

## **Clean Trade**

### **Trustees Report and Financial Statements**

**Financial period: 1<sup>st</sup> September 2020 - 31<sup>st</sup> August 2021**

**Charitable Incorporated Organisation  
Registration number 1177571**

### **Reference & Administrative Details:**

Board of Trustees:

Prof. Leif Wenar (Chairperson) (indefinite appointment)  
Mr. Paul Jourdan (appointed on 14<sup>th</sup> March 2018 for a five-year term)  
Mr. Richard Meeran (appointed on 14<sup>th</sup> March 2018 for a four-year term)  
Dr. Octavio Ferraz (re-appointed on 18<sup>th</sup> June 2021 for a three-year term)

Chief Executive:

Mr. Andrew Togher

Registered Office:

78 Offord Road  
London  
N1 1EB

Principal Bankers:

Virgin Money  
154 - 158 Kensington High Street  
London  
W8 7RL

Type of Governing Document: Constitution of a Charitable Incorporated Organisation whose only voting members are its charity trustees

## **INTRODUCTION**

The Trustees of Clean Trade present their report and accounts for the financial period 1<sup>st</sup> September 2020 - 31<sup>st</sup> August 2021.

Clean Trade was incorporated as a Charitable Incorporated Organisation on the 14<sup>th</sup> March 2018. The trustees would like to offer sincere thanks to all those involved in supporting Clean Trade for their hard work since then, seeking to establish the right of peoples to benefit from their countries' natural wealth and resources.

Objectives for the financial period ending 31<sup>st</sup> August 2021 were to continue research and outreach to put into action the strategy agreed by the Trustees in September 2019. Funding had been received to allow operations to continue in the financial year 2021-22.

As anticipated the global pandemic had a deep impact on Clean Trade's ability to work with stakeholders, and in particular to pursue the core strategy of engagement with the United Nations Human Rights Treaty Bodies. It was decided that research and analysis to build collateral for future work with the United Nations, and with the business, investor and legal sectors, would be a priority until at least the end of 2021.

## **Governance**

Clean Trade was formed using the standard Foundation constitution for Charitable Incorporated Organisations provided by the Charity Commission of England & Wales. The charity was formed with four trustees who will each serve terms as listed above, as founding trustees. The charity has been formed as a CIO whose only voting membership is its charity trustees. The founding trustees were selected by the Chair based on their respective sets of expertise; future trustees will be selected based on their relevant expertise and will be appointed by the existing Board of Trustees.

## **Policies & Procedures**

Clean Trade has put in place policies and procedures on the following subjects, which are available upon request:

- General Data Protection Regulations
- Fundraising
- Health & Safety
- Whistleblowing, Complaints & Safeguarding
- Risk Management
- Anti-Money Laundering
- Conflicts of Interests

As the charity currently has no direct employees, with staff working on a consultancy and/or voluntary basis, human resources policies are not yet required.

## **Objectives**

The trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 to have due regard to the Charity Commission's general guidance on public benefit.

The charitable objects set out in Clean Trade's incorporation documents are:

*To promote human rights (as set out in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the*

*International Covenant on Economic, Social and Cultural Rights and subsequent United Nations conventions and declarations), and in particular the right of all peoples to enjoy and utilize fully and freely their natural wealth and resources, so that they may for their own ends freely dispose of their natural wealth and resources.*

## **Background and mission**

The world's leading resource-rich states outside the West are on average no richer, no freer and no more peaceful than they were even in 1980. What drives these failures is who controls resource revenues in these states. In most major resource-exporting states, the revenues are controlled by authoritarian regimes and armed groups that are entirely unaccountable to the people of the country; this empowers them to be more oppressive or violent or corrupt. Authoritarians and armed groups in countries that export high-value extractives - oil, metals and gems - can ignore their citizen's rights while seeding wars and terrorism that impact the security and prosperity of people around the world.

**Most civil wars, most authoritarian regimes, most hunger crises, and most highly corrupt governments are in countries rich with oil, metals or gems. These countries are also the source of most of the world's refugees and will soon be home to most of the world's extreme poverty.**

Western consumers sponsor misrule when they buy products - from oil to mobile phones - without knowing where their raw materials come from, or that they are sending trillions of dollars a year through supply chains to fund authoritarian regimes. Stolen resources make their way into every facet of daily lives across the world.

Since the 17<sup>th</sup> century, national trade laws made it legal to buy natural resources from anyone who has control over them, even if the control is by force. This rule of 'might makes right' is what gives legitimacy to the purchase of resources from oppressive regimes and armed groups. Other forms of 'might makes right,' such as the slave trade and colonial rule, have long been abolished in international law—yet coercion-based trade in resources remains the international norm today.

Fortunately, the language of international Human Rights law is clear: it insists that it is the people, and not the powerful, who have the ultimate right to control the resources of their country. ***Clean Trade works to bring resource trade into the modern era by increasing recognition of the human right of all peoples to the natural resources of their country.*** Countries where the people can hold their government accountable for resource exports are much less likely to suffer authoritarian rule, grand corruption, civil war, and their resulting tragedies.

