

TRAFFIC

TRAFFIC FY23

**TRUSTEES'
REPORT AND
FINANCIAL
STATEMENTS**



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ABOUT US

TRAFFIC is a leading non-governmental organisation working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development.

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MESSAGE FROM THE CHAIR OF TRUSTEES AND EXECUTIVE DIRECTOR

TRAFFIC delivered strong programmatic and operational results in the fiscal year to the end of June 2023, covered by this report. This year has seen the launch of our new 2030 Strategy, designed to scale up evidence, solutions, and influence to ensure that trade in wild species is legal and sustainable, for the benefit of the planet and people. At a time of unprecedented biodiversity loss, TRAFFIC has renewed our ambition to drive action to achieve a nature-positive world by 2030.

In FY23, we continued to focus our research and advisory work to strengthen global policy frameworks for legal and sustainable trade of wild species. We provided important contributions for key intergovernmental processes, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP19) in November 2022 in Panama, and the Convention on Biological Diversity (CBD CoP15) in December 2022 in Canada. The Kunming-Montreal Global Biodiversity Framework that was negotiated by the global community at CBD COP15 provides the overarching framework for TRAFFIC's work in the coming years.

As noted in this report, TRAFFIC deepened support this year to improve the effectiveness of regional and national policies and regulations. For example, TRAFFIC provided support to the European Union for the revision of the EU Wildlife Action Plan and to the African Union for the finalisation of the African Biodiversity Strategy and Action. Likewise, TRAFFIC also helped strengthen the enforcement of wildlife trade legislation at the national level, which contributed to the disruption of transnational criminal networks in Africa and Asia.

Over the past year, TRAFFIC rolled out a series of interventions to eliminate illegal and unsustainable timber and other forest products trade in Tanzania, Congo Basin, Viet Nam and China – key source to consumer countries of tropical wood. The mobiprint timber tracker

for the Tanzania Forestry Agency in Tanzania, co-developed by TRAFFIC, has contributed to a doubling of royalty revenue and reduction in corruption opportunities, following its roll out in 2017-21. In China, a Code of Conduct to verify timber legality for wood processing and trading companies, co-developed by TRAFFIC and the China Timber & Wood Products Distribution Association, was adopted by over 70 companies, with on-the-ground verification conducted in over 40 companies – tangibly influencing overseas operations in Congo Basin.

In FY23, we continued to champion the legal, safe, and sustainable use of wild species to benefit the livelihoods indigenous peoples and local communities around the world. With a strong focus on the 'hidden' non-timber forest products, the WildCheck report co-authored by TRAFFIC, UN FAO, and IUCN, shed light on the wild plant ingredients, with impact including two UK retailers making commitments for responsible sourcing of Brazil nuts.

An important achievement this past year was increased protection and management of trade in sharks and rays. TRAFFIC piloted an innovative digital traceability tool in South Africa called SharkTrace that tags and tracks sharks from the point of capture through to point of consumption, ensuring transparency throughout the supply chain. At CITES CoP19, the Parties adopted new decisions to help identify where there were existing implementation challenges for the management of CITES-listed sharks and rays, explicitly building on the findings of TRAFFIC's research report on 'Missing Sharks.'

TRAFFIC further supported capacity building of 100+ front-line law enforcement officials to identify CITES-listed shark species in trade using the open-access 3D-printed shark fin replica toolkit, with over 120 organisations downloading the 3D fin files, with assistance provided to customs in Tanzania, France and the Netherlands with the identification of shark fins seized at airports.



MARK HALLE
Chair of the Board



RICHARD SCOBEY
Executive Director

As part of our growing focus on catalysing new partnerships, TRAFFIC promoted a 'One Health' approach in international and regional processes led by WHO, FAO, WOA, UNEP, and others, ensuring balanced integration of the benefits and risks of wild species trade in the governance and management of supply chains. Likewise, TRAFFIC joined the Taskforce on Nature Markets as a knowledge partner this year, and produced a joint set of recommendations to reduce the incidence and impact of nature crimes by establishing a requirement for investors and financiers to demonstrate a nature-crime free value chain.

Operationally, the organisation maintained a large and diverse portfolio in FY23 whilst adapting to the launch of the new 2030 Strategy. TRAFFIC has continued to grow in both income and expenditure for the fourth year running. We continue to focus on developing new sources of unrestricted funding to diversify our income stream. Improvement to TRAFFIC's monitoring systems, the status of the combined project portfolio, and compliance with statutory requirements in all registered offices underscore our commitment to transparent and accountable financial management.

Looking forward, our vision for the year ahead is clear. Strengthening global and regional intergovernmental processes, supporting governments in effective policy implementation, and empowering communities in sustainable practices will remain at the forefront of our priorities. Additionally, our focus to work with private sector on verifying responsible wild species supply chains and with consumers to reduce the consumption of illegal and unsustainable wildlife products aligns with our broader goal of harmonizing wildlife trade with the conservation of nature.

As we navigate the complexities of a volatile and changing global landscape, we extend our deep appreciation to our dedicated staff, government partners, intergovernmental organisations, and stakeholders who contribute significantly to TRAFFIC's impact. Special thanks to our Trustees for their strong strategic guidance, our founding partners IUCN and WWF for their continued support and collaboration, and to the organisations who have supported TRAFFIC's mission through their generous support in FY23.

Looking to the future, our commitment to ensuring that trade in wild species remains a force for conservation is unwavering. Together, we will continue to make strides toward a more sustainable and harmonious coexistence between humanity and the natural world.





THE TRUSTEES, WHO ARE ALSO DIRECTORS OF THE CHARITABLE COMPANY, PRESENT THEIR ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT) ON THE AFFAIRS OF THE CHARITY, TOGETHER WITH THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2023.

INTRODUCTION

The commercial use of wild animal and plant resources - "wildlife trade" - is an issue at the very heart of the tension between biodiversity conservation and human development. Human beings around the world directly depend on wild species as sources of food, medicines, construction materials, and many other items, as well as for income. Although the impact of this trade on the status and security of species and ecosystems is clear, the trade in wild species also makes a significant contribution to human wellbeing.

TRAFFIC International (hereafter referred to as TRAFFIC) is a leading non-governmental organisation working globally to address

biodiversity conservation and sustainable development priorities linked to the trade in wild species. TRAFFIC was established in 1976 by the International Union for the Conservation of Nature (IUCN) and WWF to respond to the growing threats posed by illegal wildlife trade and overexploitation. We have maintained our unique role as a global wildlife trade specialist, combining original research, sound and impartial analysis, and collaboration with a range of partners to reduce illegal wildlife trade and enhance benefits from sustainable and legal trade.

TRAFFIC delivered its work through a team of approximately 180 staff based in Asia, Africa,

the US, and Europe. TRAFFIC's global office, based in Cambridge, UK delivered global leadership, technical expertise, and support functions to the organisation. Our long-standing expertise, combined with an evidence-based and flexible approach to problem-solving, has given TRAFFIC a strong and respected reputation, allowing us to achieve an influence disproportionate to our size.

This report presents TRAFFIC's financial accounts and highlights some of our

achievements during FY23 (July 2022 – June 2023). Our combination of original and in-depth research, targeted communications and capacity building, helped governments, businesses, other non-governmental organisations (NGOs) and individuals to take action in line with TRAFFIC's mission to ensure that wildlife trade is not a threat to the conservation of nature. To find out more about TRAFFIC's work, please visit www.traffic.org.

PROGRAMME OBJECTIVES AND FOCUS

The Charity's objects, set out in its Articles of Association, are to promote the conservation and protection of nature and natural resources worldwide through helping to ensure that trade in wild animals and plants is at sustainable levels and in accordance with domestic and international laws and agreements.

TRAFFIC's mission is to ensure that trade in wild plants and animals is not a threat to the conservation of nature. This mission is linked to a vision of a world where wildlife trade is managed in a way that maintains healthy wildlife populations and ecosystems; contributes to meeting human needs; supports local and national economies; and helps motivate commitments to conserve wild species and habitats.

To further its mission and Charity objects, TRAFFIC supports the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora

(CITES) and other international agreements and national-level wildlife trade controls. TRAFFIC also supports wider public and private sector efforts to eliminate illegal wildlife trade and promote sustainable management and trade of fisheries, timber, non-timber forest products, and other wild-sourced commodities. TRAFFIC informs, promotes, facilitates, and otherwise supports action to address wildlife trade issues in wildlife trade hotspots worldwide, including producer, trading and consumer countries. TRAFFIC's work is based on a multi-pronged approach created to inform and strengthen the capacity of people and institutions responsible for designing and implementing international, regional and national policies and regulations. This focus is balanced with work to inform and influence the behaviour of businesses and individual consumers as these relate to trade in wild animals, plants, and related products.



IMPROVING BUSINESS PRACTICES:
SOURCING



MAKING LAWS WORK: REGULATION



SHAPING MARKETS: PURCHASING



ENSURING EFFECTIVE MULTILATERAL INTERVENTION: COOPERATION

TRAFFIC's FY23 work plan focused on two priority workstreams: 1) Approaches and action to enhance responses to wildlife crime and illegal trade; and 2) Approaches and action to enhance systems for sustainable, legal wildlife trade. Many projects combined

elements of work under both workstreams, reflecting the importance of reducing illegal trade to achieve sustainable, legal trade in wildlife resources and the potential for sustainable incomes from legal trade to dissuade illegal activities.

ACTION TO ENHANCE SYSTEMS FOR SUSTAINABLE, LEGAL WILDLIFE TRADE

Work is focused on enhancing benefits from sustainable and legal trade in wildlife resources by increasing incentives and pathways for

businesses, communities and consumers to engage in responsible trade practices

ENHANCING RESPONSES TO WILDLIFE CRIME AND ILLEGAL TRADE

Our work is focused on achieving a sustained reduction in illegal wildlife trade by increasing the risks and reducing the rewards associated with trading in wildlife contraband, thereby

reducing the criminal motivation and engagement in the illicit trade that is driving the poaching crisis.

The design and delivery of work under these two workstreams were underpinned by a broader programme of strategic research and analysis to produce guidance on wildlife

trade issues. Targeted communications, tools and training were used to inform, engage and support positive actions by stakeholders.

EVIDENCE TO INFLUENCE APPROACH

RESEARCH

Market monitoring
Legislative reviews
Behavioural insights
Investigations

ANALYSIS

Data mapping
Information systems
Applying context
Academic insights

GUIDANCE

Early warning
Threat assessments
Setting standards
Regulatory design

ENGAGEMENT

Enforcement support
Policy advice
Communications
Training

01

02

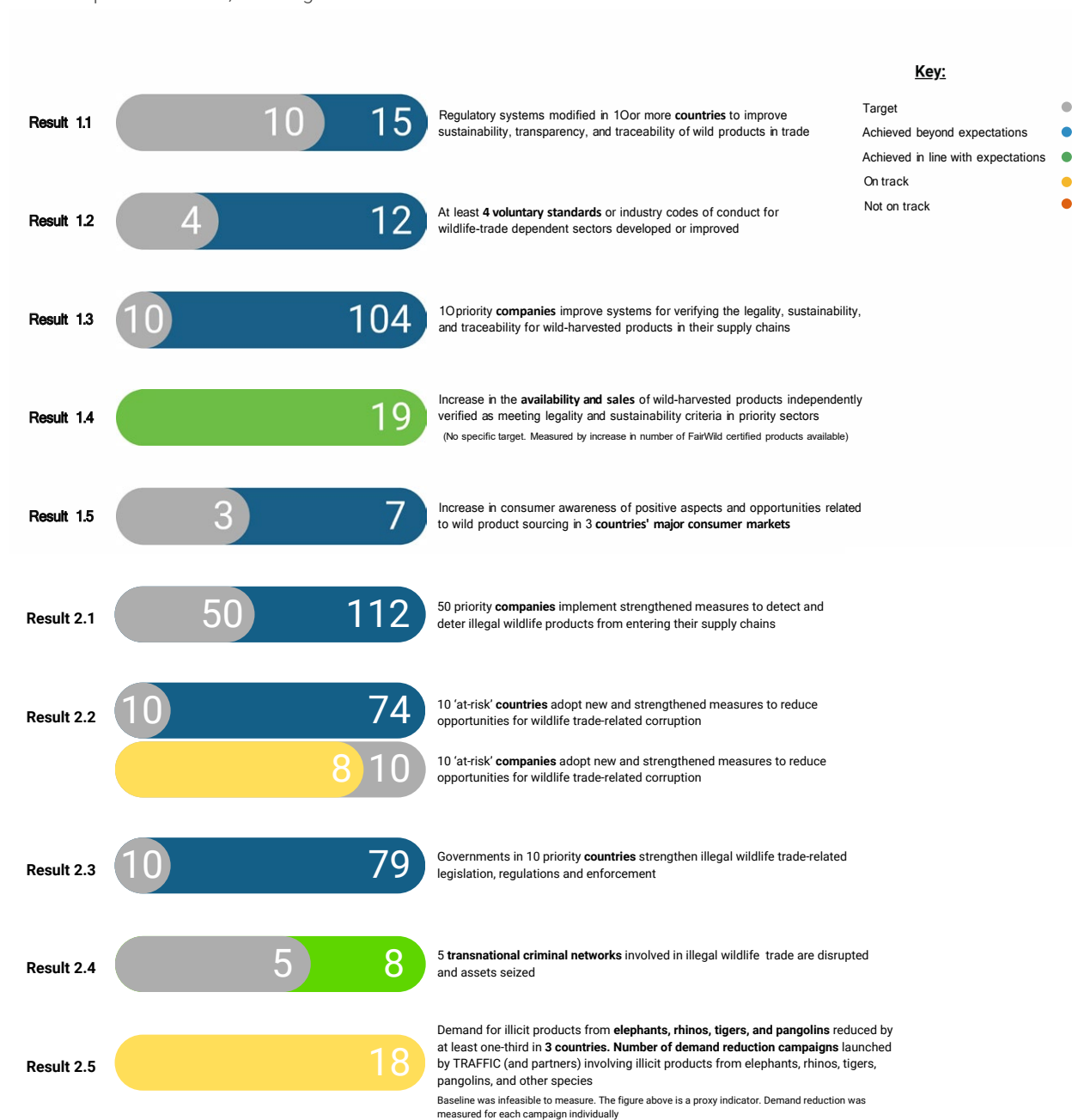
03

04

PROGRAMME DELIVERY - ACTIVITIES AND HIGHLIGHTS

This reporting period covers the transition from TRAFFIC's 2017-22 Programme Strategy to the new 2030 Strategy, which was approved by the Board in January 2023. See an overview of all TRAFFIC's Programme Results below. The numbers in grey represent the Programme Results targets, and those in colour represent the total achieved by the end of FY23. A selection of programme highlights during FY23 are provided below, detailing our

achievements delivered within each of the two workstreams and some which have a cross-cutting impact. Work was typically delivered in partnership with other organisations, including government agencies, intergovernmental and civil society organisations, and businesses. In many cases, it builds on efforts that have gained momentum and increased impact over multiple years.



ENHANCING RESPONSES TO WILDLIFE CRIME AND ILLEGAL TRADE

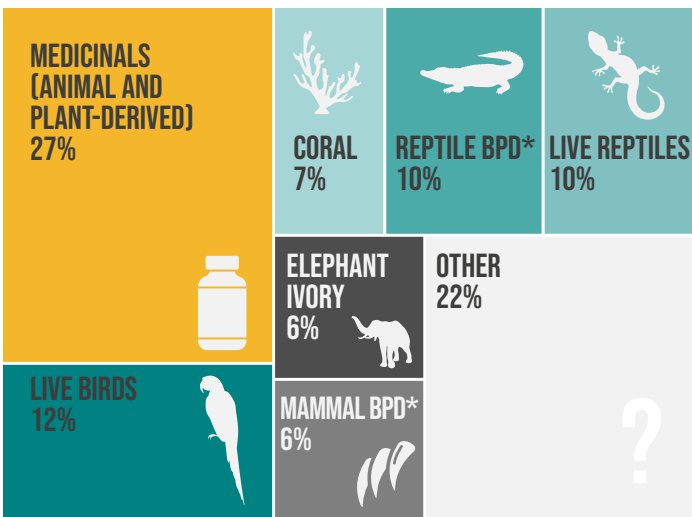
Government and private sector efforts to eliminate illegal wildlife trade have grown in scale and sophistication over the past decade. Inevitably, wildlife traffickers continually adopt new techniques to avoid detection; requiring governments, international agencies, businesses, and consumers worldwide to redouble individual and collective efforts to

tackle wildlife crime. TRAFFIC remained at the forefront of these efforts, focusing on providing leadership, insights and tools supporting and strengthening co-operative action by public and private sector stakeholders. Examples of achievements to which TRAFFIC contributed during the year include the following.

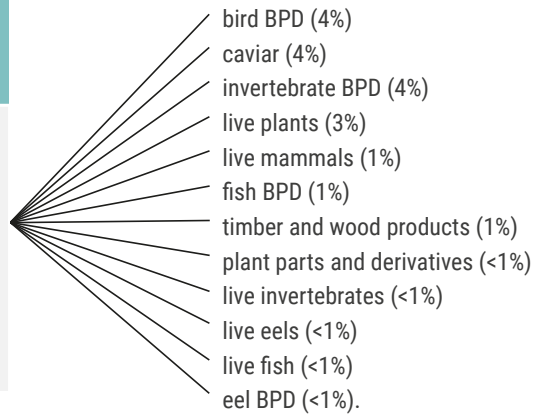
TWIX INNOVATION IN SUPPORT OF EFFECTIVE WILDLIFE LAW ENFORCEMENT

Trade in Wildlife Information eXchanges (TWIX) are regional inter-agency platforms enabling public officials to share information on wildlife seizures, smuggling routes, modus operandi, and other IWT-relevant information over a secure mailing list. They also facilitate

access to resources such as legislation and guidance, needed by the public sector users. TRAFFIC manages and supports the TWIX systems, starting from 2005 when the [first TWIX was developed in Europe](#).



