pay campaign, conceived by Global Witness over two years, is launched with Open Society Foundations, Transparency International and others, leading to creation of first global anti-corruption mechanism in the extractives sector – the Extractives Industries Transparency Initiative (EITI).

2003 With the LA Times, Global Witness reveals that Riggs Bank in Washington DC holds hundreds of millions of dollars for Equatorial Guinea's president. Riggs collapsed after it was subsequently found guilty of money laundering and fined \$25 million.

2003 Working with Liberian activists, Global Witness shows how Charles Taylor's regime is controlling the timber trade to fund regional war, leading to UN sanctions on Liberian timber.

2005 Global Witness reports on illegal timber exports from Burma to China. In early 2006, China closes its land border to timber from Burma.

2007 Global Witness publication of leaked \$900m iron ore contract between Mittal Steel and the Liberian government prompts renegotiation of what was initially an opaque and inequitable deal.

2009 Publication of *Undue Diligence*, a landmark two-year investigation into the role of the banking and finance sector in facilitating corruption.

2010 Global Witness plays key role in informing legislative process leading to new U.S. law on supply chains in conflict-prone environments (section 1502 of Dodd Frank Act) which requires U.S. companies sourcing minerals from Democratic Republic of Congo to conduct due diligence and publish their reports.

2010 The culmination of almost a decade's campaigning by Publish What You Pay with passing of section 1504 of Dodd Frank Act requiring extractives companies to report how much they pay to governments for access to oil, gas and minerals.

2013 Global transparency standard gets a step closer with successful EU campaign by Global Witness, PWYP and ONE for new laws requiring extractives companies to report all royalties, taxes and licence payments to governments on a project level.

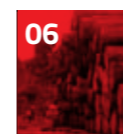
2013 Huge win for Global Witness and allies in the transparency movement when UK government announces it will publish the names and beneficiaries of British companies.

2014 Two prestigious awards for Global Witness: the TED Wish Prize of \$1m is awarded to Charmian Gooch and Global Witness to support the campaign against anonymous companies and the Skoll Foundation also recognises Patrick Alley, Charmian Gooch and Simon Taylor, awarding \$1.25m to Global Witness for "driving transparency to lift the 'resource curse' of conflict and human rights abuses" over two decades.

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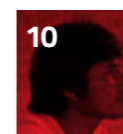
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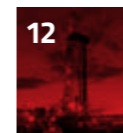
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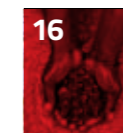
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FOUNDER'S MESSAGE

“My wish is for us to know who owns and controls companies, so that they can no longer be used anonymously against the public good. Let's ignite world opinion, change the law, and together launch a new era of openness in business.

—Charmian Gooch at TED

Looking back to the early days of Global Witness, we could never have imagined the organisation as it is today. In late 1994, we finally rented a tiny one-roomed office above a junk shop in London, scraping together money from friends and family for international phone calls to try to learn more about the Khmer Rouge's timber trade. In so doing we became the first organisation to focus on what's become known as the resource curse.

Twenty years later Global Witness has a track record that includes waking the world to the horror of blood diamonds, taking the funding out of two civil wars, in Cambodia and Liberia, by stopping the trade in conflict timber, and challenging grand corruption by forcing the world's major oil and mining companies to publish what they pay to governments. We have a talented, dedicated and courageous staff of around 90 people, offices in London and Washington DC, and, in 2014, we were described as being “an overnight success that took 20 years to happen” when we received both the TED prize and the Skoll Award for Social Entrepreneurship. It would have been a great honour to receive either award - to receive both in the same year was extraordinary and we are truly grateful to both the Skoll Foundation and the TED community.

The awards are a great boost for Global Witness and we are proud of the achievements of the past two decades, but we do not work alone. There are many remarkable people all over the world who share our commitment to establishing fair, transparent, sustainable and peaceful ways to manage the planet's natural wealth. They include environmental and land defenders who risk their lives to expose illegal logging and land grabs, investigators who are unafraid to take on the world's most powerful corporations and corrupt governments, and dogged campaigners who relentlessly work the corridors of power to change laws and policies so that they no longer serve the criminal and the corrupt.

We also want to pay tribute to our donors and supporters who, over many years, have enabled our work to find the facts, uncover the story, and change the system.

Our work started with natural resources and is grounded in the principle that nature's wealth should be for the benefit of all, not a few, and that its exploitation must be within planetary boundaries. In this we are pragmatic as well as passionate. We know that the billions spent on development aid each year are easily outweighed by funds stolen through corrupt and unsustainable practices in the resources sector. If those natural resources were fairly and transparently managed, there would be less conflict, less corruption and much more money for schools, hospitals and infrastructure. There is also the question of whether to extract at all: in so many cases, if people had an opportunity to give free, prior and informed consent, the decision may often be a resounding “no.”

Over time, our understanding of corruption and how it works has also changed dramatically. Corruption used to conjure up visions of envelopes of cash exchanged in smoky rooms, but these days is just as likely to involve the use of sophisticated financial instruments to loot millions or even billions of dollars.

And corruption isn't just about money. It is part of what we call the Shadow System and it has been one of the biggest revelations of our work in the past two decades: the 'shadow' political, financial and corporate structures relied upon by corrupt companies to get their hands on increasingly scarce natural resource concessions, and by corrupt dictators, criminals, warlords, terrorists and tax evaders to strip a nation's assets and hide the proceeds. The bad guys simply can't do what they want without willing corporate service providers, real estate agents, bankers and lawyers prepared to set up and operate anonymous companies and nominee bank accounts.

The environmental destruction and the human misery that derives from greed, conflict and unsustainable demand for natural resources is far from over.

That's why Global Witness continues to campaign for revenue transparency in the oil sector and to ensure no company is contributing to conflict or human rights abuses by buying conflict minerals. It's why we are at the forefront of the fight against anonymous companies, pushing for public registries so citizens everywhere can know who really owns and benefits from companies – and can hold those owners to account for their behaviour. And that is why we will not rest until there is an end to industrial-scale logging in intact tropical forests and land grabs that destroy communities and the environment on which we all depend. Working with local communities is crucial to this, ensuring they have a choice in what happens to their land and that there is proper protection for environmental activists who are too often threatened, persecuted and even murdered in the course of their work.

The good news is we have seen a change in attitudes as well as laws and policies since we started our work, and in 2014 have made critical progress. We hope you enjoy this 2014 review of Global Witness's work, and do also check out our new website www.globalwitness.org.

which showcases our investigations, videos and exposés better than ever before – and will help us deliver even greater impact.

In 2015 we look forward to welcoming our new Executive Director and pay tribute to Gavin Hayman, who served the organisation for over twelve years, first as a campaigner and eventually as ED. We wish Gavin well in his new role in Washington DC – he is one of the smartest and most tenacious advocates we have ever met.

Once again we thank our supporters, partners, friends and the Global Witness team whose unfaltering tenacity and enthusiasm is the powerhouse of the organisation. It has been a truly remarkable year in so many ways and we are looking forward to the new challenges and opportunities that the coming year brings.

Patrick Alley, Charmian Gooch, Simon Taylor.



▲ Patrick Alley, Simon Taylor and Charmian Gooch, 2014. Photo: Global Witness

▲ Patrick Alley and Simon Taylor in the first Global Witness office, 1994. Photo: Global Witness



▲ Logging in Liberia.
Photo: Global Witness

FORESTS & LAND

“If you only watch one video today, this one [Inside Malaysia’s Shadow State] is for you. Task Force member Global Witness published their stunning investigation today.

—Thomson Reuters Foundation, trust.org

Over half the world’s forests have already been destroyed. Every minute, 50 football fields of forest are lost, threatening the land rights and livelihoods of forest communities.

At the same time, governments are awarding major land concessions to mining companies, loggers and agribusiness in the name of development. These concessions often cover areas used by smallholder farmers, indigenous and traditional communities.

Global Witness investigations reveal that the benefits promised to communities, especially in relation to industrial logging concessions, consistently fail to materialise; environments are destroyed and traditional livelihoods vanish while a small elite grows rich.

