

Communication on Engagement

Transnational Alliance to Combat Illicit Trade (TRACIT)

Period covered by this Communication on Engagement:

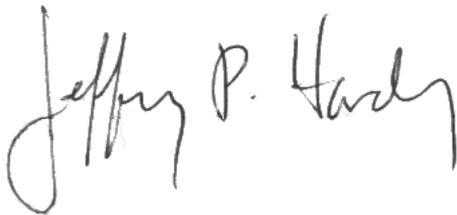
3 August 2018 to 2 August 2020

To our stakeholders:

I am pleased to confirm that the Transnational Alliance to Combat Illicit Trade reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for a business organization like ours. We also commit to sharing this information through our newsletter, our social media channels and our website.

Sincerely yours,

A handwritten signature in black ink that reads "Jeffrey P. Hardy". The signature is written in a cursive style with a large initial 'J'.

Jeffrey P. Hardy

Director-General, Transnational Alliance to Combat Illicit Trade

Description of Actions

In the fall of 2018, we submitted our UN Global Compact Commitment Letter to H.E. António Guterres, Secretary-General of the United Nations. In this letter, we confirmed our commitment to the ten principles of the UN Global Compact and expressed our intent to support the Global Compact in advancing them. In the letter, we also pledged to participate in and engage with the UN Global Compact in the following ways:

- Conduct applied research and advocacy to advance and promote best practices and offer sector-specific advice and recommendations on illicit trade and its link with the principles of the UN Global Compact. This includes the publication of an upcoming report on the necessity of combating illicit trade to meet the UN Sustainable Development Goals.
- Promote the UN Global Compact Ten Principles through our membership and in our communication channels.
- Support UN Global Compact business participants that are also TRACIT members in spreading the word on their sustainability efforts.
- As a trusted business voice on illicit trade, mobilize the private sector on the combating those sustainability issues that illicit trade gives rise to, and use our established relationships with policymakers and key Inter-Governmental Organizations to advance these issues in the public policy arena.

Reporting back on our pledge, it is our pleasure to highlight the following actions that we have taken in the past two years:

In July 2019, we published the report, 'Mapping the Impact of Illicit Trade on the UN Sustainable Development Goals', which investigates illicit trade in 12 key sectors that participate significantly in international trade and maps these against the 17 UN SDGs. Findings from the report show that illicit trading activities significantly compromise achievement of the SDGs by crowding out legitimate economic activity, depriving governments of revenues for investment in vital public services, dislocating hundreds of thousands of legitimate jobs and causing irreversible damage to ecosystems and human lives. The impact of illicit trade on Human Rights, Labour, Environment and Anti-Corruption is at the very core of this report.

The report was launched at an UNCTAD and TRACIT co-hosted [Dialogue on Illicit Trade and the SDGs](#) – a forum to discuss the role of illicit trade in inhibiting positive development outcomes and in particular, the implications for the achievement of the UN SDGs.

As a follow-up to this event, UNCTAD and TRACIT co-hosted the first [Illicit Trade Forum](#) at the Palais des Nations in Geneva, Switzerland, on 3-4 February 2020.

The two-day Forum set out the main reasons why actions to combat illicit trade must be prioritized and why intergovernmental leadership is necessary to coordinate resources, share

expertise, establish guidelines and promote international cooperation among UN Member States.

More than 50 representatives from UN member states, eight intergovernmental organizations with responsibility for mitigating illicit trade and 200 stakeholders from civil society and the business community participated in four interactive panel discussions on the following topics:

- Understanding the size and shape of illicit trade
- The impacts of illicit trade on achieving the SDGs
- Illicit trade and illicit financial flows
- The role of the private sector in combating illicit trade

Throughout these events, we have been able to include our private sector membership as speakers and given our corporate members a platform to contribute case studies in an effort to highlight their sustainability efforts. Specific examples include the quote cards from corporate representatives that were published in the lead-up to the Illicit Trade Forum on our [Twitter account](#).

To amplify our voice in combating those sustainability issues that illicit trade gives rise to, we have joined up with Business at the OECD and the ILO Global Business Network on Forced Labor.

In October 2019, we became an Associate Expert at Business at OECD – the officially recognized business voice to the OECD with over 50 years of experience conveying business perspectives and expertise to policymakers on a broad range of global economic governance and policy issues. Through BIAC, we are able speak with one united business voice on the topics that are covered by the ten principles in our interaction with the OECD.

We have also joined the ILO Global Business Network on Forced Labor, an umbrella network of networks offering a forum for collaboration convened by the International Labour Organization (ILO) where business and business networks come together behind a common objective of leveraging comparative advantages and collective action towards the elimination of forced labor and human trafficking. Through our partnership, Ms. Laura Greene from ILO GBNFL accepted our invitation to speak during the Illicit Trade Forum that we co-hosted with UNCTAD on 3-4 February 2020, discussing the issues of forced labor in the context of illicit trade.

In partnership with UNCTAD, we submitted a proposal to the 44th Session of the International Maritime Organization (IMO) Facilitation Committee (FAL), 17 January 2020. The proposal informed the Committee that illicit trade has a substantial negative impact on the global economy and society, generally, and the achievement of the United Nations Sustainable Development Goals (SDGs). Specifically, it explained how maritime transport is a critical facilitator of illicit trade that plagues wide-ranging economic sectors and called for IMO to take measures to achieve greater security in the maritime supply chain to protect against illicit trade in all of its forms.

The joint TRACIT-UNCTAD submission of the proposal to IMO is an example of public-private cooperative efforts to achieve the SDGs. The FAL Committee's decision to act on the proposal is pending the convention of the Committee's next meeting.

