



2022 PMI IMPACT Report

Combating Illegal Trade, Together

We are proud to present the 2022 PMI IMPACT Report. PMI IMPACT is our global initiative dedicated to fighting illicit trade in all its forms and countering negative consequences for individuals, their families, and communities.

This report provides an overview of the progress of the projects selected in the first and second funding rounds of the program, launched in 2016 and 2017 respectively. It also highlights some of the new projects selected in the third funding round, which opened to applicants in 2021.

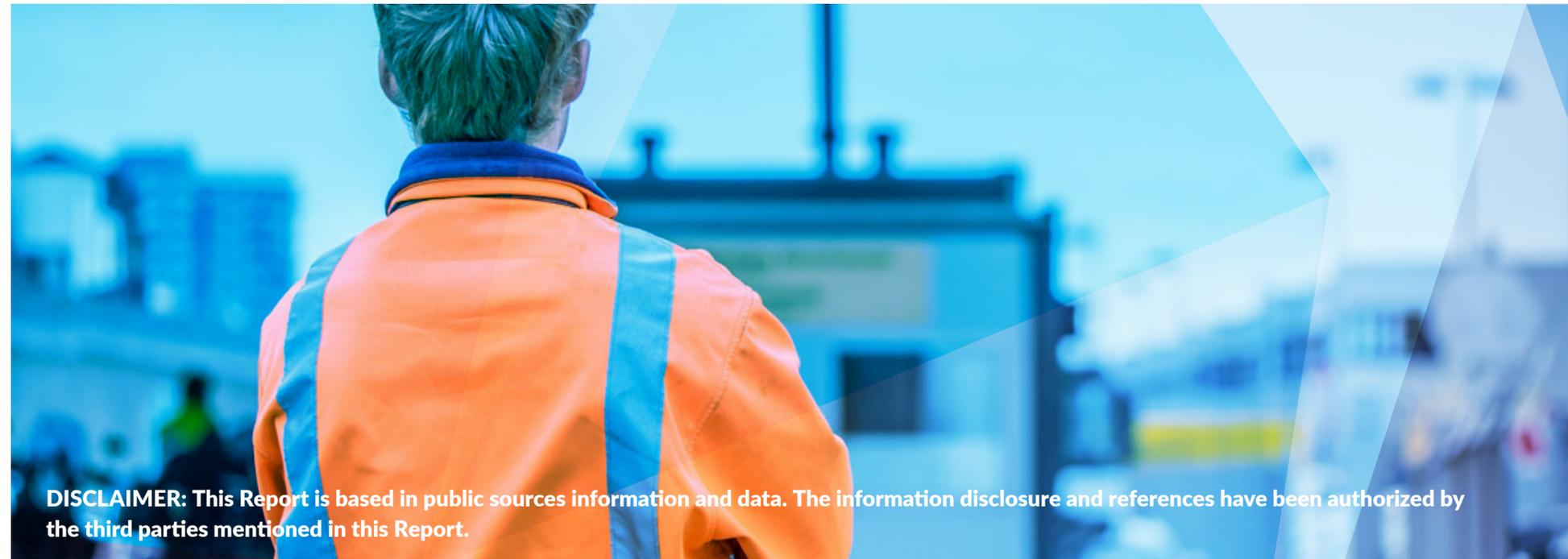
PMI IMPACT's overall objective is to tackle illegal trade in its many forms. A significant part of the third funding round is the fight to raise awareness among key audiences of the threat that illegal trade poses to society and the ways policymakers and the wider public can assist in tackling these crimes.

Illicit trade is a scourge on society and the economy. It harms consumers by exposing them to unregulated products, deprives governments of tax revenue, moves through channels utilized by criminals for many types of criminal activity, and damages legitimate businesses - including our own.

Since launching in 2016, PMI IMPACT has selected 67 projects to finance. It has allocated close to USD 50 million across 33 different countries to help combat and prevent illegal trade. Grantees have delivered a wide-range of initiatives to tackle illicit trade that includes research, awareness-raising, development

of technical solutions, funding of equipment to help combat crime, training for law enforcement agencies, and communication initiatives to foster cross-sector and public-private collaboration.

Helped by the guidance of the independent **Expert Council**, PMI IMPACT is enabling a growing community of organizations implement concrete actions to combat illegal trade and have a positive impact on society. As ever, only through effective collaboration will we be able to succeed.



DISCLAIMER: This Report is based in public sources information and data. The information disclosure and references have been authorized by the third parties mentioned in this Report.



**SINCE ITS LAUNCH IN 2016,
PMI IMPACT HAS NOW:**



**TO HELP COMBAT AND
PREVENT ILLEGAL TRADE.**

A purpose driven initiative that is delivering results

When Philip Morris International (PMI) first launched PMI IMPACT, PMI did so with one clear objective: to help advance global efforts against illegal trade and related crimes. And crucially, to do so by enabling collaboration and partnership amongst the many organizations and authorities that are fighting illicit trade.

For PMI, preventing illicit trade has been a longstanding priority and continues to be an integral part of our efforts to drive operational excellence and build a sustainable future. Therefore, PMI invests significantly in applying innovative technology to secure our supply chain and protect consumers and our brands, while working with others to help advance the fight against illicit trade around the world.

Furthermore, to unsmoke the world and enable millions of people who would otherwise continue to smoke switch to better alternatives to cigarettes, it's essential to eliminate illicit tobacco trade wherever it exists. There's simply no place for illegal actors in a smoke-free future.

Despite our history of investing in initiatives and solutions to tackle the smuggling and counterfeiting of our products, we've always been aware the problem is so great that no single company, government, or organization can eradicate illegal trade alone. Furthermore, those involved in the illicit tobacco trade all too frequently are the same criminals involved in other forms of illegal trade, from narcotics to human trafficking.

There is a need of a collaborative and inclusive

approach. One that enables public and private actors, along with civil society, to work together, implement innovative impactful ideas, and share knowledge on how to end illegal trade in all its forms.

Over the past six years, our independent PMI IMPACT Expert Council has selected projects that have made a clear impact in the fight against illegal trade. We've supported coast guards who have seized thousands of tonnes of contraband tobacco; research into the drivers and enablers of consumer purchases from the black market and the fight against the illegal and cruel smuggling of some of the world's most endangered species.

In this report, we examine the impact of those projects supported through the first and second funding rounds, looking at the outcomes achieved and spotlighting what made them stand-out to our Expert Council. We also showcase the first recipients of the grants in the third funding round.

Despite our success to date, illegal trade remains a scourge worldwide. And during the pandemic we saw organised crime take advantage of changing purchasing practices and demand for certain products, including those related to health and sanitation, to further their criminal activities.

Furthermore, we see continued concerns around global security and terrorism, the continued proliferation of criminal organizations, and the rapid uptake of digital

tools and platforms. So it's more important than ever for NGOs, law enforcement agencies, governments, academics, and other sectors of civil society to continue coming together and exchanging expertise, ideas, and opinions around a common goal: winning the fight against illegal trade.

In both approach and execution, PMI IMPACT demonstrates how PMI can support the most promising projects to help meet this challenge. It's something I find hugely inspiring and exciting, and I hope you enjoy learning what the projects have achieved so far and where we can go next.

Alvise Giustiniani
Vice President, Illicit Trade Prevention,
Philip Morris International



About PMI IMPACT

Why it matters?

PMI IMPACT aims to be a catalyst for cross-sector collaboration and dialogue. A platform for groundbreaking ideas, engaging conversations, and progressive initiatives against illegal trade and related crimes.

We want to find sustainable solutions to combat illegal trade. This requires broad collaboration and a coordinated effort to tackle the issue in its entirety, across a range of illegally traded commodities – from tobacco, to drugs, to human beings from the public and private sectors to civil society, everyone has a role to play.

Why it works?

PMI IMPACT has enabled a wide range of state and non-state actors at the local, regional, and global level to invest in, develop, and implement meaningful projects with public and private entities operating both in specific markets and internationally.

Beyond the project funding work, PMI IMPACT is also committed to encouraging a global conversation around security and the fight against illegal trade.

Project leaders from the first and second funding rounds have come together in public forums and conferences supported by PMI IMPACT to discuss better ways of working

together and share their learnings and expertise.

And, in the context of wider international forums such as the Munich Security Conference, the Italian Institute for International Political Studies (ISPI) and Rome MED-Mediterranean Dialogues, PMI IMPACT - as a knowledge partner of these platforms – is contributing to bring together leaders, experts, and innovative thinkers to discover synergies, exchange ideas, and discuss solutions that will help tackle illegal trade and the ecosystem of crimes associated with it.

The Expert Council

What is the Expert Council?

An independent group of experts with extensive knowledge in the fields of law, anti-corruption, human rights, technology, and the fight against organized crime and illegal trade. They are tasked with ensuring we fund projects with maximum impact.

The Expert Council's View

Illegal trade is a huge global problem. Its effects reach far and wide and are a pervasive threat to civil society and the law.

Consumers who purchase illicit products too often fail to understand the role they play within a complex, multi-layered, and multinational criminal ecosystem. Often, they also lack awareness of the severity of the crime.

Illegal trade frequently undermines human rights and economic development, consequently having a lasting effect on our world and local communities. Its links with criminal syndicates and terrorist networks, as well as the web of other illegal activities around it, are stark reminders of how deeply this problem is rooted in many of society's darkest corners.