In his 2014 TEDx talk, *A Perfect Crime*, Global Witness co-founder Patrick Alley called for a new paradigm that sees forests not as a source of cash, but as a global lifeline in need of defence.

That’s why Global Witness is campaigning to reduce demand for timber and timber products, for an end to hidden subsidies for industrial logging and for more stringent monitoring of private forest finance. Decision-making must be shifted back to forest communities and traditional land users, through the recognition of their land rights and the promotion of new models of forest and land management that are local, legitimate and truly sustainable. We call it “development without destruction”.

EXPOSING EUROPE’S TIMBER REGULATION FAILURES

The Congo Basin is a vast area covering the Democratic Republic of Congo, Central African Republic, Equatorial Guinea, Gabon, Republic of Congo and Cameroon. It includes the second biggest rainforest area in the world, ground which is threatened by industrial logging – already the major land user of the area.

Throughout 2014, Global Witness worked with EU officials, advocating for the full implementation of the EU Timber Regulation in the Congo Basin. We’ve also been working globally, educating enforcement authorities about the risks associated with industrial exploitation and illegal logging, particularly in upholding community land rights and human rights.

Alongside this awareness raising, Global Witness ran investigations that uncovered significant deficiencies in the implementation and enforcement of EU Timber Regulations. This included evidence that France has allowed imports of illegally sourced high-end luxury timber from DRC and Liberia, evidence we used to increase pressure on the EU to act.



▲ Patrick Alley, TEDx, Exeter, May 2014.
Photo: Global Witness

We also succeeded in having the Danish timber company Dalhoff Larsen & Horneman investigated by the Forest Stewardship Council (FSC) because it imported illegal timber from Liberia. The FSC took on the investigation following a Global Witness complaint in 2013, and in 2014 the panel upheld the complaint, formally disassociating the company in early 2015.

Despite these and many other examples of illegality that Global Witness and others have uncovered, the logging industry continues to receive millions of dollars in aid from the likes of the World Bank and the EU for so-called ‘sustainable forest management’. That’s why 2015 will see Global Witness ramping up its investigations into the EU’s failure to implement its own timber regulations to demand change.

HALTING JAPAN'S ILLEGAL TIMBER IMPORTS FROM MALAYSIA

Japan is the second largest importer of illegal timber among all developed countries. Its construction industry is highly dependent on tropical plywood – half of which is used for concrete mouldings that are thrown away after a few uses. Because the timber is illegally harvested and sold cheaply, this valuable resource is being squandered on essentially disposable products without check.

Global Witness's investigations have started to build momentum against this outrage. In 2014, after more than 30 years in power, Abdul Taib, the Chief Minister of the Malaysian state of Sarawak – Japan's biggest source of tropical timber – resigned after our 2013 exposé implicated him and his closest associates in illegally profiteering from logging and land deals.

Our campaign continues to demand greater transparency and accountability in Malaysia. Global Witness has also been working to change the sourcing practices of major Japanese timber buyers and build support among Members of Parliament for policy measures to prevent illegal timber from entering Japanese markets.

In 2014, two major purchasers of tropical wood from Sarawak, Itochu Corporation and Sojitz Corporation, responded to our exposé of their timber sourcing practices in *An Industry Unchecked*, by starting to review their sourcing of timber from Sarawak. Itochu established a timber procurement policy, the first among the large trading houses in Japan to do so. In response to our advocacy, three of Sarawak's largest logging companies sent delegations to Tokyo in an attempt to justify their operations.

Global Witness investigations have also persuaded one of the largest construction companies in Japan, Kajima Corporation, to instruct its contractors not to use plywood from Sarawak logging giant Shin Yang. Shin Yang is the largest producer of plywood in Sarawak and associated with highly destructive practices in some of Borneo's last intact rainforests.

With Japan committed to hosting a 'sustainable Olympics' in Tokyo in 2020, Global Witness exposed the use of Sarawak plywood in major construction projects across the city in a multi-media report, *Two Worlds Collide*. It has prompted the Tokyo 2020 organisers to deliberate on measures to ensure both the legality and sustainability of timber used for the construction of Olympic facilities.



In Cambodia, land is cleared for rubber. Local families say they have lost their livelihoods and are experiencing food shortages since the Vietnamese rubber conglomerate HAGL arrived. Photo: Global Witness.

RUBBER PLANTATIONS DRIVE LAND GRABS IN THE MEKONG

Global Witness is one of the very few organisations worldwide subjecting rubber plantation practices to scrutiny. The rush for rubber is a forgotten problem in agribusiness but is having a devastating effect on smallholder farmers and forest communities in the Mekong region. Monocrop rubber plantations also threaten biodiversity, worsening the extinction crisis.

The rubber industry is vast. The tyre industry, which consumes half the world's rubber, was worth \$138 billion in 2013. Rubber goes into everything from shoes to condoms to conveyor belts and traditional rubber-producing countries are running out of space for plantations.

Cambodia, Laos and Myanmar are the new frontiers for rubber plantation growth, driven by a handful of powerful Vietnamese companies that Global Witness has dubbed the region's "rubber barons". Since the early 2000s, more than 5.3 million hectares has been leased to investors for commercial agriculture across the three countries. Roughly a third of this area has been allocated for rubber plantations. This is destroying the region's last intact forests and decimating communities' livelihoods in countries where three-quarters of the population relies on land and forests for their survival.

Following our 2013 exposé *Rubber Barons*, highlighting the impacts on local communities of Vietnam Rubber Group (VRG), the company's Forest Stewardship Council (FSC) certification was suspended and a full investigation was launched, to be completed in 2015.

VRG subsequently consulted Global Witness to develop a feedback and complaints mechanism for individuals and civil society organisations in Cambodia and Laos. This mechanism was initially welcomed and rolled out at local level in September 2014. So far communities have been invited to submit complaints but no process to compensate the communities in the case of illegal land grabs has yet been concluded. In 2015 we will continue to work with local partners in Cambodia and Laos to inform them of the system, encourage its use and establish monitoring and evaluation processes.

PROTECTING LIBERIA'S FORESTS, TACKLING CORRUPTION, SURVIVING EBOLA

Liberia, like many developing countries, has traditionally viewed its land and forests as a source of income; however industrial logging has fuelled illegality and corruption.

As the country switches its attention to oil palm plantations, neither type of large-scale commercial concession shows much promise for providing economic, social and environmental benefits to the country or rural communities.

