BREAKING THE LINKS BETWEEN NATURAL RESOURCES, CONFLICT AND CORRUPTION
Collectively we are known as Global Witness, but the organisation’s work and finances are split into distinct entities.

Global Witness Limited is a non-profit company limited by guarantee and incorporated in England (Company No. 2871809). Global Witness Limited exposes and breaks the links between the exploitation of natural resources and the funding of conflict, corruption and human rights abuses. Global Witness Limited carries out investigations in countries devastated by conflict, corruption and poverty and our findings from these investigations are used to brief governments, intergovernmental organisations, civil society and the media. Global Witness Limited is recognised as the equivalent of a US public charity as described in section 509(a)(1) of the US Internal Revenue Service Code 1986.

The Global Witness Trust is a UK registered charity (Charity No. 1071946). The Trust promotes research into the impact that environmental damage or change has on the human rights of inhabitants. The Trust is legally independent of Global Witness Limited and is governed by a voluntary board.

The Global Witness Foundation is an independent Californian non-profit public benefit corporation which is tax exempt under Section 501(c)(3) of the US Internal Revenue Code. The Foundation supports research and investigations into the impact of the extraction of natural resources, and the exploitation of natural resources by private entities, on development, human rights and stability. The Foundation is legally independent of Global Witness Limited and is governed by a voluntary board.

Global Witness Publishing Inc. is incorporated in Washington, D.C. and publishes reports relating to the links between exploitation of natural resources and human conflict.

Global Witness has offices in London and Washington, D.C. and promotes independent, environmental and social improvements by bringing attention to exploitative exploitation of natural resources and public conflict.

GLOBAL WITNESS CAMPAIGNS TO ACHIEVE REAL CHANGE BY HIGHLIGHTING THE LINKS BETWEEN THE EXPLOITATION OF NATURAL RESOURCES, CONFLICT AND CORRUPTION.

Through a combination of covert investigations and targeted advocacy, Global Witness has changed the way the world thinks about the extraction and trading of natural resources, and the devastating impact their unsustainable exploitation can have upon development, human rights and stability.

Since launching our first campaign in 1995, Global Witness’ pioneering investigations have exposed countless cases of corruption, domestic and international crime and state looting. Our findings and recommendations have catalysed international thinking and significantly shaped global policy. We seek not simply front-line relief from the consequences of conflict and corruption, but lasting solutions to bring about their end – our ultimate vision is of a world in which populations as a whole are able to benefit from natural resource revenues.
One of the best watchdogs on resource issues is Global Witness, a small organization in London that publishes excellent reports even though its 2004 budget of $3.4 million would not cover the fund-raising costs of its big American brothers.

PETER MAASS
NEW YORK TIMES, 18 DECEMBER 2005

In May 2005, Global Witness celebrated its tenth anniversary, an event that coincided with us being awarded the Gleitsman Foundation International Activist Award.

In the decade since we initiated our first campaign we have been successful in creating a growing international awareness that poor governance and exploitation of natural resources leads to massive human suffering. Our undercover investigations, hard-hitting reports and targeted advocacy have unequivocally shown that unaccountable resource exploitation leads to poverty, human rights violations and geo-political and economic destabilisation.

Global Witness’ findings have significantly shaped global policy and with relatively limited staff and resources, we have sought – and continue to seek - not just front-line relief from the consequences of conflict and corruption, but long-term and lasting solutions to bring about their end.

As we enter our second decade, Global Witness is working towards the creation of a number of internationally-recognised mechanisms for preventing the appropriation of natural resources and resource-fuelled wars once and for all. We believe that revenue from natural resources can drive peaceful and sustainable development in the world’s poorest countries, rather than providing the logistics for war and corruption. In order for this to happen however, the global legal framework, the policies of governments and multilateral bodies and the behaviour of private companies and financial institutions all need to be overhauled. This is a huge and challenging task but one which we feel must be undertaken if the underlying causes of conflict and poverty are to be addressed.

Our success will depend as always on Global Witness’ staff, partners and supporters. We’d like to take this opportunity to thank the many people without whom the achievements of the last ten years could not have happened and without whom we would not be able to contemplate the task that lies ahead. We’d also like to express our deep sorrow at the passing of Alan Gleitsman, whose recognition of social activism and support of Global Witness will long be remembered.

PATRICK ALLEY, CHARMIAN GOOCH AND SIMON TAYLOR, DIRECTORS OF GLOBAL WITNESS
TEN YEARS AND TEN THINGS TO BE PROUD OF

1. HELPING TO CLOSE DOWN THE KHMER ROUGE
Global Witness successfully campaigned, in 1999, to close the Thai Cambodia border to the trade in conflict diamonds. This deprived the Khmer Rouge of US$90 million per year and contributed to the movement’s disintegration.

