



KIDNAP+ RANSOM INSIGHT

GLOBAL SUMMARY

FOCUS
ARTICLE
**BOARDS AND CRISIS
MANAGEMENT**

May

2021 REPORT
WWW.CONSTELLIS.COM

EXECUTIVE SUMMARY

SUMMARY

This issue of Constellis' Kidnap for Ransom Insight Report covers global kidnapping incidents and trends for the months of March and April, as well as May 2021. The information is derived from multi-source analysis of kidnap for ransom activity and where known, the outcome or resolution of the events. The report covers current kidnap for ransom hotspots at regional, national and provincial levels, with a particular focus on areas where kidnap for ransom activity is increasing.

Statistical analysis of data for March and April 2021 is included on page 13, which shows kidnap for ransom trends by region, victims by nationality and employment sector, as well as identifying the Top 10 countries for the kidnapping of foreign nationals over the reporting period. Statistical information for the period of May 2020 – April 2021 can be found on page 17.

The Global Piracy Update gives an overview of the piracy threat by region, providing trend analysis for March and April 2021, as well as cases that took place during these months to illustrate identified trends.

The Cybersecurity section examines current issues affecting companies and individuals in the realm of IT security. This article provides an insight into the impact of cybercrime attacks on critical infrastructure. These incidents have increased considerably over the past year, bringing into focus the potentially dire consequences of such incidents, such as supply shortages, power cuts and public disorder. With criminal groups and nation states

either looking to cause disruption or gain financial leverage, operators of critical services are under severe pressure to restore operations and prevent future attacks, given the long-term damage that can be caused. While governments are attempting to improve cybersecurity resilience through collaboration between key stakeholders in critical infrastructure sectors, further cooperation is needed on the international stage.

The Focus Article examines boards and crisis management. The increasing frequency and severity of crises make crisis management a strategic concern. Boards should take an active interest in crisis management preparation, response and recovery to make their organisations more resilient, save time and money, and protect their reputation.

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GLOBAL OVERVIEW

AMERICAS

Over March and April 2021, the Americas saw yet another considerable increase in kidnapping incidents affecting foreign nationals, growing 83% from the last reporting period and over 900% from the same period last year. The top regional and global hotspot was Haiti, where the kidnapping pandemic continues unabated, with a number of mass abductions and kidnapping attempts on foreign nationals recorded over the reporting period. According to the latest report by local NGO Centre d'Analyse et de Recherche en Droits de l'Homme (CARDH), there were at least 91 recorded kidnappings in Haiti over April alone, an increase of over 300% with respect to the previous month. The vast majority of incidents have continued to take place in Port-au-Prince, especially in the central areas of the city, as well as the boroughs of Croix-des-Bouquets, Carrefour and Delmas; with ransom demands reportedly ranging between USD 100,000 and 1 million. These abductions, along with other violent incidents, are attributed to the at least 150 gangs active in the country, which, according to local and international sources, act under the protection of the political establishment. A possible decrease in kidnapping activity could potentially be observed over June and July, as some of the largest and most powerful gangs, based in Grand-Ravine and Village-de-Dieu, have purportedly committed to a two-month truce and a halt to kidnap activities. The agreement was said to have been brokered by president Moïse to allow general elections to take place in late June. Local sources claim this was possible because the gangs are under the payroll of the Moïse regime, which has allegedly paid nearly USD 20 million to these criminal organisations since 2020.

CASES:

- ▶ On 22 March, Belize's national football team was briefly held by gang members while visiting Haiti to play a match for the World Cup 2022 qualifiers. According to the Belizean Football Federation, despite travelling with a police escort, the team's bus was stopped by armed men on motorcycles on their way to their hotel from the airport in Port-au-Prince. Reportedly, members of the escort negotiated with the gang for the players' release. It is unknown what was agreed to secure the release of the visitors.
- ▶ On 23 April, US police rescued nine kidnapped migrants from a property in Laredo, Texas. When police arrived at the location, the man holding the foreigners claimed they were friends staying at his home. Investigations determined that the nine individuals had entered the country illegally from Mexico and that the suspect, after picking them up from the Rio Bravo riverbanks, was supposed to facilitate their transportation to their final destination. However, he held them against their will, demanding between USD 100 and 300 for their release and torturing them when they could not pay. A second man, who tried to pose as a victim, was also arrested for his participation in the kidnappings.
- ▶ Nearly three weeks after being abducted from a road outside Port-au-Prince, six people, including several members of the Catholic clergy, were released on 29 April. Among those freed were French nationals Michel Briand and Agnès Bordeau. It is unclear if a ransom was paid in exchange for their freedom. However, according to unconfirmed reports, at least USD 50,000 was paid for the previous release of three other members of the group, out of the USD 1 million originally demanded by the kidnappers. The group was abducted by suspected members of the 400 Mawozo gang in Croix-des-Bouquets, on 11 April.



A man protesting in Port-au-Prince about the kidnapping crisis in Haiti. (Photo: Haitian Times)

Since the end of April, Colombia has been submerged in a severe political crisis that has led to violent clashes between the security forces and protesters in the country's largest cities. Though the controversial tax reform that triggered the protest movement has since been withdrawn by President Duque, unrest and state violence have not ceased. In addition to the inherent threat this poses, it may also have an impact on the country's broader security landscape. As the security forces are redeployed to confront the protest movement, other security issues are taking a back seat. These include the entrenchment of Colombian armed groups in the local and regional criminal scenes, which has led to a growth in violence in a number of regions, particularly along the borders with Venezuela and Ecuador. Additional developments include the resurgence of paramilitary forces attacking social leaders and former militants, while there are also increasing reports of armed vigilante groups targeting protesters. As the government continues to fail to confront the systemic triggers of the current socio-political crisis, the country is on the verge of falling into a generalised security crisis.

CASES:

- ▶ A Venezuelan expatriate was released by a Colombian armed group after being detained for two days. After his abduction on 18 March in the municipality of Convención, in the Catatumbo region of Norte de Santander, the man was taken to the locality of La Cadena, where he was held and questioned by the insurgents. The reasons for the expatriate's kidnapping are currently unknown.
- ▶ On 15 May, the Venezuelan Defence Ministry reported the abduction of eight soldiers by a Colombian armed group, during 'combat operations' in Apure state, near the border with Colombia, where fighting has been recorded since late March. According to the statement, the ministry received proof of life for the hostages on 9 May. While the minister did not specify which group was behind the kidnapping of the soldiers, on 10 May local NGO Fundaredes published a document on social media allegedly signed by FARC dissident group Frente Martin Villa. In their statement, the group claimed to have captured the soldiers on 23 April during clashes with the Venezuelan army. They also identified the hostages and called them 'prisoners of war'.
- ▶ On 20 April, during a raid on a property in southern Guayaquil, Ecuadorian security forces arrested three members of criminal group Los Tiguerones, suspected of the abduction of a Latvian man and his Ecuadorian girlfriend. The couple was kidnapped at gunpoint from their home in the locality of Samborondón, Guayas province, on 16 April, by six individuals wearing uniforms of the Ecuadorian police. The assailants additionally stole drugs and cash from the property. The woman was released later the same day in Guayaquil to get the ransom of USD 100,000 demanded for the release of the

foreigner. Investigations began immediately after the woman reported the incident to the authorities, leading to the Guayaquil raid. The three suspects were found in possession of police uniforms, guns and ammunition. Additionally, the police found a poster with the names of four dangerous gangs, responsible for a recent wave of violence and crime across the country, all framed with the name 'Cartel Nueva Generación' and a Mexican flag, possibly alluding to a link with the Mexican drug trafficking group Cartel Jalisco Nueva Generación (CJNG). The Latvian national is still missing.



Poster found by Ecuadorian police during a raid in Guayaquil pointing to a link between a Mexican cartel and Ecuadorian gangs. (Photo: primicias.ec)

EUROPE

Over the reporting period, Europe recorded a decrease of 64% in the number of kidnapped foreign nationals, compared to January and February figures. This reduction was linked to a decline in the number of migrant victims recorded in Greece. Most of the incidents recorded by Constellis in the region over March and April were politically motivated, linked to the diverse conflicts and crises in former Soviet republics. The majority of victims in these cases were activists opposing their nation's regime, who were arbitrarily detained abroad and extradited, allegedly in cooperation with their country's intelligence agencies. The threat of arbitrary detention is particularly present in Belarus, where the Lukashenko regime continues to try to assert its power by quashing all opposition. Since the controversial August 2020 election, over 34,000 people have been arrested in the country. Opposition politicians, activists and journalists are among the main targets, which have included a number of foreign nationals.