Clean Trade's vision is for a world in which all peoples can hold accountable those who sell off their natural resources. Our mission is to see citizens' right to their natural resources respected worldwide, as a matter of national and international law.

## **Activities and outcomes**

The activities Clean Trade has pursued for the public benefit during the financial period of 1<sup>st</sup> September 2020 – 31<sup>st</sup> August 2021, were in pursuance of the charitable objects, namely to promote human rights and in particular the right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.

## **Strategy**

With a small core team, Clean Trade undertook research and built contacts in the areas that have a bearing on international trade in natural resources. Funding from the Joffe Foundation allowed the team to develop a 60 page, three-year strategy during 2019. This involved global stakeholder outreach and analysis, and a legal and economic analysis of Clean Trade's evidence base. This work was completed in September 2019, and formed the core of Clean Trade's subsequent strategic plan.

Clean Trade's strategy seeks to promote peoples' rights to their natural resource wealth. These rights in international law are based on the human rights treaties that form the International Bill of Human Rights: the International Convention on Civil & Political Rights (ICCPR) and the International Convention on Economic, Social and Cultural Rights (ICESCR).

The strategic priority for Clean Trade is therefore to seek legal clarification of the natural resource rights aspects of these major Human Rights treaties. We focused on the articles affirming the resource rights of peoples, common to both treaties. Article 1.2 of both treaties states:

*All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.*

Such clarification would underpin and bring credibility to our quest for legal remedies, for government legislation, and help bring about the adoption of natural resource rights in business and investor standards. The route to achieve this was to prepare the case for a General Comment on the interpretation of the articles affirming the resource rights of peoples, to be made by one or both of the two relevant UN Treaty Body Committees (CESCR and HRC). We were fortunate to be joined by Prof. Jérémie Gilbert who is based at Roehampton University London, and has extensive experience in this area.

## **Activities and achievements**

The most important impacts on Clean Trade's work have resulted from changes in the United Nations (UN). Some Clean Trade supporters in the UN treaty bodies came to the end of their terms, and the pandemic's effects on timetables and the requirement for virtual working, combined with budget cuts, slowed processes down. The opportunities for introducing new issues were therefore much reduced. Following a review in late 2020 the team decided that there was nothing to be gained by seeking to influence the UN treaty bodies during a

pandemic; it could in fact seem to be dismissive of the urgent need to plan for a better future post-COVID-19. At this time of crisis Clean Trade decided to concentrate on research to prepare for the presentation of arguments when UN committees returned to a more normal working pattern.

A milestone was reached in July 2021 when the Northwestern Journal of Human Rights published the paper *Fighting the Resource Curse: the rights of citizens over natural resources*, authored by Chair Leif Wenar and Special Adviser Jérémie Gilbert. The article sets out Clean Trade's arguments around citizen's resource rights and forms the basis for the United Nations and legal workstreams.

In order to construct a case for the United Nations, the team gathered evidence from CESCR and HRC documents. Past documentation from the treaty bodies such as General Comments, State Party Reports, and Lists of Issues was analysed for references relevant to Clean Trade, across all states covered by the two treaties, going back ten years.

The Clean Trade Governance Index is updated annually and forms the core evidence base for the legal, investment and government workstreams. It allows organisations to measure their exposure to states that do not respect their citizens' natural resource rights. The Index is an amalgamation of external indices which measure how each country respects its peoples' rights to have a voice in and benefit from their natural resource wealth, and provides a ranking of countries based on these rights, specifically assessing the level of Free Prior and Informed Consent.

The Index was updated for 2021 using the latest figures from the World Bank, the Economist and Freedom House, reviewed for accuracy and suitability, and checked for institutional bias. The Index was further tailored following investment sector feedback.

The website was revised to clarify Clean Trade's arguments and to reflect feedback from stakeholder groups.

Expanding our publicity outreach, Special Advisor Yiannis Kouris arranged an interview with Leif Wenar on fighting the resource curse, which appeared online from the Athens-based Institute for Alternative Policies. Prof Wenar also carried out several speaking engagements on resource rights, in the US and internationally.

Clean Trade continues to participate in and offer strategic input to the Publish What You Pay alliance, which continues to make collective representations to governments and gatherings such as the G7 meetings.

Governance was improved with the introduction and approval of policies on GDPR, Health and Safety, Equality and Diversity, Financial Procedures, Expenses and a Trustees Code of Conduct.

## **Funds and Fundraising**

Funds at the beginning of the financial year were £9,462. The Polden Puckham Charitable Foundation gave an unrestricted grant of £20,000 in December 2020 following a presentation to the Foundation's trustees. Contact was maintained

with funders, seeing updates and input to the Joffe Trust and Polden Puckham. Expenses have been kept as low as possible and considerable pro-bono work has been volunteered by the team. The spend of £10,000 was accounted for by consultancy payments to Nikki Cullen and Andy Togher, leaving a strong position with £19,461.90 in the bank.