2. INSTIGATING THE KIMBERLEY PROCESS
Global Witness conceived and pioneered the concept of Independent Forest Monitoring to expose illegal logging by both local and international companies. Global Witness established the first two Independent Monitoring operations in Cambodia and Cameroon, which have now been expanded to 30+ operations in 12 countries. In Cambodia, a total logging moratorium and a significant decrease in illegal activity.

3. CUTTING OFF CHARLES TAYLOR’S ACCESS TO NATURAL RESOURCE REVENUES
Global Witness successfully campaigned on conflict diamonds leading to the establishment of the Kimberley Process Certification Scheme, an international agreement to prevent the trade in conflict diamonds.

4. CONSISTENTLY PUSHING FORWARD THE INTERNATIONAL COMBAT CONFLICT RESOURCES AND CORRUPTION
Global Witness now form the basis of tools of international outcry, including those of the International Financial Institutions, the United Nations, the UK Africa Commission, the Kimberley Process and the annual US Appropriations Acts.

5. CONCEIVING INDEPENDENT FOREST MONITORING
Global Witness and a multi-NGO campaign on conflict diamonds led directly to the establishment of the Kimberley Process Certification Scheme, an international agreement to prevent the trade in conflict diamonds.

6. EXPOSING THE INDIVIDUALS, CORPORATIONS AND INSTITUTIONS THAT PROMULGATE NATURAL RESOURCES AND CORRUPTION
Global Witness' investigations and campaigning directly led to the imposition of precedent setting UN Security Council sanctions on exports of Liberian timber, despondently devoid of the regulation’s despicable regime of vital revenue and accountability. The potential role of the timber trade in arms trafficking and the funding of conflict.

7. UNCOVERING MINERAL SMUGGLING OPERATIONS IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)
Global Witness' investigations in the DRC’s Katanga province uncovered large-scale copper and cobalt smuggling operations which deprived the country’s economy of between US$1-4 million per day. This exposé has resulted in a sharp increase in international attention on the DRC’s Katanga in particular.

8. PILOTING FOREST MONITORING TO EXPOSE ILLEGAL LOGGING
Global Witness established the first two Independent Monitoring operations in Cambodia and Cameroon, which have now been expanded to 30+ operations in 12 countries. In Cambodia, a total logging moratorium and a significant decrease in illegal activity.

9. CONSISTENTLY PUSHING FORWARD THE INTERNATIONAL COMMITMENT TO EXPOSING THE INDIVIDUALS, CORPORATIONS AND INSTITUTIONS
Global Witness has successfully campaigned on the role of natural resources in the DRC, and in a sharp increase in international attention on the DRC’s Katanga in particular.

10. EXPOSING BURMA’S $250 MILLION A YEAR ILLEGAL TIMBER TRADE
Global Witness’ investigations have uncovered the key players and the political and economic motivations driving the unaccountable logging which has destroyed large swaths of the heart of one of the world’s ‘hottest’ biodiversity hotspots. As a result of Global Witness’ advocacy the EU has changed its Common Position on Burma to allow for support for environmental priorities and its destructive logging of Burma’s forests has been made a priority issue for EU-China diplomatic discussions.

Global Witness’ investigations on the role of natural resources in the DRC, and in a sharp increase in international attention on the DRC’s Katanga in particular.

BRIEFING THE UNITED NATIONS SECURITY COUNCIL
In January 1999 Global Witness was the first NGO to be asked to provide an informal briefing to the UN Security Council. The briefing covered Cambodia’s illegal logging, and since then we have continued to brief the United Nations on issues around conflict resources.

UNCOVERING MINERAL SMUGGLING OPERATIONS IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)
In 2004 Global Witness’ investigations in the DRC’s Katanga province uncovered large-scale copper and cobalt smuggling operations which deprived the country’s economy of between US$1-4 million per day. This exposé has resulted in a sharp increase in international attention on the DRC’s Katanga in particular.

GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
GLOBAL WITNESS IS CAMPAIGNING FOR CHINA TO TAKE ACTION TO END THE UNSUSTAINABLE LOGGING OF BURMA’S FORESTS.
Globally, we need to work towards an international definition of conflict resources that can be agreed upon by all parties involved. This definition should be broad enough to cover natural resources that have been plundered for conflict and are now in the hands of warring parties. It should also be specific enough to ensure that the international community can act to prevent the misuse of these resources.