It's crucial that we come together to fight illegal trade. While the pandemic may have been the focus of most of our lives for the past two years, unfortunately the criminals involved in the illicit trade have used this challenging period to find new ways to target vulnerable consumers and communities.

It's encouraging, however, that efforts to eradicate illegal trade are intensifying. A real awareness that sustainable success will only come through better collaboration and coordination between all impacted actors.

The Expert Council is able to actively support a wide range of public and private organizations committed to tackling the illicit trade. For over five years, we have reviewed hundreds of

applications for projects from across the globe and are hugely impressed by the ingenuity and innovation that is being applied to tackle the problem and by the resoluteness of their shared objective to advance the global efforts against illegal trade.

This fight is far from over, but we are confident that through collaboration and collective endeavour we can and will find more advanced solutions to fight this crime. PMI IMPACT has a track record in helping deliver these ambitions and we are excited to present the initial projects selected in the third funding round.



Carlos Moreira
Chairman, CEO and Founder
of WISeKey



Suzanne Hayden
Former Senior Prosecutor,
US Department of Justice



Luis Moreno Ocampo
Former Chief Prosecutor of the
International Criminal Court



Navi Pillay
Former UN High Commissioner
for Human Rights



Alain Juillet
Former Head of French Economic
Intelligence

First Funding Round

The first PMI IMPACT funding round launched in June 2016 and called for projects combating illegal trade and related crimes in the European Union. A total of 31 projects – from academic institutions, law enforcement agencies, and private organizations – in 16 countries were selected for funding. Covering a broad range of activities in the EU and neighbouring countries, the selected projects put forward innovative solutions and perspectives. The total grants awarded reached USD 28 million.

Organisation	Location	Project name
<u>Kazazi Consulting</u>	Albania	Correlation between tax burden, illegal tobacco trade, and corruption on Albanian borders
<u>BelBrand</u>	Belarus	Legal Trade - Secure World
<u>PMO cvba</u>	Belgium	Impact of illegal trade in Belgium
<u>Center for the Study of Democracy</u>	Bulgaria	The illegal trade of tobacco products along the Balkan route: addressing institutional gaps and corruption
<u>Institute for Market Economics</u>	Bulgaria	Law and economics of illegal trade of tobacco products in Bulgaria
<u>University of National and World Economy</u>	Bulgaria	Contraband and counterfeit risk identification business process analysis and spatial aspect
<u>The Institute of Economics, Zagreb</u>	Croatia	Illegal trade of tobacco products: smuggling as experienced along the Balkan route – BalkanSmugg
<u>ADIT</u>	France	Rogue trade project
<u>GTD</u>	France	SMITE'2: Smart Illicit Trade Evidence Engine
<u>Kiel University</u>	Germany	Asset recovery in the German legal system – an instrument to fight tobacco trafficking?
<u>Hellenic Coast Guard</u>	Greece	Contraband Sea Shield (CSS)
<u>ICSA Foundation</u>	Italy	Fighting terrorism on the Tobacco Road
<u>RiSSC</u>	Italy	Project DNT: Improving knowledge on the trafficking in drugs, NPS, and tobacco
<u>The Siracusa International Institute</u>	Italy	Strengthening the Fight Against Illicit Trade in South Eastern Europe (SEE-IMPACT)
<u>Transcrime</u>	Italy	ITTP Nexus in Europe and beyond
<u>University of Palermo</u>	Italy	The new era of smuggling in the Mediterranean Sea
<u>Civitta</u>	Lithuania	Insight into CEE border-town smuggling economics
<u>INTA</u>	Lithuania	Cargo scanners image analysis and threat object recognition training

Organisation	Location	Project name
<u>Lithuanian Free Market Institute</u>	Lithuania	Unfolding drivers of illegal trade through Baltic and Nordic cross-country microanalysis
<u>Institute of Law Studies of the Polish Academy of Sciences</u>	Poland	Controlling the illegal trade of tobacco in an era of fast change
<u>Romanian Police</u>	Romania	DETECT – Enhanced capabilities for detecting and investigating tobacco smuggling at EU border
<u>Southeast European Law Enforcement Center</u>	Romania	FAIT - Fight Against Illegal Trade
<u>GLOBSEC</u>	Slovakia	From criminals to terrorists and back?
<u>Cross-border Research Association</u>	Switzerland	Precursors of Illicit Cigarette Trade (PRECISE)
<u>KPMG</u>	United Kingdom	Analysis of seizures to inform policy and Law Enforcement Predictive Analysis Tool
<u>Oxford Economics</u>	United Kingdom	Combating Illicit Trade – understanding perspectives and strategies
<u>Panta Rhei Research Ltd Company</u>	United Kingdom	The Crime – Terror Nexus
<u>The Royal United Services Institute (RUSI)</u>	United Kingdom	Rethinking counter-terror finance: Assessing the effectiveness of current policy responses
<u>BOTEC Analysis</u>	USA	Impact of e-cigarette regulation on illegal trade in tobacco products in the European Union
<u>California State University, Long Beach Research Foundation</u>	USA	The Darknet of the illegal tobacco trade
<u>Turtle Group Consulting</u>	USA	The impact of illegal activities inside Italian ports

First Funding Round



First Funding Round

We will now present a progress update on selected grantees which have been chosen to reflect the breadth of organisations, regions and areas of focus that PMI IMPACT supports.





Croatia

The Institute of Economics, Zagreb (EIZ)

Illegal trade of tobacco products: smuggling as experienced along the Balkan route – BalkanSmugg



Who are they?

The Institute of Economics, Zagreb partakes in a combination of research and awareness-raising activities aimed to explore attitudes towards, and experiences of, the illegal tobacco trade among citizens of seven Balkan countries.

What did they do?

As a PMI IMPACT grantee, The Institute of Economics published the BalkanSmugg study report presenting the key findings and shedding light on smokers' habits and practices in buying cigarettes and cut tobacco, including the experience of purchasing tobacco products on the grey market.

What have they achieved?

The Institute of Economics has produced a strong evidence base on the illegal trade of tobacco in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia, and Kosovo. They conducted a survey assessment in 2018 of smokers' attitudes and experiences to buying cigarettes on the grey market, along with public opinion regarding the illegal trade of cigarettes and other tobacco products (3,000 respondents per country, totalling 21,000 respondents in the region). In addition, they've published two working papers - "Tobacco smuggling in the Western Balkan region: Exploring habits, attitudes, and predictors of illegal tobacco demand" (February 2019) and "Public

opinion on tobacco grey market in the Western Balkans: A cluster analysis approach", (July 2019). An event was also organized in September 2019 in Zagreb to present the thought-provoking results of the project.

“ Working with PMI IMPACT was a perfect match for us because we were able to conduct research on an important topic for the public, policymakers and society. The funding allowed us to do wide-ranging applicative research, giving us the opportunity to visit tobacco fields and meet customs officers who deal with smugglers every day.





Greece

Hellenic Coast Guard

Contraband Sea Shield (CSS)



Who are they?

The Hellenic Coast Guard is the national coast guard of Greece. It is a law enforcement organization with a military structure that can support the Hellenic Navy in wartime but resides under separate civilian control in times of peace. While most trafficked goods are exported from Greece by land, most imports are trafficked into the country by sea at remote coastal locations – this makes the Hellenic Coast Guard's job integral to stop illicit trade.

What did they do?

The project funded the procurement of five RIB vessels for the HCG to help it improve its surveillance and enforcement of Greek sea trafficking routes. For background, increased enforcement capability for the HCG is designed to tackle this illegal activity.

What have they achieved?

Five high-speed boats were manufactured and delivered to the Hellenic Coast Guard. The vessels were used for surveillance and enforcement. In the period March-November 2020, the boats were used to protect the national waters, due to the refugee and immigration crisis (coming from the coast of Turkey).





Italy

Siracusa International Institute for CJHR (former ISISC)

Strengthening the Fight Against Illicit Trade in South Eastern Europe (SEE-IMPACT)



Who are they?

The Siracusa International Institute for Criminal Justice and Human Rights is an Italian NGO dedicated to education, training, and research in the fields of international and comparative criminal justice and human rights. SEE-IMPACT aimed to strengthen the criminal justice response to illicit trade in South-eastern Europe based on a comprehensive understanding of local vulnerabilities in their regional context.

What did they do?

For the project, Siracusa International Institute for CJHR engaged with national experts to assess the criminal justice response to illicit

trade in each project country, supported by further national consultations and capacity-building events. They convened the Regional Strategic Dialogues in December 2018, involving more than 100 national politicians, policymakers, and senior criminal justice officials, as well as directors of international agencies such as INTERPOL, Europol, SELEC, and the UNODC and held the National Strategic Dialogues in 7 countries: North Macedonia, Montenegro, Kosovo, Serbia, Bosnia and Herzegovina, Albania and Romania.

What have they achieved?

The final report was launched, titled *“Closing the Implementation Gap: Criminal justice responses to illicit trade in South-eastern Europe*

and associated challenges” – the result of three years of research, capacity building and policy development – in a web-based event on November 6th, 2020. The event was open to public and among the speakers were Federico Cafiero De Raho, Italian National Anti-mafia and Counter-terrorism Prosecutor; Paola Severino, Vice President, Luiss University, Vice President SII and Special Rep of the OSCE Chairperson-in-Office on Combating Corruption and Ugliješa Ugi Zvekic, Ambassador, Senior Advisor, Global Initiative Against Transnational Organized Crime.