## **People**

In early 2021 Nikki Cullen accepted the full time role of COO in another organisation. Her contribution to the first few years of Clean Trade's existence was remarkable, and the team were delighted that she remained as an adviser.

Leif Wenar and Jérémie Gilbert continued in their roles at Stanford and Roehampton Universities respectively, while working with Clean Trade on a pro-bono basis.

We are fortunate to have proactive and committed Trustees in the investment, legal and academic worlds, and extend grateful thanks for their advice and participation.

## **Risk**

Risks are monitored closely by both trustees and colleagues. The following risks were identified as requiring monitoring and mitigation strategies:

Risk:	Mitigation Strategy:
COVID-19 related disruption to strategic implementation, key relationships and funding opportunities	Clean Trade will conserve budget, stay in contact with stakeholders where possible and conduct background research to enable post-pandemic strategic delivery.
Insufficient funds to continue at current level with paid contractors and to pursue planned workstreams.	The team controls expenditure and dedicates significant resource to fundraising outreach.
Failure to demonstrate impact	Maintain a log of progress against KPIs
Loss of core team member	Other members have agreed to take on increased responsibility if necessary, and arrangements would be made where possible to move the colleague into a trustee or advisory role to retain knowledge, skills and relationships.
Operational failure, including IT failure and errors as a result of members of the team being located internationally.	A process has been put in place to review and confirm key decisions.
Negative press coverage and/or erroneous/ potentially libellous information given out by Clean Trade via research, analysis or communications.	The team will ensure that communications and, where necessary, legal advice is sought as part of the internal review process for communications.

## **Financial review**

Clean Trade ended its third financial year with cash available at £19462, having received £20,000 from Polden Puckham Charitable Foundation.

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Leif Wenar

Chair of Trustees



CHARITY COMMISSION  
FOR ENGLAND AND WALES

Clean Trade

No (if any)

Receipts and payments accounts

For the period from	Period start date 1-Sep-19	To	31-Aug-20
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Section A Receipts and payments


	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £
<b>A1 Receipts</b>				
Amati Global Investors (Donation)	10,000	-	-	10,000
		-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Sub total</b> (Gross income for AR)	10,000	-	-	10,000
<b>A2 Asset and investment sales, (see table).</b>				
n/a	-	-	-	-
	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Total receipts</b>	10,000	-	-	10,000
<b>A3 Payments</b>				
Nicola Cullen (Consultancy)	5,200	-	-	5,200
Andy Togher (Consultancy)	3,000	-	-	3,000
Travel (to conference)	1,239	-	-	1,239
Accommodation (Conference)	207	-	-	207
Stationery	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Sub total</b>	9,646	-	-	9,646
<b>A4 Asset and investment purchases, (see table)</b>				
n/a	-	-	-	-
	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Total payments</b>	9,646	-	-	9,646
<b>Net of receipts/(payments)</b>	354		-	354
<b>A5 Transfers between funds</b>	-	-	-	-
<b>A6 Cash funds last year end</b>	9,108	-	-	9,108
<b>Cash funds this year end</b>	9,462	-	-	9,462



## Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £
<b>B1 Cash funds</b>	Cash in bank (at 31 Aug 2020)	9,462	-
		-	-
		-	-
	<b>Total cash funds</b>	9,462	-
	(agree balances with receipts and payments account(s))	ok	OK
		Unrestricted funds to nearest £	Restricted funds to nearest £
<b>B2 Other monetary assets</b>	Details		
	No other monetary assets	-	-
		-	-
		-	-
		-	-
		-	-
		-	-
<b>B3 Investment assets</b>	Details	Fund to which asset belongs	Cost (optional)
	No investment assets		-
			-
			-
			-
<b>B4 Assets retained for the charity's own use</b>	Details	Fund to which asset belongs	Cost (optional)
	No retained assets		-
			-
			-
			-
			-
			-
			-
			-
<b>B5 Liabilities</b>	Details	Fund to which liability relates	Amount due (optional)
	No liabilities		-
			-
			-
			-

Signed by one or two trustees on behalf of all the trustees	Signature	Print Name
		Leif Wenar

CC16a

Last year  
to the nearest  
£

10,000
10,000
-
-
-
-
-
-
20,000

-
-

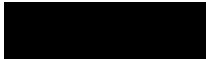
20,000
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10,400
-
424
68
-
-
-
-
10,892

-

10,892
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9,108
-
-
9,108



**Endowment  
funds  
to nearest £**

-
-
-
-

OK

**Endowment  
funds  
to nearest £**

-
-
-
-
-
-

**Current value  
(optional)**

-
-
-
-
-

**Current value  
(optional)**

-
-
-
-
-
-
-
-
-

**When due  
(optional)**


Date of approval

6/28/2022