Global Witness, a terrific activist group in London, has been working to ensure that natural resources are not mismanaged in post-conflict countries. They have identified several strategies to achieve this:

1. **Traceable Trade:** By overhauling their own practices and institutions, companies can ensure that their products are traceable from source to market. This will help prevent the misappropriation of natural resources.

2. **Deny Financing:** The international community, including UN bodies, should take action to deny the warring powers access to conflict resources. This can be achieved by enacting laws that prevent the flow of conflict finance.

3. **Elevate Awareness:** Campaigns like Global Witness' Meta Project can raise public awareness about the issue and put pressure on governments to act.

4. **Support Reforms:** Once conflict has ended, there should be a focus on long-term solutions, including the implementation of international laws and regulations to prevent the recurrence of conflict.

The Meta Project, launched in 2005, has been instrumental in raising awareness and advocating for these strategies. Since its inception, Global Witness has worked with numerous partners to ensure that natural resources are not mismanaged in post-conflict countries.

**Natural Resources and Conflict**

Since launching the Meta Project, Global Witness has carried out extensive analysis to prepare an internationally recognized definition of conflict resources, which will be presented to the UN Security Council and other key policy makers throughout 2006. An agreed-upon definition of conflict resources will help create an international framework to better control natural resources and the flows of conflict finance. Once implemented, it could greatly speed up international responses and action in regard to specific causes of state killing and could prevent a recurrence of what happened in Liberia, where it took two years of Global Witness campaigning before the UN Security Council actually mandated a portfolio of sanctions.

Exposing the Role of Natural Resources in Ongoing Inability of the DRC to Prosper

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

**International Community to Address the Trade in Conflict Resources in the Democratic Republic of Congo (DRC) and to Work with the DRC Government to End the Militarized Control of Resources in Mining Areas.**

In order to ensure that natural resources are not mismanaged in post-conflict countries, Global Witness has carried out extensive analysis to prepare an internationally recognized definition of conflict resources, which will be presented to the UN Security Council and other key policy makers throughout 2006. An agreed-upon definition of conflict resources will help create an international framework to better control natural resources and the flows of conflict finance. Once implemented, it could greatly speed up international responses and action in regard to specific causes of state killing and could prevent a recurrence of what happened in Liberia, where it took two years of Global Witness campaigning before the UN Security Council actually mandated a portfolio of sanctions.

Exposing the Role of Natural Resources in Ongoing Inability of the DRC to Prosper

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.

In 2006, we released Under-Mining Peace: Tin - The Explosive Trade in Cassiterite in the Democratic Republic of Congo (DRC) and to work with the DRC government to end the militarized control of resources in mining areas.
In 2005, Global Witness will continue to encourage the use of diamonds as a positive force for development, with a particular focus on strengthening controls over, and regulation of, the alluvial mining sector. 2006 will be a critical year for the diamond campaign because the Kimberley Process will undergo a review, providing an opportunity for us to press for further strengthening and broad-based implementation of the scheme and for more monitoring of the diamond industry's compliance with the agreement.

Child miners in Sierra Leone: Most miners are too young to understand what they are doing, and are paid a pittance; many have lost a year or more of education. They face an uncertain future and a low quality of life. Some are forced to work to support their families, and end up in debt to their employers. The majority of Sierra Leone's diamond miners are children.

DIAMONDS FOR DEVELOPMENT
Another focus for 2005 has been on encouraging the utilisation of diamonds as a tool for development, with particular attention to the potential benefits of artisanal mining to local communities and economies. We continue to investigate artisanal mining in Sierra Leone and have released a report on the findings of this investigation at the Kimberley Process plenary meeting and an annual report 2005.
MAKING GOVERNMENTS AND COMPANIES TRANSPARENT

GLOBAL WITNESS STARTED THE INTERNATIONAL FOCUS ON REVENUE TRANSPARENCY IN THE EXTRACTIVES SECTOR IN 1998 AND WE CO-LAUNCHED THE PUBLISH WHAT YOU PAY (PWYP) COALITION IN 2002. The coalition now consists of over 300 NGOs from both the global North and South. PWYP led directly to the creation of the Extractive Industries Transparency Initiative, or EITI, a UK government led multi-stakeholder process to deliver revenue transparency. A core remit of our current work is deepening and broadening the PWYP coalition and, as a member of the EITI International Advisory Group, ensuring the full implementation of EITI as a binding and effective process.