“ Had it not been for PMI IMPACT and its willingness to take on large scale, multifaceted projects, we aren't sure that SEE IMPACT would have been otherwise funded on the scale that it was. We had incredibly supportive engagement throughout the three-year period (and) activities were tailored to achieve the objectives of a transnational, complex project in South-eastern Europe.
Mr. Filippo Musca, Director General. Mr. Tobias Freeman, Senior Legal Officer



Italy

Transcrime – Catholic University of Sacred Heart

ITTP Nexus in Europe and beyond



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

transcrime
Joint Research Centre on Transnational Crime

Who are they?

Transcrime is the joint research centre on transnational crime of the Università Cattolica del Sacro Cuore, the Alma Mater Studiorum Università di Bologna and the Università degli Studi di Perugia. It is a key supporting body of the education activities provided by the Università Cattolica of Milan. In particular, the centre supports the coordination of the Master's degree in Public Policies – curriculum Security Policies (PoliSi) and the International Ph.D. in Criminology.

What did they do?

The project identified and analyzed illegal cigarette trade routes throughout Europe and in the Middle East, North Africa, and Central Asia. The project focused on how these routes are connected to social, political, and legislative frameworks within the various affected countries.

What have they achieved?

The project's results demonstrated that a multilateral approach involving multiple countries could be used for future scenarios. It made operational and policy recommendations to tackle illegal trade routes and develop preventive measures for reducing specific risk factors. It also increased awareness of the illegal tobacco trade and help governments and industries forecast and prevent it.





Lithuania

INTA

Cargo scanners image analysis and threat object recognition training



Who are they?

INTA is a technology company seeking to innovate non-intrusive inspection technology application. To increase border control efficiency without sacrificing security, INTA provides worldwide leading training solution (Standard Test Container) for x-ray cargo scanners image analysis and threat objects recognition.

What did they do?

INTA led a training program on image analysis and suspicious object recognition for Lithuanian customs officials working with cargo scanners. The training was designed to enhance the skills of every image analyst, making them proficient

in image workstation software tools, as well as techniques for image interpretation and threat detection. Training was provided to 89 Lithuanian customs officials using the Standard Test Container (STC) and an STC library. Real-life X-ray images were analyzed and an image-analysis methodology was devised.

What have they achieved?

The project aimed to streamline communications between the screener and searcher on X-ray machines to enable a faster and more efficient process. The training provided customs officials with an understanding of the overarching security

trends that affect inspection processes and taught them how to undertake image analysis effectively and efficiently (including for weapons, narcotics, currency, contraband, undeclared goods, and other items of interest). Latvian, Estonian, and Finnish customs officials attended training and the project advanced the European Commission's goal of decreasing illegal trade and related crimes through digital innovation.



“ PMI IMPACT provided us with the opportunity to cooperate with colleagues from all over the world. We also met with representatives of civil society and law enforcement agencies, who provided invaluable feedback throughout the duration of the project, while, at the same time, expanding overall awareness about human smuggling.
Donatas Limantas, Director of Projects Department



Romania

Southeast European Law Enforcement Center (SELEC)

FAIT - Fight Against Illegal Trade



Who are they?

The Southeast European Law Enforcement Center (SELEC) is a law enforcement, treaty-based international organization that brings together the resources and expertise of Police and Customs authorities that join synergies in combating more effectively trans-border organized crime in the region. SELEC, as successor of SECI Center founded in 1999, was established to provide support to its 11 Member States to enhance the coordination in preventing and combating crime, including transnational serious and organized crime.

What did they do?

SELEC conducted a social media awareness campaign implemented for a duration of six months in three SELEC Member States (Greece, Romania and Turkey), directed towards consumers and presented the risks that smuggling of cigarettes represent. Under the project, they also conducted the 19th meeting of the Anti-Fraud and Anti-Smuggling Task Force in May 2019 in Albania, with the participation of specialized officers from SELEC Member States and the representatives of EUBAM, Kazazi Consulting (Albania), OLAF, PMI and the Kingdom of Spain. In addition, a needs assessment was conducted to identify training needs on the latest technology, special techniques, and special investigative methods.

What have they achieved?

The project looked to increase the operational capacity of SELEC and its Member States through training programs, procurement of equipment, infrastructure improvements, and awareness activities to efficiently respond to smuggling into the EU via the SELEC region.

“Thanks to PMI, we were able to set up an Operational Center Unit (OCU) in 2019. The OCU is equipped with state-of-the-art technology, allowing us to develop an analytical tool that enhances cooperation between member states, ensuring the efficient exchange of information. The tool also facilitates the compiling of analytical reports on illegal immigration, drug trafficking, and other related activities.

Tanja Levajkovikj, Director for Legal and Internal Affairs in SELEC





United Kingdom

Oxford Economics Limited

Combating Illicit Trade –
understanding perspectives and strategies



Who are they?

Oxford Economics is a leader in global economic forecasting and quantitative analysis. The organization's best-in-class global economic and industry models and analytical tools gives it an unmatched ability to forecast external market trends and assess their economic, social, and business impact.

What did they do?

Oxford Economics undertook research and analysis of the motivations of consumers to buy illegal goods, and the strategies of businesses and policymakers to counter illicit trade. The research aimed to provide detailed information – by product category, country, and several demographic factors – to help guide efforts to both improve enforcement actions and steer consumers away from buying illegal goods.

What have they achieved?

The conducted research spanned across 37 European countries, surveying over 45,000 consumers, executives, policymakers, and law enforcement officers to learn what motivates consumers to engage in illicit activity and the strategies that can alter their behaviour. The findings were presented at a roundtable and at several other events with key stakeholders involved in combatting illicit trade. The full report – *“Combating Illicit Trade: Consumer Motivations and Stakeholder Strategies”* – is an interactive online dashboard, and individual country and product spotlight reports are available to view on the Oxford Economics website.





United Kingdom

Royal United Services Institute for Defense and Security Studies (RUSI)



Responding to Terrorist Financing -
understanding perspectives and strategies

Who are they?

The Royal United Services Institute (RUSI) is an independent think tank engaged in cutting-edge defence and security research. A unique institution, founded in 1831 by the Duke of Wellington, RUSI embodies nearly two centuries of forward thinking, free discussion, and careful reflection on defence and security matters.

What did they do?

The project held up a mirror to international policymakers and national authorities to reveal weaknesses in CTF responses and the implementation shortcomings that concern the United Nations. By distinguishing between terrorist actors, fundraising methods, and responses, this project disaggregated the problem of terrorist financing and produced policy-relevant recommendations that more closely aligned with the current CTF regime. It

investigated terrorist financing methods including criminal activity such as illicit trade, kidnap-for-ransom, and petty criminality, as well as the use of legitimate funds, which is a prevalent trend in recent lone-actor and small-cell attacks in Europe.

What have they achieved?

The project has had much success, including a review of current legislation on CTF and interviews with over 100 relevant CTF practitioners, policymakers, and experts. Research has been undertaken on the proliferation of social media and its CTF vulnerability to promote fundraising, as well as the dissemination to raise awareness of the research/policy recommendations targeting key policymakers, international governmental organizations and the private sector. There was also a presentation of research to international stakeholders including: The United Nations,

Counter-Terrorism Committee; ISIL/(Da'esh)/al-Qaida Sanctions Committee, 1988 Sanctions Committee; the Global Counter-Terrorism, Forum (GCTF); the European Parliament, FATF-Style Regional Bodies including EAG and APG on the organized crime/terror nexus, Southeast Asia Counter-Terrorism Financing Summit and the World Bank, and the IMF.





United States

California State University, Long Beach Research Foundation

Combating Illicit Trade – understanding perspectives and strategies



Who are they?

The CSULB Research Foundation was established in 1956 and exists to enhance and advance the educational mission of CSULB. One of the many responsibilities of the Research Foundation is to provide accounting and administrative services for programs sponsored by federal, state, local, and private funding used for faculty research projects and training programs. The externally-sponsored research allows faculty and students to engage in nationally-recognized scholarly endeavours.

What did they do?

The data collection and analysis on crypto markets and size and scope of tobacco related Darknet data has been completed, and three articles have been published. The final report – “Tobacco on the Dark Net” – has been submitted to PMI. The study had four objectives:

1. Describe the size and scope of the illicit trade of tobacco on the dark net.
2. Assess the mix of illicit commodities for sale with tobacco-related products on the dark net to better measure market harms.
3. Describe the geography of tobacco on the dark net (geographic key players).
4. Describe the network structure of tobacco on the dark net (individual key players).

What have they achieved?

The project aimed to examine the illegal tobacco trade on the Darknet, focusing both on single vendor shops and on crypto markets. It detailed the scope and characteristics of the international market, with a particular focus

on websites and vendors based in the EU. The project aimed to provide new insights by being the first to study the illegal tobacco trade on the Darknet, and by using social network analysis to identify the key players in the market.