CASES:

- ▶ On 14 April, Poland's Foreign Ministry confirmed the arrest in Belarus of two Polish activists, members of the Union of Poles in Belarus (ZPB). The activists were detained following a raid on their home in the city of Grodno, near the Polish border, and subsequently taken to Minsk. In a communiqué on the same day, the prosecutor's office said that Andrzej Pisalnik and his wife had broken the law by continuing to circulate false allegations of an 'anti-Polish campaign' taking place in Belarus, which incited ethnic hatred, promoted extremism, and created distrust towards the Belarusian authorities. The prosecutor additionally stated that the Pisalniks had already received an official warning about the "inadmissibility of their repeated violations of the law". The couple was released on the same day, following several hours of questioning. Their arrest followed a number of detentions of ZPB members, including the organisation's president, Andzelika Borys, who was charged with 'inciting hatred' and 'rehabilitating Nazism'. The arrests have fuelled fears that the Belarusian authorities had indeed launched a persecution campaign against the country's Polish minority, a view that has been expressed in the past by the Polish government.
- ▶ Yuras Zyankovich, a Belarusian lawyer who also has US citizenship, was arbitrarily detained in Moscow and later handed over to the Belarusian authorities. According to his wife, Zyankovich was 'abducted' from a hotel in Moscow on 11 April by plainclothes officers

of the Russian Federal Security Service (FSB), who said he was suspected of 'terrorism'. Zyankovich later emerged at a detention centre of the Belarusian Committee of State Security (KGB) in Minsk. A day after Zyankovich's arrest, reports emerged of the arrest of two other Belarusian opposition figures in Moscow. Journalist and political analyst Aleksandr Feduta and the leader of the Belarusian Popular Front Party, Grigory Kostusev, were also later confirmed as being in detention in Minsk on "immediate suspicion of committing a crime". Zyankovich, Feduta and Kostusev are accused by the Belarusian regime of participating in a US-sponsored plot to assassinate President Lukashenko.



Still of footage released by the Russian authorities showing the arrest of a Belarusian journalist in Moscow, accused of planning a coup against Belarusian president Alexander Lukashenko. (Photo: polygraph.info)

Over recent weeks, the hitherto dormant phenomenon of 'bossnapping' has once again made the headlines. This type of industrial action tactic, which often takes place following mass redundancies, consists of locking management executives up in their offices for several hours to force them to negotiate. Though it is predominant in France, it has been recorded in other countries across Western Europe in the past. The term surfaced following a number of such incidents registered in France in the late 2000's, in the context of the global recession at the time. It is thought that this phenomenon took root in the country because of its effectiveness in terms of strategy and the low prosecution rates against perpetrators. While it is still too early to confirm a resurgence of this trend, an incident in late April certainly sets a dangerous precedent, at a time when global economies are suffering the effects of the COVID-19 pandemic.

CASES:

- ▶ On 27 April, access to a Renault plant in the commune of Caudan in north-western France, was blocked by employees in an attempt to prevent its sale. In a press release, Renault said that a group of workers were holding seven senior local executives hostage. While urging their release, the company called for dialogue, the lifting of the blockade and a return to calm, claiming that the company was looking for a buyer to maintain the site's activities and guarantee jobs. The detained officials were finally allowed to leave the plant at around 2230 on the same day. The delegate of the General Confederation of Labor of France (CGT), Maël Le Goff, denied that the executives had been kidnapped, claiming that they had opted to lock themselves up in their offices while the workers demanded a dialogue, and that they could have left whenever they wanted. Le Goff also said that, in the end, the managers had left without engaging in any negotiation with them.
- ▶ In Spain, though general crime rates have recorded a decrease over the past year, the authorities noted an increase of drug-related crimes, including kidnappings. As an example of such incidents, on 3 March, an Albanian businessman was kidnapped during a meeting with three compatriots who claimed they wanted to rent a warehouse of his in the town of Arbeca, Catalonia. The incident was reported to the authorities by the victim after he was released the next day. The Catalan police believe the perpetrators were known to the victim and that the incident may have been a vendetta linked to drug trafficking.
- ▶ Abductions linked to the victims' involvement in criminal activities continue to be reported across Europe. On 7 March, seven men, including two Albanians, two Romanians and a Polish national, were arrested in Northern Ireland, suspected of planning to abduct a businessman. The plot was foiled by Irish police (gardai) during a raid in the town of Cavan, following a long-running surveillance operation. The authorities believe that the disrupted kidnapping was part of an extortion. Investigations are ongoing to determine whether the suspects were the ones carrying out the extortion against the businessman, or if they had been hired by another organised criminal gang to carry out the abduction. The victim was already known to the authorities, having been the subject of a criminal case initiated by the Criminal Assets Bureau (CAB) in 2012.



Renault workers in north-western France take bosses hostage for 12 hours in a bid to block a factory sale. (Photo: RT)

MIDDLE EAST

The Middle East experienced a significant increase in the number of foreign kidnap victims, jumping from 32 over the first two months of the year to 118 during this reporting period, placing the region in second position in the Constellis ranking. This was connected to events in Turkey, where the rescue of dozens of foreign victims was registered in mid-March. Over past years, a common trend in the country has been the kidnap for ransom of migrants by smugglers who claim they will assist them to cross into Europe. While including some Turkish elements, these activities are primarily dominated by central Asian and Middle Eastern criminal groups, such as Afghan, Pakistani and Syrian gangs, who engage with their would-be victims at their places of origin. However, the March incident may indicate a new trend and the participation of a new player: Chinese organised crime. Unlike the previous trend, these groups are targeting foreign professionals, luring them with job contracts and then forcing them into indentured servitude. While the majority of victims in this case were Chinese, others were of different nationalities, demonstrating the reach of these groups. A similar trend can be seen in Southeast Asia in the gambling sector, particularly in the Philippines and Cambodia.

CASES:

- ▶ On 12 March, Istanbul police dismantled a Chinese gang who held people against their will to work on a crypto scam. The group, which labelled itself as a 'crypto investment consultancy' and comprised at least 18 criminals, lured 101 people to come to Istanbul to allegedly work in the financial sector. Upon their arrival, the suspects took away the victims' passports and locked them up in villas in the city, later forcing them to work defrauding Chinese investors out of their crypto currency. Among the rescued victims were four Kazakhs, two Turkmen, and 95 Chinese nationals. Six Chinese suspects were arrested during the raid in the district of Silivri, which took place after two of the Chinese victims managed to contact the Chinese consulate and report their situation. The Turkish police seized about USD 200,000 of cash in different foreign currencies, 712 cell phones, 112 computers, 677 sim cards, and an undisclosed number of hard disk drives and banknote counters.
- ▶ Meanwhile in Yemen, reports of foreign nationals being kidnapped have notably decreased in recent years, due to the departure of expatriates following the worsening of the security situation in the country since 2014, when the civil war began. However, the threat remains very high, as armed groups and criminal gangs still target foreigners, as well as those with links to foreign powers. This is particularly the case in

rebel-held territories and contested areas. For example, on 12 April, reports emerged of the kidnapping of an American citizen in Yemen three years ago, as the US government announced a USD 5 million reward to anyone who can help locating the victim, identified as Abdul-Bari Al-Katef. According to the US Department of Justice's Rewards for Justice programme, Al-Katef, a Yemeni native, was kidnapped from his home in Sanaa, on 28 August 2018. However, an October 2020 social media post by Al-Katef's relatives claimed that he was actually abducted from a location near one of the residences of former President Ali Abdullah Saleh in northern Sanaa. There are a number of conflicting reports regarding the identity of the perpetrators and the possible motives behind the abduction, as well as why the incident was made public by US authorities three years later.



Members of a Chinese gang arrested in Istanbul for holding 119 foreign nationals against their will. (Photo: okupark.com)

Arbitrary arrest remains one of the main security threats in the Middle East. While this is pervasive in Iran, it can take place in any country across the region. Foreign nationals working in journalism, academic research, NGOs and civil society activism are common targets for the security forces. Arbitrary detentions continue to be not only a tool to quash dissidence but also, in the case of foreign victims, commonly used to gain political leverage in international disputes. Dual nationals are at particular risk, and may be denied consular assistance. Moreover, according to Human Rights Watch, in 2020 torture or other ill-treatment in state custody was recorded in at least 18 countries of the Middle East, especially during interrogation. It is also reported that in many countries across the region, including Bahrain and Iran, the use of prolonged and indefinite solitary confinement is commonplace. The risk of contracting COVID-19 and the lack of treatment is also a significant concern while in detention.

CASES:

- ▶ On 27 April, Spain has demanded that Israel resolves the situation of its citizen Juana Ruiz, who has been held in detention without charge. Foreign Minister Arancha González said that although the Spanish consul general had personally attended Ruiz's fourth court hearing in Israel on 26 April, it was not clear what she is accused of. Subsequent to these statements, an Israeli military spokesman said that Ruiz had been arrested on "suspicion of contact with a foreign agent and offences related to money laundering that helps fund the Popular Front for the Liberation of Palestine militant group". He also said that an Israeli military court had ordered her continued detention for "investigative purposes". Ruiz was arrested on 13 April in Bethlehem and is reportedly being held in HaSharon prison. According to international media, she is married to a Palestinian and is a long-time resident of the West Bank, where she works for a local NGO that provides medical services. While the exact circumstances that led to her arrest are unknown, the media claims that she is specifically accused of having diverted some of the organisation's funds for use in banned activities.
- ▶ An Australian-Irish dual citizen and his Egyptian colleague were arrested in Baghdad, Iraq, on 7 April. They were in the country on the invitation of the Central Bank of Iraq to attend a meeting aimed at solving a contractual dispute between their employer and the bank. The Australian engineer's wife claimed that her husband had had concerns about his safety, and thus, before travelling, had sought advice from the Australian embassy in Baghdad, whose representatives had assured he would be safe. She also reported that he had been held in isolation for several weeks and that a month after his arrest, he remained without being

charged, despite having had one court appearance, which was carried out with no interpreter. The men's lawyers have alleged that they are being kept in jail to use them as leverage in the commercial dispute. Iraqi government officials confirmed the arrests but have not detailed the charges against the foreigners.