OPENING A SPACE FOR CIVIL SOCIETY PARTICIPATION

In 2005 a set of six minimum criteria for genuine participation in EITI was agreed. One of the criteria, heavily influenced by our campaigning, is the active engagement of civil society in the design, monitoring and evaluation of the EITI process, with the ability to contribute towards public debate on revenue transparency. Civil society’s access to information and their involvement in applying domestic and international public pressure is crucial to the promotion of revenue transparency. There is now a coherent network of PWYP platforms in Sub-Saharan Africa, working towards a regional strategy. Throughout 2006 we will work to build support for coalitions in Asia, the Middle East and North Africa and the Americas.

FOCUS ON THE US

In 2005, members of the PWYP US coalition and Global Witness successfully worked to ensure provisions in this year’s US Foreign Appropriations Bill that requires the US Treasury Department to press the International Financial Institutions on resource revenue transparency, and to allocate funding to support implementation and civil society monitoring of the EITI. This affects an increasing interest and awareness in Congress of the issues we work to address.

INVESTIGATING AND EXPOSING: INDONESIA

In 2005, we continued to investigate and expose the individuals, groups and corporations that promulgate natural resource exploitation, and in turn corruption, entrenched poverty and conflict. In July, we published Paying for Protection: The Freeport Mine and the Indonesian Security Forces. This report reveals suspicious payments that have been made by Freeport McMoRan Copper & Gold Inc, which owns the world’s biggest gold mine, directly to Indonesian military and police officers in a conflict region where the security forces have a track record of corruption and brutality. We are calling for these payments to be investigated under anti-corruption laws in the United States and Indonesia and are working in partnership with a number of Indonesian civil society groups, who are using Paying for Protection to advocate for military reform. The Indonesian government has subsequently announced an investigation into the case and has promised to regulate payments by private companies to the military in future. Freeport has also admitted receiving “informal inquiries” from US government agencies about its payments, a positive development given our concern about possible violations of the US Foreign Corrupt Practices Act.

INVESTIGATING AND EXPOSING: THE REPUBLIC OF CONGO

In December we published The Riddle of the Sphynx: Where has Congo’s oil money gone? detailing a court judgment which describes how top officials in the Republic of Congo have been selling state oil at a cut price to private companies owned by the head of the state oil company, with no evidence of the profits ending up in the public purse. The scandal raises troubling questions about the sincerity of the government’s promises to reform a corrupt and mismanaged oil sector, at a time when the impoverished African country is asking the international community for debt relief. We are advocating for international donors to put appropriate safeguards in place to ensure transparent and accountable future management of Congo’s oil money before providing any non humanitarian financial aid to the country, in order to prevent the ruling elite bankrupting the country again.

THE TRADE IN TURKMEN GAS

Throughout 2005 we have undertaken research into the misappropriation of Turkmen gas revenues in the context of instability in former Soviet countries and gas supplies to Europe. The findings of this research will be published in 2006.

I am proud to be associated with Global Witness and the Publish What you Pay Campaign

GEORGE SOROS
FOUNDER AND CHAIRMAN OF THE OPEN SOCIETY INSTITUTE AND THE SOROS FOUNDATIONS NETWORK.

…also admitted receiving “informal inquiries” from US government agencies about its payments, a positive development given our concern about possible violations of the US Foreign Corrupt Practices Act.

INVESTIGATING AND EXPOSING: THE REPUBLIC OF CONGO

In December we published The Riddle of the Sphynx: Where has Congo’s oil money gone? detailing a court judgment which describes how top officials in the Republic of Congo have been selling state oil at a cut price to private companies owned by the head of the state oil company, with no evidence of the profits ending up in the public purse. The scandal raises troubling questions about the sincerity of the government’s promises to reform a corrupt and mismanaged oil sector, at a time when the impoverished African country is asking the international community for debt relief. We are advocating for international donors to put appropriate safeguards in place to ensure transparent and accountable future management of Congo’s oil money before providing any non humanitarian financial aid to the country, in order to prevent the ruling elite bankrupting the country again.

THE TRADE IN TURKMEN GAS

Throughout 2005 we have undertaken research into the misappropriation of Turkmen gas revenues in the context of instability in former Soviet countries and gas supplies to Europe. The findings of this research will be published in 2006.
ENDING ILLEGAL AND UNSUSTAINABLE LOGGING

BURMA
OUR WORK ON BURMA, WHICH WAS LAUNCHED IN 2003, HAS DOCUMENTED THE $250 MILLION A YEAR ILLEGAL TIMBER TRADE CARRIED OUT BY THE BURMESE MILITARY GOVERNMENT TO SECURE THE INCOME FROM TIMBER TAXES. FOR YEARS, THE INTRA-GOVERNMENTAL COMMITTEE ON FOREST MANAGEMENT AND DEVELOPMENT HAS BEEN DELAYING A DECISION ON HOW TO BRING THE ILLEGAL CROSS-BORDER TRADE UNDER CONTROL AND SHORTLY AFTERWARDS THE BURMESE FOREST MINISTRY ADMITTED FOR THE FIRST TIME THAT THE COUNTRY HAS A LOGGING PROBLEM WITH LARGE-SCALE ILLEGAL TIMBER TRADING.