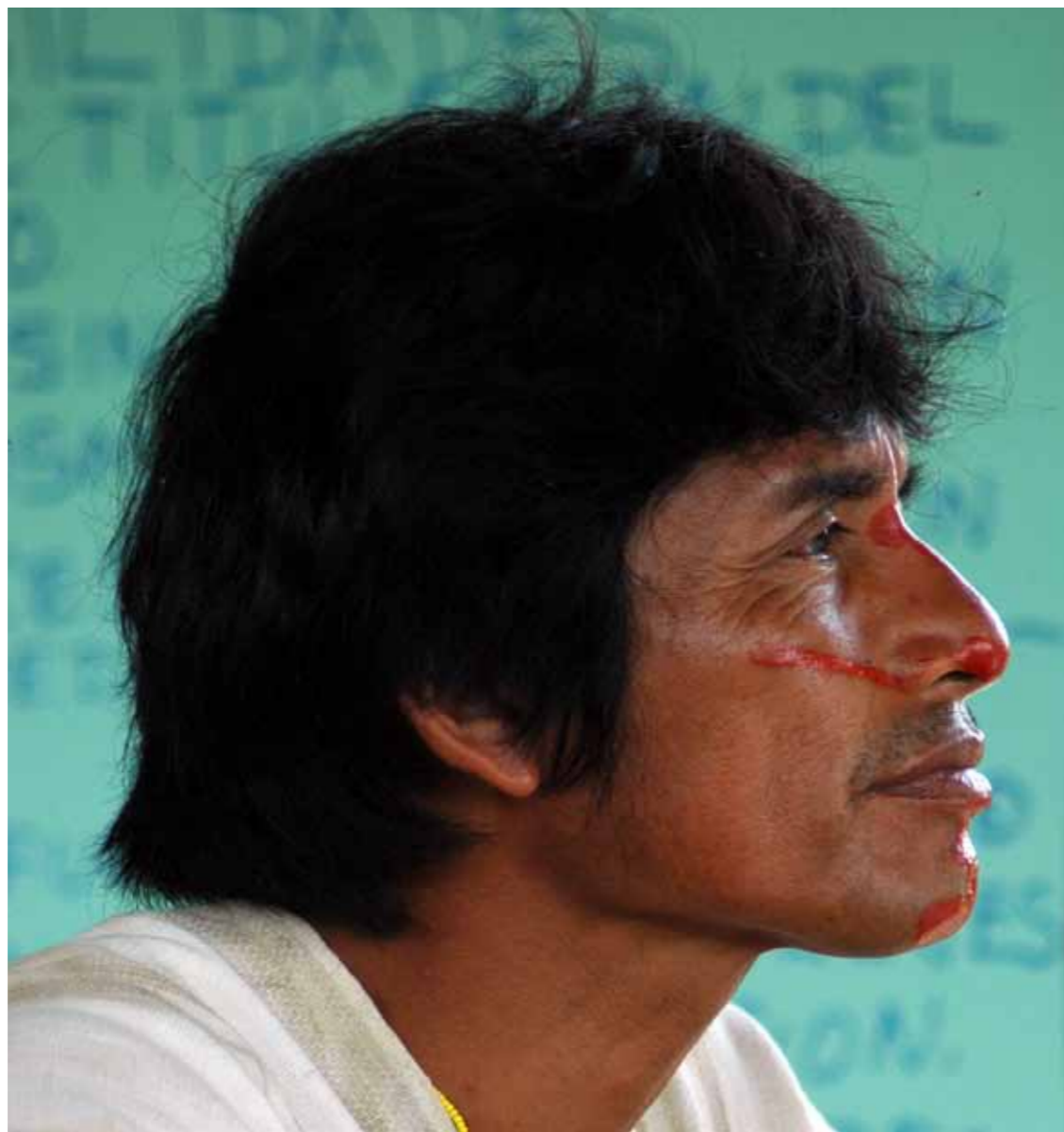
In late 2013 we joined other NGOs to allege that a UK company, Equatorial Palm Oil, was linked to human right abuses as part of its expansion of oil palm plantations. Despite denials from the company, Liberia's President Ellen Johnson Sirleaf made a landmark commitment in March 2014 that any expansion would be dependent on community approval.

In close collaboration with two leading Liberian and international NGOs we pressured Equatorial Palm Oil and another company, Golden Veroleum, into reviewing the land grabs they had carried out in deals with the government without the free, prior and informed consent of affected communities. The companies continue to expand their operations, so our work is not yet done, but their pace of growth has slowed. According to a company spokesperson, "...we have eliminated large areas that we cannot touch. And after that, before we move forward, we need an invitation from the local community".

In 2014, investigations by Global Witness and our Liberian partners contributed to the indictment of eight former government officials for illegally awarding dozens of logging contracts covering a quarter of the country. This was the first time public officials have faced such indictments and was an important step in tackling impunity over corruption in the country's timber industry.

Further impetus was given to protecting Liberia's forests and its people in 2014 with the signing of a \$150 million partnership agreement between the Liberian and Norwegian governments to halt the wholesale destruction of Liberia's forests. After years of failed logging, this agreement marks a watershed moment and includes commitments by the Liberian government to move away from timber companies and towards community-managed forests. Working with Liberian civil society partners, Global Witness submitted recommendations and indicators that were adopted by both governments in their final agreement.

The Ebola outbreak posed a serious threat to civil society in Liberia and our colleagues were unable to operate safely for many months. With some organisations facing risk of closure, Global Witness negotiated with several key funders who generously permitted funds to be diverted to provide emergency support to our partner organisations and their staff during the height of the epidemic. As the Ebola crisis drew to an end, our colleagues have been able to resume their operations and continue their work, with thanks to our funders' flexibility and generosity.



“Eating or not eating, I will keep fighting for my territory.”

—Edwin Chota

DEFENDING THE DEFENDERS

Deadly Environment, published by Global Witness in 2014, is the most comprehensive global analysis to date of known killings of land and environmental defenders. Prior to the report's publication, there had been no systematic recording or collating of land and environment defenders' deaths worldwide.

The findings - and we believe they are likely to be a significant underestimate, as many such crimes remain unreported - are shocking and demand action. On average two environmental and land defenders are killed every week. Three times as many activists were killed in 2012 than 10 years previously, while perpetrators go largely unpunished. The deaths are driven by rising demand for natural resources, pushing traditional and indigenous communities and smallholder farmers off land they have often occupied for generations.

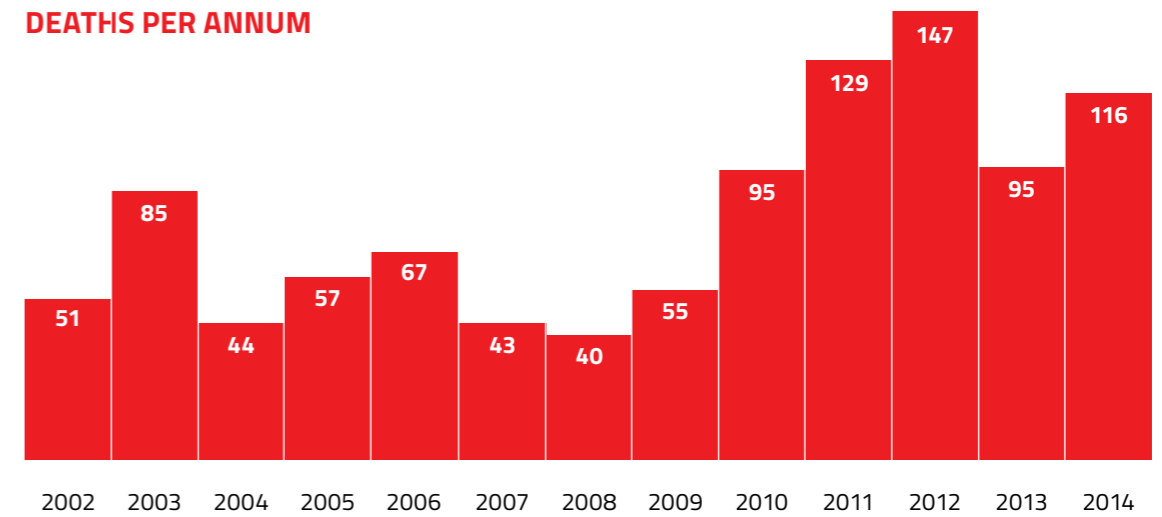
The findings in **Deadly Environment** have generated widespread media attention, especially in Latin America where numbers of deaths are highest. It has become an important reference, cited by the former UN Special Rapporteur for Human Rights Defenders, Margaret Sekaggya, and the UN Expert on Human Rights and the Environment, John Knox.

Global Witness was prompted to launch the campaign to protect land defenders following the death of Chut Wutty, who was murdered by military police in Cambodia in 2012. Wutty had spent years exposing how Cambodia's political and business elite had accumulated vast fortunes by selling off his country's land and forests. His murderers have never been brought to justice.

Deadly Environment showed that the largest numbers of deaths were recorded in Brazil, Honduras and the Philippines, followed by Peru.

▶ Global Witness research shows rising death rates of environmental and land defenders 2002-2014.

DEATHS PER ANNUM



SUPPORTING INDIGENOUS LAND RIGHTS IN PERU

The murder of Peruvian tribal leader Edwin Chota in 2014 by illegal loggers confirmed the country's status as one of the most dangerous countries in the world for environmental and land defenders. In a second report, **Peru's Deadly Environment**, Global Witness documented that at least 57 defenders were killed between 2002 and 2014 with 80 per cent of deaths occurring in areas of conflict with indigenous groups over mining operations, especially gold and copper.