- ▶ British-Iranian dual national Nazanin Zaghari-Ratcliffe was given a new one-year jail sentence by an Iranian revolutionary court in Tehran in March. The court also banned her from leaving the country for a year after her sentence is completed. She was sentenced for 'propaganda against the system' as she attended a demonstration outside the Iranian embassy in the UK in 2009 and spoke to BBC Persia at the gathering. However, Zaghari-Ratcliffe has not been summoned to jail, indicating that it is likely she will serve her term at her parents' home. She has already spent five years in prison, including many months in solitary confinement, on separate spying charges. She was first arrested in April 2016 while visiting her parents in Tehran.



Spanish national Juana Ruiz is being held in Israel's HaSharon Prison, accused of funding terrorism. (Photo: Ynet News)

AFRICA

Compared with the first two months of 2021, over March and April Africa experienced a decrease of 5% in the number of kidnapped foreign nationals recorded by Constellis. This was primarily the result of a slight decrease in the number of victims identified in Libya, all of whom were again foreign migrants or unskilled workers, abducted *en masse* by local criminal and armed groups. Meanwhile, Nigeria remains the most affected country in the region in terms of incidents, including both local and foreign victims. Over the last few months, Nigeria has experienced a new spate of kidnappings and violent attacks. Boko Haram and Islamic State insurgents continue to affect the north of the country, while organised criminal syndicates still act with impunity nationwide, particularly in the south, where pirate groups also operate. However, the current wave of violence has mainly been the work of so-called 'bandits', who have abducted over 800 schoolchildren since December 2020, in incidents similar to the 2014 Chibok and 2018 Dapchi kidnappings. These heavily armed assailants, believed to be ethnic Fulanis, have also engaged in mass murders and pillaging of villages in areas extending from the Nigerian central belt to the north-west of the country. Most worryingly, they have also been engaged in the kidnapping for ransom of expatriates, in highly violent incidents that have resulted in casualties. While their increasing appetite for kidnap for ransom can be explained by the success of this business model in the country, there is growing concern that these groups are growingly exhibiting Islamic extremist inclinations.

CASES:

- ▶ On 7 April, unidentified gunmen abducted two Chinese engineers working on a site along Zakibiam-Katsina-Ala road in Nigeria's Benue state. A third expatriate and two policemen, who had escorted the group from the company offices in Zakibiam to the site, were killed during the ambush. The fate of the expatriates has not yet been ascertained and it is unknown if any demands have been made to their employer. This incident took place on the same day that two other kidnapped Chinese nationals were supposedly rescued by the Osun authorities. These two mine workers were abducted on 5 April from a gold mine at Okepa/Itikan village by gunmen who shot and wounded their security escort. While it is unclear if any ransom was paid for them, according to local reports, a ransom of NGN 10 million (USD 26,000) had been originally demanded. In response to the recent spate of kidnappings of Chinese citizens in Nigeria, the Chinese diplomatic authorities said they launched an emergency plan and guidance for local Chinese enterprises on appropriate responses to such incidents. They however affirmed that despite the high risk, China is not ready to evacuate its nationals in Nigeria due to these "occasional emergencies".
- ▶ Police in Arusha, Tanzania, arrested two people, including a Chinese national, on suspicion of having kidnapped another Chinese man for ransom. The incident was reported to the police on 7 March by the victim's employer, who said the man had disappeared under mysterious circumstances while working in

Karatu. The employer later received a call from the kidnappers, demanding a ransom of USD 100,000. The suspects were located and arrested at a lodge located in Ada Estate in Kinondoni, Dar es Salaam. It is reported that the Chinese kidnapper was a former work colleague of the victim, who had been dismissed for misconduct.



Auwalu Daudawa (second from right), the bandit leader behind the kidnap of 300 schoolboys in Katsina state in December 2020. He was given amnesty as part of a peace deal in February but reportedly returned to criminal activities. (Photo: BBC)

The recent kidnaps and killing of foreign nationals in the Sahel have once again highlighted the extreme security risks in the region. These incidents have taken place amid an escalation of attacks by extremist groups, both in terms of numbers and impact, with the multinational forces tasked to confront them (G-5 Sahel Joint Force, UN Stabilization Mission in Mali (MINUSMA) and the French-led Operation Barkhane) struggling to counter the violence. It has been reported by the UN that this struggle is mainly linked to insufficient funding. However, the lack of progress with the current security policy is also related to structural issues in the region, which along with claims of abuses by the allied security forces and growing anti-colonialist sentiments, have been exploited by extremist groups to gain greater footing among the local populations. The continued flow of mercenaries and foreign terrorist fighters from Libya, and the worsening of security in neighbouring countries, particularly in Chad, have also served to compound the security crisis in the region.

CASES:

- ▶ On 26 April, four people were reported missing and three others injured after the ambush of an anti-poaching patrol near the forest reserve of Pama in eastern Burkina Faso. Weapons, vehicles and other equipment were also stolen in the assault. Those missing included a member of the Burkinabe armed forces, two Spanish journalists and an Irish national, president of an anti-poaching organisation. It is reported that dozens of gunmen on two flatbed trucks and around 20 motorcycles attacked the convoy as it stopped to allow the journalists to take aerial photographs of the area with a drone. The bodies of the three Westerners were found the next day, not far from the incident site. The circumstances that led to their death are still unclear, while the fate of the kidnapped local soldier remains unknown. Islamic militant group Jama'at Nasr al-Islam wal Muslimin (JNIM) later claimed responsibility for the attack.
- ▶ The abduction of a French journalist in Mali was made public after a video was released on 5 May on social media. The 21-second video shows Olivier Dubois saying he was seized by al-Qaida-linked Islamist group JNIM, on 8 April. He also calls on his family, friends and the authorities to work for his release. According to reports, Dubois was based in Gao and did not return to his hotel after lunch on 8 April. It is said that he had gone to conduct an interview with a JNIM local leader known as Abdallah Ag Albakaye, which had been arranged by a local fixer Dubois had known for many years. Though the video could not be independently verified and the date it was filmed is unknown, Reporters Without Borders confirmed the kidnapping. The organisation said it had been informed of the incident two days after Dubois went missing, but

did not make his abduction public so as not to hinder "the possibility of a rapid positive outcome." The abduction was also confirmed by the French foreign ministry though no details of the case were provided. Dubois brings the number of foreign nationals known to be held by jihadists in the Sahel to six.

- ▶ In Mozambique, while the government continues to struggle to contain the Islamic insurgency in the northern oil-rich region of Cabo Delgado, kidnaps for ransom targeting the south Asian business community have continued across the country. In one of the latest cases, unknown assailants kidnapped an Indian national in the central Mozambican city of Chimoio, on 24 April. Depesh Ramesh, the son of a businessman in the baking industry, was abducted by a group of armed men just after arriving home. Eyewitnesses said that the men had been waiting in their car for the victim's arrival. Ramesh was released after two weeks in captivity, likely following a ransom payment. The police said they were not involved in the negotiations with the kidnappers.



Still from a video published by Islamic extremist group JNIM featuring kidnapped French journalist Olivier Dubois. (Photo: Al Bawaba)

ASIA

Asia saw an increase of 31% in reported kidnaps of foreign nationals. The country with most victims was China, where two incidents comprised the arbitrary arrests of foreign students. Constellis has already highlighted China's tightening of its security posture and consequent outward antagonism. The Chinese government under new regulations published in late April ordered companies and other organisations in the country to step up the monitoring of foreigners as a safeguard against foreign espionage. According to state media, the Chinese security services will work with other government departments to develop a list of 'key' organisations which are assessed to be more susceptible to foreign espionage, and thus will receive exceptional attention in terms of guidance, supervision and inspection. Among these are organisations involved in national defence, diplomacy, economy, finance and technology. A number of foreign nationals have been arrested in recent years, accused of spying or being in some way "a threat to national security". This new legislation is set to provide the Chinese government with an enhanced legal framework to carry out arbitrary detentions and harassment of foreigners. While any foreign national can be a victim of these acts, those from countries in conflict with the Asian giant are at particular risk.

CASES:

- ▶ Nine foreign students of the New York University in Shanghai, including six Americans, were detained by Chinese police in two separate incidents on 12 March, university personnel and US officials reported. Two of the American students were apprehended at a bar and allegedly assaulted by plainclothes police during a drugs raid. The other group, including students from Finland, Morocco and Malaysia, were taken into custody from a house where they had gathered for a birthday party. According to university officers, the students tested negative for drug use and were released between 11 and 16 hours later. When asked about the incidents, a spokesperson for the US State Department confirmed the events. While it is unclear whether the students were targeted for political reasons, the incidents come amid increasing tension between China and the US.
- ▶ A similar situation has been seen in Myanmar following the February 2021 coup. On 18 April, Japanese journalist Yuki Kitazumi was detained for the second time in under two months. The former reporter for the Tokyo-based Nikkei business daily was detained by security forces at his home in Yangon, accused of 'spreading fake news', 'inciting anti-military civil disobedience and riots', and violating visa regulations'. He was reportedly taken

to Insein prison, where many political detainees are being held. Kitazumi was released on 14 May, in what the ruling military junta called "a gesture of friendship to Japan". The freelance journalist said he wanted to remain in Yangon but he was forced to return to Japan. He was the first foreign journalist to be charged under a cybersecurity statute that targets 'fake news.'