In the last months of 2005, the Burmese military regime appears to have learned logging and timber transport in Kachin State, northern Burma. Quadrocopters remain, however; over whether this is a step towards the aspect of sustainable management it claims to be demanding, that the Burmese regime to undermine overseas groups in Kachin State that derive much of their income from timber taxes.

Throughout 2006 GLOBAL Witness will be advocating for the Chinese government to stop timber imports from Burma with immediate and, to take action against the companies and officials involved in the illegal cross-border trade.

PROSPECTING SUSTAINABLE FOREST MANAGEMENT
A further focus for 2006 will be on ensuring that EU governments support civil society in Burma in promoting sustainable forest management. In 2004, as a result of our advocacy, the EU broadened the Common Position on Burma. The EU has many corruption issues, human rights, democracy and development programmes in Burma but has not yet included an exemption to support environmental protection and in particular, programmes addressing non-sustainable logging resulting in deforestation. In 2006, again as a result of our advocacy, the EU made the role of China in the destructive logging of Burma a priority issue for EU-China diplomatic discussions. While Global Witness and ASIADEE (EJAGAL) still maintain those positive developments there remains to be a need for the EU and international investment institutions to address the issue of illegal and predatory logging in Burma, with a specific focus on in-country end-user and donor contribution.

Cambodia
As a result of recurrent threats made to local staff and their families, we were forced to close our office in Cambodia in September 2005. We have received no credible explanation from the Cambodian authorities as to why our staff have been targeted in this way, although these does appear to be some connection with the publication of our Taking a Cut: Institutionalised Corruption and Illegal Logging in Cambodia’s Aural Wildlife Sanctuary which exposed the illegal timber trading. As it names middling to high ranking officials, we anticipated a strong governmental reaction to the report and indeed, three months after its publication, the Cambodian authorities impounded 2,000 copies of it.

The closure of GLOBAL Witness’ Cambodia office has taken place in the context of a worrying rise in intimidation targeted at civil society organisations and members of the public by the Cambodian government.

Intimidation has been directed particularly at individuals and groups advocating for the protection of human rights, illegal logging and human rights abuses.

PUSHING FOR REFORM
Throughout 2006 we will be supporting 2,000 copies of it.

The closure of GLOBAL Witness’ Cambodia office has taken place in the context of a worrying rise in intimidation targeted at civil society organisations and members of the public by the Cambodian government.

Intimidation has been directed particularly at individuals and groups advocating for the protection of human rights, illegal logging and human rights abuses.

PUSHING FOR REFORM
Throughout 2006 we will be supporting

Cambodia has been the World Bank finally acknowledging that the concessions system in Cambodia is irredeemable. For years the Bank has clung to the notion that the mafia-style logging syndicates which have ravaged Cambodia’s forests can be reformed. As a result of an investigation into the Bank’s forestry program in Cambodia, the Inspection Panel – the Bank’s internal ombudsman. This investigation is due to be published in May 2006, to push the World Bank to undertake more wide-ranging changes to the way it approaches forestry projects worldwide.

Meanwhile the Cambodian government and international donor community are continuing to use Global Witness’ recommendations on increasing transparency in the management of natural resources as the basis for reform targets. These were released as a primary element in the 2006/07 reform agenda at the March 2006 Exceptional Group meeting of Cambodian officials and donor representatives.

SEEKING SOLUTIONS
Throughout 2006 we will seek to broaden the scope of our Cambodia campaign. As the fundamental obstacle to meaningful progress in forestry reform (and arguably reform of any kind) in Cambodia is the consolidation of a political elite which is totally unaccountable, rather than seeking solutions to forest management problems in isolation, we will use our investigations into Cambodia’s forests as an entry point into broader issues of corruption, human rights, democracy and development. At the same time, we will link our forest management and timber trade work more closely to related initiatives we are pursuing at regional and international levels.
CONFLICT COMMODITIES IN WEST AFRICA

It is widely recognised that countries highly dependent on natural resources are significantly more likely to experience civil war. Timber and diamonds provided the funding and logistics for recent warfare in Liberia and Sierra Leone and natural resources are instrumental in the current conflict in Côte d'Ivoire.