The main commodity groups seized in the EU in 2021 based on the NUMBER OF RECORDS



The main commodity groups seized in 2021 based on the NUMBER OF SPECIMENS



REPORTED VALUE OF ILLEGAL WILDLIFE SEIZED IN THE EU

based on estimated values reported for only 25% of all records (1036 out of 4137, with no information on value provided for the rest of the seizures)



*BPD Body parts and derviatives

Following the success in Europe, TWIX systems have been replicated in Central (**AFRICA-TWIX**), Southern (**SADC-TWIX**), and Eastern Africa (**EA-TWIX**). The Eastern Africa TWIX grew to include Ethiopia as a member. This addition solidifies TRAFFIC's formal expansion into the Horn of Africa as Djibouti became a member of the EA TWIX in 2022. As part of scoping the expansion for West Africa, TRAFFIC organised multi-agency, private and public sectors national workshops in Togo, Cote D'Ivoire and Nigeria, bringing together about 200 participants across the sectors, and the West Africa TWIX platform received enthusiastic backing for its development. Scoping for expansion into the ASEAN region is underway.

The EU-TWIX team organised a **training webinar on timber identification**, modus operandi, and smuggling methods, in collaboration with UNODC and WCO, for the benefit of the EU-TWIX network. Eighty-nine officials from 26 European countries and two international organisations attended the webinar and the feedback received was extremely positive. The recording of the webinar was also made available afterwards, to which more than 1,400 officials were given access.

The development of the SADC-TWIX **mobile app** has begun, with initial meetings held with the app software developers and the existing TWIX website host and developer.

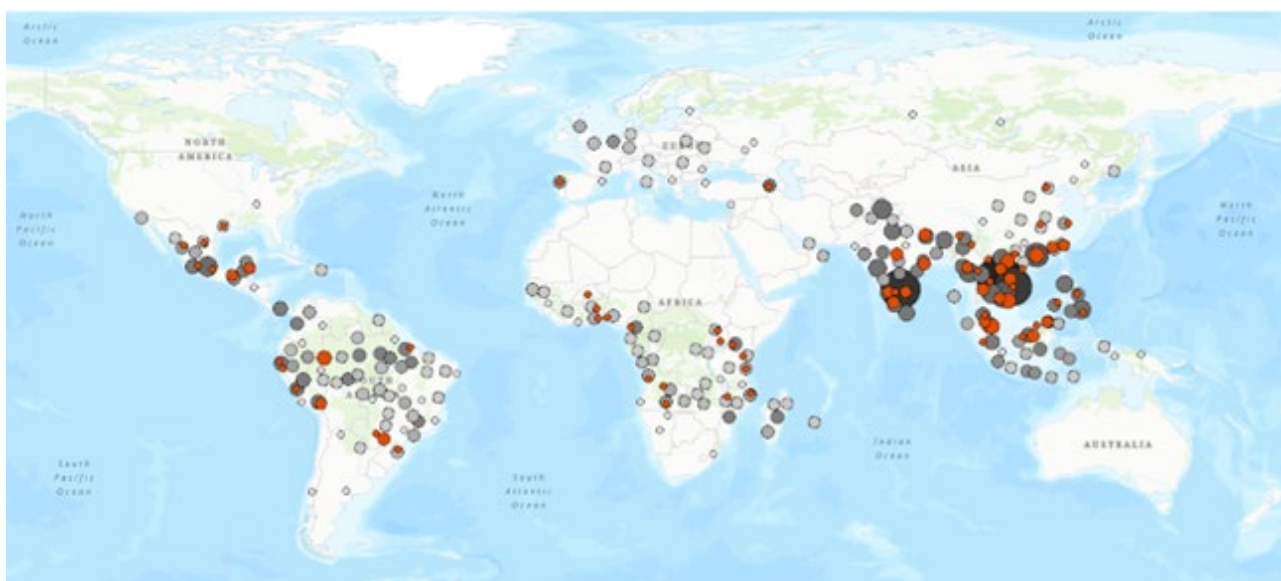
DATA UNDERPINNING ACTION AGAINST WILDLIFE CRIME AND ILLEGAL WILDLIFE TRADE: PROGRESS OF THE TRAFFIC'S WILDLIFE TRADE INFORMATION SYSTEM

A total of 5,193 wildlife trade incidents, market monitoring, and actionable information were entered into the **Wildlife Trade Information System (WiTIS)** in FY23. The number of users on the **Wildlife Trade Portal** has also risen to **1,550** and the number of records now stands at over **28,100**.

Several scientific papers were published that made use of Portal data and it was also used in a range of projects by researchers, NGOs and private companies. Western Union's lead

analyst on identifying, analysing, and mitigating the company's exposure to exploitation by wildlife trafficking sales, described the Portal as "invaluable to helping the company understand strategic trends that could impact our ability to ensure licit and lawful use of WU services by customers."

TRAFFIC submitted 438 names of known illegal wildlife traders to Refinitiv World Check and Dow Jones Risk and Compliance databases, which are used by 6,000 financial



Cluster map of seizures of sawn or unworked timber, 2011 to 2022. The grey to black circles are timber, while the red circles are instances where other non-timber wildlife products were seized alongside timber (using WiTIS data).

institutions and law enforcement agencies around the world to carry out due diligence in accordance with Anti-Money Laundering 'Know your customer' requirements. TRAFFIC also shared four corruption risk profiles with Financial Investigation Units (FIUs) for further investigation. These risk profiles related to corruption in the forestry sector and were created using a variety of different risk indicators that we compiled using "big data" techniques from 13,500 politically exposed persons (PEPs) in Peru under the Tackling Nature Resource Corruption (TNRC) project. In East Africa, Southern Africa, Southeast Asia and China, over 1,000 new incidences, including domestic wildlife crimes and seizures, were entered into WiTIS. For example, TRAFFIC received information on over 180 court case

records involving the poaching or seizure of succulent plants in the Northern Cape Province of South Africa. In Madagascar, to date, a total of 98 individual illegal wildlife trade (IWT) court proceedings have been monitored and data from these cases have been recorded and uploaded. In Southeast Asia, we have developed a guideline for estimated weight and volume of confiscated timber to ensure a more accurate depiction of the seizure, and to more reliably present analysis findings. We are now working with governments of the Kavango–Zambezi Transfrontier Conservation Area (KAZA TFCA) Partner States on data collection and input for the [KAZA Wildlife Crime Portal](#), with data submissions from Namibia, Zambia, and Zimbabwe so far.

ONLINE TRADE: STRENGTHENING THE SUCCESSES OF THE COALITION TO END WILDLIFE TRAFFICKING ONLINE

Since its launch by TRAFFIC, WWF and International Fund for Animal Welfare (IFAW) in 2018, members of the Coalition to End Wildlife Trafficking Online continued removing illegal wildlife trade-violating content, expanding automated detection interventions, and securing additional buy-in across the companies. For instance, the Coalition hosted three CyberSpotter Events as company engagement with Pinterest, eBay, and Meta. Thirty-nine employees participated in identifying 500 prohibited wildlife listings for removal between the eBay and Pinterest platforms. In addition, Meta removed 140 violating wildlife trade entities, including 86,000 members and 2,000 followers.

The [Coalition's Online Wildlife Education & Training \(OWLET\) e-learning training program](#) was translated into Vietnamese, French, and Spanish, expanding the program's reach to Vietnamese companies, Central African companies, and law enforcement. The programme was also expanded to include a draft stand-alone module for law enforcement officials in Central Africa, based on TRAFFIC Central Africa's "Guide to Online Surveillance, Investigative Techniques and Good Practices in the Fight Against Cybercrime related to wildlife in Central Africa."

Mercado Libre, the largest e-commerce platform in Latin America, joined the

Coalition to End Wildlife Trafficking Online

in September 2022. In just a few months after joining, Mercado Libre updated its prohibited wildlife policies across 18 country platforms and incorporated the full list of Coalition key search terms into block filters for automated detection. In collaboration with WWF Mexico and IFAW Mexico, TRAFFIC continues to advise the formation of a Coalition hub in the Latin America region.

In Viet Nam, we continued engaging the e-commerce association to drive more interactive and collaborative activities with social media platforms, e-commerce and Internet-based companies, such as wildlife-related corporate social responsibility (CSR) coaching and display of warning pop-ups for online users searching for wildlife-related keywords.

Engagement with online companies in **Central Africa** progressed with one of the largest platforms, Alibaba, agreeing to filter and remove IWT adverts. In **Southern Africa**, TRAFFIC has started developing internal and external-facing policies regarding the listing of succulent plant taxa on e-commerce platforms. These will provide guidance to e-commerce platform monitors on how to flag adverts of illegally harvested plants or trade that contravenes international conventions or domestic legislation. TRAFFIC is also

monitoring the listing of CITES Appendix I and II listed succulent plant taxa from South Africa and Namibia on eBay, a potential partner to pilot the engagement of reporting adverts for review.

In Europe, TRAFFIC is supporting the German government addressing illegal wildlife trade online through digitalisation. For example, we prepared and distributed a questionnaire about the existing software used, and organised in-depth interviews with organisations that either use or have developed such solutions.

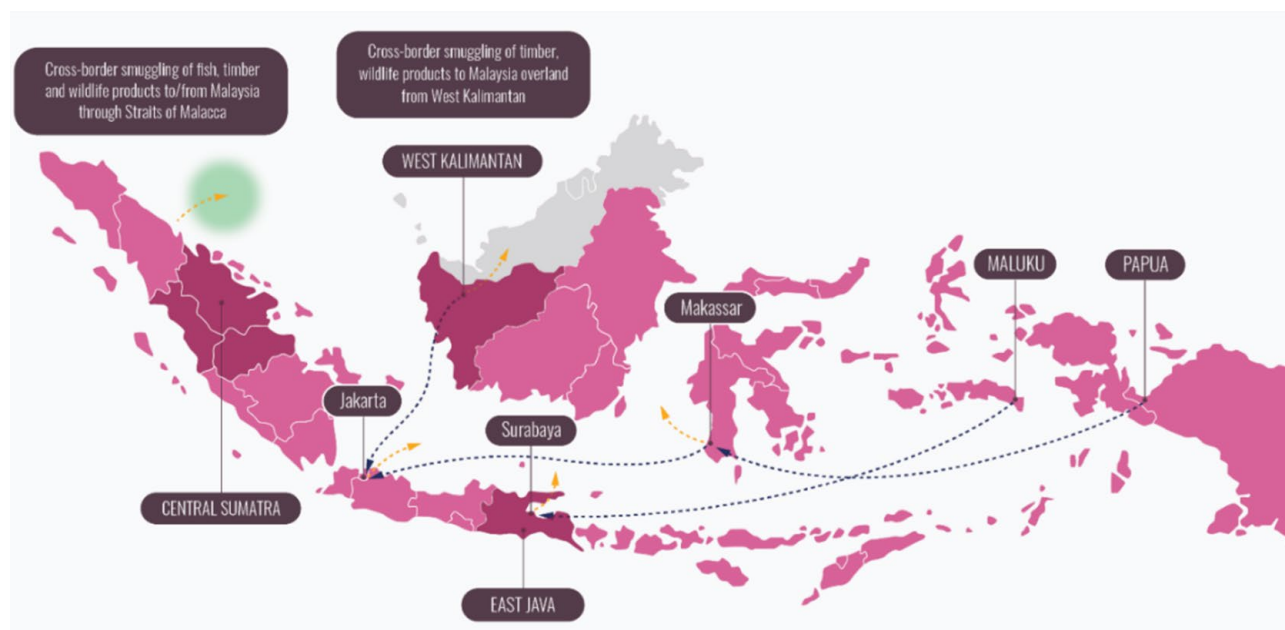
HIGHLIGHTING CRIME CONVERGENCE IN INDONESIA

Examining 'crime convergence', or the overlaps between multiple crimes, can help recognise their collective threat and identify better ways to tackle them. This convergence lens offers the opportunity to improve strategic policy and law enforcement responses by clarifying common locations and points of vulnerability in multiple crimes. In Indonesia, TRAFFIC has built an evidence base of the convergences among nature crimes, leading a team of local and international expert organisations. From collecting the data on different types of crime, we identified a series of case studies and gathered primary data to 'deep dive' into key areas of convergences.

Key findings from the project were presented to West Kalimantan border authorities in March by TRAFFIC's local project partner, Yayasan Planet Indonesia. The objective was to share the project findings and recommendations with a few agencies that were targeted under

Phase II of the project (i.e., those interviewed) and gauge their receptiveness to the results and recommendations. The meeting was attended by government agencies, including the Agriculture Quarantine Agency, the District Attorney's Office, the Natural Resources Conservation Agency, and the District Police. Initial feedback from the agencies was positive: they validated some project findings and they broadly agreed with the high-level recommendations proposed by the project.

Lessons learned from the project are being implemented in an expansion project in **Brazil, Cameroon, and Viet Nam**, which employs a similar methodology across two project phases. The work progressed with the development of a local database facilitating data input in Cameroon, with the decision made to link it to WiTIS with local partnership agreements. Local partnership to undertake the work were also identified in Viet Nam.



Geographic and trade route crime convergences at a country level in Indonesia

STRENGTHENING SYSTEMS FOR SUSTAINABLE, LEGAL TRADE IN WILDLIFE RESOURCES

Although the illegal wildlife trade gets most of the headlines, in terms of the number of items in trade and sheer volumes, the majority of wildlife products in trade are from legal sources. This includes many common food products and household items. However, some products in legal trade are also harvested and traded illegally, or illegal products are fed into legitimate supply chains, creating complex grey areas. This undermines sustainable management practices and robs local

communities and national governments of wildlife resources and associated revenue. TRAFFIC projects, therefore, focus on increasing access to information, tools, and mechanisms designed to improve systems in place to facilitate legal, sustainable trade while simultaneously reducing opportunities for illegal trade. Examples of achievements to which TRAFFIC contributed during the year are the following.

LEGAL AND TRACEABLE WOOD IN KEY SUPPLY CHAINS

“

There is strong coordination being put in place now between several communities and council forests in Cameroon. We are confident that actions in place will be consolidated by the NORAD project, for a real impact on communities' daily life”

HIS MAJESTY MVONDO BRUNO, PRESIDENT OF RECTRAD



Illegal and unsustainable timber trade threatens essential ecosystem services and sustainable human development in key source countries. We're continuing our mission to foster sustainable timber trade with the **'Leveraging legality along China's timber supply to reduce deforestation'** project, working in China, Viet Nam, and the Congo Basin – a pivotal supply chain for tropical timber.

Highlighting the success of the mobiprint timber tracker that TRAFFIC developed for the Tanzania Forestry Agency (TFS) in Tanzania, the IT Manager for TFS reported in September 2022 that the royalty revenue more than doubled from 2017 to 2021, which they credit at least in part to the reduced corruption opportunities since the timber tracker's rollout. The Congo Basin Timber Traceability review has been drafted, assessing

the effectiveness of timber traceability tools and recommendations. Consultancies were launched on a new legality framework on timber break-bulk yards and on the Standard Operating Procedures manual of the traceability systems of Cameroon. Timber tracker devices were handed over to the Cameroon government's Ministry of Forestry and Fauna (MINFOF) for pilot testing in support of the government's traceability system (SIGIF 2) in one supply chain and at the central IT unit of MINFOF.

TRAFFIC developed a structure for the timber trade statistics discrepancy analysis (TIMBERSTATS) platform, and developed a survey for key stakeholders including customs, forestry officials, and law enforcement agencies, to ensure that this tool and the Wood ID app are designed in a format that is useful for the intended audience.



Our association highly appreciates the results that we achieved in the two training courses on the Code of Conduct on timber legality and sustainability for our members. The trainees' awareness was improved, which helped convey awareness to the member enterprises' leaders and collectives. Furthermore, the trainees provided with knowledge and experience exchange can incorporate activities to promote the commitment to protect the environment and wildlife into their work (eg: sales contracts, posters, slogans at the factory...) associated with corporate social responsibility (CSR)

- Mr. Tran Le Huy, FPA Binh Dinh Deputy Director and General Secretary



In China, the Chinese Academy of Customs Administration (CACA) and TRAFFIC have officially signed an MoU during the 2023 Customs Control Technology Development Forum in Qinhuangdao City, outlining a long-term capacity-building platform for law enforcement and enhanced monitoring of tropical wood trade. The second session of training on Auditing Guidelines on China Environmental Labelling Verification of Sustainable Wood-Based Forest Products was held by the Ministry of Ecology and Environment China Environmental United Certification Centre (MEE-CEC) online. Thirty-three participants – both auditors and private sector, mainly from Zhejiang Province - were involved. Since the initial training in September 2022 all 30 trainees passed the test, and 22 (out of 25) auditors used the Guideline for the auditing work.

TRAFFIC also worked with the China Timber and Wood Products Distribution Association (CTWPDA) and the MEE-CEC to introduce the legal and traceable wood verification scheme at the 2022 Global Timber Trade Conference and on an online green public procurement

auditing training.

In Viet Nam, TRAFFIC developed a Code of Conduct (CoC) to verify timber legality for local timber companies, in partnership with the Forest Products Association of Binh Dinh (FPA Binh Dinh). TRAFFIC, FPA Binh Dinh, and The Vietnamese Administration of Forestry (VNFOREST) organised a training course for association members and have been working with 10 enterprises to adopt and implement the CoC. TRAFFIC finalised training modules for law enforcement agencies in Viet Nam focussing on assessing and verifying legal compliance related to the legality of imported timber under Decree 102/2020/ND -CP. FPA Binh Dinh and TRAFFIC since the training course. Five Vietnamese government officers from the Ministry of Agriculture and Rural Development Vietnamese Customs, working on timber legality and trade, visited Cameroon in an exchange visit in June to share experiences and understanding in verifying timber legality along the Cameroon- Viet Nam timber trade route. Governments agreed to update their MoU on the forestry sector in their commitment to data sharing and engagement.

SHARK TRADE: TACKLING IDENTIFICATION AND TRACING CHALLENGES

FY23 has seen major advances in the protection and management of sharks' trade. At CITES CoP19, decisions were adopted to help Parties identify where there were existing implementation challenges for the management of CITES-listed sharks and rays, explicitly noting the findings of TRAFFIC's review, Missing Sharks, and directing the

Parties not meeting their obligations to find adequate solutions. The results of the "Assessing the risk of overexploitation of the most traded species of sharks and rays" (M-Risk) review were used by Panama in the listing proposal of Requiem sharks, and all 54 species are now listed in CITES Appendix II. Other results of M-Risk were evidenced by Sri



3D shark fin training in mauritius

Lanka's support of proposals. Countries such as Papua New Guinea acknowledged at CoP19 the capacity-building provided by TRAFFIC in support of CITES implementation. The review of administering shark fin stockpiles in Hong Kong has been completed and will be considered under the new Decisions adopted by CoP19.