Japanese journalist Yuki Kitazumi escorted by Myanmar police upon arrival at a police station in Yangon, Myanmar. (Photo: New India Express)

In south-east Asia, the predominant trend remains the targeting of Chinese nationals by Chinese criminal groups. During this reporting period, incidents were not only registered in the Philippines, but also in Cambodia and Thailand. While no kidnaps of foreign nationals linked to the Abu Sayyaf Group (ASG) have been recorded since January 2020, this threat remains very much alive. This has been evidenced by the continued disruption of kidnap plots in the southern Philippines and the shared border area with Malaysia and Indonesia, as well as suspicious maritime approaches and the continued arrest of collaborators. Additionally, arrests of foreign fighters may indicate ongoing support from transnational terror groups. The authorities have thus continued to extend the dusk-to-dawn sea curfew that was first established in July 2014, while the Regional Co-operation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) still advises all ships to re-route from the area where possible. Though this decline in Abu Sayyaf activity is assessed to be in part a result of the sustained anti-terror focus by the Philippine authorities, the fact that the borders remain porous and that the group still has considerable support from local populations ensure that the ASG remains a credible criminal and terrorist threat in the region.

CASES:

- ▶ On 20 March, Philippine troops killed a top leader of the Abu Sayyaf Group (ASG) and rescued the last of his Indonesian hostages during a night raid in the town of Languyan, Tawi-Tawi province. The deceased leader, Apo Mike, is thought to be responsible for the plotting and execution of a number of kidnaps for ransom, including those of foreign nationals, since the early 1990s. It is reported that Mike and his men had initially fled to Tawi-Tawi with the hostages following a military operation against their hideout in Sulu on 18 March. Two days later, they attempted to cross the sea to Tambisan Island in neighbouring Malaysia's Sabah state, where they planned to release their hostages in exchange for a ransom of about PHP 5 million (USD 103,000). However, their boat capsized due to strong waves. This allowed troops, who had already been notified of the group's operation, to launch a covert assault and rescue three of the four hostages. The fourth hostage was later found by government troops in the Sulu village where the ASG unit had its first encounter with the authorities. The rescued victims were among five Indonesians kidnapped by the ASG on 17 January 2020, off Tambisan, Malaysia. One of the five was killed on 28 September while trying to escape.
- ▶ On 31 March, seven Chinese and seven Vietnamese were charged in Cambodia with the kidnap for ransom of two Chinese nationals. The incident occurred on 20 March, when the suspects, impersonating doctors, approached the two victims at their hotel in Phnom Penh's Chamkar Mon district, under the pretext of having to take a COVID-19 swab sample. The visitors were then bundled into two cars and taken to a hotel in Prampi Makara district, from where the criminals called their relatives and demanded USD 30,000 from each family. One of the families allegedly paid the ransom in full on 23 March. They reported the incident to the authorities after their relative was released. On 25 March the police located the gang in a hotel in Daun Penh district and rescued the second victim.

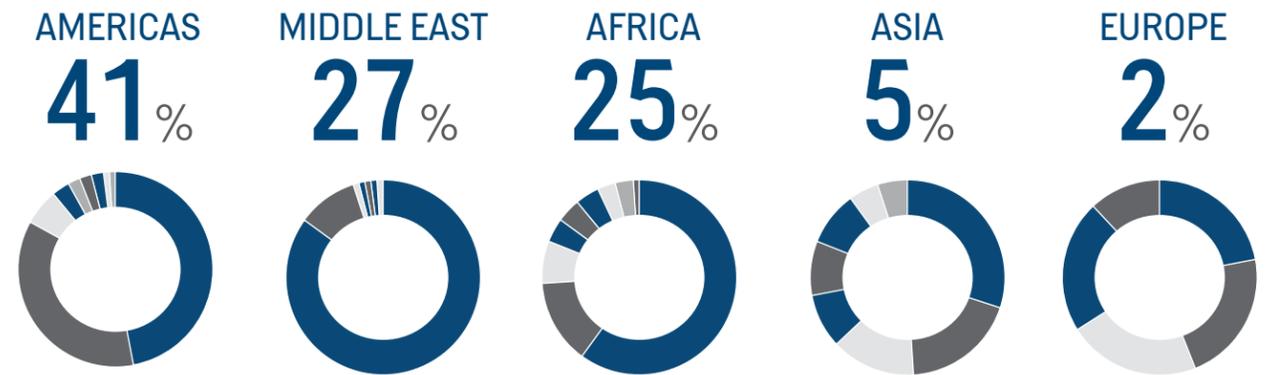
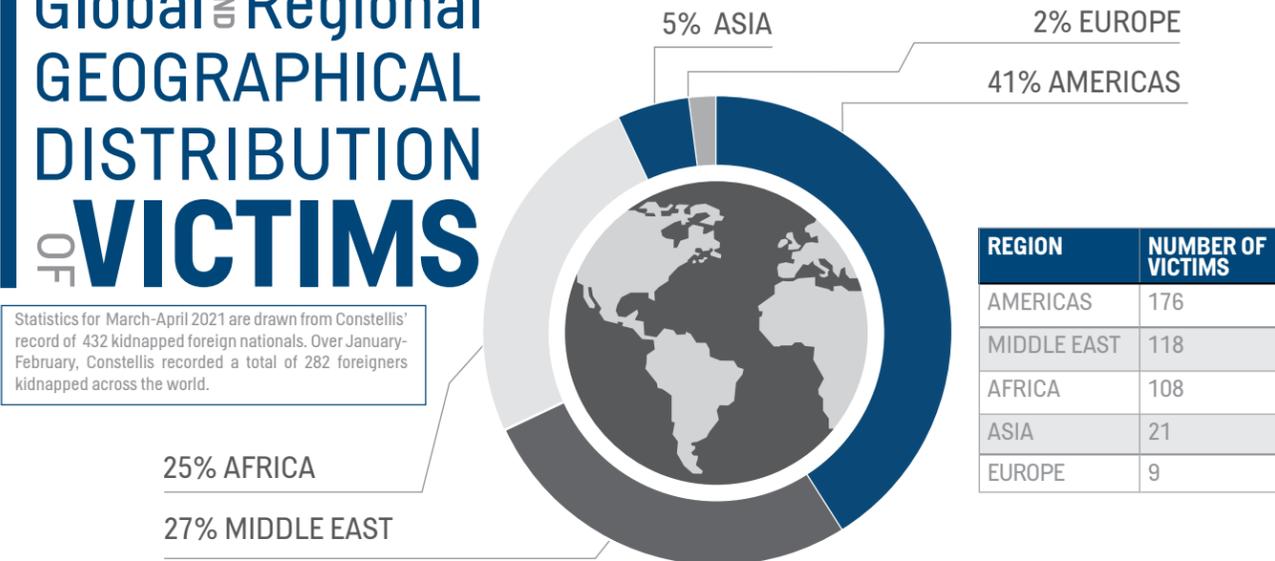


Three of the four Indonesian hostages rescued from ASG captivity in March 2021. (Photo: The Strait Times)

KIDNAPPED FOREIGN CITIZENS

Global AND Regional GEOGRAPHICAL DISTRIBUTION OF VICTIMS

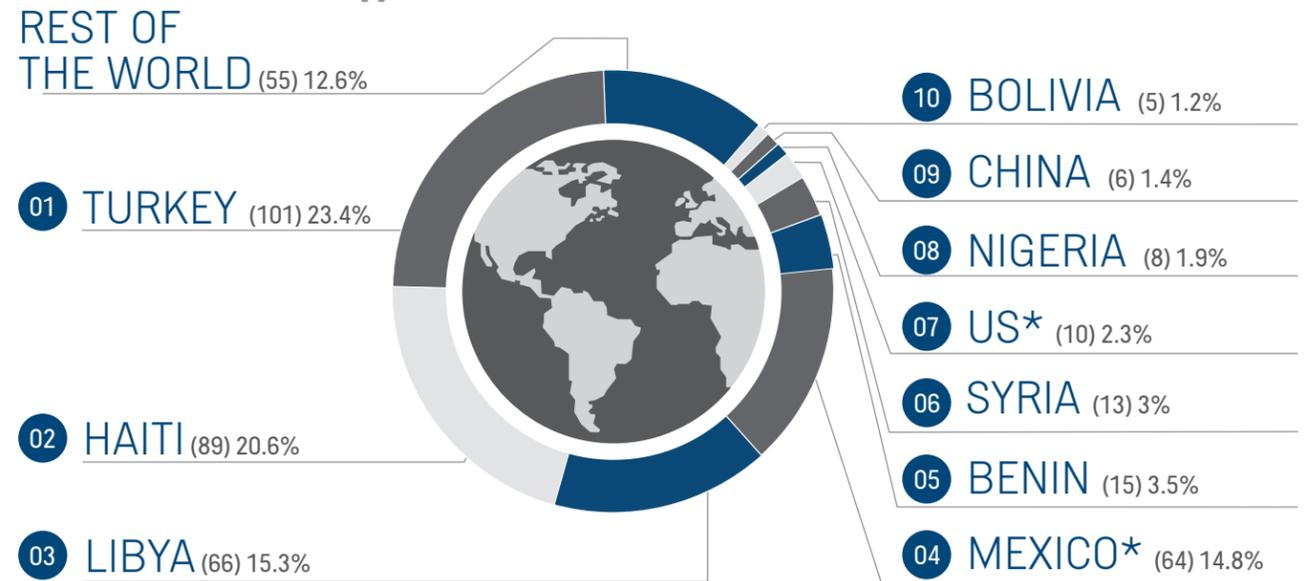
Statistics for March-April 2021 are drawn from Constellis' record of 432 kidnapped foreign nationals. Over January-February, Constellis recorded a total of 282 foreigners kidnapped across the world.