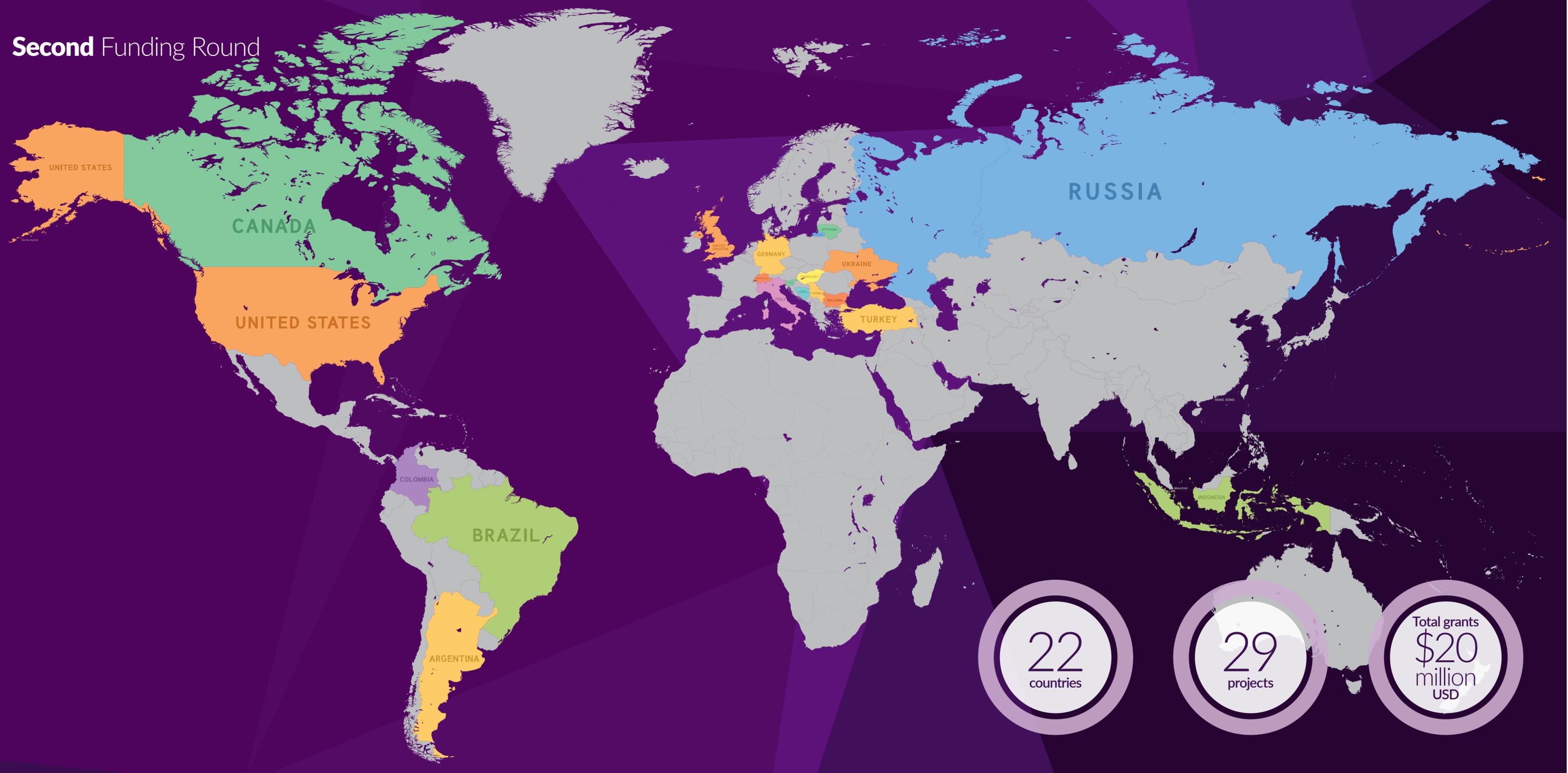
Second Funding Round

Launched in September 2017, the second round of PMI IMPACT funded 29 projects with a total of USD 20 million. With a focus on initiatives that address converging forms of illegal trade and related crimes in a wider geographical scope, there were successful applicants from 22 countries across Europe, the Middle East, Asia, North and South America. The projects represented a range of sectors including think tanks, research institutions, universities, and law enforcement authorities.

Organisation	Location	Project name
<u>Gendarmería Nacional Argentina</u>	Argentina	Triple Frontier Impact
<u>No Peace Without Justice</u>	Belgium	The Human Rights Impact of Illicit Trade in conflict: the case of Syria and Iraq
<u>Centre for Policy</u>	Bosnia	Shadow Economy in Western Balkans Region and Governance and Herzegovina
<u>JHM Pesquisa e Consultoria em Seguranca</u>	Brazil	Census of Illicit Markets - Public platform of spatial data about crime problems which involves illicit trade, related crimes and socioeconomic data for the formulation and assessment of public policies between the Brazil-Paraguay-Argentina triple border
<u>São Paulo University Support Foundation</u>	Brazil	Illicit Markets and Organized Crime at the Triple Frontier: The Challenge of Police Cooperation
<u>Centre for Liberal Strategies EFN</u>	Bulgaria	IT for Illicit Trade Risk Management (IT2RM)
<u>Université de Montréal</u>	Canada	Disrupting The Darknet: Law Enforcement Operations And Their Impact On Darknet Offenders
<u>InSight Crime</u>	Colombia	Mapping and Containing Criminal Economies, Homicides, and Corruption in the Northern Triangle and the Tri-border Area
<u>Fraunhofer FKIE</u>	Germany	FIFI Fraud Information Fusion Intelligence
<u>The Mekong Club</u>	Hong Kong	Leveraging Private Sector Engagement to Reduce Trafficking in Persons in Target Sectors
<u>National Tax and Customs Administration of Hungary</u>	Hungary	Tackling cigarette smuggling in passenger traffic at the Serbian and Ukrainian borders
<u>The Foundation for International Human Rights Reporting Standards (FIHRRST)</u>	Indonesia	Combating Illegal, Unreported and Unregulated Fishing and Its Related Crimes in South-East Asia
<u>Transcrime</u>	Italy	DC-iFlows – Displacement and Convergence of Illicit Flows humans and goods)
<u>Mykolas Romeris University</u>	Lithuania	Interdependence between illegal trade in tobacco and corruption money laundering and organized crime
<u>Group-IB</u>	Russia	CyberIceberg
<u>Faculty of Business Economics</u>	Serbia	Combating Illegal Trade Through Research, Education & Awareness & Entrepreneurship

Organisation	Location	Project name
<u>Portcullis International Business Consulting (S) Pte. Ltd.</u>	Singapore	To improve awareness & enforcement of Intellectual Property Rights (IPR) Crimes on Pharmaceutical consumer products in Indonesia, Malaysia and Singapore
<u>Center of Business Excellence of the Faculty of Economics, University of Ljubljana</u>	Slovenia	Broader impacts of illicit cigarette trade in Europe: Key drivers, main trafficking routes and capacity building
<u>Basel Institute on Governance</u>	Switzerland	Stop corruption from fuelling illicit wildlife trafficking (IWT) along the East Africa - Southeast Asian trading chain
<u>International Organisation of Employers</u>	Switzerland	Business and Migration: strengthening the dialogue between the private sector and governments
<u>Bahcesehir University</u>	Turkey	Analysis of Illegal Trade of Alcoholic Beverages, Cigarettes and Tobacco, Fuel and Mobile Phones in Turkey
<u>Transparency International Turkey</u>	Turkey	Initiative Against Illicit Trade: Strengthening Integrity Systems and Raising Public Awareness for the fight against Illicit Trade and Informal Economy in Turkey
<u>Ukrainian Institute for the Future</u>	Ukraine	Combating Smuggling in Ukraine and Bordering Countries through Monitoring, Research, Advocacy and Changing of Public Policy
<u>Euromonitor International Ltd</u>	United Kingdom	Tackling Illicit Trade: From Accurate Data and Intelligence to Action
<u>The Royal United Services Institute (RUSI)</u>	United Kingdom	Assessing Free-Trade Zone Integrity
<u>West Sands Advisory Ltd</u>	United Kingdom	Illicit Trade & Corruption: Reconsidering the Role of State-Affiliated Actors in Organized Crime
<u>Freeland USA</u>	USA	"ACE" (Analytical Center of Excellence): Converging Governance to Address Convergence of Crime
<u>The Soufan Group LLC</u>	USA	North Africa: The Nexus Between Organized Criminal Groups, Terrorist Organizations and Illicit Trade
<u>Transnational Alliance to Combat Illicit Trade</u>	USA	From Assessment to Action – Global Business Report and Advocacy Initiative on Combating Illicit Trade

Second Funding Round



22
countries

29
projects

Total grants
\$20
million
USD

Second Funding Round

We will now present a progress update on selected grantees which have been chosen to reflect the breadth of organisations, regions and areas of focus that PMI IMPACT supports.



Brazil

DIXIM Data Intelligence
(previously JHM SECURITY CONSULTING AND RESEARCH)

Census of Illicit Markets



Who are they?

DIXIM Data Intelligence is a research and consulting firm specializing in the illicit economy. They assist companies and public agencies in planning and controlling criminal risks and problems caused by the activity of illicit markets, such as smuggling, counterfeiting, theft, drug trafficking, cargo theft, arms, and people trafficking, among other crimes related to transnational illicit trade.

What did they do?