Following CoP19 deliberations, TRAFFIC has been providing support to countries in implementing the decisions, including developing Non-detrimental Findings (NDFs) in South Africa and Vanuatu. Capacity building work continued with a Shark Assessment Report Workshop in Congo, with essential information gathering on sharks and rays

management, trade, and a roadmap towards the National Plan of Action (NPOA) drafting. TRAFFIC completed the [Shark Trace digital traceability tool trials in South Africa](#) at the end of June with testing of the 'At-Sea' component on a pelagic longline vessel. The app was subsequently improved based on recommendations from TRAFFIC.

Relationships were developed with the fishing company and processing factory in Cape Town to allow for testing of the transport and processing components of SharkTrace during the second half of 2023.

The open-access **3D-printed shark fin replica toolkit** was used in several capacity-building

workshops for 100+ frontline officials at various land, sea, and airports in South Africa, East Africa, Central Africa, and Europe. Most trainings were delivered to law enforcement officials connected to the Trade in Wildlife Information eXchange (TWIX) networks (AFRICA, SADC, and EU-TWIX). The shark fin toolkit and contact details for identification experts were shared with frontline officials in several countries. Over 120 organisations have downloaded the 3D fin files worldwide. The toolkit has been adapted to include additional shark names and QR codes that link to TRAFFIC's website for further identification guidance.

Putting the toolkit to direct use, TRAFFIC assisted customs at OR Tambo International Airport in South Africa with the inspection of a consignment of sea cucumbers and shark fin coming from Mozambique. We provided rapid confirmation of CITES-listed species within the consignment which was subsequently seized for further verification through DNA analysis. Following the EU-TWIX webinar on shark trade at the end of 2022, TRAFFIC assisted with the identification of shark fins seized by the French Customs authority and the CITES authority in the Netherlands.

PILOTING TRACEABILITY FOR SAFE, SUSTAINABLE, AND LEGAL WILDLIFE TRADE

TRAFFIC has conducted several activities investigating zoonotic disease risk management options in wild animal trade. On World Zoonoses Day, TRAFFIC launched the Wildlife TRAPS [review of Options for Managing and Tracing Wild Animal Trade Chains to Reduce Zoonotic Risk](#). The report was further profiled with a webinar in July 2022. A draft 'Options Paper' was finalised for the Association of Southeast Asian Nations (ASEAN) region, **to inform government-led public and stakeholder engagement strategies to reduce the risk of zoonotic diseases in wildlife trade**. The draft Paper was introduced at the May 2023 meeting of the ASEAN CITES and Wildlife Enforcement Working Group (including all member States) and subsequently shared for circulation by the ASEAN Secretariat. The Paper identifies priority behaviours to target at each stage of wildlife trade routes (sourcing, processing, distribution, sourcing and consumption), plus general behaviours consistent with all stages.

In Cameroon, TRAFFIC and the Network of One Health National Civil Society Organisations in Cameroon (ROOHCAM) discussed and identified synergies in respective activities on advocacy and training on One Health. At a national workshop for several government ministries, TRAFFIC participated in the agreement on the implementation of Cameroon's One Health Joint Plan of Action. TRAFFIC also held a workshop on the research results from conducting a value chain analysis

on bushmeat trade in two geographic regions of Cameroon.

In Viet Nam, TRAFFIC launched a supply chain assessment of the trade in live macaques (dominated by the CITES Appendix II-listed Long-tailed Macaque, *Macaca fascicularis*) for the purposes of scientific research, aiming to document the existing risk management system and ascertain strengths/weaknesses, using disease risk management as the entry point, but also looking at checks for legality and sustainability prior to export.

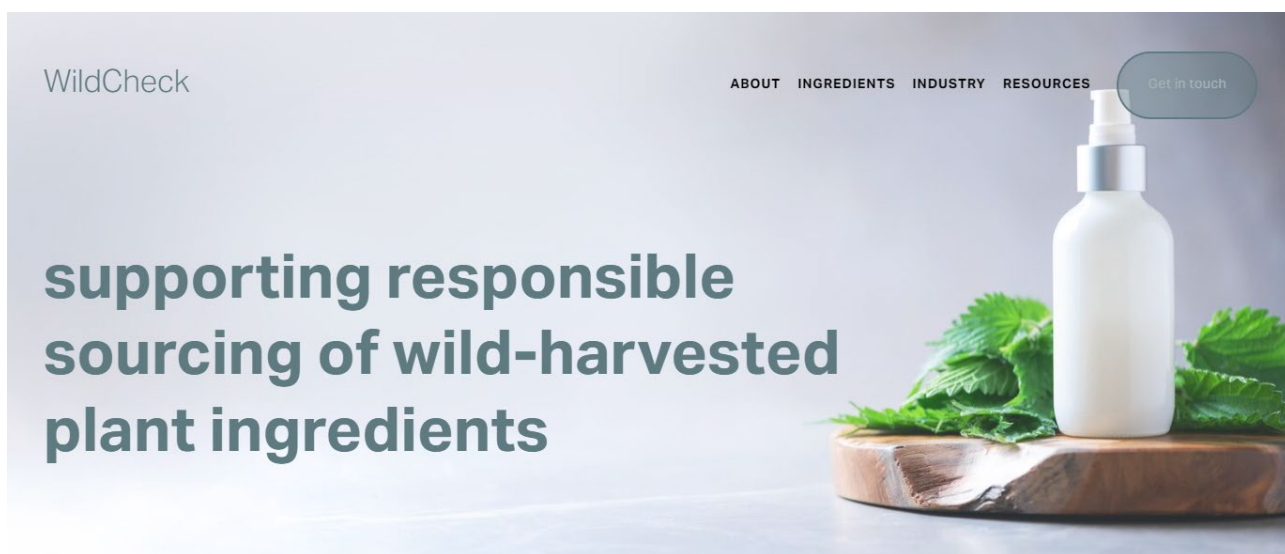
In China, TRAFFIC organised a **consultation with experts, focusing on preventing and controlling the spread of zoonotic diseases**. TRAFFIC shared international experience in integrated risk management in wildlife trade chains, including the need to incorporate wildlife trade management as part of One Health's collaborative approaches.

In northern Tanzania, gaps in the current management of the game meat industry have been identified alongside critical control points for potential zoonotic risks for both the legal and illegal supply of wild animal meat via Value Chain Analysis (VCA) and Disease Risk Analysis (DRA) of the wild animal trade. A workshop on addressing the regulatory shortfalls was held with multiple agencies; an article on zoonotic diseases and wildlife trade was released garnering widespread interest by the media and stakeholders; and

an MOU between TRAFFIC (East Africa) and the International Livestock Research Institute (ILRI) on collaboration on the wild meat trade was finalised. Impact has been achieved via TRAFFIC convening the Game Meat Advisory Committee meetings to mobilise observations and evidence to catalyse regulatory strengthening and inter-agency collaboration on managing the wild meat trade. This work has helped engage additional agencies including the Tanzanian Wildlife Research

Institute (TAWIRI) and the Ministry of Livestock and Fisheries (MLF), which is responsible for meat inspection. This engagement has been essential to reforming the mandate of existing regulations on meat inspection which were previously confined only to livestock. In parallel, TRAFFIC has begun work with TAWIRI to collect biological samples from both legal and illegal segments of the wild meat trade to screen for zoonotic pathogens, which will help in an overall disease risk analysis.

INNOVATIONS FOR THE SUSTAINABLE WILD PLANT INDUSTRY



TRAFFIC continued to support the development of innovative tools for improving the sustainability of supply chains for wild ingredients, by engaging and influencing industry standards and certifications such as the **Global Biodiversity Standard, the FairWild Standard, Union for Ethical Biobased Trade (UEBT), and Soil Association organic standards.**

The UK's Darwin Initiative awarded TRAFFIC funding to test a new multi-stakeholder model for increasing the sustainability of wild harvest enterprise and improving access to certification through the piloting of "Wild Harvest Improvement Projects" - a concept adopted from the fisheries sector.

The [innovative WildCheck platform](#), which offers objective insights and advice on sourcing wild ingredients to support business, investment, and policy scoping, and the **We Use Wild Pledge** were formally launched at the TRAFFIC-hosted We Use Wild Forum on Wild

Plant Ingredients in October, attended by 43 businesses, standard-holding organisations, NGOs, and other organisations that play an important role in wild plant supply chains.

Two major UK retailers made commitments to the responsible sourcing of Brazil nuts - a wild plant ingredient and one of 12 species prioritised for action. Their commitments were influenced by TRAFFIC and its collaborative [WildCheck report with FAO and IUCN](#).

The number of businesses demonstrating sustainability of sourcing and trade practices through formal participation in the FairWild system increased to 77. The numbers were boosted both by newly registering brands and traders, including manufacturers such as Aduna, Gaia Herbs, and Herb Pharm, and by newly certified operators such as Arbor Oils of Kenya and with the issuance of a new group certificate for Martin Bauer under the

recognition agreement for the mabagrown standard. The latter included 19 wild harvesting suppliers –greatly expanding the range and volume of sustainably sourced ingredients available on the market.

In Eastern Africa, TRAFFIC and WWF organised a 3-day forum on non-timber forest products (NTFP), attended by the government forestry departments from six states in East and Southern Africa, and producers and traders. The forum produced an action plan, including the resolutions to use the WildCheck report and platform and engage with FairWild.

In Nepal, TRAFFIC and local partner ANSAB continued supporting the delivery of capacity-building to community forest user groups (CFUGs), with over 5,000 people anticipated to be reached by June 2024. We collaborated with Nepal's government in the development of evidence to underpin the updated Non-detriment findings (NDF) for Jatamansi/ Spikenard (*Nardostachys jatamansi*), to facilitate legal and sustainable trade. The project case-study was a select topic for TRAFFIC's presentation for the World Wildlife Day in Washington, DC, showcasing partnerships and innovative market-based conservation solutions. The learnings from the project are already being shared through WildCheck. The [Market Access Workshop for Himalayan Medicinal and Aromatic Plants in Kathmandu](#), brought together private sector participants, including from the China Association of Traditional Chinese Medicine

(TCM), establishing initial contacts between producers in Nepal and the growing market in China. Legal and sustainable trade barriers at the regional and international levels were discussed and Himalayan BioTrade Limited (HBTL) achieved FairWild certification for Jatamansi and Kutki – a first in Nepal and the Himalayas.

In South Africa, TRAFFIC has developed numerous outputs under the UNDP-GEF 6 *Pelargonium sidoides* project, including a resource assessment, monitoring plan, Non-Detriment Finding, sustainable harvesting guidelines as well as the main product, the Biodiversity Monitoring Plan (BMP), which is now ready for government gazetting. In May, TRAFFIC hosted the final BMP workshop to engage with stakeholders such as local and national government, industry, universities and ecologists to receive input and support for the current BMP draft.

With the focus on key consumer countries for the wild plant industry, under the German BfN project, TRAFFIC has been **engaging with major stakeholders in Germany** including importers, producers, collectors, industry associations and relevant initiatives on the national level. This included the consultations at Biofach Fair 2023 and the "Food for biodiversity" conference. It is anticipated that the draft report, to be produced in FY24, will become an important foundation for stakeholder roundtables in this critical market for the species.

CROSS-CUTTING HIGHLIGHTS

While most of TRAFFIC's work fits into either workstreams, some activities have a cross-cutting impact. Much of TRAFFIC's work on intergovernmental global policy engagement

and interventions addressing responsible consumption actions fall into this category. Below are some highlighted achievements in these areas.

GAINING DIRECT ATTENTION TO WILDLIFE TRADE IN GLOBAL POLICY FORA

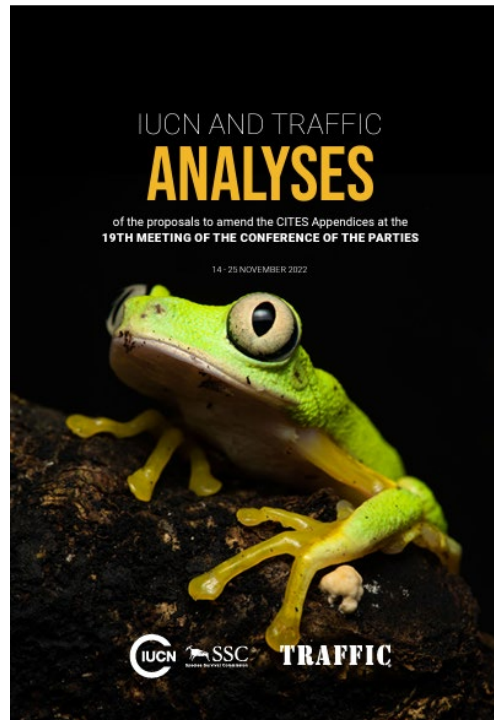
CITES and CBD Conferences played an important anchor in global policy engagement in FY23, starting from the 19th meeting of the Convention on International Trade in Endangered Species of Fauna and Flora (CITES CoP19), in November 2022.

[The outcomes of the meeting](#) made it one of the more successful CITES meetings. A series of decisions were adopted to strengthen the treaty's role in strategic global challenges such as the risk of zoonotic disease emergence, and the imperative of the gendered approach to wildlife trade.

TRAFFIC research and analysis provided valuable input into the deliberations at CoP19. TRAFFIC and IUCN jointly developed and published the [Analyses of the proposals to amend the CITES Appendices at CoP19](#). Fifty-two proposals – involving around 600 species – were submitted by Parties for consideration at CoP19, and these were analysed against the criteria for amendment of Appendices using the best available scientific and technical information. IUCN/TRAFFIC Analyses and TRAFFIC’s Recommendations helped inform the positions of Parties on whether to support or oppose the diverse amendment proposals, with many referring to it in CoP19 interventions. The CITES Secretariat’s preliminary assessment of proposals was modified for six proposals and aligned with the conclusions of TRAFFIC’s Analyses. As a result, **40 out of 52 conclusions of TRAFFIC-IUCN Analyses matched decisions made by Parties to amend Appendices at CoP19.**

On other high-priority issues, Parties endorsed a review of the **Elephant Trade Information system (ETIS)**, managed by TRAFFIC for CITES, with Parties noting the satisfactory score it received in supporting decision-making. The review concluded that the ETIS analysis is data-driven and quantitative, and TRAFFIC is objective in its use of available data, analysis, and reporting. After CoP19, TRAFFIC continued working closely with the MIKE-ETIS Technical Advisory Group and the CITES Secretariat to **implement these CITES CoP19 Decisions.**

On **Asian big cats**, TRAFFIC’s report found that a large proportion of seized tigers in some countries are suspected or confirmed to involve captive-sourced animals, followed by the renewed CoP19 Decisions calling for CITES missions to be undertaken in countries with Asian big cat captive breeding facilities which may be of concern. Parties also noted TRAFFIC’s comprehensive report on [‘The Legal and Illegal Trade in Big cats’](#), with Decisions calling for the report to be reviewed by the



Animals Committee and help inform the deliberations of the recently established CITES Big Cats Task Force. TRAFFIC further provided an overview of the findings of the reports at the **CITES Big Cat Task Force Meeting in Uganda in April 2023.**

Steady progress was also made on other strategic issues, such as demand reduction and CITES efforts to counter corruption that facilitates illegal wildlife trade. Parties adopted [CITES guidance on demand-reduction](#) strategies to combat illegal trade developed by TRAFFIC. Governments have already expressed the need for regional training and capacity building on using the guidance to suit their unique needs and environments. Tools and strategic approaches co-developed by TRAFFIC, including the [9-step NDF Guidance](#) for timber and perennial plants, the WildCheck platform, and the [Options for Managing and Tracing Wild Animal Trade Chains to Reduce Zoonotic Risk](#), were showcased to assist Parties with the implementation of Resolutions and Decisions.



TRAFFIC collaborated with the CITES Secretariat, IUCN and UNEP WCMC to develop the pilot edition of the [World Wildlife Trade Report](#), launched at CoP19. The report highlights the socio-economic and conservation benefits of sustainable trade in CITES-listed species. It addresses the linkages between legal and illegal trade, with insights on practical steps to reduce illegal trade. TRAFFIC also launched case studies on CITES and livelihoods at CoP19, focusing on trade in medicinal and aromatic plants, and encouraging CITES Parties to enable the sustainable use of wild species with a positive impact on the livelihoods of indigenous peoples and local communities.

In June 2023, following-up on the CITES CoP19 Decisions, TRAFFIC provided technical and scientific advice to Parties at the 26th meeting of the **CITES Plants Committee and the 32nd meeting of the CITES Animals Committee**, which in turn provided recommendations and guidance to to the next CoP in 2025.

Bridging the link to the **Convention for Biological Diversity**, TRAFFIC supported the advocacy towards the development of the **Kunming-Montreal Global Biodiversity Framework (GBF)**, adopted at the CBD CoP15 in December 2022. The agreed GBF includes targets specific to the management of the trade in wild species and equitable benefits from the sustainable use and trade, as well as

a range of targets focussed on the alignment of biodiversity conservation priorities with the mainstream economic activities, financial flows, planning and policies.

TRAFFIC engaged CBD Parties and other collaborators, including WWF, IUCN, and the Collaborative Partnership on Sustainable Wildlife Management (CPW), to ensure the GBF has explicit inclusion of measurable global commitments to address wildlife trade challenges and opportunities. A side-event on the margins of CBD CoP15 brought together CITES and CMS, FAO, and national government representatives to discuss the challenges and opportunities around measuring and adaptively managing the use and trade in wild species, to assist the delivery of global commitments, with TRAFFIC leading the proposal to develop such metrics with collaborators.

Supporting Parties across the implementation of CBD and CITES Decisions, TRAFFIC played an important role in the **Africa, Caribbean and Pacific Conference on the implementation of the outcomes of the CBD COP15 and CITES CoP19** that took place in Addis Ababa, Ethiopia. Participants agreed to a draft African Union Biodiversity Strategy And Action Plan 2023-2030 which will support and drive the effective implementation of the GBF, as well as the National Biodiversity Strategies and Action Plans (NBSAPs) being developed by the African Union Member States.