Since 2001, we have campaigned successfully to break the nexus between the timber and diamond industries in Liberia and conflict and regional instability. We successfully lobbied for the United Nations Security Council to impose sanctions on the export of Liberian timber in 2003, and as a consequence drastically reduced the warring parties' ability to exploit the country's forests to fund conflict. Less than six weeks after the imposition of the timber embargo, former president Charles Taylor left Liberia for exile in Nigeria and a Comprehensive Peace Agreement was signed. Since the war ended in 2003 we have advocated for the maintenance of sanctions until sufficient reforms are put into place to prevent timber and diamonds from again being sold to fund regional war.

The election of a new president, Ellen Johnson-Sirleaf, in November 2005 presents Liberia with an historic opportunity to pursue policies that will bring about peace and prosperity. To ensure that natural resources are used to contribute to the country's development, rather than being exploited to fund or fuel conflict, we will seize this opportunity to develop proposals for wide-ranging reforms in the natural resource sector in Liberia and to engage in dialogue with the new government on their implementation.

INVESTIGATING AND EXPOSING NATURAL RESOURCE EXPLOITATION

Throughout 2005, we have gathered extensive evidence to demonstrate the extent to which the illegal Liberian timber and diamond trades continue to pose a threat to good governance and stability in the region. This evidence was published in two reports. Timber, Taylor, Soldier, Spy, published in June, detailed the continued threat that Charles Taylor posed to West Africa through his ongoing contact with key military and government figures in Liberia and his influence over a number of Liberian political parties. An Architecture of Instability, presented to the incoming Liberian Government, the United Nations Security Council and international donors in December 2005, demonstrated how a lack of employment opportunities was causing ex-fighters to drift into natural resource extraction and warned that an upsurge in the illegal extraction of natural resources could lead once again to huge amounts of revenue ending up in the hands of warlords.

PREVENTING FUTURE RESOURCE FUELLED WARS

Throughout 2006, we aim to work in cooperation with the new Liberian government and to continue to monitor the natural resource industry in order to ensure that the same individuals and companies who perpetuated conflict in the past are not granted new concessions. In the short-term, the continued enforcement of UN sanctions will be an important way of keeping up the pressure for reform and good governance of the industry. We will also be conducting comprehensive research into the role of natural resources in exacerbating conflict in Côte d'Ivoire and formulating specific recommendations to the UN Security Council and other key actors aimed at ending resource fuelled wars in West Africa once and for all.

The President
wishes me to convey to you appreciation for the important work and role that Global Witness has played in bringing to the attention of Liberians and the world the mismanagement by previous governments of our country's resources.

LETTER TO GLOBAL WITNESS ON BEHALF OF HER EXCELLENCY PRESIDENT ELLEN JOHNSON-SIRLEAF FEBRUARY 2006
INDEPENDENT FOREST MONITORING

SINCE 1999, WE HAVE PIONEERED INDEPENDENT FOREST MONITORING (IFM) AS A TOOL TO COMBAT ILLEGAL LOGGING. IN 2005, WE PROVED THE EFFECTIVENESS OF IFM IN SUSTAINABLE FOREST USE BY IMPLEMENTING SYSTEMS OF FOREST LAW ENFORCEMENT. THE ULTIMATE GOAL OF IFM IS TO ENABLE THE POPULATIONS OF THE COUNTRIES WHERE IT IS IMPLEMENTED TO BENEFIT MORE EQUITABLY FROM THE SUSTAINABLE USE OF THEIR FORESTS.

IFM EXPANSION: HONDURAS

In Honduras, we have concluded a pilot IFM project, carried out in conjunction with the Honduran Commission for Human Rights (COFADEH). Field missions have documented illegal activities in timber harvesting, transport and processing, as well as corrupt official practices. A civil society group has reported that, since the monitor has been active in Honduras, there has been a change in attitude of forest operators, who now pay more attention to respecting the law. The impact of the project has also been acknowledged by the government, which has expressed a strong interest in seeing it continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

IFM EXPANSION: CAMEROON

As a result of our work in Cameroon over five years, the forest ministry was able to levy penalties on logging companies breaking the law, totalling over US$7.5 million, a significant contribution to state coffers and a strong deterrent to illegal logging. Building on this success, and at the request of state officials, the forest ministry has expressed a strong interest in seeing IFM continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

IFM EXPANSION: GHANA

In Ghana, we have conducted an IFM project in the Western region, in collaboration with the Forestry Commission. We have trained local monitors and monitored understaffed and poorly resourced forest departments. Our work has contributed to a more professional and effective approach to law enforcement and has led to stronger enforcement of existing legal instruments.