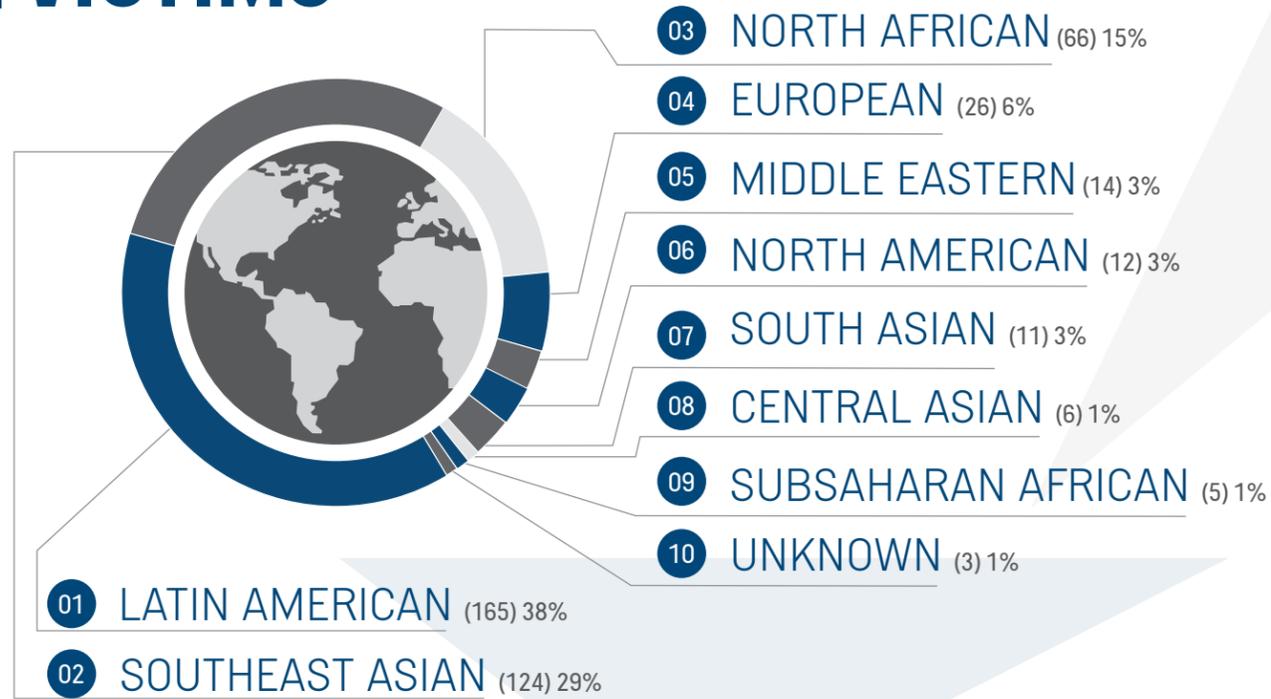
Haiti (89) 50.6%	Turkey (101) 85.6%	Libya (66) 61.1%	China (6)..... 28.6%	Belarus (2)..... 22.2%
Mexico* (64) 36.4%	Syria (13)..... 11.2%	Benin (15) 13.9%	Myanmar (4)..... 19%	Greece* (2) 22.2%
US* (10) 5.7%	Iran (1)..... 0.8%	Nigeria (8) 7.4%	Philippines (3)..... 14.3%	Russia (2) 22.2%
Bolivia (5) 2.8%	Iraq (1)..... 0.8%	Mozambique (4)..... 3.7%	Cambodia (2) 9.5%	Spain (2)..... 22.2%
Ecuador (2)..... 1.1%	Israel (1) 0.8%	South Sudan (4) 3.7%	Malaysia (2)..... 9.5%	Moldova (1) 11.2%
Panama* (2) 1.1%	UAE (1) 0.8%	Uganda (4) 3.7%	Thailand (2) 9.5%	
Trinidad & Tobago* (2)..... 1.1%		Burkina Faso (3) 2.8%	India (1) 4.8%	
Colombia (1) 0.6%		South Africa (3) 2.8%	Indonesia (1) 4.8%	
Martinique (1) 0.6%		Tanzania (1)..... 0.9%		

(Number of Victims)
* Including Migrants

TOP 10 COUNTRIES FOR THE KIDNAPPING OF FOREIGN CITIZENS IN MAR-APR 2021



ORIGINS OF VICTIMS



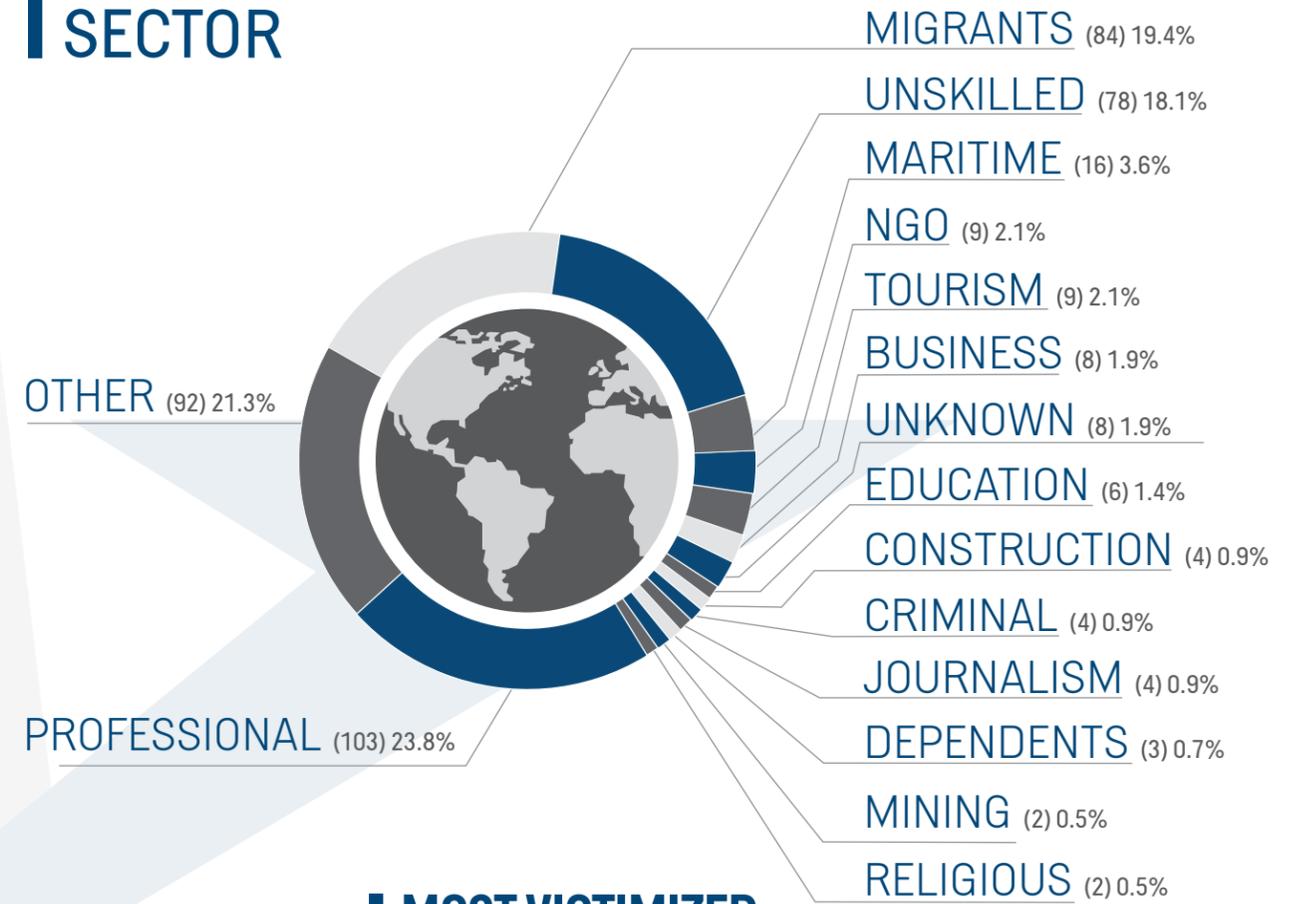
MOST VICTIMIZED SINGLE NATIONALITY

- 01 Chinese
- 02 Egyptian
- 03 Dominican
- 04 Belizean
- 05 American (US)
- 06 Iraqi
- 07 Salvadorean
- 08 Filipino
- 09 Honduran
- 10 Indian