The bodies of Chota and three of his colleagues were discovered just months before Peru hosted talks on forest protection at a UN climate conference. This highlights the contradiction between Peru's commitments to conserve 75 per cent of its forests and reduce deforestation to zero by 2020 and the concessions the government is making to the extractives industry.

The murders brought into sharp focus the fact that 72 per cent of Peru's indigenous communities still have no way of demonstrating their land tenure rights, and over 20 million hectares of land claims have not yet been processed. Much of the land in question is subject to both indigenous land claims and timber or mining concessions.

The country's illegal timber trade is worth 1.5 times the value of legal timber exports. Edwin Chota and the Alto-Tamaya Saweto community had received numerous death threats for their resistance to the criminal gangs that were gutting the forests, but their appeals to the authorities were ignored.

After the murders and the release of Peru's **Deadly Environment**, Global Witness, Rainforest Foundation USA, Pro Purus and Saweto community leaders continued to campaign for the official titling of the community's land, which the government finally granted in early 2015.

◀ Edwin Chota, Peruvian tribal leader, murdered in 2014. Photo: Emory Richey

▶ Conflict between mining projects and communities is a common cause of violence in Peru. La Rinconada, Puno, Peru. Photo: Johnny Haglund, Getty Images

HUMAN RIGHTS AND LAND – THE NEW BATTLEGROUND

Land and the environment are an increasingly important and bloody battleground for human rights. As demand for commodities like timber, beef and palm oil rises, competition for land is intensifying and companies are striking deals with state officials without the consent of local communities.

Those communities often find themselves in dispute with companies that are in turn backed by state security forces. While indigenous people, smallholder farmers, fishing and forest communities are forced off their land and even killed, perpetrators of murder and violence are rarely punished.



Global Witness is campaigning to expose and stop the intimidation and murder of people protecting their rights to land and the environment. We will continue to monitor killings and advocate for reforms to stop competition for land from stoking conflict. We will also investigate the root causes of violence in priority countries, pushing governments to monitor abuses and bring perpetrators to justice.

OIL, GAS & MINING

Every year extractives companies pay hundreds of billions of dollars to governments for access to natural resources in the form of taxes, licence fees and royalties. While this income is public money - the existence and details of payments are often secret. This makes these deals acutely vulnerable to corruption, frequently robbing citizens of funds for public services such as health and education.

So, with the support of the Open Society Foundations, in 2002 we conceived, named and co-founded the global Publish What You Pay movement (PWYP) with the aim of ensuring oil companies and others 'published what they paid' in royalties and fees to governments.

Global Witness also participates in the Extractive Industries Transparency Initiative, a global multi-stakeholder initiative that promotes open and accountable management of natural resources. Global Witness represents civil society on the international board of EITI and participates in UK and U.S. multi-stakeholder steering groups.

Throughout 2014, Global Witness and the PWYP coalition fought to defend EITI commitments to project-level reporting and beneficial ownership disclosure becoming part of the reporting process.

We also fought for rigorous standards to protect local activists and communities' engagement in extractive industry issues. This work was critical to the recent EITI Board decision to demote Azerbaijan from "compliant" to "candidate" status - a key milestone in ensuring that the EITI standard adequately ensures civil society's ability to hold governments and companies to account.

SUCCESS IN EUROPE

During 2014, together with Publish What You Pay coalition partners, Global Witness has continued to build on the 2013 passage of the EU's Accounting and Transparency Directives; these require EU-based extractives companies to disclose project-level payments to each country of operation. The UK and France became the first EU member states to transpose the directives into national law during 2014, with the deadline for the remaining member states falling in July 2015. This success in Europe has paved the way for escalating our campaign work in the U.S. (see below).

One of the most persuasive case studies that helped ensure the EU concluded fit-for-purpose directives, was *Nigeria's Missing Billion* (see below), after which it was shown that \$1.1 billion paid by oil companies Shell and Eni to the Nigerian government was diverted to companies controlled by a corrupt former minister. If Publish What You Pay laws had been in place at the time, it is highly unlikely that this transaction would have taken place, because the laws would have ensured that they were easy to track and expose.

The completion of transposition of the EU Directives into national law in the UK and France in 2014, ahead of the 2015 deadline, means that major extractives firms such as Shell, BP, Total, BHP Billiton and Rio Tinto will be required to disclose their payments to governments from 2016. Global Witness's work played a critical role in ensuring the UK law remained fit-for-purpose. UK-based Tullow Oil set an important precedent by publishing all its payments across 21 countries, ahead of the legal requirement to do so.

These new measures will act as a deterrent to corrupt behaviour by companies and help citizens to track payments, fight corruption and ensure that resource revenues are used as they should be for the development of the country, not to line the pockets of a few.

HOLDING THE LINE IN THE U.S. AGAINST INDUSTRY PUSHBACK

While 2014 saw significant progress in Europe, persistent pushback from the oil industry in the United States means the fight for transparency continues.

A 2013 legal challenge from the American Petroleum Institute (API), on behalf of many of the biggest oil and gas companies in the world, set aside the U.S. Securities and Exchange Commission's (SEC) implementing rule for Section 1504 of the U.S. Dodd-Frank Act, which requires U.S. extractives companies to report licence, tax and royalty payments to governments at project level.

This means that, although the law remains on the U.S. statute, it cannot currently be put into operation. Global Witness, working with key members of the U.S. Publish What You Pay coalition, is delivering detailed policy and legal submissions, arguing for the SEC to issue a strong new rule for Section 1504. The campaign has gained support from members of Congress and the Senate. Global Witness has also connected U.S. regulators with their UK counterparts.

Once both the U.S. and EU laws are fully implemented, more than two-thirds of the world's top 200 extractive companies by value will be covered by payment disclosure rules.

NIGERIA'S MISSING BILLION – A TEXTBOOK CASE FOR STRONG TRANSPARENCY LAWS

In 2011, the Nigerian government received \$1.1 billion from two international oil companies, Shell and Eni, for a single offshore oil block known as OPL-245.

\$1.1 billion could have covered two-thirds of Nigeria's health budget. Scandalously, instead, the money was passed on to a network of companies associated with former Nigerian oil minister Dan Etete.

A series of court cases and investigations by Global Witness and others have since shown that, despite their denials, the companies knew that their payment would be passed on to Etete's company, Malabu Oil and Gas, but went ahead anyway.

At the time, payments like these did not have to be reported. Today, thanks to new laws in Europe, Shell and Eni would have had to report them, and Nigerians would have been able to ask questions about where the funds ended up.

The OPL-245 case helped secure changes to EU accounting laws and shows why a similarly strong rule is needed in the U.S. It also demonstrates how hidden company ownership facilitates corruption.

Global Witness will continue to pursue this case because mandatory payment reporting laws are still not in force in the U.S. and because Nigerians deserve to have those funds returned and to see all those involved in this corrupt deal held to account.

WHAT ARE YOUR COUNTRY'S OIL DEALS WORTH? TRY THE GLOBAL WITNESS OPEN SOURCE ECONOMIC MODELLING TOOL

Global Witness has developed an open source economic modelling tool to analyse the financial terms of the contracts the Ugandan government signed with Tullow Oil and Total. By varying the oil price, taxation, production costs and other factors, users can see how the terms can change the value of the deal - and predict what money it might bring into the country.

While far from perfect, the model can be applied to other agreements, enabling citizens and perhaps even governments to look at ways to get better deals from companies.

Learn more at globalwitness.org/reports/good-deal-better



UNCOVERING UGANDA'S SECRET OIL CONTRACTS

Uganda's oil resources have the potential to double the government's revenue, providing extra funds for health care, infrastructure and education for its fast-growing population. By putting good governance and transparency practices into place, Uganda has an opportunity to avoid the risk of corruption or conflict over oil and optimise returns for its citizens.

In September 2014, Global Witness published for the first time previously secret oil contracts between the Ugandan government and oil companies in our report, [A Good Deal Better](#). The agreements, between the government and two oil companies, Tullow Oil and Total, had been struck in February 2012 but were never made public, leading to considerable suspicion about their quality and fairness.