TRAFFIC continued its long-term support to the **European Commission's Directorate General for the Environment (DG ENV)**, including on developing the M&E framework for the revised EU Action Plan against Wildlife Trafficking. TRAFFIC co-organised with the NGO Fern two hybrid webinars focussing on **civil society organisations (CSOs) in the Congo Basin and in West Africa**. TRAFFIC shared information about EU policies on forest governance and wildlife trade and funding opportunities triggering discussions on better collaboration amongst CSOs and their capacity and capability to influence EU actions. We also organised a workshop with **10 representatives of CSOs in Cameroon**, discussing the new EU Deforestation Regulation; COMIFAC's Sub-regional action plan on the strengthening of enforcement of national legislations on wildlife (PAPECALF); the EU Action Plan Against Wildlife Trafficking; and corresponding EU development and cooperation funding. Meeting with the **Central African Forests Commission (COMIFAC)** led to the agreement for TRAFFIC to support their annual budgeted work plan and joint work on finalising the text of the second edition of PAPECALF.



TRAFFIC/WWF report in 2020 connected the dots between the EU's captive tiger population and the illegal tiger trade, leading to the 2023 EU Guidance on the increase of controls on the trade in captive-born and bred live tigers and their parts and derivatives

DRIVING NATIONAL ACTION FOR DEMAND REDUCTION AND RESPONSIBLE CONSUMPTION OF WILDLIFE PRODUCTS

TRAFFIC advances knowledge and practices around reducing demand for illegal and unsustainable wild species consumption at national and global levels.

In China, TRAFFIC introduced the concept of **Social and Behaviour Change (SBC) to over 100 Chinese government, community members, and NGO stakeholders through a series of Webinars**. Interest was subsequently expressed by the China Wildlife Conservation Association (CWCA) in developing a textbook for Chinese government officials based on the **CITES Guidance on Demand Reduction**. Building on TRAFFIC's SBC expertise, the book 43 Endangered Species across China's Border was co-published with China Customs Press in October. The book highlights 19 of 43 species identified as potentially harbouring pathogens and focuses on practical recommendations to choose legal, sustainable, and safe products/pets. TRAFFIC designed social research

focused on the use of exotic pets, in particular African Grey Parrots, to inform consumer engagement strategies, and undertook research around zoonotic risks amongst wildlife couriers and logistics companies.

In Viet Nam, in partnership with WWF, TRAFFIC supported engagements with the Traditional Medicine community, and the Critical Ecosystem Partnership Fund project supported work with tourists. TRAFFIC also provided inputs, including primary research conducted under USAID Saving Threatened Wildlife (STW), by InFocus Mekong and IndoChina research, producing insight into the demand for pachyderm commodities from Chinese tourists, and demand for wildlife used for food and pets by Vietnamese nationals; surveys to assess the impact arising from a DEFRA-funded Tiger social marketing project, in conjunction with the Behavioural Insights Team; and the development of key visuals and

draft creatives featuring threatened wildlife and SBC messaging on postage stamps (in collaboration with Viet Nam Post); and as the main communication assets under STW. TRAFFIC's engagement with Traditional Medicine practitioners has also led to the Viet Nam Central Traditional Medicine Hospital displaying SBC messaging to promote legal, safe, and sustainable ingredients in their official communication channels, reaching 5,000 patients and 500 doctors and nurses

In Malaysia, formative research and a Situation Analysis were finalised using SBC inputs, under a US State Department funded initiative with TCM practitioners, raising awareness and reducing demand for endangered and protected wildlife. TRAFFIC also successfully held a knowledge-sharing session for TCM students at Xiamen University. The event was well-received by the Head of the TCM Program and by the students, with requests for more in-depth sessions and discussions around the topic. The success of this outreach initiative will pave the way for TRAFFIC to carry out more outreach activities at other universities offering TCM courses, and importantly, sensitise future practitioners on what to sell/prescribe, or avoid.

In Peru, a Briefing Paper on the CITES Guidance on Demand Reduction was produced for discussion at a [two-day in-person Workshop](#), delivered by TRAFFIC with representatives from twelve CITES Management Authorities. The Briefing Paper was subsequently published as a [CITES CoP19 Inf.Doc](#). The workshop, hosted by the Natural Resources Ministry of Peru, focused on identifying regional priorities and building national capacity to implement demand reduction campaigns, delivering against the Standing Committee recommendations to CITES CoP19.

TRAFFIC successfully **concluded delivery of the South, Central, Latin America and the Caribbean regional pilot of the CITES Guidance on Demand Reduction (DR)**. This involved delivering Steps 1 and 2 of the Five Step Process to DR in the CITES Guidance, and preparing a Research Protocol and report for discussion with SERFOR in Peru and other Parties, to support their DR efforts. Social and market research was conducted entirely

virtually (due to a State of Emergency declared in Peru) and focused on the consumption of birds as pets; frogs used for traditional medicine; and tortoises/turtles as pets and food. These reports are now being translated for wider distribution around the region, building on the [Briefing Paper CoP19 Inf.33](#).

In Tanzania, input was provided into 12 radio shows broadcast by 'Radio Manyara', a Swahili language station with listeners from 15 villages within the Kwakuchinja Corridor in Babati and Monduli districts, delivering 'edutainment' style content for TRAFFIC as part of SBC initiatives in the region. Campaign creatives were also prepared, pre-tested and finalised, and will soon be rolled out to promote the consumption of safe, sustainable and legal wild and game meat. Meanwhile, in Uganda, Kenya and Rwanda, TRAFFIC delivered training to about 50 media professionals, journalists, editors, and broadcasters, through workshops with InfoNile and the Association of Media Women in Kenya. Both workshops engaged participants from across East Africa in discussions around potential SBC principles for 'Conservation Journalism'.

TRAFFIC led the organisation of a European Commission '[Expert Roundtable](#)' on 'Awareness-raising and Behaviour Change to Reduce Demand for Illegal Wildlife Products', in Brussels. This was an important milestone in the launch of the updated EU Wildlife Action Plan, which includes focus on reducing demand for illegally traded species within the EU. The event attracted 130 participants online and in person, representing Member State governments and CITES Management Authorities, Pet Trade and Traditional Chinese Medicine industry associations, market research and consumer affairs specialists.

Internationally, we introduced the 'Technical Support Program' on behaviour change and demand reduction in Asia, Anglophone Africa and Latin America, and Francophone Africa, for the 38 countries in the World Bank-GEF 'Global Wildlife Program' (GWP) implementing wildlife conservation for development priorities. TRAFFIC prepared an '**e-Book**' **database of 50+ SBC Toolkits**, training courses, technical briefing papers and other resources, to help governments overcome stated barriers to implementation of behaviour change.

PRIORITY AREAS FOR WORK DURING FY24:

- Strengthening prioritised global and regional intergovernmental agreements and/or developing new policies to promote legality and sustainability of trade in wild species and discourage illegal and unsustainable trade practices
- Supporting governments in priority geographies to effectively implement regulations and policies for improved governance of trade in wild species and prevention and response to illegal wild species trade
- Enabling communities in prioritised supply chains and geographies to improve livelihoods through their involvement in legal and sustainable harvesting, trade and processing of wild species
- Helping the implementation of new or strengthened best practice to verify responsible wild species supply chains, and deter illegal products from entering supply chains by priority businesses in target sectors involved in or facilitating trade in wild species
- Delivering tools, behavioural change approaches messaging and campaigns to nudge the reduction of the consumption of illegal and unsustainable wild species products among target consumer groups in favour of those linked to legal and sustainable trade (or suitable alternatives)

PROGRAMME COORDINATION AND LEADERSHIP

The main activities of TRAFFIC's global office, based in Cambridge, fell within the following areas: strategic direction and leadership; programme development

and evaluation; funding development; programme delivery (covered in the preceding section); communications; and operations management.

STRATEGIC DIRECTION AND LEADERSHIP

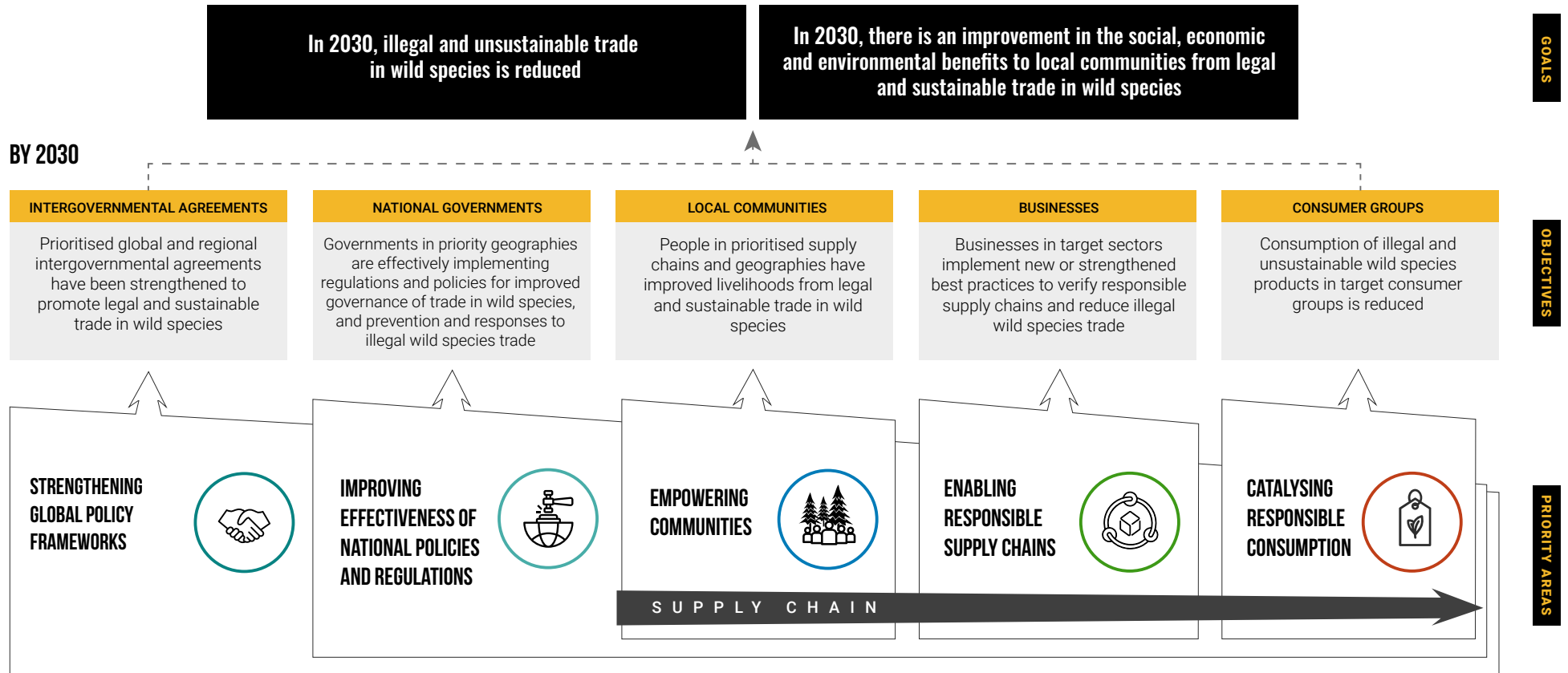
Work during this period coincided with a critical programmatic development period for TRAFFIC. Across the organisation, staff engaged in the development of TRAFFIC's Strategy to 2030, adopted by the Board of Trustees in January 2023. The Strategy reflected on the evolving role of TRAFFIC as the leading global trusted advisor on the complex challenges of trade in wild species and how we can deepen our leadership in providing the evidence, solutions, and influence to galvanise change.

As reviewed in the Strategy (see strategic diagram on next page), we are refocusing TRAFFIC's mission to give stronger emphasis to concepts of sustainable use, social impacts, and rights-based approaches, in addition to our core focus on reducing threats to conservation. In addition to updating our mission statement,

TRAFFIC has revised our theory of change to bring out the logic of how our new Strategy will deliver impact towards the two ambitious and inspiring Goals, aligned and supportive of the delivery of the Kunming-Montreal Global Biodiversity Framework.

From October 2023, TRAFFIC's newly appointed Senior Director of the Global Programme Office served on the governing Council of the Cambridge Conservation Initiative (CCI), a unique collaboration between the University of Cambridge and ten leading internationally focused biodiversity conservation organisations clustered in and around Cambridge. TRAFFIC also supported CCI activities in other ways, for example giving lectures on CITES to students pursuing the CCI-affiliated MPhil in Conservation Leadership.

TRAFFIC'S MISSION IS
**TO ENSURE TRADE IN WILD SPECIES IS LEGAL AND SUSTAINABLE,
 FOR THE BENEFIT OF THE PLANET AND PEOPLE**



PROGRAMME DEVELOPMENT AND EVALUATION

TRAFFIC's previous Programme Strategy was approved by TRAFFIC's Board of Trustees in October 2017. With our new Strategy approved in January 2023, the FY23 annual work programme – organised in two 'workstreams' - and reporting in FY23 is aligned with the previous Programme Strategy.

Performance and outcomes were assessed at six-monthly intervals, with the year-end assessment reviewing overall progress as initially set out in the FY23 work plan. TRAFFIC has effectively delivered on the priorities of the FY23 Workplan. Delays in funding, political developments, slow official government project approval, and internal staff changes are the main reasons for slow progress on certain approaches.

In FY24, aligned with the commitment in the 2030 Strategy, we are focusing on moving from smaller projects that test new approaches to

scaling up proven solutions for larger impact in priority sectors and geographies. Scaling up will be grounded in a strong framework of monitoring, evaluation, and learning, so that we are continually assessing our performance and influence and making the necessary mid-course corrections to achieve our two 2030 goals.

The establishment of the new Strategy, Programme, and Impact team within TRAFFIC will help sharpen our organisation-wide focus on adaptive results-based management and impact assessment. Ongoing projects, aligned with the previous Programme Strategy, will monitor and report against a new set of standard indicators where relevant and feasible; as new projects are developed, they will be designed in line with the results chains of the five Priority Areas and their monitoring and evaluation plans will be based on the standard indicators.

FUNDING DEVELOPMENT

TRAFFIC developed its new fundraising strategy in March of this year, providing a framework and targets for the newly formed Development Unit to seek funding to support TRAFFIC's 2030 Strategy. TRAFFIC, through its objective, solutions-focused approaches to wildlife trade challenges is well poised to continue a positive upward trend in restricted income, building on the growing number of public and private donors that are increasing their funding commitments to halt and reverse the current trends of environmental decline. However, TRAFFIC is faced with an urgent need to diversify and secure new sources of unrestricted/soft funding, and this is the primary focus of the new Funding Development Strategy and the priority for the Development Unit. Involvement from TRAFFIC's board in fundraising efforts to source this softer funding has increased this year particularly when investigating connections to donors where there is no formal application process and unsolicited approaches are not encouraged. TRAFFIC increased efforts to seek funding from Charitable Trusts and Foundations during the year with approaches to new donors for

both restricted and unrestricted funding. Initially, the Development Unit focused on TRAFFIC's marine programme where there appears to be a high concentration of funding sources matched with a good network of contacts from TRAFFIC's side. Further applications have focused upon strengthening funding of Priority Area 3 of TRAFFIC's 2030 Strategy "Empowering Communities" and core funding to underpin TRAFFIC's operations functions.

The majority of applications in FY23 were developed in response to government calls for proposals such as the UK Illegal Wildlife Trade Challenge Fund, Biodiversity Landscapes Fund and Darwin Initiative, notices of funding opportunities issued by the US Bureau of International Narcotics and Law Enforcement Affairs (INL) and USAID. These included several large-scale applications for costed extensions to existing project contracts to further develop work and fund additional activities in China, Tanzania and Central Asia. TRAFFIC has continued to build partnerships to develop innovative concepts across all

Programme Offices. These collaborations have proved to be invaluable to further diversify TRAFFIC's funding base and to develop relationships in growing areas of interest such as one health, anticorruption and crime convergence. Seeking partnerships and support for TRAFFIC's potential work in Latin America has been a focus this year and specifically targeting donors to build upon activities undertaken under the USAID funded ROUTES partnership which focuses on the aviation sector.

The Development Unit has been working consistently throughout the year to improve

systems and tools to support implementation of the fundraising strategy such as the development of a new Case for Support and a review of the website content with a view to increase giving. The team is currently designing a capacity building programme to strengthen skills in raising TRAFFIC's profile and efforts are underway to review current digital fundraising platforms and their effectiveness. A new Director of Development was recruited in FY24 to continue with roll out of TRAFFIC's fundraising efforts to support the new Strategy to 2030.

COMMUNICATIONS

The foundation that drives our communications action is working to ensure that TRAFFIC's wild species trade expertise, research, and data influence global, regional, national, and local decision-making opportunities across global landscapes and policy fora.

In FY23, this has included support to priority events, particularly CITES CoP19, CBD CoP15, the International Anti-Corruption Conference, and the EU Combatting Wildlife Trafficking Action Plan.

Since its launch in early 2023, we prioritised the ongoing communication of our 2030 Strategy, drawing clear links between fieldwork and project activities, strategic priority areas, and major global conferences and events. By harnessing digital storytelling and engagement opportunities, such as the new "Views" and "Learning Centre" sections on our website, and piloting the use of new, tailored publication and communication formats, we have diversified the way we communicate our research and recommendations, elevating the resonance of our strategic objectives and expertise, and the level of influence we achieve among our stakeholder groups.