Their project consisted of developing a public platform to monitor the evolution and analyze illegal trade and related crimes in the Triple Border Brazil-Paraguay-Argentina (TBA) and the main consumption regions up to the metropolitan region of São Paulo. Forming the "TBA-Sao Paulo city logistic corridor", an area formed by 1,123 municipalities in 3 Brazilian

states - Mato Grosso do Sul, Paraná, and São Paulo - where 70% of the illicit products seized in the country circulate. We sought to use criminal data and socioeconomic data to support the formulation and evaluation of public policies to control illicit markets.

What have they achieved?

DIXIM created the "Census of Illicit Markets" a criminal database of the "TBA-Sao Paulo city logistic corridor". On the website platform "economaiilicita.com.br" a "Census Panel" dashboard is available, with data on more than 40 identified illicit markets and their logistics chains, wholesale, retail, and associated criminal violence level information.

By November 2021, the Census counted approximately 10 million criminal records,

from official sources and open sources. They published the "Illicit Markets Census Report (2021 edition)" that describes the capture, processing, and analysis process with cognitive computing used to merge and transform criminal data into criminal economy data.





Brazil

São Paulo University Support Foundation (USP), Institute of International Relations



Illicit Markets and Organized Crime at the Triple Frontier: The Challenge of Police Cooperation

Who are they?

The International Relations Institute of University of São Paulo (IRI-USP) promotes research, teaching and dissemination of knowledge in the international relations area, strengthening academic ties with domestic and foreign institutions and raising public understanding around world affairs.

What did they do?

IRI-USP developed a course for police officers from the Brazil-Paraguay-Argentina Tri-Border area incorporating different analytical models to explore issues such as the organization of crime, trans-nationalization of illicit markets and crime, and operational structure of the main

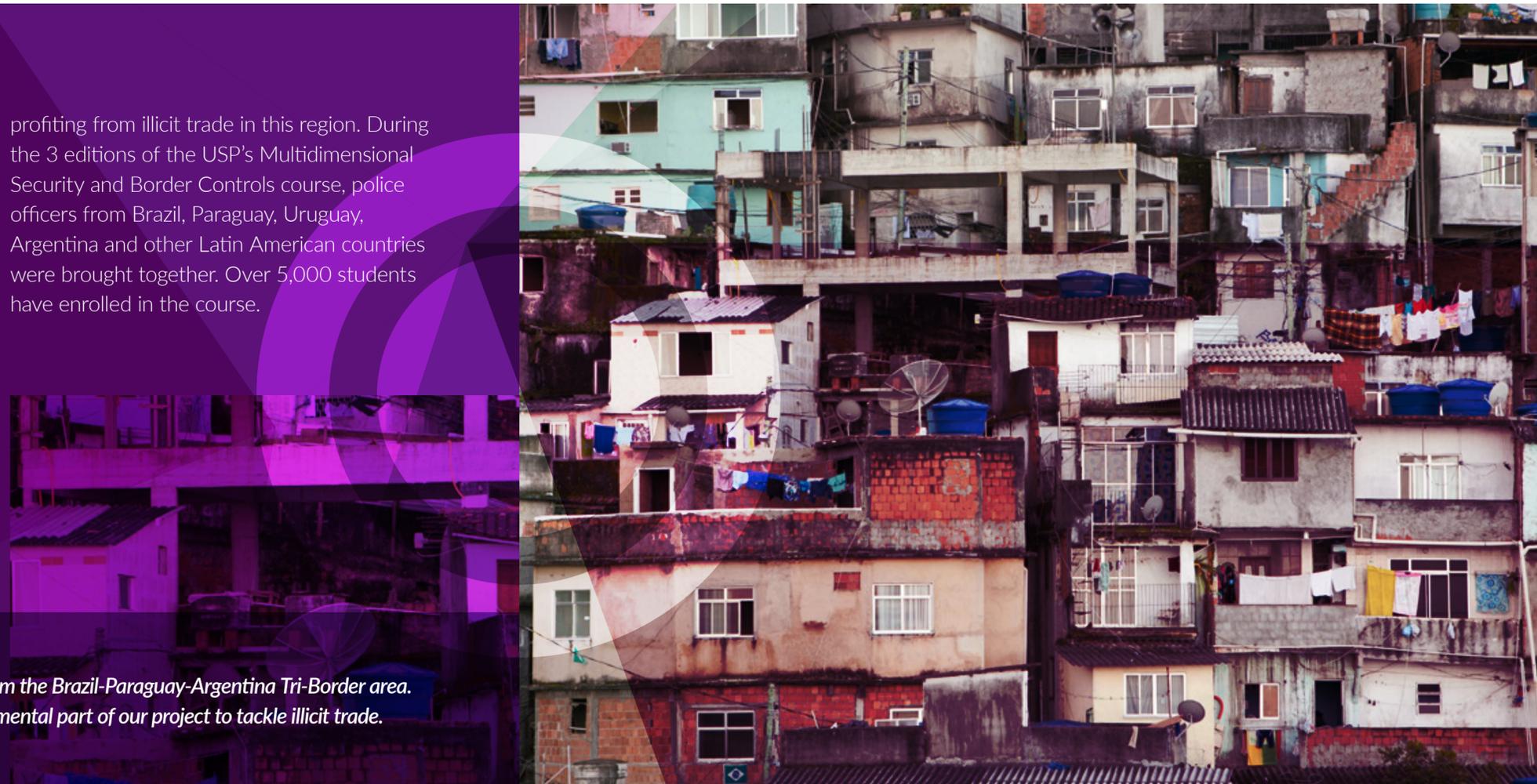
illicit markets. The aim of the project is to reduce the asymmetry between government agencies combating the trade in counterfeit and smuggled goods, as well as strengthen the cooperation between the different judiciary branches and promote the exchange of information and operational capacity among participants.

What have they achieved?

The USP signed a cooperation agreement with the Brazilian Ministry of Justice and Public Security to provide trainings to law enforcement officials in the Tri-Border Area (Brazil, Paraguay and Argentina) and raise awareness about the operational structure of criminal organizations

profiting from illicit trade in this region. During the 3 editions of the USP's Multidimensional Security and Border Controls course, police officers from Brazil, Paraguay, Uruguay, Argentina and other Latin American countries were brought together. Over 5,000 students have enrolled in the course.

“ We established a co-operation agreement with the Ministry of Justice in Brazil and used it to recruit students from the Brazil-Paraguay-Argentina Tri-Border area. This international network helped us to contact police departments from across Latin America and was a fundamental part of our project to tackle illicit trade.





Canada

Université de Montréal

Disrupting The Darknet: Law Enforcement Operations And Their Impact On Darknet Offenders

Who are they?

The Université de Montréal was founded with the goal of offering higher education. Over the course of more than 135 years, it has become an institution serving society as a whole. With its roots in Montreal and its eyes on the international horizon, the Université de Montréal is one of the world's leading research universities.

What did they do?

They conducted research assessing offline and online law enforcement interventions and their impact on Darknet offenders. It was based on online data collection, as well as interviews with law enforcement officers to better understand their own perception of their interventions.

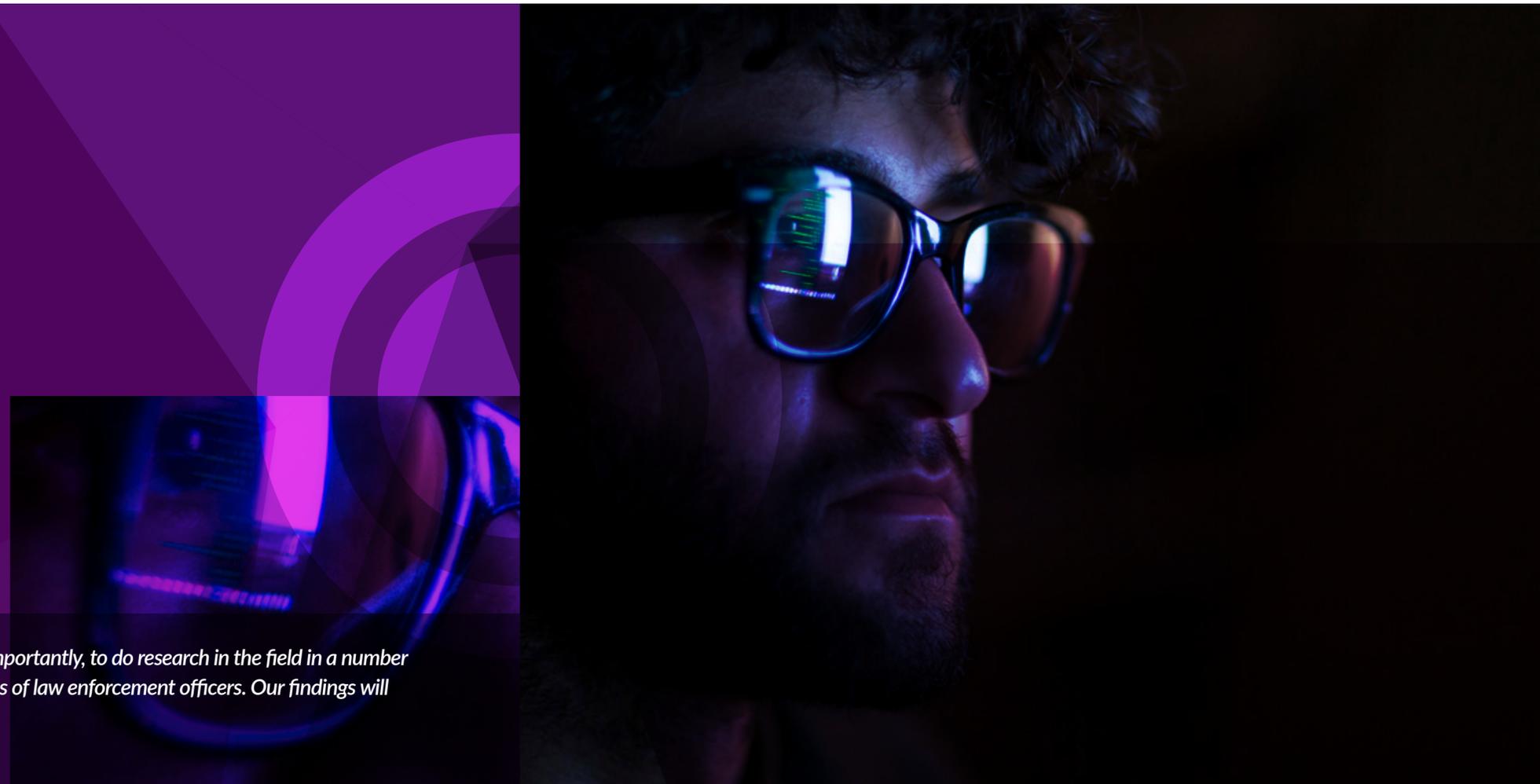
What have they achieved?