As a result of our report, Ugandans could see first-hand how much the deals were worth and which areas of the country would receive the revenues. But it also exposed deficiencies in the deals relating to the protection of people and the environment, for example in the event of accidents, spills, property appropriation and land acquisition.

The Ugandan government is now drawing up a model production-sharing agreement to be applied to future oil deals. Global Witness has sought to influence the quality of the model agreement and continues to campaign for greater transparency in the reporting of oil revenues in government accounts.

BREAKING THE SILENCE AROUND OIL EXPLORATION IN AFRICA'S OLDEST NATIONAL PARK

Virunga National Park in the Democratic Republic of Congo is one of the most diverse habitats in the world and home to a quarter of the world's critically endangered mountain gorillas. In 2014

Global Witness worked with the makers of the award-winning documentary, *Virunga*, to expose the efforts of a British company and its contractors to gain access to the park for oil exploration.

Soco International is listed on the London Stock Exchange and is one of the UK's largest public companies. Our exposé, [Drillers in the Mist](#), showed how the company's contractors made illicit payments, appear to have paid off armed rebels and benefited from fear and violence fostered by government security forces.

Soco is yet to find oil in the park and denies the allegations made in our report. In June 2014 the company said it would not "undertake or commission any ... drilling within Virunga National Park unless UNESCO and the DRC government agree ...".

Global Witness believes Soco's statement is ambiguous, and is successfully urging investors, including the Church of England, to maintain pressure on the company to rule out drilling in Virunga for good.

KEEPING THE HEAT ON GUINEA'S DIRTY 'DEAL OF THE CENTURY'

Global Witness's ongoing investigations into the activities of BSG Resources in Guinea has led to a major victory against the company's efforts to shut down investigative journalism and public interest reporting.

BSGR has been on the Global Witness radar ever since the company acquired access to one of the world's largest iron ore deposits, Simandou, in Guinea, West Africa. BSGR, founded by Beny Steinmetz, gained the rights to Simandou and sold on part of those rights for \$2.5 billion - twice Guinea's entire national budget. At the time it was called 'the deal of the century', potentially making billions for BSGR at the expense of one of the poorest countries on earth. BSGR has repeatedly denied any corruption, notwithstanding a decision by a Guinean government committee to revoke its licences, citing 'corrupt practices'.

Global Witness has continued to report the truth around this deal, including revelations in 2014 that a former BSGR agent tried to thwart an FBI corruption investigation. BSGR is under investigation in Switzerland and Guinea as well as in the U.S.

In 2014 BSGR accused Global Witness of conspiracy and senior BSGR officials filed a claim in the UK's High Court under the Data Protection Act, demanding that we hand over all information relating to them - a move that risked not only stifling our reporting and that of other investigative journalists, but also threatened the confidentiality of our sources.

IN 2011, ILLICIT OUTFLOWS FROM DEVELOPING COUNTRIES WERE ESTIMATED TO BE AROUND US\$946.7 BILLION. THIS IS ABOUT 10 TIMES WHAT DEVELOPING COUNTRIES RECEIVED IN AID.

_ Global Financial Integrity gfinancialintegrity.org

Global Witness mounted a robust legal defence and won. The Information Commissioner threw out the BSGR claim on the basis that the purpose of the investigation and publication was journalistic. If BSGR had succeeded, it would have posed a widespread threat to investigative journalism in the United Kingdom, effectively handing corporations a means of shutting down public interest reporting of their activities.

This was a landmark case, not only for Global Witness but for all those who investigate and report on corruption and fight for transparency. Global Witness will continue to press for the truth behind the Simandou scandal and work with colleagues worldwide to expose resource deals that deprive countries of revenues that are rightfully theirs.

DISCLOSING TRUE OWNERSHIP IN MYANMAR'S OIL AND GAS INDUSTRY

Myanmar has signalled in recent years that it wants to reform resource sector management after decades of militarisation, grand corruption and conflict with ethnic minorities over ownership and control of the country's rich natural wealth.

Ahead of Myanmar's application meeting to join the Extractive Industries Transparency Initiative, Global Witness proposed that the country implement a new voluntary standard, requiring oil companies investing in Myanmar to declare their beneficial ownership.

In a survey of 47 companies holding oil and gas licenses, the majority of companies initially declined to report their beneficial owners. The negative

responses were reported by Global Witness and by the Financial Times newspaper, pointing out that the lack of information was a serious corruption risk.

Following the reports, a further 25 companies disclosed their real owners, setting a global precedent for the oil industry and for Myanmar. Read the full details in [The Shell Starts to Crack](#) on our website.

REVEALING THE SECRET SALES OF DEMOCRATIC REPUBLIC OF CONGO'S RICHEST ASSETS

The Democratic Republic of Congo sits on the largest mineral assets in the world, yet average annual per capita income is around \$400 and 46 per cent of children are stunted and chronically malnourished.

Mining could provide Congo with an income stream to fund schools, health services, infrastructure and growth. However the country has sold off vast natural assets at as little as 2-5 per cent of market value.

Just five mining deals between 2010 and 2012 have cost the country at least US\$1.4 billion - approximately twice the country's annual spending on health and education combined. The bulk of the money went to a series of offshore companies linked to Dan Gertler, a close friend of Congo's President, Joseph Kabila. Gertler has made hundreds of millions of dollars from these deals by partnering with the world's largest mining firms to bring the mines into operation. The deals were often struck through companies whose ultimate, beneficial owners are unknown.

Throughout 2014, Global Witness has kept Congo's secret sales in the public eye, demanding information, supporting local civil society in calling for a suspension to a new oil law and campaigning for improvements.

In January 2014, we revealed how a company tied to Dan Gertler bought a further offshore block from the DRC government without an open tender. The block was later sold back to the government for 300 times its purchase price.

Our May 2014 report, [Glencore and the Gatekeeper](#), showed how the world's biggest commodities company loaned Dan Gertler's company Fleurette half a billion dollars, earning it \$67 million risk-free. The report also shows the central role Dan Gertler played in Glencore's entry to DRC. Extensive media coverage forced Glencore to defend its actions at its AGM. Fleurette denies any wrongdoing.

And in June 2014, DRC's state-owned mining company Gécamines shelved plans to sell its 20 per cent residual stake in the Glencore-controlled copper project, KCC, to Fleurette. Gécamines reportedly backed down because of opposition from the Prime Minister and from civil society groups including Global Witness.



Mountain gorilla, Virunga National Park, Democratic Republic of Congo, 2014. Photo: Jerome Starkey.

NATURAL RESOURCES & ARMED CONFLICT

“ Timely revelations by Global Witness of unspecified amounts of diamonds cash being hidden in tax-free-havens... shows the devastating power of information over propaganda and its serious implications for the Mugabe regime and the Kimberley Process.

_Allafrica.com



Timber, oil, gold, diamonds and other minerals have funded some of the bloodiest wars of our time, killing and displacing millions of people. Global Witness has played a leading role in putting in place the world's first mandatory reporting requirements on supply chains from conflict-prone environments.

STOPPING SUPPLY CHAINS FUELLING CONFLICT

Natural resources from unstable and conflict-affected regions are sometimes used to fund armed groups and fuel human rights abuses. These 'conflict minerals' may end up in consumer goods such as mobile phones, laptops, jewellery and other products. Global Witness is therefore campaigning for companies to be responsible for knowing the sources of the minerals they use.

The aim of the campaign is not to close down operations in conflict-prone environments because legitimate investment and trade is desperately needed for development. However, we are raising the stakes for companies that profit from trading in materials that fund conflict and human rights violations.

▲ Gold miners in rebel-held territory, North Kivu province, Democratic Republic of Congo. Photo: James Oatway/Panos

▶ President Obama signs the Dodd Frank Act, 2010. Photo: Nancy Pelosi/Flickr

NEW U.S. LAWS ON CONGO'S CONFLICT MINERALS

In 2014, after years of advocacy and campaigning by Global Witness and our allies, new U.S. laws requiring reporting on supply chains from the Democratic Republic of Congo were applied for the first time.