Close to 30 flagship reports were produced between July 2022 and June 2023, with these achieving over 93,000 page views in total. Those which achieved the highest views included [Skin and Bones: Tiger trafficking](#)

[analysis, Visualising the corruption risks in the illegal rhino horn trade, Compliance protocol for managing stockpiles of CITES-listed shark fins in Hong Kong SAR, In deep water: India's sea cucumbers in IWT, Rosewood products and consumption, and We use wild – Forum report.](#)

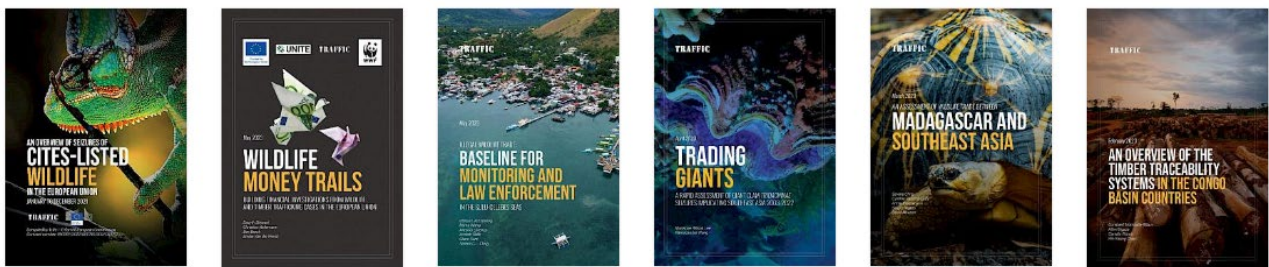
In addition to these, one of various peaks in website visits was in November, coinciding with CITES CoP19. Website traffic reached over 20,000 users, 46,000 page views and approximately 1,000 report downloads. The communications team designed both the joint IUCN and TRAFFIC Analyses of the Proposals to Amend the CITES Appendices and the TRAFFIC CITES CoP19 Briefing, which were distributed digitally ahead of CoP19 and shared in-person to key stakeholders at the conference. There were 229 communication pieces, 117 directly attributable to CITES CoP19. The top five articles referring to TRAFFIC's contributions to CITES were published in MSN Singapore, BBC, Reuters, The Independent and Investing.com, and featured sharks, songbirds, tigers, rhinos, and the World Wildlife Trade report.

Innumerable other project outputs, varying between awareness-raising and Behavioural Change materials, online capacity-building courses and training videos, interactive data dashboards, apps, websites, and decision trees were either directly developed or supported by the global communications

team. An early example of this and piloting additional communications mechanisms was applied to reporting on the highlights of our FY17-22 Programme cycle in an interactive digital format. Similar approaches will be taken as appropriate with future findings, recommendations, research, and reports. In the coming year and beyond, the communications department will continue to support the delivery, implementation, and expansion of TRAFFIC's 2030 strategy and prioritise the development of a multi-step communications action plan. A new Director

of Communications will be in post by January 2024 to lead these efforts.

Concise and tailored knowledge products, underpinned by strong influence plans, that reach and influence their intended audience are a cornerstone on which we work towards achieving the ambitious objectives set out in our workplans. We are disseminating our knowledge in more user-friendly and innovative formats to ensure they are accessible to all those in a position to catalyse the lasting change people and the planet need.



OPERATIONS MANAGEMENT

As in recent years, TRAFFIC's global structure continues to evolve as the organisation grows. While no new entities were established during FY23, subsidiary national entities registered in Belgium and Tanzania successfully completed their first annual statutory audits. Offices in China, Malaysia, and Viet Nam fully met their national statutory requirements and continued to strengthen their institutional presences during the course of the year.

Other significant activities during FY23 included:

- Introduction of a new timesheet software package across the organisation has streamlined monthly staff submissions and has allowed for the creation of various tools to monitor time allocations and utilization levels across the project portfolio.
- Introduction of a new appraisal system across the organisation has improved user accessibility, improving timeliness of completion, and allowing for better monitoring of performance.
- Improved cybersecurity resulting from the introduction of MS inTune software across most of the organisation has improved monitoring of individual mobile devices and their security status.
- Salary benchmarking exercises were initiated or completed in China, Malaysia, Viet Nam and the UK to ensure that staff compensation packages are appropriate and competitive.
- After careful review, a new accounting software package was identified and initial planning was initiated to launch the new package in CY2024.
- Mechanisms supporting delivery of TRAFFIC's conservation objectives through its expanding project portfolio were enhanced during the year through improvements to the existing quarterly portfolio review process, establishment of a project advisory team, and a sensitive-activities working group.
- TRAFFIC's financial reporting framework continues to progress, allowing for better provision of financial management information to the board, the senior management team, and project managers.
- Efforts to refine TRAFFIC's cost recovery framework to prepare for application to the US federal government for an approved negotiated indirect cost rate (NICRA) continued.

PROJECT PORTFOLIO

126 projects were active at some point during the financial year, with 83 projects active as of 30 June 2023. During the year, 39 new contracts or contract extensions were issued and 43 projects completed. Seventy-three

funding proposals were submitted to various donors during the year and, at the time of reporting, 37 of the proposals submitted subsequently were confirmed or contracted.

HUMAN RESOURCES

Human Resources (HR) directly supported 68 recruitments across the organisation during the year with 50 new starters in the organisation and 30 leavers processed during the period. This brings the average

number of staff employed by the charity to 180 Individuals, excluding staff at affiliated offices which make up an additional 21. Four volunteers contributed approximately 917 hours of work in the TRAFFIC Global office.

PLANS FOR THE YEAR AHEAD

During the coming financial year, improvement to systems for monitoring overall financial performance, the status of the organisation's combined project portfolio, and compliance with local statutory requirements in all registered offices will continue. A key element of this will be launching the new accounting software package and all the administrative changes that entails early in CY2024. Linked to this will be a push to submit a NICRA application to US federal authorities. TRAFFIC

will continue its cybersecurity efforts with a view to obtaining Cyber Essentials certification. HR will expand activities related to Diversity, Equity, and Inclusion and rollout salary benchmarking to TRAFFIC's Africa and Asia offices. A new Chief Operating Officer has been recruited to take up post in early 2024. The team will continue to support the Executive Director in implementing the operational elements underpinning TRAFFIC's 2030 Strategy.

FINANCIAL REVIEW

TRAFFIC has seen growth in income and expenditure during the year. The organisation has been growing year on year for the last four years. In FY23, group income once again saw an increase from £11.4m to £12.1m, as

a result of an increase in project restricted funding. Group expenditure has also gone up from £10.4m to £13m. TRAFFIC's free reserves were £2.4m, a modest increase of £43k compared to the previous financial year.

INCOME

During the year, TRAFFIC received income totalling £12.1m, an increase of £0.7m compared to the previous year. The percentage of income from Charitable Activities remained stable and constituted 91% of total income (FY22 91%).

Unrestricted income for the year remained stable at £1.1m, with the movements in different types of income being negligible.

Restricted income in FY23 increased by £0.7m to £11m from £10.3m in the previous year. The increase was mainly due to a fact that some large projects were ramping up activity in FY23 (CONNECT, Demand reduction, Enforcement and policies supporting The conservation of Elephants and Rhinos). The donor mix in FY23 was similar to FY22 with the highest proportion being from Government Agency funding.

Grants from this source tend to be larger and multi-year so they constitute a valuable source of income. However, TRAFFIC acknowledges the need to diversify its income streams and this will form the basis of the funding strategy for the coming years.

In FY23 £49K of donated services was recognised in restricted income (previously not recognised based on their immateriality). This was related to pro bono legal services provided to TRAFFIC to support project delivery.

One hundred and twenty-six (126) projects brought in income during the year, an increase of 19 over the previous year. Despite the

slight increase in project numbers, reliance on government-funded projects has continued this year. US Government agencies continued to be the main donor with the funding constituting 47% of the total income (FY22 38%).

One of TRAFFIC's management KPIs (Key Performance Indicators) for financial performance is that no single donor contributes more than 25% of total income. During the year, one donor (INL) directly and indirectly contributed 22% of total project income, across ten projects. This is a slight decrease compared to last year where 31% of income was received directly and indirectly from USAID and it is just below the 25% target.

EXPENDITURE

Expenditure during FY23 was £13m which is £2.6m higher than in FY22. Of the FY23 expenditure, 98% related to expenditure on Charitable Activities and 2% on raising funds, ratio the same as previous year's.

Unrestricted expenditure increased by £130k compared to FY22. This represents a 13% increase. There has been a significant reduction in staff costs due to staff changes within senior leadership team which has been offset with an increase in establishment costs as well travel that has now resumed to pre-covid levels. In FY23, there was a £128k unrestricted foreign exchange gain (FY22 £170k). The majority of TRAFFIC's income is received in foreign currencies, namely US Dollar, Euro, Norwegian Krone and Swiss Franc. Where those funds are yet to be expended,

the balances are held in foreign currency bank accounts. TRAFFIC regularly reviews its foreign currency management to mitigate foreign exchange risk where possible and considers foreign exchange risk when setting its reserve policy.

Restricted fund expenditure increased by £2.5m to £11.8m. As we mentioned, some large projects were in full operation in FY23. Project spend is largely dependent on project implementation rates each year. Also, project activities are now recovering from the world-wide travel restrictions which were removed later in some countries of our operations e.g. China. The increase this year is consistent with the overall growth of the organisation and the increase in the restricted income.

FUNDS

The net movement in group funds for the year was a deficit of £0.9m compared to a surplus of £1m in the previous year. This is related to restricted funds which related to the timing of income and income recognition rules.

The net movement in unrestricted group funds was a surplus of £43k, compared to £126k in previous year. Unrestricted funds held at the year-end were £2.4m. The net movement in group restricted funds was a deficit of £939k and restricted funds held at the year-end were £2.7m.

RISK MANAGEMENT

The Trustees recognise their role in the management and administration of the Charity and that directorship carries legal responsibilities and duties including a responsibility to assess potential risks facing the Charity. The Trustees note that the major potential risks in the areas of governance and management, operations, and finance are reviewed on a periodic basis and that systems have been put in place to minimise these risks both in the UK and overseas.

The nature of TRAFFIC's conservation programme means that the bulk of funding

dispersed through TRAFFIC's UK office is subcontracted to TRAFFIC branch and subsidiary offices to implement conservation activities overseas. TRAFFIC has well-established guidelines on financial policies and procedures which are followed by TRAFFIC offices globally, including regular review of budgets, financial performance, and related financial management. In addition, TRAFFIC has an established monitoring and evaluation system in place which looks at overall programme delivery and individual project implementation against contracted project budgets and deliverables.

KEY RISKS AND UNCERTAINTIES

TRAFFIC's risk framework focuses on the following key risk areas:

- Strategic risks which influence TRAFFIC's long-term strategic objectives, including governance issues, partner relations, and stakeholders including donors and the public. The Senior Leadership Team meets on a bi-weekly basis to discuss such issues and the wider management have an annual week-long meeting covering areas of risk as well as the topic of risk management itself;
- TRAFFIC recognises that the increased focus on engagement with local communities embedded in our 2030 Strategy comes with increased responsibility towards those impacted by our work and is taking steps to bolster implementation and monitoring of TRAFFIC's safeguarding framework;
- Operational risks which arise from day-to-day issues that TRAFFIC faces as it delivers its conservation programme. These include areas such as project management, office facilities, and human resource management. To minimise these risks, Finance and Operations manuals have been produced, project steering groups are set up for major projects, staff undergo an induction process and appropriate training, and regular team meetings are held;
- Financial risks related to TRAFFIC's effective management and control of its finances including internal controls, monitoring of funding development, and the effects of external factors such as foreign exchange rates. TRAFFIC produces and reviews quarterly financial reports, as well as annual budgets and quarterly reforecasts, to allow potential financial risks to be identified on a timely basis. There is an up-to-date Finance Manual subject to regular review. Monies are kept in major donor currencies to minimise the effects of any exchange rate fluctuations;
- Knowledge management risks related to TRAFFIC's effective management and control of its knowledge resources, including communications materials, intellectual property rights, and system malfunctions. To minimise these risks, some controls include protocols for handling sensitive data, communications policies, cybersecurity measures, and regular backups of data;
- Compliance with laws and regulations related to issues such as health & safety, data protection, employment practices, safeguarding, and other regulatory issues. As well as employing appropriately professionally qualified staff we hold regular meetings with professional advisors both in the UK and in locations where we have offices overseas;

- External risks which may be beyond TRAFFIC's ability to influence, including changes in the physical environment, and in the global economic or political environment, including the high levels of inflation, and the conflict in Ukraine since 2022. To minimise the effects of these risks to the extent possible, staff monitor analysis circulated in the charity community and more broadly and attend external specialist seminars to ensure knowledge in the Charity of possible external risks.

Any "high" risks identified, and the actions taken to mitigate them, are brought to the attention of the Board of Trustees. The Board's Operations Committee review the risk register on a bi-annual basis and the Board of Trustees on an annual basis. The Board reviewed and updated the organisation's overall risk policy in January 2022.

SAFEGUARDING

TRAFFIC International takes very seriously its responsibility to protect people, including our staff, volunteers, partners, consultants, contractors, trustees and others affected by our work, from any harm that may result from coming into contact with our organisation.

As a wildlife conservation charity primarily involved in researching legal and illegal wildlife trade globally, and encouraging necessary action by governments, businesses, and others, TRAFFIC does not usually work directly with children or with adults who could be seen as at risk, nor do we carry out aid-funded relief work. Nevertheless, TRAFFIC employs around 180 staff globally and cooperates with a wide range of public and private sector partner organisations to carry out work related to people and their use of natural resources.

We recognise the importance of ensuring that our work does not have adverse social or environmental impacts at any level, and the need to incorporate these considerations both

into the design and implementation of our activities and into the conduct of our staff and implementing partners.

TRAFFIC is aware that it is bound by the laws of the UK in respect of conduct both at home and abroad. We are committed to acting professionally, fairly, and with integrity in our business dealings and relationships wherever we operate. This includes implementing and enforcing effective systems through a framework of policies including professional conduct, sensitive activity management, anti-bribery, and whistleblowing. TRAFFIC's safeguarding statement can be found on our website.

In 2023, TRAFFIC formally introduced a safeguarding module as part of its staff induction process, and continued improvements to its sensitive activity and local community engagement processes. No reportable issues were raised or identified during the financial year.

ENVIRONMENTAL SUSTAINABILITY

TRAFFIC operates in multiple locations across several continents, managed from the global office in Cambridge, UK. TRAFFIC staff work under a variety of conditions in these strategic locations, from single individuals to larger groups, often hosted within an external organisation's office.

TRAFFIC is a key member of the Cambridge Conservation Initiative (CCI) including as an active participant in CCI's Sustainability Working Group with the 2020-2025 David Attenborough Building Sustainability Strategy and Environmental Sustainability Policy providing the basis for TRAFFIC's Environmental Sustainability Policy (2021).

Global application of the TRAFFIC policy, which includes a number of elements (carbon reduction and energy efficiency; purchasing and procurement; travel and transport; waste management; biodiversity and ecology; water use; and host collaboration and reporting), continues to progress slowly, both because of the ongoing impact of the COVID pandemic and difficulties in capturing and consolidating consumption data from offices in different countries (including the UK) to establish base-line data.

CCI tenants in the David Attenborough Building (DAB) have set themselves the same carbon reduction target (absolute zero by 2048) as the University of Cambridge for Scope 1 and 2 emissions, which relate to energy purchased for the building. In FY22, TRAFFIC and other CCI members began exploring ways to calculate Scope 3 carbon emissions generated indirectly by a range of operational requirements in the DAB, e.g. waste, water, procurement, travel and transport, and how to use carbon offsetting as an option to mitigate the building's carbon footprint.

In FY23, for the first time, TRAFFIC's Cambridge office began offsetting not only for its energy consumption but, in addition to electric (lighting and plugload consumption), TRAFFIC offset for gas and water consumption. The three components totalled just over 14 metric tonnes. As options are identified and adopted by TRAFFIC's headquarters in the UK, they will be rolled out to TRAFFIC offices in other locations as appropriate. However, with TRAFFIC's varied hosting and rental arrangements globally, it is not always possible to secure similar levels of data in overseas locations.

TRAFFIC has continued to apply technological solutions to reduce its business air travel,

but post-pandemic travel has increased with FY23 levels much higher than previously reported at 648 metric tonnes across the entire organisation, which is likely similar to pre-pandemic levels. This figure is more than reported pre-pandemic levels, but a number of factors are at play including a significant increase in total staff numbers since 2020, improved record keeping with the inclusion of overseas offices, and a return to a more 'normal' schedule of international meetings such as the CITES Conference of the Parties, the Convention on Biological Diversity, and a return to face-to-face training and capacity building workshops in all geographic areas. However, as activities go on normalizing, TRAFFIC will continue to develop methods of working to promote lower impact activities and reduce its impact on the natural environment.

TRAFFIC has a long-standing carbon-offset programme currently supporting an organisation called Carbon Tanzania as part of its carbon offset commitment. Based on its FY23 activities, TRAFFIC will contribute £6620 in carbon offset on behalf of its Global Office in the UK and overseas branch offices.

Since the start of the COVID pandemic, TRAFFIC has been donating old laptops that were still usable but determined to be too slow to function effectively as work machines. After machines are wiped of all data and software programmes, and followed by a fresh installation of the Windows operating system, machines are able to provide basic functions such as internet browsing and limited light applications. Since July 2022, 29 laptops have been donated to small local and overseas charities. This activity serves to help reduce digital poverty as well as to reuse old equipment thus reducing waste. during the financial year.

INVESTMENT POLICY

Under the Articles of Association, the Charity has the power to make any investment the Trustees see fit. The investment policy, as approved by the Trustees on 16th February 2005, is that funds will be invested in cash,

bank current accounts, and bank deposits. The Charity currently holds no investments aside from its cash holdings. The Trustees will consider possible amendments to this investment policy on a periodic basis.

RESERVES POLICY

TRAFFIC'S Trustees recognise the importance of establishing reserves to allow the Charity to respond to future opportunities and current global economic challenges, particularly for an organisation with levels of restricted funding significantly higher than unrestricted. The Trustees have set TRAFFIC's general reserve fund target based on the following range: the equivalent of four months of the Charity's planned annual Core expenditure to be maintained at all times and a maximum amount equivalent to six months of the Charity's planned annual core expenditure.

TRAFFIC routinely models various scenarios to help evaluate the level of reserves that should be put aside to protect against

risks such as drops in income, unexpected increases in costs, or, more positively, to allow the organisation to take advantage of new opportunities.

At the year-end, the group had free reserves of £2.4m, equivalent to over four months of planned FY24 core expenditure, before allocations to restricted projects. Free reserves are defined as unrestricted reserves less fixed assets.