MOST VICTIMIZED ORIGIN BY REGION

REGION	ORIGIN
Africa	North African
Americas	Latin American
Asia	Southeast Asian
Europe	European
Middle East	Southeast Asian

VICTIMS BY SECTOR



MOST VICTIMIZED SECTOR BY REGION

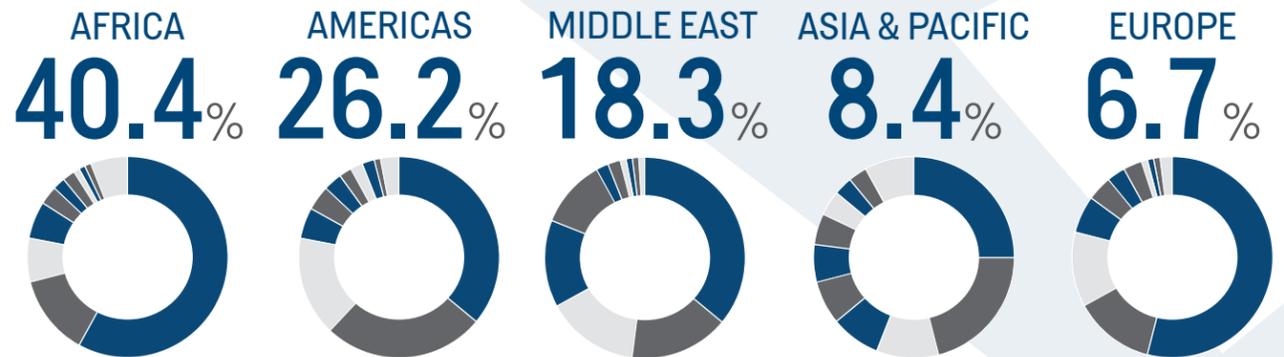
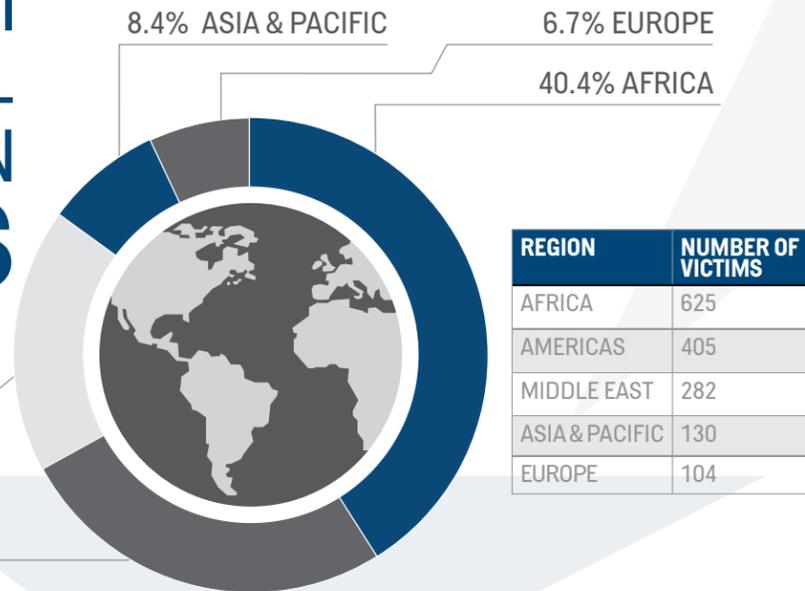
REGION	OCCUPATIONAL SECTOR
Africa	Unskilled
Americas	Other
Asia	Education
Europe	NGO
Middle East	Professional

DISCLAIMER: These statistics herein presented are the result of a compilation of kidnapping incidents involving foreign nationals only, which have been reported in the media and other open sources. The information contained and its results are therefore partial as result of the incomplete nature of open-source material. Thus, this report should be taken only as a reference of general trends, taking its limitations into consideration.

KIDNAPPED FOREIGN CITIZENS

Global AND Regional GEOGRAPHICAL DISTRIBUTION OF VICTIMS

Statistics for May 2020 - April 2021 are drawn from Constellis' record of 1,546 foreign nationals kidnapped worldwide.



Libya* (355) 56.8%	Mexico* (151) 37.3%	Turkey (106) 37.6%	Philippines (30).... 23.1%	Belarus (58)..... 55.8%
Nigeria (84) 13.4%	Haiti (106) 26.2%	Iran (47)..... 16.7%	Cambodia* (27) ... 20.7%	Spain (13)..... 12.5%
Benin (44) 7%	US* (64) 15.8%	UAE (41) 14.5%	China (12)..... 9.2%	Greece* (12) 11.5%
Sao Tome (40) 6.4%	Colombia* (21) 5.2%	Syria* (38)..... 13.5%	India* (11)..... 8.4%	Ukraine* (6) 5.7%
Tanzania* (20) 3.2%	Venezuela (18)..... 4.4%	Lebanon* (32)..... 11.3%	Pakistan (10)..... 7.7%	Cyprus* (4)..... 3.8%
Mozambique (13).... 2.1%	Trinidad & Tobago* (14)....3.5%	Iraq (6)..... 2.1%	Myanmar (8)..... 6.2%	Malta (3)..... 2.9%
South Africa (13).... 2.1%	Bolivia (7)..... 1.7%	Qatar (4) 1.4%	Azerbaijan (7)..... 5.4%	Russia (3) 2.9%
South Sudan (7) 1.1%	Ecuador (6)..... 1.5%	Bahrain (2) 0.7%	Papua New Guinea (6) 4.6%	Belgium (1) 1%
Togo (7) 1.1%	Paraguay (5)..... 1.2%	Kuwait (2)..... 0.7%	Malaysia (4)..... 3.1%	France (1)..... 1%
Equatorial Guinea (6)..... 1%	Argentina (3) 0.7%	Oman (1) 0.4%	Thailand (4)..... 3.1%	Italy (1) 1%
Others* (36) 5.8%	Others* (10) 2.5%	Other (3) 1.1%	Others (11) 8.5%	Others (2) 1.9%

(Number of Victims) * Including Migrants

TOP 10 COUNTRIES

FOR THE KIDNAPPING OF FOREIGN CITIZENS MAY 2020 - APRIL 2021



REST OF THE WORLD (490) 31.6%

- 01 LIBYA* (355) 23%
- 02 MEXICO* (151) 9.8%
- 03 HAITI (106) 6.9%



- 10 UAE (41) 2.7%
- 09 BENIN (44) 2.8%
- 08 IRAN (47) 3%
- 07 BELARUS (58) 3.8%
- 06 US* (64) 4.1%
- 05 NIGERIA (84) 5.4%
- 04 TURKEY (106) 6.9%

GLOBAL PIRACY UPDATE

Over March and April, Constellis recorded 77 maritime incidents, signifying a 15% increase on the previous reporting period (January – February). The majority of events (36%) took place in the Gulf of Guinea (GoG), followed by Asia, which accounted for 30% of all recorded incidents. Most of the attacks were criminal boardings (60%), followed by suspicious approaches (14%) and attempted boardings (9%). Other incidents accounted for 17% of the entries. Only three successful kidnapping incidents were recorded, resulting in the detention of 22 crew members. The increase in criminal activity was mostly observed during April, likely because weather conditions began to improve. As such, maritime incidents are expected to continue to increase into the summer months.

Of note over the reporting period, on 26 March, during a large-scale siege carried out by the Islamic State-linked group Ahl al-Sunnah wa al Jamma'ah (ASWJ) on the energy hub of Palma, Mozambique, several insurgents briefly boarded two vessels in the harbour. The group appears to be increasingly taking the fight to the maritime domain. This was first noted following the battle for Mocimboa da Praia in September 2020, when the terrorists utilised speedboats and RPG fire, destroying a Mozambican HSI 32 patrol boat and successfully taking control of the port, which could be used as an operational and logistical hub. ASWJ's current maritime capabilities and intent to stage attacks on coastal localities, paired with the limited capability of the Mozambican navy, could make the group a threat to offshore assets and vessels transiting the area. In the short term, the group could target vessels transiting the Mozambique Channel, which accounts for 30% of the world's tanker traffic each year, as a way to fund its insurgent activities. Additionally, a scaling down of energy projects in the area could exacerbate insecurity and instability, which could push the local population into crime, including at sea.

Meanwhile, Iran and Israel have continued tit-for-tat exchanges against each other's merchant vessels. On 24 April, a suspected Israeli drone struck Iranian fuel

tanker WISDOM while in transit off the Syrian coast, killing three crew members. At least three Iranian attacks against Israeli-owned cargo ships were reported in the last few months in the Gulf of Oman, while news sources claimed that Israel had targeted at least a dozen Iranian vessels bound for Syria since late 2019.