In May more than 1,000 U.S. companies sourcing minerals from Congo filed conflict minerals reports with the U.S. regulator, the Securities and Exchange Commission (SEC). The reports followed a U.S. court decision in April, which upheld the SEC's new rule (for section 1502 of the Dodd Frank Act) that requires U.S. companies to publish reports annually on products or materials sourced from Eastern DRC or neighbouring countries. Global Witness had made a submission to the court, challenging U.S. manufacturers' claims that the reporting requirements would be overly costly or burdensome. In one area, the court accepted that the requirement for companies to describe their products as 'not been found to be DRC conflict free' is compelled speech. Global Witness and Amnesty International have applied to the court to reconsider.

INFLUENCING REGULATIONS IN DRC, EU AND CHINA

Even though section 1502 of the Dodd Frank Act is still under legal challenge in the United States, the fact the law was passed in 2010 helped catalyse change in the EU, China and in the Democratic Republic of Congo itself.

- In DRC, Global Witness and local partners campaigned successfully for supply chain reporting and in 2014 local extractives companies submitted their first due diligence reports to the Congolese government. Twelve other African countries have committed to passing similar legislation.

- In the EU, Global Witness is campaigning for robust laws requiring European businesses to ensure that they do not contribute to conflict financing or human rights abuses. In 2014 Global Witness built a coalition of NGOs and EU parliamentarians to strengthen a proposed EU regulation to cover all companies importing minerals in any form, either as raw materials or as final products. Unlike Dodd-Frank, the EU laws, if passed, will apply to conflict and high-risk areas worldwide, not only DRC and its neighbours.
- In China, Global Witness is working with relevant officials to encourage conflict-free trade, which is vital in creating a global standard. During 2014, Global Witness built a strong relationship with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC), participating in the development and launch of CCCMC's guidelines for overseas mining companies, including standards for supply chain due diligence when sourcing from high-risk environments. On the strength of this collaboration, Global Witness has been invited to help produce a more detailed guideline for Chinese companies on how to screen conflict minerals out of their supply chains.

KEEPING THE SPOTLIGHT ON BLOOD DIAMONDS

Global Witness has been working to end the deadly links between diamonds, conflict and human rights abuses since publishing *A Rough Trade* in 1998, which put the secretive diamond industry in the global spotlight for the first time.

In 2014, Global Witness's blood diamond campaign drew attention to Zimbabwe, where control and ownership of mines in the Marange area is linked to elite members of the security sector implicated in widespread human rights violations.



Diamond deals in Zimbabwe have also been linked to off-budget financing of the security forces. By highlighting a lack of transparency and missing funds in a series of blogs and briefings, Global Witness kept the focus on problems associated with Marange diamonds.

Unlike past cases such as Angola and Sierra Leone, Zimbabwe's diamonds are not financing rebel groups seeking to overthrow a government. Despite links to serious human rights abuses, they are therefore not considered to be 'conflict diamonds' by the Kimberley Process. This means Zimbabwe diamonds can be traded legally in Europe and most other parts of the world. Although Global Witness supported the creation of the Kimberley Process in 2003, it withdrew as an official Observer in 2011 because of the failure of the Kimberley Process to prevent diamonds linked to broader human rights abuses from reaching global markets.

In 2014 Global Witness co-convened the first informal discussions of the Precious Stones Multi Stakeholder Working Group in Paris on how to promote and improve due diligence for companies and consumers. A briefing paper outlined Global Witness's concerns about human rights in precious stones supply chains, including diamonds, and we will continue to push for effective industry implementation in 2015.

A miner sifts gravel by hand in Democratic Republic of Congo. Photo: Gebrueder Beetz



DEMANDING TRANSPARENCY IN SOUTH SUDAN TO AVOID FUELLING FURTHER CONFLICT

South Sudan, the world's newest state, is rich in oil but its people are impoverished, corruption is pervasive, and the country is in the midst of a deadly civil conflict. Citizens see little benefit from oil revenues, which account for almost all state income. 35 per cent of the budget pays for the army and only 5 per cent goes to education, in a country where half of all school-aged children have never entered a classroom.

The government is currently negotiating new contracts for its unexplored oil concessions. Star Petroleum, one of the companies in negotiations with the government, was investigated by Global Witness in 2014. We found that Star faced no competition from other companies for the concession, information on who ultimately owns the company is not publicly available and Star has no other oil operations anywhere in the world. One of Star's former directors was fined €1.5 million and received a 12 month suspended sentence for insider trading.

In 2014, Global Witness worked with civil society in South Sudan to support a moratorium on new oil contracts while the country remains in crisis and to draw attention to suppression of media reporting and civil society activism on government management of oil resources. In 2015, we will continue to campaign for more accountable and transparent use of resources and revenues in order to promote peaceful development and avoid fuelling further conflict.

PROMOTING BETTER MINING AND OIL LAWS IN AFGHANISTAN

Afghanistan's mineral wealth could be worth as much as a trillion dollars, providing income for development and reducing dependence on foreign aid, but that also risks fuelling further conflict and corruption.

In 2014 Global Witness carried out an in-depth analysis of the new Afghan Mining Law and highlighted a number of key areas where it needs to be strengthened, including security, community rights and relations, bidding processes, beneficial ownership, the publication of contracts, and the publication of production and payment data.

For more detail see [A Shaky Foundation](#) available to download from our website.



▲ Photo: Getty

CORRUPTION & MONEY LAUNDERING

“Stopping the registration of U.S. companies with hidden owners is one of the best steps America can take to fight crime and corruption. Global Witness has done more than anyone else to expose shell company wrongdoing, push for greater corporate transparency and accountability, and galvanize world opinion against allowing shell company abuses to continue.”

—Elise Bean, former staff director under Senator Carl Levin of the U.S. Senate Permanent Subcommittee on Investigations and co-director of the Levin Center.

Global Witness calls the enabling environment for corruption the Shadow System – the banks, lawyers and corporate service providers that will register anonymous companies, set up secret bank accounts and protect the identities of those behind them.

We focus on the Shadow System because citizens will never stop being robbed of their country's wealth while legal and financial structures and rules help to protect the interests of the corrupt and the criminal. That's why we're campaigning for all governments to create public registries listing the true beneficial owners of companies - with no loopholes. We're also campaigning to ensure banks uphold anti-money laundering regulations so that the global financial system cannot be used to hide ill-gotten gains. In 2014 our campaigns gained even more momentum.

TED

TED AWARDS \$1M TO OUR ANONYMOUS COMPANIES CAMPAIGN

We call anonymous companies the 'getaway cars' of corruption. They allow the corrupt and the criminal to hide their stolen millions in companies and bank accounts that are designed to conceal their true owners.

These structures are legal but too often horribly abused. In almost every Global Witness investigation, anonymous companies are used in some way to conceal where stolen funds are really going.

The World Bank reviewed more than 200 cases of grand corruption and found that over 70 per cent of cases used opaque corporate structures to divert and conceal stolen assets. The OECD has also found that almost every financial crime uses some form of hidden company structure. In 2014 Global Witness co-founder Charmian Gooch was granted the TED Wish for our campaign to end anonymous companies – a huge boost for our work.

“That both TED and Skoll independently selected Charmian and Global Witness as recipients of these prizes is a remarkable testament to their daring investigative and campaigning work.”

—Chris Anderson, TED curator

After hearing her first passionate TED Talk showing how anonymous companies enable terrorism, corruption, organised crime and tax evasion, TED awarded \$1m to Charmian Gooch and Global Witness to support the campaign. The TED community also got behind the campaign, bringing in the Sundance Institute and VICE News to work on a new documentary film that will expose the disastrous impact of anonymous companies worldwide.

▼ The British Virgin Islands – another popular jurisdiction for the registration of anonymous companies. Photo: Robert Matthews.



CHANGING EU TRANSPARENCY RULES

In late 2014, after much campaigning by Global Witness and our allies, the European Union agreed new rules to tackle corporate secrecy under the Anti-Money Laundering Directive. That means all 28 EU countries must now create registers of the people who really own and control companies. Unfortunately public access to the new registers is likely to be limited, although the UK has taken the lead: its registry will be fully public and other countries are considering whether to do the same.