IFM EXPANSION: MOZAMBIQUE

Since the launch of our IFM project in Mozambique in 2005, we have worked closely with the government to address illegal timber logging. We have conducted numerous field missions and provided technical assistance to forest management agencies. Our work has contributed to the improvement of forest law enforcement and the strengthening of forest management systems.

EXPLAINING AND PROMOTING IFM

Another major achievement of 2005 was the production of a definitive Guide to Independent Forest Monitoring, which has been widely distributed to international and local NGOs, government agencies and other organisations working in forest control and monitoring. The guide aims to meet this increasing demand for IFM around the world by building the professionalism of monitors and potential funders as well as those who fund and host IFM. It provides a detailed step-by-step description of IFM design, emphasising the official-yet-independent status of the monitor and covering practical aspects of field investigations and the production of authoritative and objective mission reports.

On a policy level we have also made significant progress. IFM has gained wide support in the course of 2005 and in recent indicators of the IFM Expansion Project, carried out in conjunction with the Honduran Commission for Human Rights (COFADEH), etc. The US Government has expressed a strong interest in seeing IFM continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

SUPPORTING CIVIL SOCIETY

In 2005, in addition to delivering further pilot missions, Global Witness will maintain a key focus on ensuring the role of civil society in holding their governments to account and supporting forest resource managers. IFM training workshops are planned in Indonesia, Central America and West Africa.

On a policy level we have also made significant progress. IFM has gained wide support in the course of 2005 and in recent indicators of the IFM Expansion Project, carried out in conjunction with the Honduran Commission for Human Rights (COFADEH), etc. The US Government has expressed a strong interest in seeing IFM continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

On a policy level we have also made significant progress. IFM has gained wide support in the course of 2005 and in recent indicators of the IFM Expansion Project, carried out in conjunction with the Honduran Commission for Human Rights (COFADEH), etc. The US Government has expressed a strong interest in seeing IFM continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

On a policy level we have also made significant progress. IFM has gained wide support in the course of 2005 and in recent indicators of the IFM Expansion Project, carried out in conjunction with the Honduran Commission for Human Rights (COFADEH), etc. The US Government has expressed a strong interest in seeing IFM continue and increasing its scope to cover the whole country and become a long-term initiative. The international credibility that Global Witness brings has been singled out as a key element in the success of the project.

As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organisation’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy. As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organization’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy. As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organization’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy. As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organization’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy. As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organization’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy. As well as a seminar in May to celebrate Global Witness’ three directors receiving the Gleitsman International Award and the organization’s 10th anniversary, 2005 saw Global Witness hosting a reception at London’s National Theatre (June) and an event in Washington DC to mark a year since the opening of our office there (October). The National Theatre was putting on a performance of The UN Inspector, a modern day satire on endemic corruption adapted from Gogol’s masterpiece. The Government Inspector. We contributed factual elements to the play, briefed the cast on corruption issues in some former Soviet states, scene programme notes and invited guests to a performance of the play, followed by a ‘talkback’. In Washington, we hosted a reception to highlight to distinguished guests, including politicians, funders and the media, the significant role that IFM (Independent Monitoring) is now playing in raising awareness within the US government and among the international community of the importance of adopting policies to address resource revenue transparency.

In 2005 we received grants from a number of new funders including, the Swedish International Development Agency, the Rufford Maurice Laing Fund for the Arts, the Diana, Princess of Wales Memorial Fund, Global Opportunities Fund, HIVOS (Kamrath Institute for Co-operation with Developing Countries), the National Endowment for Democracy.
AS WE ENTER OUR SECOND DECADE WE ARE ACTIVELY SEEKING TO EXPAND OUR FUNDING BASE TO MEET THE EVER INCREASING FINANCIAL DEMANDS OF A GROWING ORGANISATION.

We rely entirely on raising voluntary income to meet the costs of our activities and it is only through the vision and forethought of our donors that we are able to achieve what we do.

Our operating budget for 2005/06 is £2.6 million and we have grown at an average rate of 25% per year for the last four years. If we are to reach our objectives for the next five years, we need to raise in the region of £20 million between 2007 - 2012.

Currently, around 43% of our income comes from private trusts and foundations, 40% comes from statutory sources such as the Dutch, Swedish and UK governments and 17% is made up of revenue from development NGOs (like Oxfam and its European equivalents), corporate donors and individuals.