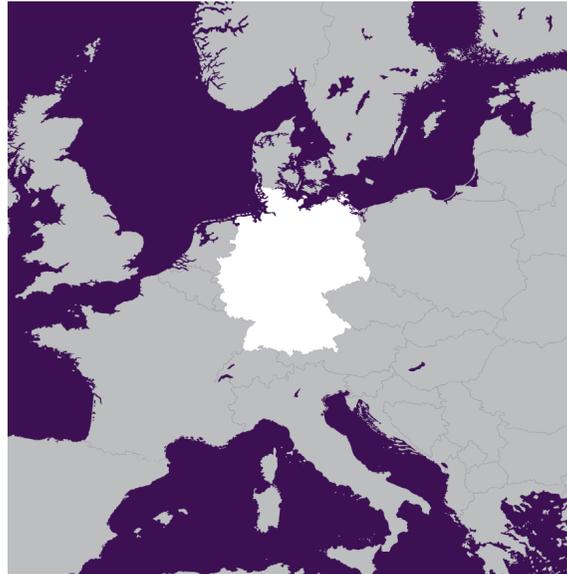
The research results were broadcasted at the International Centre for Comparative Criminology's (ICCC) launch of the scientific season of the CICC 2020-2021 in October 2020.

One of their key findings was that targeting facilitators of criminal activities could be a natural alternative to market takedowns and arresting participants, even if police intervention fails to discourage all participants to cease trading illicit goods.

“ PMI IMPACT provided us with the opportunity to cooperate with colleagues from all over the world, and more importantly, to do research in the field in a number of countries. This enabled us to identify what works in online police operations based on the experience of dozens of law enforcement officers. Our findings will contribute to prevention efforts globally for a number of years to come.

Professor David Décary-Héту, Associate Professor and School of Criminology





Germany

Fraunhofer FKIE

FIFI Fraud Information Fusion Intelligence



Who are they?

The Fraunhofer Institute for Communication, Information Processing and Ergonomics FKIE develops technologies and processes with the goal of detecting safety and security risks early and effectively minimizing and managing them. In the project, FKIE cooperated with partners DITS, traversals, and Analytical Semantics.

What did they do?

They created a digital platform to identify and track critical processes and produce relevant intelligence in the context of illegal trade, product and brand piracy and money

laundering to support companies to deal with and prevent such crimes. The platform supports (and automatically runs) intelligence processes as used by governmental security services but in a form that is adjusted to the needs of companies.

What have they achieved?

Due to Covid-19 pandemic, emphasis focused on web-based functionality, with module development for monitoring open sources of data and information (OSINT) up to "social media" monitoring and analysis. In addition,

a tool for detecting GPS spoofing has been developed in which the data can be fused into the platform to counter theft of goods out of the supply chain.

“ We thank PMI Impact for funding but also for the significant and outstanding support of project “Fraud Information Fusion Intelligence”. It allowed us to develop a demonstrator that takes methods and procedures from governmental security agencies and transform them according to the needs of private companies to gain and process open source information in order to counter fraud, illegal trade and related crimes. It also allowed us to publish a compendium on “Fight against Fraud and Illegal Trade” and to research related topics from information extraction to GPS spoofing detection.

Dr. Hans-Joachim Kolb (DITS) and Prof. Dr. Ulrich Schade (Fraunhofer FKIE)



Hong Kong

The Mekong Club

Leveraging Private Sector Engagement to Reduce Trafficking in Persons in Target Sectors



Who are they?

The Mekong Club is a non-profit organization, uniting and mobilizing businesses to bring about sustainable practices towards the fight against modern slavery. Divided into industry-specific working groups, the Mekong Club has cultivated a community of business decision-makers. Working group members discuss challenges and opportunities faced in addressing modern slavery, guided by the Mekong Club team, to inform the production of collaborative and tangible deliverables to address the cause and impacts of forced labour in their industry. The Mekong Club brings about sustainable change by influencing and guiding the decision-making processes that impact millions of workers and companies across multiple industries.

What did they do?

The aim was to:

1. raise awareness of modern slavery throughout the private sector and the global understanding of business' role in addressing this issue
2. provide technical assistance and consultations to tackle the specific barriers that companies face
3. develop innovative tools for banking, manufacturing, retail and hospitality sectors
4. offer data collection techniques, such as technology applications to reach workers in supply chains

5. provide expert training to key professionals addressing modern slavery, from procurement teams to anti-money laundering officers
6. increase media exposure and our global collective understanding of the path forward in ending modern slavery.

What have they achieved?

In this project, thousands of people were attributed as helped of modern slavery by Mekong Club members, with millions more workers positively impacted. 1,101 technical consultations informed multi-national decision-making. 24 working group meetings were held to help development of 34 industry-informed

toolkits. Training and awareness sessions were conducted in 38 countries, comprising 441 events with 148,579 participants. The Apprise-Audit App was used, interviewing 24,000 workers on labour conditions. 124 media events on their work featured within major newspapers and TV channels. Finally, they contributed to the global fight against modern slavery through research, events, reports, and publicly available toolkits.

“ PMI Impact's funding support has helped the Mekong Club to expand our 'business-to-business' approach to fight slavery. Bridging the gap between the public and private sectors, this support allowed us to work with companies of all sizes to understand the complexities of human trafficking and to reduce their vulnerability within their supply chains/business environment. This fund also allowed us to spearhead innovative and strategic projects to help us contribute to a slave-free world.

Matt Friedman, CEO, The Mekong Club





Italy

Catholic University of Sacred Heart, Transcrime

DC, iFlows, Displacement and Convergence of Illicit Flows (humans and goods)



UNIVERSITÀ CATTOLICA del Sacro Cuore

transcrime
Joint Research Centre on Transnational Crime

Who are they?

Transcrime is the joint research centre on transnational crime of the Università Cattolica del Sacro Cuore, the Alma Mater Studiorum Università di Bologna and the Università degli Studi di Perugia. They are entirely funded by contracts and funding from private corporations and local, national and international public institutions.

What did they do?

Their research project is on the displacement and convergence of human smuggling and drug trafficking in North Africa. Their findings will enlighten the subject to policymakers, experts, regulators, students, civil society, and the general public.

What have they achieved?

In December 2020, Transcrime discussed the current state of European migration policies and issues in a webinar - Migration to Europe: Converging Crimes / Diverging Polices. The webinar built upon their latest findings on crime convergence, along with expertise of renowned participants from European and international institutions.

“ PMI IMPACT provided us with the opportunity to cooperate with colleagues from all over the world. We also met with representatives of civil society and law enforcement agencies, who provided invaluable feedback throughout the duration of the project, while, at the same time, expanding overall awareness about human smuggling.

Prof. Ernesto Savona, Director of Transcrime





Switzerland

International Organization of Employers (IOE)

Business and Migration: strengthening the dialogue between the private sector and governments



Who are they?

The International Organization of Employers (IOE) is the sole representative of business in social and employment policy debates taking place in the International Labour Organization (ILO), across the UN, G20 and other emerging forums. Their vision is to create a sustainable economic environment worldwide, promoting free enterprise that is fair and beneficial to both business and society.

What did they do?

This project aimed at bringing out the positive contributions of migration around several regions (Africa, South America, Middle East, and Asia), and enhance the dialogue between the private and public sectors on how to strengthen regular frameworks for migration.

What have they achieved?

The Business Advisory Group on Migration facilitated a needed dialogue between organizations from various backgrounds. In June 2021, the Business Group joined the global campaign It Takes A Community, launched by the Global Forum on Migration and Development (GFMD) Ad Hoc Working Group on Public Narratives on Migration, to highlight how migrants and their fellow community members are working together to make the places where they live and work more productive, innovative, caring, safe and welcoming.