Maritime incidents in the Gulf of Aden showed a minor increase with respect to the last reporting period, with five incidents recorded, mostly in the southern Red Sea. The majority of occurrences were linked to the Yemeni conflict. In evidence of the indirect threat this poses to maritime security in the area, on 30 March, the Saudi-led coalition destroyed two explosive-laden boats that intended to attack Saudi assets in the Red Sea port of Hodeidah, Yemen. This followed a similar incident on 16 March, off Yemen's Salif Port. While no group claimed responsibility for the WBIEDs, they were attributed to the Houthis. In other developments, there were only two suspicious approaches in the region, both southeast of Nishtun, Yemen. In both incidents, the suspects altered course after being spotted by the vessels' onboard security. The nature of the approaches could not be ascertained.

During March and April 2021, the GoG recorded only 27 maritime incidents, signifying a decline of 29% against the last reporting period. As per established trends, the majority of events were criminal boardings (68%), in addition to attempted boardings (16%) and suspicious approaches (16%). Only two successful kidnappings were registered on 11 and 21 March, resulting in the abduction of 21 crew members in total. While the motives behind the decrease cannot be ascertained conclusively, it is possible this related to the increasing pressure on the Nigerian government to curb piracy. Nonetheless, despite the decrease, Nigerian pirate groups retain high levels of assault capabilities, allowing them to continue to perpetrate attacks away from traditional locations in the Niger Delta and further offshore, as pirates also exploit the limited regional naval resources. Of further concern, new data shows that pirates are becoming increasingly violent, with the use of guns reported in over 80% of attacks. As a result of the increased threat to shipping in the region, more countries continue to join anti-piracy campaigns, while regional actors, particularly Nigeria, Cameroon, Benin, and Equatorial Guinea, have pledged to join forces to patrol the area. Additionally, the Nigerian Maritime Administration and Safety Agency (NIMASA) claimed in late March that it will deploy further maritime security assets to increase vessel protection in West Africa. These measures have come amid a generalised outcry by the commercial shipping sector, which has demanded increased support following an increase in violent attacks against vessels since 2020.

Maritime incidents in Asia recorded a 47% increase, with 22 events recorded, compared to 15 in January and February. The vast majority of events were criminal boardings (77%), mostly consisting of low-profile thefts, targeting vessels transiting the eastbound lane of the Traffic Separation Scheme (TSS) of the Singapore Strait. The continued rise in robberies in the region is mostly attributed to poor economic development, which has been exacerbated by the COVID-19 global economic crisis, along with insufficient security patrols. Despite a reported increase in violence in recent months, maritime crime in the region will likely remain unsophisticated as a result of its success. Meanwhile, despite an absence of kidnappings attributed to Abu Sayyaf-linked groups this reporting period, authorities in the region continue to caution vessels due to the

underlying threat in the Sulu-Celebes Seas and waters off Eastern Sabah. In other developments, tensions in the South China Sea continue to run high over territorial disputes, stirring concerns over a potential armed conflict. To prevent Chinese dominance in the disputed waterway, over the reporting period the Philippine authorities launched an exercise near contested lands in the region, while Vietnam was reported to be building up its maritime militia and the Australian Navy sailed through the southern reaches. Additionally, German and UK warships are set to cross the region in August to support a 'rules-based international order'. Furthermore, on 3 May, China passed new legislation allowing its maritime forces to block foreign vessels from entering what Beijing deems as its territorial waters if they are assessed to pose a threat to national security. The new law, which comes into action in September and is viewed as a warning to Western powers against their involvement in the disputes, will most likely further increase tension in the Indo-Pacific region.

Three killed in suspected Israeli drone attack against Iranian oil tanker off the Syrian coast. (Photo: Ya Liban)



CASES:

- ▶ A remotely piloted boat loaded with explosives struck the Saudi-flagged chemical tanker NCC DAMMAN in the vicinity of Saudi Arabia's Yanbu Port, on 27 April. No casualties were reported. The Saudi authorities attributed the attack to Houthi rebels.
- ▶ On 11 March, nine pirates kidnapped 15 of the 21 crew members of the Maltese-flagged chemical tanker DAVIDE B, roughly 213nm South Cotonou, Benin. The victims were freed on 15 April. It is unclear if the vessel's owners paid a ransom to secure the victims' release.
- ▶ In evidence of the increasing violence during maritime incidents in Asia, on 17 April, a crewmember of a bulk carrier was injured by a robber who boarded the vessel while it transited through the eastbound lane of the TSS. After hitting the sailor on the head with an adjustable wrench, the perpetrator escaped, taking some engine spare parts with him.

CYBER SECURITY

IMPACT OF CYBERCRIME ON CRITICAL INFRASTRUCTURE

In the wake of the Colonial Pipeline attack, which forced the shutdown of gas delivery systems in the south-eastern US, the threat of cyberattacks on critical infrastructure has once again come to the fore. As explored in previous issues, such risks not only threaten business operations, but also create aftershocks impacting on local communities and nation states. Given the possible commercial and physical consequences, and the potential for longer term damage, organisations at the helm of critical services are under increased pressure to prevent attacks, restore their systems after they take place, and avoid their recurrence. Cyberthreats have seen a meteoric rise over the past year, with threats increasing threefold. According to research conducted in the UK, 86% of organisations across five key critical infrastructure sectors detected cyberattacks during this period, including aviation, chemicals, energy, transport and water. The World Economic Forum (WEF) meanwhile claims that such attacks posed the fifth largest economic risk factor in 2020.

The motives behind cyberattacks on critical infrastructure can vary. In the case of Colonial Pipeline, it was not the pipeline itself that was targeted, but rather the business entity operating it. Operations were brought to a standstill on 7 May, following a ransomware attack on their computer networks by the DarkSide hacking group. DarkSide were subsequently paid a substantial ransom by Colonial Pipeline for the decryption tools needed to bring operations back online. In a similar scenario, the Irish healthcare system suffered two major ransomware attacks in the space of a week from 13 May, forcing the closure of IT systems and causing “substantial cancellations across outpatient services”, according to officials. An Irish minister for public procurement and eGovernment confirmed that the attacks appeared criminal in nature, and indicated that a ransom demand may have been made for access to the encrypted data. At present, it is unknown if any payments were made.

Both of the aforementioned attacks have been described by officials of each country as some of the most significant ransomware attacks ever witnessed on their critical infrastructure. They also triggered a major review of cybersecurity standards and best practices for the protection of critical sectors. In the US, President Biden signed an [Executive Order](#) to improve national cybersecurity defences, while the FBI issued an [advisory](#) to critical infrastructure operators to “adopt a heightened state of awareness”. Cyber experts, such as the UK National Cyber Security Centre, also issued warnings, advising companies not to give in to ransom demands. However, herein lies the crux of the problem for victims of such attacks. Hackers explicitly prey on the need of these organisations to finely balance the risk of paying a ransom to speedily restore essential services, and thus contribute to the perpetuation of the ransomware cycle, against not paying and potentially propagating a critical systems failure, and the wider societal/financial impact that this entails.

Unlike the financial stimulus typically associated with criminal hackers, other cyberattacks on critical infrastructure appear to be purely disruptive by design. While such attacks may also be executed by criminal groups, who are known to offer ransomware as a service, they are often linked either directly or indirectly to nation-state backers, and thus are typically aligned with geopolitical developments. The repercussions of such attacks can be severe, ranging from supply shortages to blackouts and public disorder. One of the most recent and notable examples was the shutdown of the Natanz reactor in Iran, on 11 April, reportedly caused by an explosion and blackout triggered by a cyberattack. Israel has been widely assessed to be the instigator of the attack, which followed Tehran’s announcement that it would restart nuclear enrichment efforts. Another recent incident involved a large-scale distributed denial of service (DDoS) attack on Belnet, Belgium’s state-

backed internet service provider for a number of critical government services and scientific institutes. The attack that struck Belnet on 4 May brought down over 200 websites of the Belgian parliament, government, universities and research organisations. Belnet stated that no data was stolen, suggesting that the incident was purely disruptive in nature. At present, the identity of the attackers is unknown.

While high-profile attacks on critical infrastructure over the past two months have drawn heightened attention and accelerated defence strategies, there is still widespread acknowledgement that essential economic sectors are vulnerable. This is due to increased reliance upon interconnectivity, thus making them progressively more susceptible to hackers, and years of underinvestment in cybersecurity. In response to the growing threat, investment and strengthening of national cyber security remains the number one priority. The WEF has also created an initiative to improve cyber resilience in critical industries, by encouraging better collaboration between stakeholders in the government and critical infrastructure sectors. Due to the international nature of attacks, increased cooperation on a global scale is also required, particularly by countries that shelter or knowingly allow cybercriminals to operate in their territories. The latter will remain problematic, especially considering that several countries, specifically Russia, China and North Korea, are not signatories of the 2001 Budapest Convention, the first and only international treaty on cybercrime.