Global Witness is not a membership organisation and we do not spend large amounts of money on publicity or mailing out fundraising appeals and updates. We are proud of the fact that our fundraising, marketing and publicity costs represent only 6% of our total expenditure and our administration and central costs represent only 15% of total expenditure.

The summarised financial statements opposite contain information from the Global Witness Trust and Global Witness Limited audited accounts for the period 1st December 2004 – 30th November 2005. The accounts can be viewed in full at:

www.globalwitness.org/donate/financial_disclosure.php

GLOBAL WITNESS’ FUNDING

CLOSING A FOREST IN THE DEMOCRATIC REPUBLIC OF CONGO: GLOBAL WITNESS IS CAMPAIGNING FOR SAFEGUARDS TO LIMIT LOGGING IN THE DRC TO SUSTAINABLE LEVELS. NICK ROBINSON / PANOS PICTURES

GLOBAL WITNESS LIMITED

INCOME £

Grants from Global Witness Trust 402,020
Grants from Global Witness Limited 401,774
Grants from trusts and foundations 325,921
Grants from governments 605,040
Grants from NGOs 127,481
Grants from corporations 167,823
Charitable Donations 142,000
Spiritual Gifts 6,639
Total Income 2,010,767

EXPENDITURE £

Combating Conflict Diamonds 197,318
Making Companies and Governments Transparent 314,686
Meta Project 102,535
Conflict Commodities and West Africa 220,199
Ending Illegal Logging - Burma 118,289
Ending Illegal Logging - Cambodia 163,937
Natural Resources in the Democratic Republic of Congo 204,151
Independent Forest Monitoring (IFM) 201,631
Cameroon Forest Monitoring Project 131,819
i2 Project 197,559
Other Projects 193,609
Systems and Communications 5,677
Governance Costs 23,307
Fundraising and Publicity 114,486
Total Expenditure 2,189,203

GLOBAL WITNESS TRUST

INCOME £

Grants from governments 103,633
Grants from trusts and foundations 605,040
Grants from NGOs 79,769
Grants from corporate organisations 118,289
Bank Interest 1,453
Total Income 976,427

EXPENDITURE £

Combating Conflict Diamonds 77,295
Making Companies and Governments Transparent 30,000
Meta Project 95,000
Conflict Commodities and West Africa 86,882
Ending Illegal Logging - Burma 29,988
Ending Illegal Logging - Cambodia 59,986
Natural Resources in the Democratic Republic of Congo 34,640
Forest Policy 20,000
i2 Project 133,636
Systems and Communications upgrades 100,000
Governance costs 5,959
Total Expenditure 673,386

Global Witness Limited is a non-profit company limited by guarantee and incorporated in England (Company No. 2871809). The addition of Global Witness Limited involve campaigning and political lobbying and as such it is not eligible for charitable status.

The Global Witness Trust is a UK registered charity (Charity No.1071946). As a charity it is able to receive tax efficient gifts, such as gift aid.

Annual report 2005
GLOBAL WITNESS WOULD LIKE TO EXPRESS OUR DEEP THANKS TO ALL THOSE WHO SUPPORTED US IN 2005

WE WOULD ALSO LIKE TO THANK ALL OUR INDIVIDUAL AND ANONYMOUS DONORS WHO ARE NOT LISTED HERE

GLOBAL WITNESS LIMITED
Canadian Department of Foreign Affairs and International Trade
Ethical Institute
The Glaisman Foundation
Global Opportunities Fund
Humantarian Institute for Co-operation with Developing Countries (HIVOS)
G2 Limited
IUCN - The World Conservation Union
The National Endowment for Democracy
Netherlands Ministry of Foreign Affairs
Open Society Institute
Orthem GB
Oxfam Novib
The RH Southern Trust
Swedish International Development Cooperation Agency (Sida)
UK Department for International Development (DFID)

GLOBAL WITNESS TRUST
Ajahma Charitable Trust
Concern Worldwide
The Diana, Princess of Wales Memorial Fund
The Doen Foundation
Mary Webb Trust
The Rufford Maurice Laing Foundation
The Sigrid Rausing Trust
The Staples Trust
Trócaire
US Agency for International Development

MONROVIA, LIBERIA: RESOURCE-FUELED WARS DESTROY HOSPITALS, SCHOOLS, ELECTRIC GRIDS AND ROADS AND LEAVE MILLIONS HOMELESS, DISABLED AND ORPHANED.

TIM HETHERINGTON / PANOS PICTURES