Switzerland

Basel Institute on Governance

Stop corruption from fuelling illicit wildlife trafficking (IWT) along the East Africa – Southeast Asian trading chain



Who are they?

The Basel Institute on Governance is an independent not-for-profit competence center working around the world to strengthen governance and counter corruption and other financial crimes. Its Green Corruption programme focuses on the intersection of Corruption and Environmental Crime.

What did they do?

Their initiative seeks to promote systematic, intelligence-led action against illegal wildlife trafficking (IWT) networks along the East Africa – Southeast Asia trading chain. It focuses on uncovering and targeting illicit financial flows,

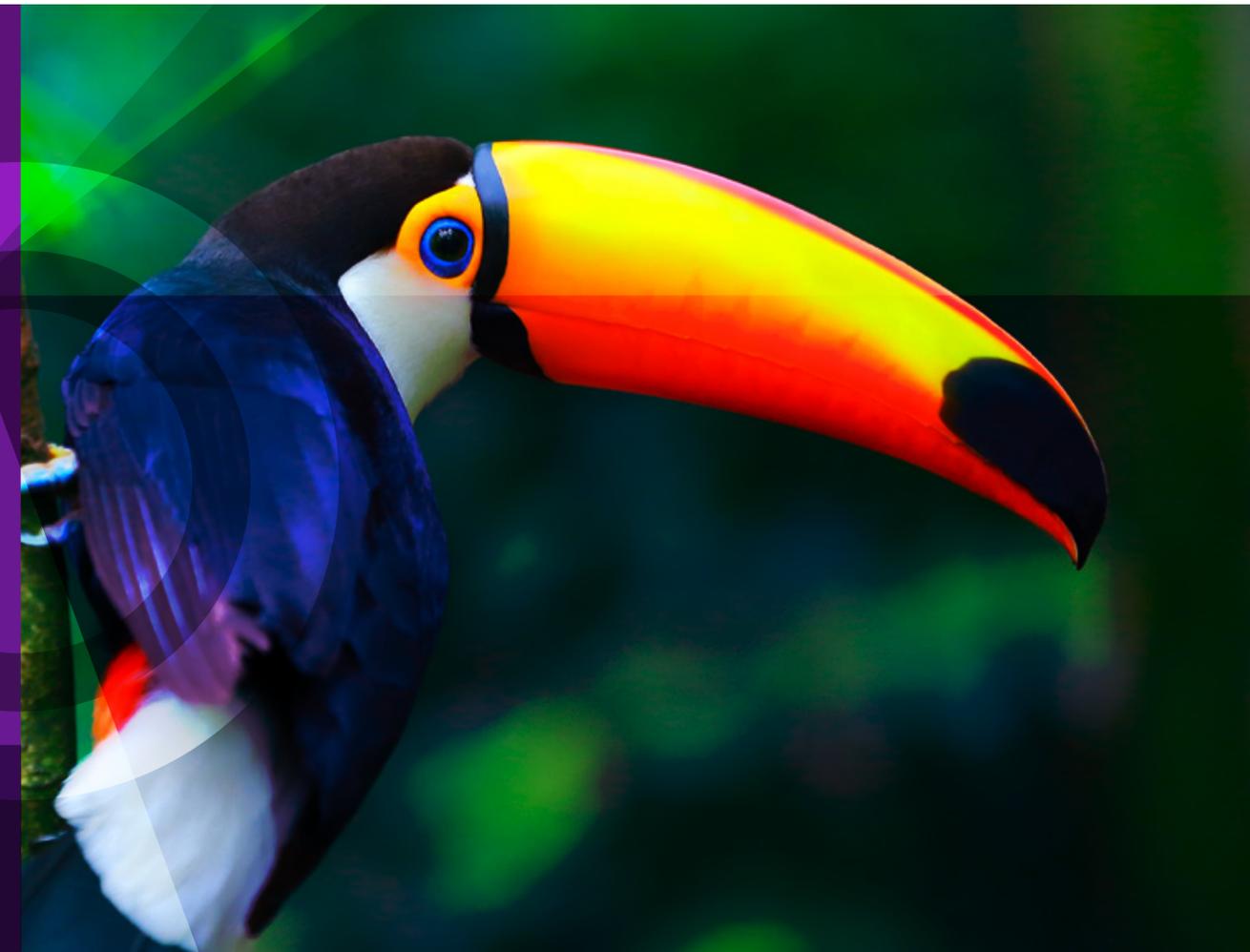
strengthening the ability of law enforcement agencies to investigate and prosecute transnational IWT-related financial crimes, and improving coordination across public, private, and non-governmental sector actors.

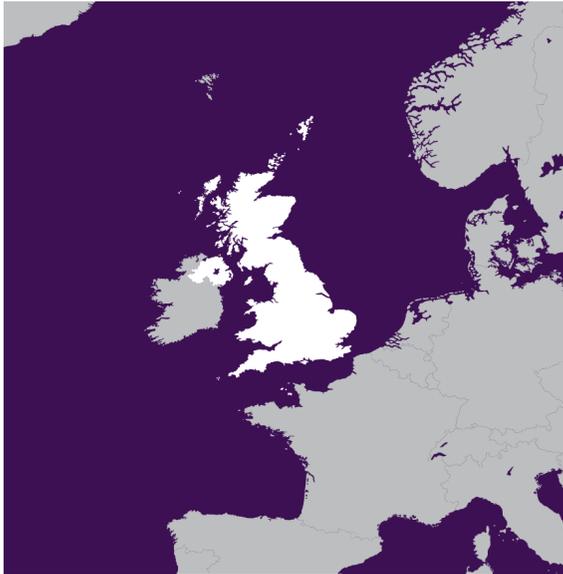
What have they achieved?

They have offered investigative and international cooperation advice and mentoring, distributed intelligence products, supported law enforcement agencies with network analysis generated intel, and continued financial investigation training. They have also produced analysis and write-up of research findings regarding wildlife trafficking

in Uganda, developed policy recommendations and supported the application of network analysis generated intelligence to support law enforcement agencies. Finally, they developed a host of public education materials, including four case studies which focus on wildlife crime, exotic and illegal pets, and trafficking in timber. They have also developed two online courses: one in collaboration with ACAMS, to train financial institution staff on IWT issues (taken by over 6000 people), and a self-paced online course on Open-Source Intelligence in IWT cases, the most popular course on the Basel Institute's learn platform, with over 1500 registrations in the two months since launching it.

“ We worked together with the biggest association of anti-money laundering professionals to develop a course on wildlife trafficking for financial experts. The course was very popular with banking professionals, and it's been taken over 6,000 times.
Juhani Grossmann, Team Leader, Green Corruption Programme





UK

The Royal United Services Institute (RUSI)

Assessing Free-Trade Zone Integrity



Who are they?

The Royal United Services Institute (RUSI) is an independent think tank engaged in cutting-edge defence and security research. A unique institution, founded in 1831 by the Duke of Wellington, RUSI embodies nearly two centuries of forward thinking, free discussion, and careful reflection on defence and security matters.

What did they do?

This project was set up to bridge the gap between the general recognition that Free Trade Zones (FTZs) pose a range of criminal risks and the limited understanding of the scale and nature of those risks to date. The first of its kind, the project provided a mechanism to enable authorities and business partners to assess overall risk levels in individual FTZs.

What have they achieved?

A Free Trade Zone Risk Assessment tool has been set up to enable businesses to assess their exposure to the risk of facilitating illicit trade or financial crime in any FTZ. The tool helps to distinguish between FTZs that already comply with international standards and those that do not and dispel the perception that all FTZs are always high-risk.





USA

Freeland USA

“ACE” (Analytical Center of Excellence):
Converging Governance to Address Convergence of Crime



Who are they?

Freeland is an international NGO staffed by law enforcement, development, and communications specialists who work alongside partners in Asia, Africa, and the Americas to build capacity, raise awareness, and promote good governance to protect vulnerable people, wildlife and ecosystems from crime, corruption, and neglect.

What did they do?

They have developed a data fusion and analytics hub that harnesses insights from open-source data on illicit trafficking. This is

to inform and improve laws, policies, training, enforcement strategies, and behaviour change campaigns in Asia, Africa, and Latin America.

What have they achieved?

The ACET Hub (Analytical Center of Excellence on Trafficking) is fully operationalized, with security and information sharing protocols established. ACET has published multiple reports including “*Stop Wildlife Trafficking- Prevent the next Coronavirus*”, “*Countering Human Trafficking in Asia: Lessons Learned*”, and “*Making Wildlife Traffickers Finance Wildlife Recovery - The Case to Create Conservation Restitution Funds From Asset Forfeitures and*

Seizures”. ACET supported the world’s largest asset seizure from wildlife traffickers by providing strategic intelligence to anti-money laundering authorities.

“ Our PMI Impact grant ramped up local Asian stakeholder engagement on the issue of trafficking. Most analyses and recommendations on trafficking have been produced by outside experts in English with too few references to local enforcement data. So they are ignored or not used. The PMI Impact grant allowed us to analyze, package and distribute data about cross border trafficking in Asia, with recommendations on how to stem it, in local languages, produced with local enforcement partners, to be reviewed and discussed by law and policy makers in ASEAN.
Stephen Galster, Project Director of “ACE” (Analytical Center of Excellence on Trafficking)





Ukraine

Ukrainian Institute for the Future



Combating Smuggling in Ukraine and Bordering Countries through Monitoring, Research, Advocacy and Changing of Public Policy

Who are they?