Previous to the April 2021 incident, Iran's Natanz uranium enrichment facility was damaged by fire caused by a suspected cyberattack on 2 July 2020. (Photo: Al Arabiya)

CASES:

- ▶ On 13 May, the computer network of the Irish health service came under a large ransomware attack. To minimise the impact of the breach, the Health Service Executive (HSE) shut down its systems as a precautionary measure, causing severe disruptions. A similar attack on the HSE was observed the following day, though it was not as extensive. Specialists are currently attempting to restore the affected data, though Ireland’s Health Ministry has advised that the final impact will vary from hospital to hospital, depending on whether data was stored locally. It is suspected that the same group was behind both attacks. A ransom demand of USD 20 million was made, though HSE and the Irish government stated it would not be paid.
- ▶ One of the US’ largest pipelines, which carries refined gasoline and jet fuel from Texas up the East Coast to New York, was forced to shut down after it was hit by ransomware. The operator of the system, Colonial Pipeline, said on 7 May that they had resorted to shutting down its 5,500 miles of pipeline as a result of the attack. Significant disruption was recorded, crippling gas delivery across the country’s southeast, which in turn resulted in panic buying and a jump in gasoline prices in various affected areas. Colonial Pipeline subsequently paid the DarkSide hacking group USD 4.4 million to obtain the decryption keys to restore its data. Full services resumed over 15-16 May.
- ▶ A significant power failure was observed at Iran’s Natanz uranium enrichment site on 11 April, as a result of a suspected cyberattack thought to have been carried out by Israel. According to Iranian officials, the attack caused an explosion that destroyed an internal power system, which may take as long as nine months to rectify. Iran called the attack an act of ‘nuclear terrorism’. It came at a time when Tehran announced its resumption of uranium enrichment and its pursuit of talks in Vienna for the potential future revival of the nuclear deal.

FOCUS ARTICLE

BOARDS AND CRISIS MANAGEMENT

By Terra Firma Risk Management

WHY CRISIS MANAGEMENT MATTERS TO BOARDS

The increasing frequency and severity of crises make crisis management a strategic concern, not only for management but also for directors.

Crises are more likely to occur and represent greater strategic risk now than before:

- ▶ The world and its media are more connected, so information – including false or inaccurate reporting – moves more quickly and widely
- ▶ Global supply chains and business relationships are more complex and interconnected than before
- ▶ Global climate change has led to an increase in natural disasters and is increasingly causing social and political friction within and across borders
- ▶ The regulatory environment is more stringent: regulatory authorities are more likely to intervene, both within borders and across them, and to impose large fines and consequential sanctions
- ▶ Investors and shareholders scrutinise more keenly, and value more highly an organisation's capacity for resilience and crisis management

Boards should take an active interest in crisis management. Involving the board in crisis management preparation, response and recovery will make an organisation more resilient, will save time and money, and protect its reputation.

BOARDS NEED TO BE FIT FOR PURPOSE BEFORE A CRISIS

Experience shows that the capacity of boards to carry out their role effectively in a crisis is directly related to:

- ▶ The depth and quality of relationships already existing between board and management
- ▶ The cohesion of the board
- ▶ The independence of the board
- ▶ The ability of the board (its chairs, committees and directors) to monitor the management and the strategic direction and culture of the organisation

In summary, the better the board functions 'in normal times', the better it is likely to function during a crisis.

WHAT CAN A BOARD DO TO PREPARE FOR CRISES?

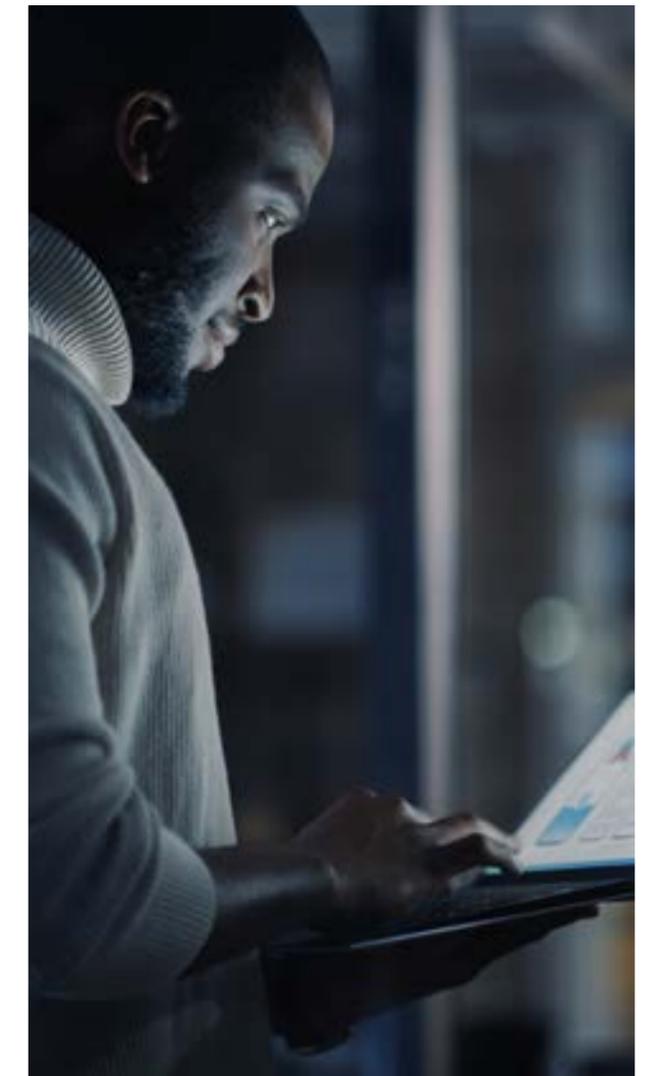
Crises, particularly those affecting reputation, can have a substantial impact, not only on an organisation, but also on individuals. Personal reputations, livelihoods and self-esteem can be on the line. Pre-crisis preparation should focus not only on the technical and procedural but equally address personal and cultural issues. Existing personal or organisational tensions will be exacerbated during a crisis: it is better to deal with these before a crisis occurs.

Besides ensuring that it fulfils its routine functions, the board should:

- ▶ Monitor and challenge crisis management planning and preparation activities, and ensure that information flows appropriately between board and management
- ▶ Ensure that planning and preparation cover all likely risks, and that the crisis management team is capable of managing low probability but high impact ('black swan') events

- ▶ Scrutinise and challenge the risk register
- ▶ Build strong relationships between board and management, particularly between Chair and CEO, and between committee leaders and senior managers

Much crisis management planning and preparation focuses on events that do not directly involve or implicate board or senior management. The board should ensure that planning and preparation cover crises, such as governance or reputational issues, which directly affect, or even implicate, either management or board, or both. These are often the events that cause the greatest disruption and have the greatest strategic impact.





WHEN A CRISIS HITS

The board has a vital but delicate role during a crisis. The board supports and advises management. The board avoids over-involvement or micro-management. Whilst being supportive, the board should retain its independence and should challenge groupthink or unevidenced assumptions, and the chair should play the role of critical friend to the CEO and senior managers. The board should be prepared to intervene if management is compromised or is perceived not to be acting in the organisation's best interests. The board's chair and directors, at the behest of and under the direction of the crisis management team, may play a role in liaising with investors, shareholders, regulatory authorities and other stakeholders.

However, advice and support do not go one way only. The board cannot operate in a vacuum and must be kept well informed. Board members may initially under- or over-estimate the severity and scope of the crisis. If a board is not cohesive or well-disciplined, management may have to spend considerable time and effort in 'managing the board' – in other words, briefing and persuading directors in order to ensure not only that board and management are aligned, but also that the board itself acts with unity and cohesion. There is little more dangerous in a crisis than for the board to appear disunited or uncertain.

“

Board and/or management may find it valuable to bring in an external eye to support them in their crisis response: an experienced, objective lens that does not share organisational assumptions, is free of insider biases, and can bring added calm and rationality to the decision-making process.

”

AFTER A CRISIS

The board should assess what worked and what did not in the crisis response, both on the board and in the wider organisation. There may be a need to re-structure the board and re-focus the board risk committee, or even to create a new board crisis management function. Lessons should be learnt, crisis management planning and preparation refined and rehearsed. But the board should also use its knowledge, experience and independence to take a broader and deeper, more strategic view – what did the crisis reveal about the direction, culture, values and leadership of the organisation? Additionally, the 'new normal' after a crisis may offer new opportunities for the organisation to explore and exploit.

SUMMARY

Overall, boards have a real and vital role in resilience and crisis management. Time and effort spent in preparing and training board directors, alongside management executives, will not be wasted.

ABOUT CONSTELLIS

Constellis is a leading provider of risk management, humanitarian, social intelligence, training and operational support services to government and commercial clients throughout the world. Operating in over 45 countries, Constellis' 20,000 employees bring unparalleled dedication and passion for creating a safer world by upholding the highest standards of compliance, quality, and integrity. Constellis' forward thinking services span a broad range of synergistic solutions, from the boardroom to the project site, encompassing risk governance, organisational resilience, business continuity management, crisis management, travel security, global tracking, training, protective security, life support, logistics and specialist support such as K9 services and UAV systems.

At Constellis, our number one mission is to secure success for our customers. Constellis combines the legacy capabilities and experience of ACADEMI, Triple Canopy, Centerra, Olive Group, OmniPlex, AMK9, Edinburgh International, Strategic Social and all of their affiliates. The consolidation of companies under the Constellis name allows our clients to rely on one single partner and project experience that spans the globe.

For more information about Constellis, please visit our website at: www.constellis.com

Constellis' intelligence analysts and security consultants produce bespoke political and security reports, threat assessments and security risk assessments to inform decisions and to protect people and assets across the world.



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