At the invitation of the Universal Postal Union (UPU), TRACIT participated in their Postal Security Group meeting (PSG), 19 June 2019. TRACIT informed the PSG on the risks of illicit trade in small parcels and the vulnerabilities in postal networks. We shared a set of best practices and pledged commitment and cooperation with the private sector. Next steps, including the formation of a public-private working group on illicit trade are pending.

Finally, we have participated in several meetings on the topic of the SDGs, human rights, and labor, environment and anti-corruption, including:

- UN Global Compact Leaders' Summit, 15-16 June 2020.
- ILO Global Business Network on Forced Labour webinar 'An Inclusive Approach to Eradicating Forced Labour in the Better Normal', 29 May 2020.
- WIPO Director General's Consultation with NGOs, 26 November 2019.
- UN Forum on Business and Human Rights, 25-27 November 2019.
- 'Achieving the SDGs: Filling the Funding Gap,' hosted by United Nations Development Program and Global Financial Integrity, 25 September 2019.
- Global Compact Network USA's regional meetup 'Making Global Goals Local Business – USA', 24 September 2019.
- 7th INTERPOL Global Conference on Human Trafficking and Migrant Smuggling, 10-11 September 2019.

Measurement of Outcomes

There are a few possible measurements of outcomes that are relevant to the activities that we have conducted in the past two years. These are:

Participation at our meetings

UNCTAD-TRACIT Illicit Trade Forum

Representatives from more than 50 UN member states, eight intergovernmental organizations with responsibility for mitigating illicit trade and 200 stakeholders from civil society and the business community attended the two-day meeting. Dr. Mukhisa Kituyi, Secretary General, UNCTAD and TRACIT's DG Jeffrey Hardy opened the Forum, and H.E. Mr. Than Myint, Minister for Commerce, Myanmar, provided the keynote address.

This event embodied the cooperation between business and government, as evidenced by the number of speakers from business, IGOs and governments. Panellists included:

- H.E. Ms. Laura Valdivieso, Vice-Minister for Commerce, Industry and Tourism (MINCIT), Colombia
- Ms. Ivonne Higuero, Secretary-General, CITES Secretariat
- Ms. Shelley Duggan, Associate General Counsel and Global Brand Protection Leader, Proctor & Gamble / Co-Chair of TRACIT
- Mr. Stefan Kirsch, Deputy Director of Compliance and Enforcement, World Customs Organization
- H.E. Mr. Tunda Mukaila Mustapha, Minister, Chargé d'affaires at the Permanent Mission of Nigeria to the United Nations Office at Geneva
- H.E. Mr. Taonga Mushayavanhu, Ambassador, Permanent Representative of Zimbabwe to the United Nations Office at Geneva
- Ms. Karyn Temple, Global General Counsel, Motion Picture Association
- Ms. Laura Greene, Manager, ILO Global Business Network on Forced Labour
- Mr. Richard Kofi Afenu, Director of Policy, Planning, Monitoring & Evaluation, Minerals Commission, Ghana
- Ms. Kathy Nicolaou-Manias, Director of Labour and UIF, South Africa National Treasury
- Mr. Enrico Bisogno, Chief, Data Development and Dissemination Unit, UNODC
- Mr. Tom Cardamone, President & CEO, Global Financial Integrity
- Mrs. Wendy Lora Perez, President, GAFILAT
- Mr. John Blood, Chief Legal and Corporate Affairs, Anheuser-Busch InBev
- Mr. Stanislas Barro, Global Head of Anti-Counterfeiting, Novartis

- Ms. Iris Van der Veken, Executive Director, Responsible Jewellery Council
- Mr. Laurent Giezendanner, Head, Corporate Security, Syngenta International AG

The sessions were moderated by:

- Ms. Pamela Coke-Hamilton, Director, DITC, UNCTAD
- Mr. Stefano Betti, Deputy Director-General, TRACIT
- Ms. Penelope Hawkins, Division on Globalization and Development Strategies, UNCTAD
- Mr. Jeffrey Hardy, Director General, TRACIT

Dialogue on Illicit Trade and the SDGs

The meeting was attended by government officials representing countries from all regions of the world and featured keynote presentations from Ambassador H.E. Silvia Elena Alfaro Espinosa, Permanent Representative of Peru to the UN Geneva, and Ambassador H.E. Taonga Mushayavanhu, Permanent Representative of Zimbabwe, as well as interventions from the following panellists:

- Ms. Ivonne Higuero, Secretary-General, Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Mr. Ketil Ottersen, United Nations Office on Drugs and Crime, Container Control Programme
- Ms. Monica Ramirez, Global Director, Regulatory & Public Policy, Anheuser- Busch InBev
- Mr. Filippo Musca, Acting Director General, Siracusa International Institute for Criminal Justice and Human Rights

Proposal to IMO FAL Committee

The Facilitation Committee (FAL) deals with matters related to the facilitation of international maritime traffic, including the arrival, stay and departure of ships, persons and cargo from ports. Our proposal to the FAL encouraged the expansion of their remit to include attention to illicit trade. Our proposal was circulated to all 173 member states of IMO for review and consideration.

Presentation to UPU PSG Group

The UPU Postal Security Group is dedicated to building cooperation between postal sector players from 192 member countries. Our presentation enabled us to reach security officers from national Posts charged with global and regional security strategies and allowed us to educate them on developing and implement standards to improve security in the world's postal systems.

Social media reach

In addition to the research that we put out to advance best practices in combatting illicit trade, we use social media as a key tool to reach our key stakeholders and wider public. Our [LinkedIn](#) activities generate 3000+ impressions per update, and we get between 3,000 and 10,000 impressions per tweet on our [Twitter](#) account. Finally, we have about 180 unique visitors per day to our [website](#).