Both the amount of free reserves held and the target itself are reviewed on a regular basis. An in-depth review was carried out in 2021, and a more light-touch review in 2023 found the reserve target to still be appropriate.

FUNDRAISING

TRAFFIC does not actively fundraise from the public, although there is the facility to donate on the TRAFFIC website. TRAFFIC does not engage in face-to-face fundraising, telephone fundraising, or direct mail campaigns. There were no licensed street collections in the reporting period. We do not use commercial participators.

All Trustees are aware of the CC20 guidance from the Charity Commission and any future fundraising will be conducted in line with CC20. TRAFFIC contributed to the Fundraising Regulator during the year in support of the Fundraising Code of Conduct.

There have been no formal complaints concerning our fundraising practice during the reporting period.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of TRAFFIC International for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Trustees

must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the surplus or deficit of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- State whether applicable UK Accounting

Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to

ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Each of the Trustees at the date of approval of this report confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
 - The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and
- to establish that the Charity's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRAFFIC was established in 1976 by the Species Survival Commission of IUCN (the International Union for Conservation of Nature), largely to support the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES is an international agreement between more than 180 governments that aims to ensure international trade in specimens of wild animals and plants does not threaten their survival. Over its first two decades of operation, TRAFFIC developed as a network of offices supported by IUCN and WWF and operated as a joint conservation programme of these two international conservation organisations. TRAFFIC International was established in the UK and registered with the Charity Commission on 23rd July 1999 to provide a base for TRAFFIC's global co-ordinating office.

In 2017, a decision was made by WWF, IUCN and TRAFFIC International to consolidate

governance and management of TRAFFIC operations worldwide under the UK Charity. New Articles of Association were adopted in June 2017, providing for an increased number of nine Trustees; up to three each appointed by WWF and IUCN as founder members, and up to another three independent Trustees. Subsequently, in June 2018, the Trustees agreed to merge five overseas offices into the UK charity as branches from 1st July 2018.

Since FY19, the TRAFFIC International accounts thus have incorporated Central Africa, East Africa, Southern Africa, China, Southeast Asia, and Viet Nam as branch or subsidiary offices. With Board approval, a China representative office and a Malaysian company registered by guarantee were established in FY20. Registered offices, again with Board approval, were established in Belgium and Tanzania in FY22.

All seven TRAFFIC entities are located in countries of key importance to wildlife trade and biodiversity conservation. The decision to register separately from TRAFFIC's founding partners in four of those locations was influenced by increases in the scale of TRAFFIC's presence and activities in each, an indication of TRAFFIC's growth and maturity as an organisation.

Affiliated offices in India, Japan, and the USA continue to operate as internal divisions of their respective WWF hosts and are not incorporated into the charity in a legal sense.

The Board delegates day-to-day management of the Charity to Richard Scobey, Executive Director and Chief Executive Officer, who

appoints the Senior Leadership Team, who, for the purposes of regulatory reporting, are collectively the Key Management Personnel along with the Trustees. The Senior Leadership Team develops strategies and plans for the Board to scrutinise and approve. It subsequently monitors and reports on performance against targets.

As provided for under TRAFFIC International's Articles of Association, the Board has established an Operations Committee chaired by a Trustee with the delegated responsibility to review information on budgets, financial performance, organisational development and business risk and to provide advice and recommendations to TRAFFIC management and the Board of Trustees.

TRUSTEES

The Trustees who served during the year, unless otherwise stated, were as follows:

- Mark Halle, Chair
- Pam Davis (appointed May 2023)
- Jeremy Eppel (completion of term August 2023)
- Joshua Ginsberg (resigned July 2022)
- Viviana Figueroa (appointed November 2023)
- Ginette Hemley (completion of term July 2023)
- Jonathan Hutton
- Aban Marker Kabraji
- Jennifer Mohammed-Katerere (resigned September 2023)
- Alistair Monument (appointed August 2023)
- Jacque Pitteloud (appointed January 2023; resigned July 2023)
- Kavita Prakesh-Mani (appointed July 2023)
- Jane Smart (resigned November 2022)
- Heather Sohl

Members of the Board of Trustees are directors for the purpose of company law and Trustees for the purpose of charity law. The

company is limited by guarantee. Therefore, no Trustee had any beneficial interest.

APPOINTMENT OF TRUSTEES

The role of the Trustees is collectively, as a board, to ensure delivery of the Charity's objectives, set its strategic direction, and uphold its values. Trustees have a fundamental and legal obligation to act in the best interests of the Charity, and in accordance with the Charity's governing documents. The Trustees oversee the management and operation of the Charity subject to the provisions of the relevant acts (Charities Act 2011; Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" second edition issued in January 2019) and the Memorandum

and Articles of Association, and any directions given by special resolution. TRAFFIC's Trustees are drawn from within the broad umbrella of its partner organisations as well as the wider conservation community and bring together an extensive range of expertise in terms of programmatic, technical, financial and administrative skills. Terms of reference for the Board of Trustees (Directors) describe the responsibilities of the board and the role of key officers.

TRAFFIC's conflict of interest policy notes that Trustees have a fundamental and legal

obligation to act in the best interests of the Charity, and in accordance with the Charity's governing documents. Trustees who are employees of WWF and IUCN are further bound by the undertaking dated 17 September 1999 made on behalf of the two founding members of the Charity. This document, addressed to the Charity Commission, states on behalf of both organisations that TRAFFIC will function as an autonomous body and that neither WWF or IUCN will be able to define or restrict the activities of the Charity. Legally

and professionally, Trustees therefore serve in a personal and voluntary capacity and not as representatives of their organisations.

Trustees may serve for a maximum of two consecutive three-year terms, then must step down. Due to the number of trustees whose terms were coming to an end in 2022/2023, the Trustees agreed, on an exceptional basis, to a one-year extension of the Board Chair's term to August 2024.

TRUSTEES' INDUCTION AND TRAINING

When an individual accepts an invitation to become a Trustee, as part of the induction process, he or she receives an initial induction pack and meets with a senior manager of TRAFFIC to review the contents of the induction pack and supplementary materials; review responsibilities of Trustees; review current financial situation and general funding sources; review TRAFFIC's

organizational chart, and the Charity's role in the larger TRAFFIC organisation; and review planned future projects and activities. They are regularly provided with financial and programmatic information as well as updates on relevant developments in the UK charity sector. Key documents are provided through a comprehensive governance manual.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the Charity in charge of directing, controlling, and operating the Charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in either year. Details of Trustees' expenses and related party transactions are disclosed in Note 6 to the accounts. The Charity benchmarks remuneration of its Senior Leadership Team against comparable roles in other charities of a similar size and complexity,

within a specified pay band. Each member of the Senior Leadership Team receives an annual cost of living salary increase, which takes into account inflation, changes in national average earnings and pay awards elsewhere in the charity or public sector. The award is made subject to affordability and is paid at the same rate as applied to all other eligible staff in the Charity. Increases to the Executive Director's salary that are above the annual cost-of-living salary increase are reviewed and approved by the Board of Trustees.

PUBLIC BENEFIT

TRAFFIC is a wildlife conservation charity whose vision is of a world where wildlife trade is managed in a way that maintains healthy wildlife populations and ecosystems; contributes to meeting human needs; supports local and national economies; and helps motivate commitments to conserve wild species and habitats.

The organisation's efforts are therefore

focused not only on conserving biological diversity but also on protecting and maintaining the many "ecosystem goods and services" that are or may be threatened by unsustainable or illegal wildlife trade.

In reviewing TRAFFIC's charitable objects and as part of planning and implementing our programme of work, the Trustees, have taken account of the Charity Commission's

guidance on public benefit. The Trustees have considered how TRAFFIC's work will consistently contribute to the Charity's aims

and objectives. TRAFFIC's main areas of charitable activity are detailed throughout this report.

The Trustees' report (which incorporates the requirements of the Strategic Report) was approved by the board on 10 January 2024 and signed on its behalf by:



Mark Halle
Chair

ADMINISTRATIVE INFORMATION

TRUSTEES:

(As of 30 June 2023)

Ginette Hemley
Aban Marker Kabraji
Jennifer Mohamed-Katerere
Jeremy Eppel
Mark Halle
Heather Sohl
Jon Hutton
Pam Davis
Jacque Pitteloud

REGISTERED OFFICE:

David Attenborough Building
Pembroke Street
Cambridge
CB2 3QZ
United Kingdom

COMPANY SECRETARY:

Mr R Scobey

SOLICITORS:

Mills and Reeve
Botanic House
98-100 Hills Rd
Cambridge
CB2 1PH

EXECUTIVE DIRECTOR:

Mr R Scobey

COMPANY REGISTERED NUMBER:

3785518

STATUTORY AUDITOR:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

CHARITY REGISTERED NUMBER:

1076722

BANKERS:

Barclays Bank
Bene't Street
Cambridge
CB2 3PZ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFFIC INTERNATIONAL: YEAR ENDED 30 JUNE 2023

OPINION

We have audited the financial statements of TRAFFIC international for the year ended 30 June 2023 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements

that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and,

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there

is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which

the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on pages 34 and 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Company and Charity law applicable in England and Wales, and overseas branches and subsidiaries complying with local legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's

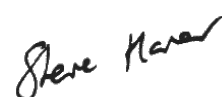
principal risks were related to the posting of inappropriate or improper journal entries and the manipulation of accounting judgements and estimates, including the recognition of income at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of trustees meetings during the year
- Identifying and testing journals, in particular journal entries posted around the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)

For and on behalf of
Haysmacintyre LLP, Statutory
Auditors

10 Queen Street Place
London, EC4R 1AG
Date: 31 January 2024

**TRAFFIC INTERNATIONAL
FINANCIAL STATEMENTS:
YEAR ENDED
30 JUNE 2023**



**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT:
YEAR ENDED 30 JUNE 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:					
Donations		1,034,262	-	1,034,262	1,045,681
Charitable activities		51,068	10,908,328	10,959,396	10,306,741
Investments		-	103	103	106
Other		23,815	-	23,815	8,686
Donated services		-	48,806	48,806	-
Total	5	<u>1,109,145</u>	<u>10,957,237</u>	<u>12,066,382</u>	<u>11,361,214</u>
Expenditure on:					
Raising funds – grant and contract proposal development		246,766	-	246,766	220,661
Charitable activities					
Red stream		633,044	8,230,174	8,863,218	7,475,516
Green stream		141,281	1,836,792	1,978,073	1,573,233
Mixed		130,387	1,743,961	1,874,348	1,090,653
Total charitable activity expenditure		<u>904,712</u>	<u>11,810,927</u>	<u>12,715,639</u>	<u>10,139,402</u>
Total	6	<u>1,151,478</u>	<u>11,810,927</u>	<u>12,962,405</u>	<u>10,360,063</u>
Net (expenditure)/income		(42,333)	(853,690)	(896,023)	1,001,151
Transfers between funds		85,259	(85,259)	-	-
Net movement in funds		<u>42,926</u>	<u>(938,949)</u>	<u>(896,023)</u>	<u>1,001,151</u>
Reconciliation of funds:					
Total funds brought forward		2,321,819	3,596,524	5,918,343	4,917,192
Total funds carried forward		<u>2,364,745</u>	<u>2,657,575</u>	<u>5,022,320</u>	<u>5,918,343</u>

All activities in both years arise from continuing activities. There were no other recognised gains or losses other than those shown in the statement above and the net income for the year.

The notes on pages 46 to 68 form an integral part of these financial statements.

Full comparative figures for the year ended 30 June 2022 are shown in note 20.

BALANCE SHEETS: AS AT 30 JUNE 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed Assets					
Intangible fixed assets	10	990	990	3,192	3,071
Tangible fixed assets	11	41,170	38,080	43,584	39,119
		<u>42,160</u>	<u>39,070</u>	<u>46,776</u>	<u>42,190</u>
Current Assets					
Debtors	12	5,702,942	5,280,453	5,736,739	5,542,931
Cash at bank and in hand		3,362,293	2,991,868	3,767,654	3,566,759
		<u>9,065,235</u>	<u>8,272,321</u>	<u>9,504,393</u>	<u>9,109,690</u>
Liabilities					
Creditors: amounts falling due within one year	13	4,085,075	3,454,517	3,632,826	3,505,809
		<u>4,980,160</u>	<u>4,817,804</u>	<u>5,871,567</u>	<u>5,603,881</u>
Net current assets					
		<u>4,980,160</u>	<u>4,817,804</u>	<u>5,871,567</u>	<u>5,603,881</u>
Total assets less current liabilities being net assets					
		<u>5,022,320</u>	<u>4,856,874</u>	<u>5,918,343</u>	<u>5,646,071</u>
The funds of the Charity					
Restricted funds		2,657,575	2,836,944	3,596,524	3,601,405
Unrestricted		2,364,745	2,019,930	2,321,819	2,044,666
		<u>5,022,320</u>	<u>4,856,874</u>	<u>5,918,343</u>	<u>5,646,071</u>
Total Charity funds	16	<u>5,022,320</u>	<u>4,856,874</u>	<u>5,918,343</u>	<u>5,646,071</u>

The deficit of the Charity before consolidation was £789,197 (2022: surplus £828,751). Further details are presented in note 3.

The financial statements of TRAFFIC International (company number 3785518) were approved by the Board of Trustees and authorised for issue on 10 January 2024 and signed on its behalf by:



Mark Halle

Chair

The notes on pages 46 to 68 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT: YEAR ENDED 30 JUNE 2023

	2023 Total £	2022 Total £
Cash flows from operating activities:		
Net cash flows from operating activities	(376,150)	892,636
Cash flows from investing activities:		
Dividends, interest and rents from investments	103	106
Transfer of assets	-	-
Purchase of fixed assets	(29,314)	(26,268)
Net cash outflow from investing activities	<u>(29,211)</u>	<u>(26,162)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(405,361)</u>	<u>866,474</u>
Cash and cash equivalents at 1 July 2022	<u>3,767,654</u>	<u>2,901,180</u>
Cash and cash equivalents at 30 June 2023	<u>3,362,293</u>	<u>3,767,654</u>
Reconciliation of net cash flows from operating activities:		
Net income	(869,023)	1,001,151
Depreciation and amortisation	33,459	64,184
Loss on fixed asset disposal	471	481
Investment income	(103)	(106)
Decrease/(increase) in debtors	33,797	(1,267,558)
Increase/(decrease) in creditors	452,249	1,117,821
Net cash flows from operating activities	<u>(376,150)</u>	<u>892,636</u>

The notes on pages 46 to 68 form an integral part of these financial statements.

Cash and cash equivalents are represented by cash at bank and in hand.

NOTES TO THE ACCOUNTS: YEAR ENDED 30 JUNE 2023

1. Accounting Policies

TRAFFIC International is a company limited by guarantee and registered in England and Wales (3785518), not having a share capital, and as a Registered Charity with the Charity Commission for England and Wales (1076722). The Charity is not liable to corporation tax on its charitable activities and further details are shown above within the Reference and Administrative details on page 38.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

a) Accounting conventions

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (Second Edition effective 1 January 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006. The Charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Pounds Sterling rounded to the nearest Pound.

b) Going concern

The Trustees are reasonably confident that there are no material uncertainties in TRAFFIC's ability to continue as a going concern and the Group is well placed to manage its business risks successfully. TRAFFIC regularly monitors its pipeline of projects to ensure its conservation objectives and operational needs are met. The Group has significant cash resources and a significant level of net assets. Accordingly, the Trustees continue to adopt the going concern basis. In carrying out this assessment, the Group has also considered the impact of the recent developments in the world and the related political and economic uncertainty.

c) Consolidation

These financial statements consolidate the results of TRAFFIC International Southeast Asia, TRAFFIC International East Africa and TRAFFIC International Europe on a line-by-line basis. TRAFFIC International Southeast Asia is incorporated in Malaysia, East Africa in Tanzania and Europe in Belgium. Transactions and balances between charitable company and its subsidiaries have been eliminated from the consolidated financial statements. There are no significant differences between the accounting policies of the parent charitable company and its subsidiaries. In addition to the subsidiary undertakings, the charitable company has a number of branches which are treated as being part of the results of the charitable company in line with section 25 of the Statement of Recommended Practice. As permitted by Section 408 of Companies Act 2006, no separate Statement of Financial Activities for the Charity has been presented. However, the results of the Charity before consolidation are summarised in note 3.

d) Income

Income is recognised and included in the statement of financial activities when the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be reliably measured. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Donated services are recognised based on the best estimate of the value to the charity, having made the assessment of what the charity would be prepared to pay.

e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. VAT cannot be recovered and is reported as part of the expenditure to which it relates..

Costs of raising funds:

These represent costs of internal allocations for staff involvement in implementation of the Charity's funding strategy, donor liaisons and assistance with proposal development and submission.

Charitable activities:

This includes expenditure incurred in the fulfilment of the objectives of the charitable company including allocated overheads.

Support costs:

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs are allocated on a pro-rata basis according to the total cost of activities undertaken directly and grant funding of activities.

Governance costs:

This includes expenditure incurred in the general running and administering of the charitable company. These costs include external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

f) Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives of three years on a straight-line basis. The current capitalisation policy is £400.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

g) Intangible fixed assets

Intangible assets are shown at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to allocate the assets value evenly over a three-year period. The current capitalisation threshold is £400.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

h) Funds

The Charity records two categories of income—unrestricted and restricted funds.

Unrestricted funds

Unrestricted funds can be used for any purpose approved by the Trustees within the objects of the Charity. Funds that are received without external restriction, and for use in any of the Charity's activities including operational and establishment costs are treated as unrestricted funds and may be designated by the Trustees for particular purposes as deemed appropriate.

Restricted funds

Resources are allocated to restricted funds according to the limitations on their use specified by the donors or other providers.

Restricted funds are allocated to specific activities and outputs usually under the terms of a project contract accompanying the grant. Detailed accounts are maintained for restricted projects including income, expenditure and fund balances by donor. The majority of projects are short-term in nature with grants being expended between one and five years. Deficits within restricted project funds which occur when income is not entitled to

be recognised in the current financial period are carried forward to the next period. Where further funding is not anticipated, a transfer is made from unrestricted funds to cover the deficit.