Founded in 2016, the Ukrainian Institute for the Future is an independent think-tank, which forecasts changes and designs possible scenarios in Ukraine; providing expert analysis of the developments in Ukrainian foreign and domestic policies and specific recommendations for policy action and effective solutions. UIF is a joint project of the Ukrainian representatives of business, politics, and public sector.

What did they do?

Their project was aimed at combating smuggling and illegal trade in Ukraine through monitoring (including the state border), sociological research, advocacy, and raising of public awareness activities.

What have they achieved?

They worked on the analysis of public information regarding the scheme of work on contraband in a wide range of products. In order to conduct their research, they created and trained 10 Monitoring Groups to work in all the border areas of the country, and on the border with the Crimea and along the front lines in Donetsk and Luhansk regions, to monitor and analyze the movement of goods.

They conducted sociological research, along with 120 in-depth interviews and 1250 interviews. Following that, they published a number of reports based on their research, on the analysis of publicly available data and on statistics on imports and exports to showcase volumes and directions of smuggling in Ukraine. Their information campaign included outreach to the media.



Third Funding Round

PMI IMPACT's third funding round was launched in July 2021 and will support a broad range of projects designed to tackle the multi-faceted and multinational illicit trade across different geographies.

Bringing innovation and technological advancement in the fight against contraband and counterfeited goods is essential, especially in the midst of the COVID-19 pandemic. This is why PMI IMPACT will be open to projects aimed at limiting the threats of counterfeited and substandard vaccines, medicines, medical supplies, and personal protective equipment.

The program shares the objective of previous rounds to reduce or prevent illegal trade, and counter its negative consequences for individuals, their families, and communities, however, all proposals must address the funding round theme and focus on one of the following topics:

- 1. **Border control** Public, private, or non-profit organizations, including governmental organizations, international organizations, associations, academic institutions, and private companies, are encouraged to submit their project proposals.
- 2. **Capacity building**
- 3. **Restorative justice and victims' protection**
- 4. **Network engagements, awareness building and international cooperation** As part of this ongoing third funding round, new grants have been given to projects in Colombia, Brazil, Serbia, Kazakhstan, the Philippines, Indonesia, and Egypt.
- 5. **COVID-19 and the threat of illicit trade**



THEMES



Border control



Capacity building



Restorative justice and victims' protection



Network engagements, awareness building and international cooperation



COVID-19 and the threat of illicit trade



Brazil



Institute of International Relations of the University of São Paulo (IRI-USP)

The International Relations Institute of University of São Paulo (IRI-USP) was created in 2004 and aims to promote research, teaching and dissemination of knowledge in the international relations area.

The Project will help provide and impact the training and capacity building of the national police forces in the Americas to respond to the illicit trade problem.



Colombia



STRATEGOS BIP S.A.S

STRATEGOS BIP S.A.S offers services in the areas of strategic business intelligence, intellectual property, anti-smuggling, anti-laundering, cybersecurity, anti-corruption, shielding against criminal economies, risk management and strategic communications.

The Project's aims are to reduce the prevalence of the illicit cigarette trade in Latin America and the Caribbean through strengthening and building the capabilities and skills of relevant authorities linked to illicit cigarette trade and transnational organized crime.





Egypt



Egyptian Customs Authority

The Egyptian Customs Authority works to provide customs services, supporting the legitimate trade according to the latest international practices. The Project will fund the procurement of hand-held scanners to verify genuine products for use in areas where smuggling levels are particularly high. Customs plans to use the devices in Cairo Airport as well as the Eastern Customs and Northern Customs districts.



Indonesia



The Institute for Development of Economics and Finance (INDEF)

The Institute for Development of Economics and Finance (INDEF) is an independent and autonomous research and policy studies institution. This Project will examine the market for NTHRPs and how to prevent illicit trade in this growing sector, with research to include surveys and limited group discussions.

It hopes that its outputs will be used as a reference for policymaking by relevant regulators and policy makers, and associations to work together to carry out activities in building effective and supportive fiscal and non-fiscal policies for this category as well as a preventive system to stop illicit market from increasing. The aim is to be about to identify and monitor illegal trade more effectively, resulting in entrepreneurs benefiting from fair competition and a level-playing field.





Kazakhstan

The Association of Legal Entities
– The National Association for
Harm Reduction of Risk Factors
for Human Health



Philippines

The Federation of Philippines
Industries (FPI)



The association is focused on reducing harm by fighting illicit FMSGs in Kazakhstan and Eastern Europe.

The Project's objective is to create a favorable and safe environment for the promotion of harm reduction, that complements public health objectives in prevention of chronic diseases and empowers consumers, NGOs, media, and businesses to tackle illicit trade.



The Federation of Philippines Industries (FPI), have already been operating an extremely successful Anti-Illicit Trade (AIT) campaign that will target government, industry, trade, and consumer audience. The PMI Impact grant will further help the FPI to inform and increase the understanding of these various stakeholders of both the existence of various forms of illicit goods and the negative impact of the illicit trade.



Serbia

Certus Consulting - LLC Belgrade

Certus Consulting offers consulting services in the field of corporate and public finance, reorganization, strategy, and other management consulting services for corporations and government institutions in Serbia and South-East Europe.

The Project's objective is to assess the current market situation about illicit trade in Serbia, Bosnia and Hercegovina and Montenegro. Results will be exchanged with stakeholders and inform the creation of a public media campaign that will raise awareness of the negative effects of illicit trade.

This Project was not included under the final selection of the Expert Counsel. PMI does not interfere with Expert Counsel independency and autonomy, but PMI may still decide to support certain projects that will cover broadly the countering of illicit trade and transnational crimes.



Looking ahead

PMI IMPACT is advancing the fight against illegal trade and its devastating consequences around the world.

Illegal trade is mainly driven by criminal networks and goes beyond any specific country, region, or industry.

This is why the response from the international community – including public and private sector, as well as civil society – has to be that of a network too.

PMI IMPACT is helping enable this growing community with a common sense of purpose: combating illegal trade and having a positive impact on society. Our aim is to fund and support projects that we believe will have the biggest impact in tackling illicit trade across the globe.

We are excited to welcome our new projects and to continue supporting existing ones that foster global partnerships and create synergies to enable sustainable solutions in the fight against illegal trade and to ultimately prevent the harm caused by illicit products.

Let's make an IMPACT, together.

About PMI's illicit trade prevention efforts

Fighting illicit trade: Essential for delivering a smoke-free future

PMI aims to achieve true IMPACT against criminals and leading the battle to eradicate illegal trade.

Securing our supply chain

For PMI, eliminating the illicit tobacco trade has been a long-standing priority. We focus our efforts on securing our supply chain and protecting our products. And we do it by leveraging technology and innovation for the better: From multiple applications of authentication and security technologies to track and trace our products across the supply chain, to the use of machine learning to identify and prevent illegal online sales, technology is helping us detect and address illicit trade.

But if we truly want to have an impact on deterring illicit tobacco flows, and protect consumers and our brands from smugglers and counterfeiters, our internal efforts need to be coupled with strong cross-sectoral collaboration and partnerships.

A holistic approach for a successful collaboration

No one can fight illicit trade on their own. Public-private partnerships based on an

inclusive, commonsense approach by governments, the private sector, and civil society are vital to helping combat the practice.

This is why we set up **PMI IMPACT**, a major initiative to fund projects around the world to address and tackle illicit trade. PMI IMPACT fosters cross-sector and public-private collaboration, as it supports a wide range of organizations that fight illegal trade through research, awareness-raising, developing technical solutions, funding equipment, and training and communication initiatives.

In today's hyper-connected world—with growing concerns around global security, the proliferation of criminal organizations, and the surge of new digital tools—we believe that it's more important than ever to sustain our collective efforts and promote an inclusive dialogue around solutions to tackle this global issue.

Why is confronting illicit trade key to delivering a smoke-free future?

The world has an unprecedented opportunity to eradicate smoking. Science and technology have enabled the development of better alternatives for adults who would otherwise continue to smoke, moving a smoke-free future to within our grasp.

To deliver a smoke-free future, we must ensure that there are no illegal actors sustaining a

black market for cigarettes and other tobacco products. Cigarettes, for instance, **remain** one of the most common illegally traded goods in the world, with as much as 12 percent of total cigarette sales (excl. China) sourced from the black market.

Smoke-free products can be a much better choice for adult smokers than continuing to smoke, so it is also paramount to protect consumers from fakes and prevent the smuggling and counterfeiting of our products.

You can find out more about our illicit trade prevention efforts, [here](#).

“Protecting our products and fighting illicit trade is therefore essential for delivering a smoke-free future. In 2022, we need to be at the forefront of the battle against contraband and counterfeits; there are now better alternatives for adult smokers that would otherwise continue to smoke, and so we need to pave the way toward a smoke-free future for all.”

Alvise Giustiniani, Vice President Illicit Trade Prevention, Philip Morris International



Illegal trade is mainly driven by criminal networks and goes beyond any specific country, region, or industry.

This is why the response from the international community – including public and private sector, as well as civil society – has to be that of a network too.