While the UK was the first EU government to commit to creating a public register of beneficial ownership, its numerous tax havens have said that they will not establish registers. UK-linked jurisdictions such as the British Virgin Islands, Cayman Islands and Bermuda are among the most-favoured by the corrupt and other criminals.

Global Witness played a vital role as part of a group providing expertise in updating the EU's money laundering laws. By working in coalition with colleagues in Europe, Global Witness will continue its targeted advocacy to ensure full implementation of the new rules across all EU member states.

INFLUENCING THE G20 AGENDA

At the November 2014 summit in Brisbane, G20 leaders agreed a set of high-level principles to tackle secret company ownership – a significant change in approach from a group that includes countries as diverse as China and India.

Global Witness provided numerous case studies to the G20 leaders, powerfully illustrating why action to prevent abuse of anonymous company ownership was so critical. With Transparency International and ONE, we worked to secure the leaders' agreement. Global Witness will continue to advocate for change globally, not only in offshore havens, but also in the world's major financial centres.

EXPOSING HOW ANONYMOUS COMPANIES RIP OFF AMERICA

The prime location for anonymous companies is not where you might think it is. According to the World Bank, America is the number one incorporation choice for the corrupt. The U.S. incorporates ten times as many companies as all the world's tax havens combined, and in some states you need less evidence of identity to set up a company than to get a library card.

This is a risk for the United States itself, as we highlighted in our 2014 report *The Great Rip-Off: Anonymous company owners and the threat to American interests*.

The report is an analysis of a wide range of crimes that threaten national security and rip off the taxpayer, the vulnerable, poor countries and even other businesses. These rip-offs had two things in common: they all involved the use of anonymous companies and cost authorities huge amounts of time and money.

In 2015 we will be ramping up our work in the United States, supporting the passage of legislation to require companies to disclose their beneficial owners when they incorporate. The Treasury Department has sought public comment on a new regulation that would require financial institutions to identify the beneficial owners of companies as they open accounts. Global Witness welcomes this change, although the proposal contains a number of loopholes.

Global Witness has also worked at the U.S. state level, for example in Delaware, where concerns are growing over the state's role as a corporate secrecy haven. In 2014 Global Witness became a key resource for policy makers and journalists interested in Delaware's role as a major incorporator of anonymous companies.

MAKING BANKERS MORE ACCOUNTABLE

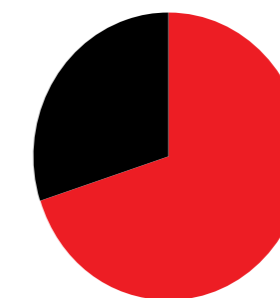
In case after case of large-scale corruption, a key conduit for funds is banks and other service providers in global financial centres. The problem is that it is too easy for banks to accept suspect deposits, because there is very little chance that senior executives or directors will be held personally responsible for checking the source of funds, which can run into millions and even billions of dollars. In short, the lack of enforcement by most countries of anti-money laundering rules has meant that too many banks continue to accept suspect funds.

Working in formal and informal alliances, Global Witness is working to close money laundering loopholes and demand the robust enforcement of regulations. In the UK, Global Witness is campaigning to ensure that new measures being introduced to hold senior bankers personally accountable for bank misconduct include responsibility for ensuring anti-money laundering rules are properly upheld.

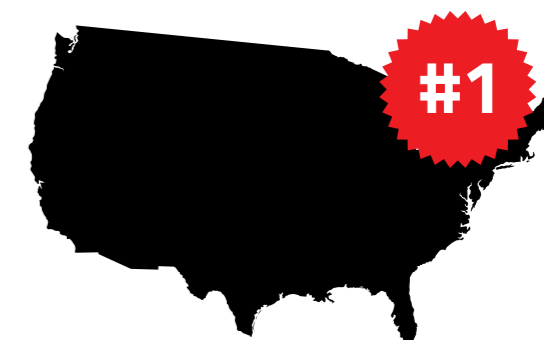
► Infographic produced with TED.com



Anonymous companies allow people to hide their identity. Like Russian dolls, you can have one company hidden inside another



A World Bank investigation found that 70% of grand corruption cases used anonymous companies.



The United States is the most popular place in the world to register an anonymous company.



In some U.S. states, you need to give more detail about yourself to get a driver's licence than to open a company.

THANKING OUR DONORS

Peru. Credit:
David Salisbury.



“Global Witness’s investigations and research on corruption and bringing justice to the perpetrators is unparalleled. Humanity United is proud to be a funder.”

—Michael Bear Kleinman

Global Witness’s work and impact depends on the support of our donors, to whom we are very grateful. Donations of any size help us fund our hard-hitting investigative journalism, advocacy and campaigns for change.

We are indebted to the following donors who have made direct financial contributions and to those who have also given their time, in-kind assistance and creativity. The individuals listed here are those who gave their consent to be named but we are very grateful to all who gave.

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- Arcus Foundation
- David and Anita Keller Foundation
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- Grantham Foundation for the Protection of the Environment
- Humanity United
- Irish Aid
- JMG Foundation
- Jocarno Fund
- Norwegian Agency for Development Cooperation (NORAD)
- Open Society Foundations
- Pro Victimis Foundation
- Royal Danish Ministry of Foreign Affairs
- Samworth Foundation
- Skoll Award for Social Entrepreneurship (The Skoll Foundation)
- Synchronicity Earth
- Ted Prize
- The Alexander Soros Foundation
- The David and Elaine Potter Foundation
- The John D. and Catherine T. MacArthur Foundation
- The Laura & John Arnold Foundation
- The MMHBO Fund
- The Swedish International Development Cooperation Agency (SIDA)
- The University of Wolverhampton – Strengthening African Forest Governance Contract
- The William and Flora Hewlett Foundation
- UK Department for International Development
- Wallace Global Fund
- World Resources Institute

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Global Witness Trust is a separate UK charity (no. 1117844 registered in England & Wales) with objects similar to Global Witness. It raises funds and grants them to Global Witness under specific individual grant agreements.

Global Witness Foundation is a 501(c)(3) registered charitable organisation based in the US that operates in a similar way. Financial information for both entities is available on our website at www.globalwitness.org/about-us/governance

INDIVIDUALS

- Georgia Oetker
- Lucia Choi-Dalton
- Mr & Mrs R Taylour
- Aaron Clements-Partridge
- Alan Donovan
- Alistair Paul
- Andrew Burch
- Bennett Freeman
- Graym McMillan
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Patrick Alley (President), Stafford Matthews

VOLUNTEERS & PRO BONO LEGAL SUPPORTERS

We extend our deepest thanks to all our volunteers who provide research and campaigning support on a daily basis and to all those who support us with pro-bono legal advice, including through the wonderful Advocates for International Development (A4ID).

Charmian Gooch,
talking at TED,
Long Beach in
February 2014. ©
Global Witness

FUNDING OUR CAMPAIGNS



“These awards are a rocket booster to our work. This being our 20th anniversary year, we couldn't have wished for a better birthday present.”

—Charmian Gooch

Global Witness has ambitious plans for its investigations and campaigns and we continue to seek relationships with new funding partners.

In 2014 we were honoured to receive prestigious awards from TED and the Skoll Foundation, as well as strong support from the Open Society Foundations through the Challenge Fund campaign.

THE TED WISH

In 2014 Global Witness co-founder Charmian Gooch gave a TED Talk in which she made a wish: to end the use of anonymous shell companies because they are the 'getaway car' of the corrupt and the criminal. "It's a simple truth that some of the people responsible for outrageous crimes—for stealing from me, you and millions of others—remain faceless and escape accountability", she said. "They do it with ease, using legal structures."

TED found Charmian's argument so compelling that they granted her their annual wish for Global Witness's work on this issue – a cash prize of US \$1 million as well as invaluable advice and support for the campaign. Global Witness continues to work with TED Global and the TED community to build a movement to end anonymous companies, tell the story in the media and to explore technological solutions to create public registers of beneficial ownership.