The Charity does not have any endowment funds.

i) Cash and cash equivalents

Cash at bank and in hand includes interest and non-interest-bearing accounts which are highly liquid.

j) Employee benefits – Pensions

The Charity operates a defined contribution scheme, the assets of which are held separately from those of the Charity. The Charity's contributions are charged to expenditure in the year they are incurred.

k) Foreign exchange

Transactions denominated in foreign currencies are recorded at the daily rate of exchange. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the year end. Gains and losses on re-translation are dealt with as part of the deficit or surplus on ordinary activities for the financial year.

l) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

m) Financial instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3. Result of the charity

	2023 £	2022 £
Income		
Donations	1,005,427	997,364
Charitable activities	10,805,941	9,995,669
Other income	77,567	14,016
	11,888,935	11,007,049
Expenditure		
Charitable activities and raising funds	12,678,132	10,178,298
Funds transferred to subsidiary undertaking		-
	12,678,130	10,178,298
Net income	(-789,197)	828,751
Funds brought forward	5,646,071	4,817,320
Funds carried forward	4,856,874	5,646,071

4. Result of subsidiary undertakings

TRAFFIC International Southeast Asia is a company incorporated in Malaysia and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in January 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run as a branch of TRAFFIC International. On 1 February 2021, the activities and net assets of the branch were transferred to the new company. The results have been included in these financial statements from that date, a summary of which is provided below.

	2023 £	2022 £
Income		
Charitable activities	629,360	749,068
	629,360	749,068
Expenditure		
Charitable activities	782,933	681,891
	782,933	681,891
Net income	(153,573)	67,177
Funds brought forward	152,661	85,484
Funds carried forward	(912)	152,661
Funds		
Total assets	102,178	187,298
Total liabilities	(103,090)	(34,637)
	(912)	152,661

TRAFFIC International East Africa is a company incorporated in Tanzania and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in December 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run as a branch of TRAFFIC International. On 1 January 2022, the activities and net assets of the branch were transferred to the new company. The results have been included in these financial statements from that date, a summary of which is provided below.

	2023 £	2022 £
Income		
Charitable activities	1,480,581	383,835
Net assets transferred from parent undertaking upon incorporation	-	(8,859)
	1,480,581	374,976
Expenditure		
Charitable activities	1,391,503	324,771
	1,391,503	324,771
Net income	89,078	50,205
Funds brought forward	50,205	-
Funds carried forward	139,283	50,205
Funds		
Total assets	175,453	236,992
Total liabilities	(36,170)	(186,787)
	139,283	50,205

TRAFFIC International Europe is a company incorporated in Belgium and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in December 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run by TRAFFIC International.

	2023 £	2022 £
Income		
Charitable activities	214,009	-
	214,009	-
Expenditure		
Charitable activities	166,102	19,692
	166,102	19,692
Net income	47,907	(19,692)
Funds brought forward	(19,692)	-
Funds carried forward	28,215	(19,692)
Funds		
Total assets	17,807	-
Total liabilities	10,408	(19,692)
	28,215	(19,692)

5. Income

All of TRAFFIC International's activity relates to ensuring that trade in wild plants and animals is not a threat to the conservation of nature.

	Unrestricted £	Restricted £	2023 Total £
Donations			
IUCN, WWF & other TRAFFIC entities	1,001,816	-	1,001,816
Corporate and Individuals	32,446	-	32,446
	<u>1,034,262</u>	<u>-</u>	<u>1,034,262</u>
Charitable activities			
IUCN, WWF & other TRAFFIC entities	49,546	2,475,754	2,525,300
Governments	-	5,499,004	5,499,004
Multilaterals	-	479,645	479,645
Foundations and charities	1,522	1,639,903	1,641,425
Corporate and Individuals	-	814,125	814,125
	<u>51,068</u>	<u>10,908,431</u>	<u>10,959,499</u>
Other income	23,258	-	23,258
Bank interest	557	-	557
Donated services	-	48,806	48,806
	<u>1,109,145</u>	<u>10,957,237</u>	<u>12,066,382</u>
2022 Comparative			
	Unrestricted £	Restricted £	2022 Total £
Donations			
IUCN, WWF & other TRAFFIC entities	1,005,252	-	1,005,252
Corporate and Individuals	40,430	-	40,430
	<u>1,045,682</u>	<u>-</u>	<u>1,045,682</u>
Charitable activities			
IUCN, WWF & other TRAFFIC entities	12,171	2,099,714	2,111,885
Governments	10,000	5,938,636	5,948,636
Multilaterals	-	841,933	841,933
Foundations and charities	9,290	1,381,387	1,390,677
Corporate and Individuals	-	13,712	13,712
	<u>31,461</u>	<u>10,275,382</u>	<u>10,306,843</u>
Other income	5,855	2,540	8,395
Bank interest	20	274	294
	<u>1,083,018</u>	<u>10,278,196</u>	<u>11,361,214</u>

Donated services relate to pro bono legal advice received for the purposes of project delivery from various legal advisors through a relationship with International Lawyers Project, a registered charity co-ordinating provision of free legal advice to the not-for-profit sector.

6. Expenditure

All of TRAFFIC International's activity relates to ensuring that trade in wild plants and animals is not a threat to the conservation of nature.

	Direct costs £	Support costs £	2023 Total £
Costs of raising funds	-	246,766	246,766
Charitable activities			
Addressing Wildlife crime & illegal trade	7,637,573	1,225,645	8,863,218
Sustainable legal trade	1,704,537	273,536	1,978,073
Mixed stream	1,621,904	252,444	1,874,348
	<u>10,964,014</u>	<u>1,751,625</u>	<u>12,715,639</u>
	<u>10,964,014</u>	<u>1,998,391</u>	<u>12,962,405</u>

2022 Comparative

	Direct costs £	Support costs £	2022 Total £
Costs of raising funds	-	220,661	220,661
Charitable activities			
Addressing Wildlife crime & illegal trade	6,399,141	1,076,375	7,475,516
Sustainable legal trade	1,346,708	226,525	1,573,233
Mixed stream	933,614	157,039	1,090,653
	<u>8,679,463</u>	<u>1,459,939</u>	<u>10,139,402</u>
	<u>8,679,463</u>	<u>1,680,600</u>	<u>10,360,063</u>

Analysis of expenditure:

	Unrestricted £	Restricted £	2023 Total £
Costs of raising funds			
Staff costs	226,523	-	226,523
Operational	5,268	-	5,268
Establishment	3,572	-	3,572
Travel	4,760	-	4,760
Depreciation	1,051	-	1,051
Foreign exchange gain	(4,190)	-	(4,190)
Governance	9,782	-	9,782
	<u>246,766</u>	<u>-</u>	<u>246,766</u>
Charitable activities			
Staff costs	271,463	6,641,147	6,912,610
Operational	160,762	2,267,677	2,428,439
Establishment	109,004	871,496	980,500
Professional fees	-	89,045	89,045
Project sub-contracts	7,500	864,036	871,536
Travel	145,257	800,545	945,802
Depreciation and amortisation	32,842	-	32,842
Foreign exchange (gain)/loss	(127,870)	276,981	149,111
Governance	305,754	-	305,754
	<u>904,712</u>	<u>11,810,927</u>	<u>12,715,639</u>
Total expenditure	<u>1,151,478</u>	<u>11,810,927</u>	<u>12,962,405</u>

2022 Comparative

Analysis of expenditure:

	Unrestricted £	Restricted £	2022 Total £
Costs of raising funds			
Staff costs	191,867	-	191,867
Operational	4,824	-	4,824
Establishment	18,706	-	18,706
Travel	1,809	-	1,809
Depreciation	1,307	-	1,307
Foreign exchange gain	(5,583)	-	(5,583)
Governance	7,731	-	7,731
	<u>220,661</u>	<u>-</u>	<u>220,661</u>
Charitable activities			
Staff costs	441,778	5,412,644	5,854,422
Operational	147,187	1,793,882	1,941,069
Establishment	37,084	792,544	829,628
Professional fees	-	16,350	16,350
Project sub-contracts	7,500	871,777	879,277
Travel	55,192	391,740	446,932
Depreciation and amortisation	40,855	-	40,855
Foreign exchange (gain)/loss	(170,357)	59,555	(110,802)
Governance	241,671	-	241,671
	<u>800,910</u>	<u>9,338,492</u>	<u>10,139,402</u>
Total expenditure	<u>1,021,571</u>	<u>9,338,492</u>	<u>10,360,063</u>

7. Support costs

	Support £	Governance £	2023 £
Professional fees	-	97,278	97,278
Auditor's remuneration	-	28,054	28,054
Other audits	-	15,157	15,157
Staff costs	1,465,771	168,066	1,633,837
Operational	-	3,909	3,909
Establishment costs	183,792	2,650	186,442
Travel	33,292	3,531	36,823
Foreign exchange gain		(3,109)	(3,109)
Total	1,682,855	315,536	1,998,391

2022 Comparative

	Support £	Governance £	2022 £
Professional fees	-	69,411	69,411
Auditor's remuneration	-	7,142	7,142
Other audits	-	15,157	15,157
Staff costs	1,255,634	142,972	1,398,606
Operational	-	3,594	3,594
Establishment costs	162,627	13,939	176,566
Travel	12,936	1,348	14,284
Foreign exchange gain	-	(4,160)	(4,160)
Total	1,431,197	249,403	1,680,600

Support costs are allocated on a pro-rata basis according to the total cost of activities undertaken directly and grant funding of activities. Fees payable to the Charity's auditor are for the audit of the charity's annual financial statements.

8. Employee and Trustee Information

	2023	2022
	£	£
a) Staff costs:		
Wages and salaries	5,522,518	4,815,124
Social security costs	1,035,132	704,177
Pension costs	559,885	473,111
Other benefits	88,785	72,549
Other staff costs	100,879	124,300
	<u>7,307,199</u>	<u>6,189,261</u>

Other staff costs include an accrual for untaken annual leave outstanding at the year end, in line with the requirements of FRS102.

	2023	2022
b) The average number of persons, employed during the year was:		
Management and Administration	75	74
Programme and Research	112	95
	<u>187</u>	<u>169</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties. Five trustees received payments for expenses during 2023 totalling £5,306 (2022 – £6,292).

	2023	2022
c) Employees with emoluments over £60,000 were:		
£60,001 – £70,000	7	3
£70,001 – £80,000	1	5
£80,001 – £90,000	4	-
£90,001 – £100,000	4	2
£110,001 – £120,000	1	1
£120,001 – £130,000	1	-
	<u>18</u>	<u>11</u>

d) Senior leadership team

Total remuneration of the Key Management Personnel (the Trustees with the Senior Leadership Team comprising the Executive Director and other senior managers), including pension contributions excluding social security costs, was £754,377 (2022: £772,426) for ten (2022: nine) staff members. No Trustees received nor waived any remuneration.

9. Employee benefits - Pension costs

The Charity's pension contributions are made to defined contribution schemes. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £559,885 (2022: £473,111).

10. Intangible fixed assets

GROUP	Computer Software £
Cost:	
At 1 July 2022	94,624
Additions	-
Disposals	(449)
At 30 June 2023	<u>94,175</u>
Amortisation:	
At 1 July 2022	91,432
Additions	2,202
Eliminated on disposals	(449)
At 30 June 2023	<u>93,185</u>
Net book value:	
At 30 June 2023	<u>990</u>
At 30 June 2022	<u>3,192</u>
CHARITY	Computer Software £
Cost:	
At 1 July 2022	94,175
Additions	-
At 30 June 2023	<u>94,175</u>
Amortisation:	
At 1 July 2022	91,104
Charge for year	2,081
At 30 June 2023	<u>93,185</u>
Net book value:	
At 30 June 2023	<u>990</u>
At 30 June 2022	<u>3,071</u>

11. Tangible fixed assets

GROUP	Leasehold improvements £	Fixtures & Fittings £	Vehicles £	Computer Equipment £	Total £
Cost:					
At 1 July 2022	10,861	54,930	55,208	197,253	318,252
Additions	-	1,132	-	28,182	29,314
Disposals	(10,861)	(17,965)	-	-	(28,826)
At 30 June 2023	-	38,097	55,208	225,435	318,740
Depreciation:					
At 1 July 2022	10,054	44,186	55,208	165,221	274,669
Charge for year	808	5,351	-	25,098	31,257
Released on disposals	(10,862)	(17,494)	-	-	(28,356)
At 30 June 2023	-	32,043	55,208	190,319	277,570
Net book value:					
At 30 June 2023	-	6,054	-	35,116	41,170
At 30 June 2022	807	10,744	-	32,033	43,584
CHARITY					
Cost:					
At 1 July 2022	-	36,158	55,208	185,923	277,289
Additions	-	1,132	-	26,065	27,197
Disposals	-	(761)	-	-	(761)
At 30 June 2023	-	36,529	55,208	211,988	303,725
Depreciation:					
At 1 July 2022	-	26,636	55,208	156,325	238,169
Charge for year	-	4,754	-	22,982	27,736
Released on disposals	-	(260)	-	-	(260)
At 30 June 2022	-	31,130	55,208	179,307	265,645
Net book value:					
At 30 June 2023	-	5,399	-	32,681	38,080
At 30 June 2022	-	9,521	-	29,598	39,119

12. Debtors: amounts falling within one year

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Trade debtors	668,044	629,286	479,036	450,312
Other debtors	153,628	45,232	83,041	17,066
Amounts held by hosts	518,608	271,318	326,749	271,903
Prepayments	111,616	91,731	99,188	76,687
Accrued income	4,251,046	4,242,886	4,748,725	4,726,963
	<u>5,702,942</u>	<u>5,280,453</u>	<u>5,736,739</u>	<u>5,542,931</u>

Amounts held by host relates to cash amounts held by hosts on behalf of branches.

13. Creditors: falling due within one year

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Trade creditors	219,131	213,445	207,169	164,963
Other creditors	65,330	28,337	87,540	85,327
Accruals	1,451,138	1,386,638	1,205,412	1,007,361
Salary and tax creditors	34,539	25,948	32,765	19,352
Amounts owed to hosts	497,969	39,775	169,798	169,798
Amounts owed to subsidiary undertakings	-	48,056	-	144,116
Deferred income	1,816,968	1,712,318	1,930,142	1,914,892
	<u>4,085,075</u>	<u>3,454,517</u>	<u>3,632,826</u>	<u>3,505,809</u>

Amounts owed to hosts relate to cash balances owed to hosts by branches.

14. Deferred income

	2023 Total	2022 Total
	£	£
Balance at the beginning of the year	1,930,142	573,184
Amount released to income in the year	(1,930,142)	(573,184)
Amount deferred in the year	1,816,968	1,930,142
Balance at the end of the year	<u>1,816,968</u>	<u>1,930,142</u>

Deferred income represents income received from donors in advance of contracted activity.

15. Analysis of charitable funds

	1 July 2022	Income	Expenditure	Transfers	30 June 2023
	£	£	£	£	£
Unrestricted funds	2,321,819	1,109,145	(1,151,478)	85,259	2,364,745
Restricted funds					
Major projects:					
Postcode Lottery TRACE	191,141	300,405	(329,807)	-	161,739
Targeting Natural Resources Corruption	(110,222)	401,199	(265,998)	-	24,979
CONNECT	(78,048)	539,610	(240,905)	-	220,657
Countering Wildlife Trafficking in Angola	135,269	381,294	(312,980)	-	203,583
Removing the Risk of Wildlife Smuggling from Malaysia's International Mail Service	57,589	98,968	(102,156)	-	54,401
WTRAPS	611,522	375,804	(614,108)	(17,182)	356,036
Reducing Trade Threats to Wild Species and Ecosystems in Africa	63,185	535,416	(421,232)	-	177,369
Law Enforcement in Madagascar: A United Response to Combating Wildlife Crime	317,490	390,143	(250,463)		457,170
Strengthening Law Enforcement Capacity and Collaboration to Combat the Illegal Wildlife Trade in Cameroon	137,829	94,667	(202,108)	4,927	35,315
OES Crime Convergence Indonesia	111,553	461,168	(597,902)	-	(25,181)
Leveraging legality along China's timber supply to reduce deforestation	534,892	890,742	(866,138)		559,496
Institutionalise cascaded transboundary, interagency joint law enforcement governance in the Kavango Zambezi (KAZA)	68,228	83,678	(127,325)	-	24,581
Reducing Maritime Trafficking	79,369	107,409	(245,398)	-	(58,620)
Pelargonium sidoides Biodiversity Management Plan	215,997	162,150	(162,923)	-	215,224
RTI Tuhifadhi Maliasili	98,964	83,501	(313,552)	-	(131,087)
Himalayan Plants for People	(58,221)	153,605	(87,130)	-	8,254
Strengthening Wildlife Law Enforcement	172,316	445,248	(420,911)	-	196,653
Money laundering and the illegal wildlife trade in China	74,866	199,108	(132,186)	-	141,788
CWT in sub-Saharan Africa	(24,944)	217,263	(214,845)	-	(22,526)
Anti-Corruption and Combatting Wildlife Trafficking Activity - Madagascar	112,743	211,172	(168,020)	-	155,895
Demand reduction, Enforcement and policies supporting the conservation of Elephants and Rhinos	26,464	645,707	(476,569)	-	195,602
SA Wildlife Investigator Mentoring Scheme	21,850	407,176	(313,099)	-	115,927
	<u>2,759,832</u>	<u>7,185,433</u>	<u>(6,865,755)</u>	<u>(12,255)</u>	<u>3,067,255</u>
Other projects	836,692	3,771,804	(4,945,172)	(73,004)	(409,680)
	<u>3,596,524</u>	<u>10,957,237</u>	<u>(11,810,927)</u>	<u>(85,259)</u>	<u>2,657,575</u>
Total funds	<u>5,918,343</u>	<u>12,066,382</u>	<u>(12,962,405)</u>	<u>-</u>	<u>5,022,320</u>

During the year a transfers of £85,259 were made from restricted to unrestricted funds. They were related to the write off of foreign exchange variances as well as small surpluses allowed by donors.

The negative balances in this note do not represent project deficits but relate to statutory adjustments. For these projects, income was received in advance and spent on project activities, but a proportion of income was deferred in line with the project contracts and income recognition rules.

Leveraging legality along China's timber supply to reduce deforestation

Funded by Norwegian Agency for Development Cooperation

The project leverages China's and Vietnam's significant market role in the timber supply chain from source countries in the Congo Basin, to reduce unsustainable forestry operations and illegal timber trade. Along the supply chain, knowledge products, work with the financial sector and support for communication between agencies will increase detection and investigation, further deterring illegality.

Wildlife Trafficking, Response, Assessment and Priority Setting (Wildlife TRAPS) Project

Funded by USAID (United States Agency for International Development) via IUCN

TRAFFIC, in collaboration with IUCN, has devised the Wildlife TRAPS (Wildlife Trafficking, Response, Assessment, and Priority Setting Project) to develop and deliver a suite of ground-breaking partnerships and pioneering approaches to tackle wildlife crime between Africa and Asia. Wildlife TRAPS is building a collective understanding of the true character and scale of the response required through a series of targeted trade assessments looking at specific species and geographic regions.

Law Enforcement in Madagascar: a United Response to Combatting Wildlife Crime (LEMUR.CWC)

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The goal of LEMUR CWC is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a focus on Madagascar. Progress towards this goal will be achieved through the delivery on three of the four Objectives articulated by the Bureau of International Narcotics and Law Enforcement Affairs (INL), namely: Objective 1: Build interdiction, investigative, and enforcement capacity to stop the transit of protected wildlife; Objective 2: Enhance prosecutorial and judicial capacity to successfully prosecute those illegally transiting wildlife products with adequate sentencing; and Objective 3: Encourage increased cross-border cooperation with neighbouring or source countries to more effectively combat wildlife trafficking..

OES Crime Convergence Indonesia

Funded by the U.S. Department of State's Bureau of Oceans and International Environmental and Scientific Affairs (OES)

The project aims to identify, analyse, and map the illicit networks associated with conservation crimes and understand the links, where they may exist, between the different trafficking networks associated with conservation crimes in Indonesia, Vietnam, Cameroon and Brazil.

Strengthening Law Enforcement Capacity and Collaboration to Combat Illegal Wildlife Trade in Cameroon

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The project addresses INL Sub-Objectives 3.1 – 3.4, and supports Cameroon's efforts to reduce illegal wildlife trafficking by building capacity of wildlife law enforcement officials and judiciary across all sectors, improving communication and coordination skills between the different agencies, both nationally and cross-border. Combined, these efforts will result in a greater number of interdictions, prosecutions and successful, deterrent convictions.

Strengthening Wildlife Law Enforcement

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The purpose of this project is to address law enforcement capacity shortfalls in East Africa by institutionalising training and providing online resources for critical law enforcement authorities to better address illegal wildlife trade.

Reducing Trade threats in Africa's wild species and ecosystem

Funded by the ARCADIA Foundation

The purpose of the project is to strengthen actions to conserve and protect wildlife populations, areas of high biodiversity, and communities in Africa threatened by illegal and unsustainable wildlife trade, with a focus on trade to Asia. Building on the successes in the first phase of the ReTTA project, ReTTA Phase II expands the data gathering and analysis of vital wildlife trade knowledge by ourselves, partners and governments on the African continent and following primary trafficking routes into Asia promotes evidence-based solutions with those best placed to take remedial action. The project will continue to develop and promote some of the potentially game-changing solutions that were initiated in the first phase of the project.

Demand reduction, Enforcement and policies supporting The conservation of Elephants and Rhinos - DETER

Funded by the German Agency for International Cooperation (GIZ)

The goal of the project is to support elephant, rhino, and pangolin conservation by driving demand reduction, improved enforcement and increased political will to stop the illegal trade in wildlife products. This will be achieved through reducing consumer demand for elephant and rhino products in China and Viet Nam through providing leadership on demand reduction strategies and engaging key stakeholders to maximise the influence of interventions. The project will also support enforcement against IWT activities in China, selected neighbouring countries, and African countries through capacity building, trans-continental collaboration and improved communications. An enabling policy environment in Africa and China will be supported to facilitate these actions.

Countering Wildlife Trafficking in Angola

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The goal of this project is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a particular focus on Angola. Progress towards this goal will be achieved through delivering on three of the four Objectives articulated by the Bureau of International Narcotics and Law Enforcement Affairs (INL), namely: Objective 1: Build interdiction, investigative, and enforcement capacity to stop the transit of protected wildlife; Objective 2: Enhance prosecutorial and judicial capacity to successfully prosecute those illegally transiting wildlife products with adequate sentencing; and Objective 4: Encourage increased cross-border cooperation with neighbouring or source countries to more effectively combat wildlife trafficking.

Tackling the Illegal Wildlife Trade through developing forensic capacity in Southern Africa

Funded by the Postcode Animal Trust

The project aims to strengthen our activities relating to reducing illegal wildlife trade in Southern Africa, specifically through the development of wildlife forensic capacity to enhance wildlife law enforcement. The overall goal is to ensure that access to forensic science is available to support wildlife law enforcement in Malawi, Zambia, and Zimbabwe.

CONNECT

Funded by USAID (United States Agency for International Development) via IUCN

The Conserving Natural Capital and Enhancing Collaborative Management of Transboundary Resources in East Africa (CONNECT) project aims to 1) strengthen regional policy dialogue, learning and decision-making on management of transboundary resources, 2) Improve sustainable management of key transboundary landscapes, 3) increase awareness of the economic and intrinsic value of living wildlife, 4) reduce demand for illicit wildlife products, and 5) improve regional and bilateral collaboration on enforcement and prosecution.

Targeting Natural Resource Corruption (TNRC)

Funded by USAID via WWF US.

TRAFFIC works as part of a consortium led by WWF US to better understand corruption and how to best address it. The consortium provides expertise on corruption both within and outside the field of conservation. By bringing collective expertise and operational capacities, the project helps USAID achieve its key objectives of gaining insight into corruption from sources outside the conservation arena; developing and building cross-sectoral coalitions and using the insights gained to better develop context-specific solutions to natural resource corruption. Collective global networks are leveraged to develop new thought leadership and research for USAID on how to approach anti-corruption issues in the NRM sector.

Removing the Risk of Wildlife Smuggling from Malaysia's International Mail Service.

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The purpose of the project is to improve the interdiction of wildlife products trafficked through international mail in Malaysia and to reduce the ability of criminal groups to profit from trafficking of wildlife, their parts and products. Activities are focused on the Pos Malaysia International Hub (PMIH), the central handling point and gateway for all international mail, small packets and parcels arriving and leaving the country. Activities involve building capacity and empowering staff with the right information, skills and tools to enable action against wildlife trafficking via international mail. Interventions are designed to lead to improved identification, interception and reporting of packages containing wildlife prohibited from trade.

Institutionalise cascaded transboundary, interagency joint law enforcement governance in the Kavango Zambezi (KAZA) Transfrontier Conservation Area (TFCA) to decrease the poaching and trafficking of at-risk wildlife.

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) via Peace Parks Foundation.

Implementing activities alongside Peace Parks Foundation to reduce the ability of criminal groups to carry out and profit from poaching and trafficking of protected animals and their body parts originating from or transiting Africa and in particular: - Giving effect to the Southern African Development Community (SADC) and KAZA Law Enforcement and Anti-Poaching strategies, inhibit the ability of criminal groups to poach and traffic wildlife products, forestry, and other natural resources through within, between and from the KAZA Partner States through building and strengthening joint governance systems and developing capacity, synergy and effectiveness of law enforcement agencies.

Reducing Maritime Trafficking of Wildlife between Africa and Asia.

Funded by USAID via UNDP

This initiative is part of the global coordination child project of the Global Wildlife Program (GEF Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development; Coordinate Action and Learning to Combat Wildlife Crime Project. Project goal is to reduce maritime trafficking of wildlife (including elephant, rhinoceros and pangolin) between Africa and Asia through strengthening of capacity at ports and improving South-South cooperation to control wildlife trafficking. The project will contribute to enhanced collaboration among concerned stakeholders to prevent wildlife trafficking.

Pelargonium sidoides Biodiversity Management Plan.

Funded by GEF via UNDP

TRAFFIC's activities are part of the wider project "Development of Value Chains for Products derived from Genetic Resources in Compliance with the Nagoya Protocol on Access and Benefit Sharing (ABS) and the National Biodiversity Economy Strategy (NBES)"

TRAFFIC's role is focused upon *Pelargonium sidoides*, including the development of the current Biodiversity Management Plan, research into resource recovery in South Africa and Lesotho, harvest methodologies and activities with the *Pelargonium* Working Group.

Tuhifadhi Maliasili.

Funded by USAID via RTI

The goal of the USAID Tuhifadhi Maliasili (TM) activity is to address dynamics that hinder habitat connectivity and the long-term persistence of biodiversity in Tanzania. RTI subcontracts TRAFFIC to implement activities concerning assessment of trade dynamics of threatened species, behaviour change interventions and strengthening of law enforcement and judicial capacity to combat wildlife crime. Activities help the TM Activity to achieve goal to strengthen policy frameworks for biodiversity conservation, natural resource management, improve sustainable tourism and reduce wildlife crime in Tanzania.

Himalayan plants for people: sustainable trade for biodiversity and development.

Funded by Defra Darwin Initiative

This project aims to secure local incomes and healthcare, threatened by declining biodiversity and natural resource access, linked to overharvest of medicinal species in Nepal's high Himalayas. It scales up a market-based model for sustainable, equitable trade across high-priority plant species and districts, while driving integration of non-timber forest products (NTFPs) into Community Forestry nationally.

Locally-led activities include participatory inventories of NTFPs; training >5,000 harvesters/processors; enhancing Community Forest management and trade; and policy engagement to incentivise sustainable local biodiversity management.

Money Laundering and the Illegal Wildlife Trade in China.

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

This project aims to contribute to the INL goal of improving China's will and capacity to investigate, arrest, prosecute, convict, and sentence to the fullest extent of the law the perpetrators of wildlife crime, with a focus on Anti Money Laundering (AML) approaches and anticorruption strategies. The project has developed guidelines for wildlife law enforcement agencies and courts to increase their understanding and implementation for the updated AML regulations in

China. Training has been delivered including technical expertise to the Peoples Bank of China. TRAFFIC facilitates regular information sharing between provinces to strengthen law enforcement collaboration against wildlife trafficking.

Automated X-ray Scanner Image Detection to Counter Wildlife Trafficking.

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) via WWF US

This project aims to operationalize an automated system for detecting rhino horn in baggage screening systems without compromising the security of the air transport supply chain and support interception by enforcement agencies at OR Tambo International Airport (ORTIA),

South Africa. Uptake of the technology is promoted to stakeholders in Namibia and Kenya, and feasibility assessed, to increase the capacity of law enforcement to detect and intercept trafficked rhino horn in air transport in Africa. TRAFFIC is a sub grantee under this INL award and plays a key role in leading on the engagement and activities in South Africa in coordinating efforts to apply the x-ray detection technology at ORTIA and build capacities and awareness.

Anti-Corruption and Combatting Wildlife Trafficking Activity – Madagascar.

Funded by USAID via WWF US

The goal of the project is to contribute to a reduction of corruption in natural resources to improve conservation outcomes. Anti-corruption actions are key to the good governance and management of Madagascar's natural resources and biodiversity. To fight against issues posed by corruption, stakeholders and different levels must be engaged. TRAFFIC leads implementation of activities to improve the ability of the Malagasy government to use enforcement of financial crimes as an approach to tackle illegal wildlife trade and corruption. Building on extensive experience implementing court case monitoring programs in Madagascar, TRAFFIC also leads on the further development of court case monitoring efforts.

Development of a Comprehensive Mentoring Program for Junior Wildlife Investigators in South Africa

Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)

The goal of the project is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a particular focus on South Africa. This is the latest phase of a long term collaboration with INL to support mentoring for wildlife investigators since 2016. The aim is to provide an enhanced mentorship experience for all mentees and to develop tailored mentorship models for each provincial conservation agency and setting out a structure for continued mentoring of junior wildlife investigators beyond the life of the project.

Analysis of charitable funds for the year ended 30 June 2022:

	1 July 2021 £	Income £	Expenditure £	Transfers £	30 June 2022 £
Unrestricted funds	2,183,791	1,083,018	(1,021,571)	76,581	2,321,819
Restricted funds					
Major projects:					
Leveraging legality along China's timber supply to reduce deforestation	183,799	1,040,985	(689,892)	-	534,892
WTRAPS	548,826	572,857	(475,515)	(34,647)	611,521
Law Enforcement in Madagascar: a United Response to Combating Wildlife Crime	37,475	422,300	(345,883)	-	113,892
OES Crime Convergence Indonesia	13,498	411,448	(341,731)	-	83,215
Strengthening Law Enforcement Capacity and Collaboration to Combat the Illegal Wildlife Trade in Cameroon	75,201	394,312	(331,684)	-	137,829
WABILED	-	385,658	(55,989)	-	329,669
Saving Threatened Wildlife	-	383,829	(143,836)	-	239,993
Reducing Trade Threats to Wild Species and Ecosystems Through Strengthened Knowledge in Africa	190,503	335,026	(437,707)	(24,636)	63,186
Strengthening Wildlife Law Enforcement	-	332,472	(160,156)	-	172,316
Combatting Illegal Wildlife Trade, focusing on Ivory, Rhino Horn, Tiger and Pangolin in Thailand	91,154	217,630	(423,470)	-	(114,686)
The Combating Wildlife Crime Project	423,467	215,845	(368,476)	-	270,836
Demand reduction, Enforcement and policies supporting The conservation of Elephants and Rhinos	-	140,423	(106,797)	(7,162)	26,464
Countering Wildlife Trafficking in Angola	165,619	124,470	(188,009)	-	102,080
South Africa Wildlife Investigator Mentoring Scheme	266,688	77,036	(395,368)	-	(51,644)
Postcode Lottery TRACE	248,205	50,037	(107,101)	-	191,141
CONNECT	92,937	41,544	(320,125)	-	(185,644)
	<u>2,337,372</u>	<u>5,145,872</u>	<u>(4,891,739)</u>	<u>(66,445)</u>	<u>2,520,060</u>
Other projects	396,029	5,132,324	(4,446,753)	(10,136)	1,071,464
	<u>2,733,401</u>	<u>10,278,196</u>	<u>(9,338,492)</u>	<u>(76,581)</u>	<u>3,596,524</u>
Total funds	<u>4,917,192</u>	<u>11,361,214</u>	<u>(10,360,063)</u>	<u>-</u>	<u>5,918,343</u>

16. Allocation of net assets between funds

Group	Restricted funds £	Unrestricted funds £	2023 Total £
Fixed assets	-	42,160	42,160
Current assets	6,221,740	2,843,495	9,065,235
Current liabilities	(3,564,165)	(520,910)	(4,085,075)
Total funds	2,657,575	2,364,745	5,022,320

Charity	Restricted funds £	Unrestricted funds £	2023 Total £
Fixed assets	-	39,070	39,070
Current assets	5,865,004	2,407,317	8,272,321
Current liabilities	(3,028,060)	(426,457)	(3,454,517)
Total funds	2,836,944	2,019,930	4,856,874

2022 Comparative Group	Restricted funds £	Unrestricted funds £	2022 Total £
Fixed assets	-	46,776	46,776
Current assets	6,639,761	2,864,632	9,504,393
Current liabilities	(3,043,237)	(589,589)	(3,632,826)
Total funds	3,596,524	2,321,819	5,918,343

2022 Comparative Charity	Restricted funds £	Unrestricted funds £	2022 Total £
Fixed assets	-	42,190	42,190
Current assets	6,652,373	2,457,318	9,109,691
Current liabilities	(3,050,968)	(454,842)	(3,505,810)
Total funds	3,601,405	2,044,666	5,646,071

17. Operating leases

At 30 June 2023 the Charity had total commitments under non-cancellable operating leases as set out below:

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
	Land & Buildings	Land & Buildings	Land & Buildings	Land & Buildings
Payment due:				
Within one year	122,329	61,661	87,496	58,663
Within two to five years	137,413	54,840	93,077	93,077
	<u>259,742</u>	<u>116,501</u>	<u>180,573</u>	<u>151,740</u>

18. Related party transactions

The following transactions took place between the TRAFFIC International and its wholly owned subsidiaries - TRAFFIC International Southeast Asia, TRAFFIC International Tanzania and TRAFFIC International Europe:

Transfer of project income of £2,098,383 (2022: £1,069,522) and core income of £190,673 (2022: £79,403) from the parent undertaking to the subsidiary.

Service support charges of £88,620 (2022: £57,934) were made by the parent undertaking to the subsidiary.

Grants of £nil (2022: £nil) were transferred from the subsidiary to the parent undertaking.

At the year end, the parent undertaking owed £48,056 (2022: £31,569) to the subsidiary undertakings.

There were no other related party transactions in the current or previous year.

19. Taxation

The Charity is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

20. Comparative Statement of Financial Activities (Year ended 30 June 2022)

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income from:				
Donations		1,045,681	-	1,045,681
Charitable activities		31,461	10,275,280	10,306,741
Investments		4	102	106
Other		5,872	2,814	8,686
Total	5	<u>1,083,018</u>	<u>10,278,196</u>	<u>11,361,214</u>
Expenditure on:				
Raising funds – grant and contract proposal development		220,661	-	220,661
Charitable activities				
Red stream		590,490	6,885,026	7,475,516
Green stream		124,269	1,448,964	1,573,233
Mixed		86,151	1,004,502	1,090,653
Total charitable activity expenditure		<u>800,910</u>	<u>9,338,492</u>	<u>10,139,402</u>
Total	6	<u>1,021,571</u>	<u>9,338,492</u>	<u>10,360,063</u>
Net income/(expenditure)		61,447	939,704	1,001,151
Transfers between funds		76,581	(76,581)	-
Net movement in funds		<u>138,028</u>	<u>863,123</u>	<u>1,001,151</u>
Reconciliation of funds:				
Total funds brought forward		2,183,791	2,733,401	4,917,192
Total funds carried forward		<u>2,321,819</u>	<u>3,596,524</u>	<u>5,918,343</u>

IMAGE CREDITS

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JANUARY 2023

WORKING TO ENSURE THE TRADE IN
WILD PLANTS AND ANIMALS IS NOT
A THREAT TO THE CONSERVATION
OF NATURE

TRAFFIC

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