SKOLL AWARD FOR SOCIAL ENTREPRENEURSHIP

Co-founders Patrick Alley, Charmian Gooch and Simon Taylor were delighted and honoured to receive the Skoll Award for Social Entrepreneurship in 2014 on behalf of Global Witness. The Skoll Foundation presents the awards each year to a select group of social entrepreneurs "whose proven innovations are disrupting an unjust and unsustainable status quo and have demonstrated impact on solving some of the world's most pressing problems." The US\$1.25m Skoll Award recognises organisations that have the potential to scale up their success and also to drive large-scale, systematic change.

THE OPEN SOCIETY FOUNDATIONS CHALLENGE

The Open Society Foundations (OSF) has generously pledged a grant of £4.5 million (US\$6.6 million) to help Global Witness develop and strengthen over the next decade, but only if we match it by raising twice that amount by the end of 2016. This is our greatest public fundraising challenge to date and we need as much help as possible to make sure we reach our target and take advantage of this unique opportunity. To help us to achieve this target, please contact us.

FOR INFORMATION ABOUT SUPPORTING GLOBAL WITNESS, PLEASE CONTACT:
CHRISTINE ORAM
DIRECTOR OF DEVELOPMENT
CORAM@GLOBALWITNESS.ORG
+44 (0)20 7492 5875

“Skoll and TED both connect and showcase inspiring, entrepreneurial, breakthrough innovators. Patrick, Charmian and Simon's leadership epitomises great social entrepreneurship in Global Witness's quest to expose global conflict, corruption, and environmental degradation, lifting millions out of poverty and protecting the environment.”

—Sally Osberg, President and CEO, Skoll Foundation.

FINANCIAL SUMMARY

DIRECTORS' STATEMENT

The summary financial statement has been agreed by our auditors, Chantrey Vellacott DFK LLP, as being consistent with the full financial statements for the 13 month period ended 31 December 2014. These were prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" 2005 and received an unqualified audit opinion. The summary financial statement may not contain sufficient information to enable a full understanding of the financial affairs of Global Witness.

For further information, the full Directors' Annual Report and Accounts, and the Independent Auditor's report, should be consulted. Copies of these can be obtained from the registered office. The full financial statements were approved by the Board of Directors on 27 April 2015 and have been submitted to Companies House.

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the directors' report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006.

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF GLOBAL WITNESS

We have examined the summary financial statements of Global Witness for the 13 month period ended 31 December 2014. These financial statements have been prepared under the accounting policies set out therein. This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006.

Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the summarised annual report in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full annual financial statements, the directors' report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

BASIS OF AUDIT OPINION

We conducted our work in accordance with Bulletin 2008/3 The auditor's statement on the summary financial statement" issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our audit opinion on those financial statements.

OPINION

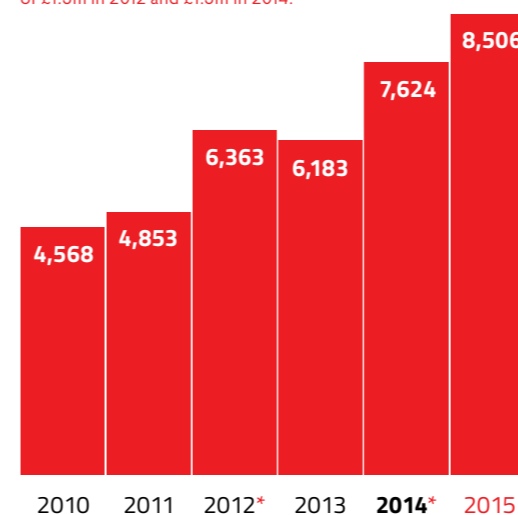
In our opinion the summary financial statement is consistent with the full annual financial statements of Global Witness for the 13 month period ended 31 December 2014 and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

Chantrey Vellacott DFK LLP, Chartered Accountants, Statutory Auditor, London, 27 April 2015

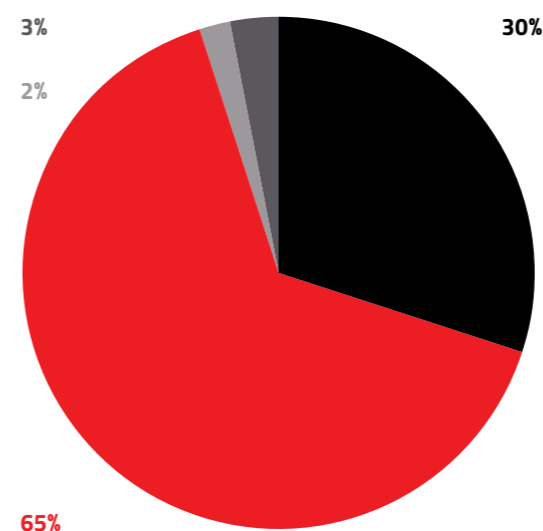
	2014 £'000	2013 £'000
INCOME		
Income from grants and donations	9,044	6,136
Interest and other income	80	47
TOTAL INCOME	9,124	6,183
EXPENDITURE		
Conflict and fragile states	1,414	717
Corruption	2,804	2,029
Environmental governance	3,358	3,011
SUBTOTAL CAMPAIGN EXPENDITURE	7,576	5,757
Fundraising		
Governance	943	698
TOTAL EXPENDITURE	8,599	6,528
NET MOVEMENT IN FUNDS, BEING NET INCOME (EXPENDITURE) FOR THE YEAR		
	525	(345)
Net movement of Unrestricted fund	508	290
Net movement of Designated fund (Challenge Fund)	(3)	(440)
Net movement of Restricted fund	20	(195)
INCREASE (DECREASE) IN NET ASSETS		
	525	(345)
Net assets at the beginning of the period	2,845	3,190
NET ASSETS AT THE END OF THE PERIOD	3,370	2,845

INCOME (£'000)

*Does not include Challenge Fund income of £1.5m in 2012 and £1.5m in 2014.

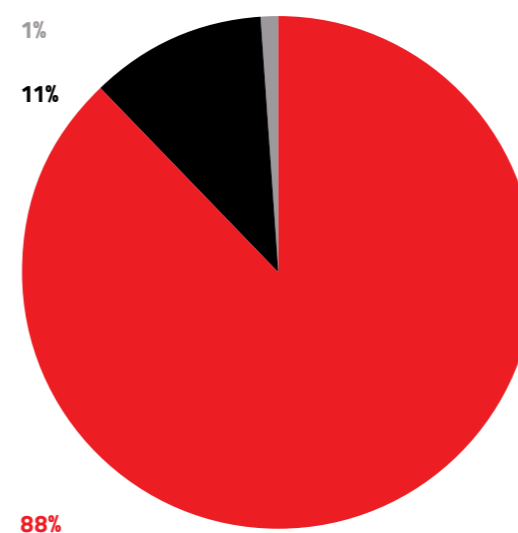


INCOME BY SOURCE



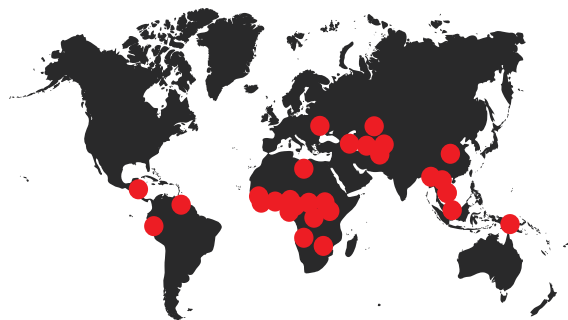
	2014 £'000	2013 £'000
Governments	2,309	3,208
Trusts & Foundations*	4,982	2,639
Individuals	127	238
Other NGOs & Multilaterals	206	98
TOTAL	7,624	

EXPENDITURE



	2014 £'000	2013 £'000
Campaigns	7,576	5,757
Cost of generating funds	943	698
Governance	80	73
TOTAL	8,599	

WHERE WE WORK



- Afghanistan
- Angola
- Azerbaijan
- Cambodia
- Cameroon
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