

Opening Remarks by Dr. Abdullahi Shehu, Director General, GIABA, at the Opening Ceremony of the Financial Investigators Training Workshop for Francophone and Lusophone Member States of ECOWAS, Organized by GIABA in Collaboration with the US OTA, Held in Abidjan, Cote d'Ivoire, on 15-19 December 2008

The Hon. Minister of Finance of la Cote d'Ivoire,
H.E. Mme US Ambassador to Cote d'Ivoire,
Excellencies, Ambassadors of ECOWAS Member States,
Distinguished Experts from the US OTA,
Distinguished ladies and gentlemen.

I am delighted to be here in furtherance of our technical assistance to our member States to build capacity to deal with the problems of money laundering and terrorist financing. The strong commitment demonstrated by the government of la Cote d'Ivoire over the years to establish a robust AML/CFT regime has been most encouraging. The hosting of this workshop is a further demonstration of government of Cote d'Ivoire's commitment to the AML/CFT crusade. I therefore have the honour to welcome you to this regional capacity enhancement program for financial investigators for our member States. This is the second phase of this program following the first, which was held in Abuja, Nigeria, in July 2008 for the Anglophone member States of ECOWAS.

Permit me to express profound gratitude to the government of Cote d'Ivoire for its continued support and in particular for hosting this program in Abidjan. I thank in particular our National Correspondent in Cote d'Ivoire, Mr. Faustin Honozon and his collaborators in the GIABA Inter-Ministerial Committee in Cote d'Ivoire for their tireless efforts in organizing this training program as well as other initiatives. During my last official visit to your country in April 2008, I noted the significant progress being made in promoting the principles and objectives of GIABA, including the establishment of a strong and well funded Inter-Ministerial Committee, with a functional Secretariat; the establishment of a FIU; as well as continuous training of the key staff to implement a National AML/CFT Strategy. I commend Cote d'Ivoire for these landmark achievements! All these would not have been possible without the support of the key Ministers for Finance, Justice and Interior, who are responsible for GIABA affairs in their country. I thank them most sincerely for their support and assistance.

Despite these modest achievements, however, there is still much more to do!. I urge all stakeholders to sustain this momentum, and call on the political authorities to continue to support these initiatives.

Both the first phase and this second phase of the program could not have been realized without the support of the US Treasury Department/OTA. Since the operational establishment of GIABA about 4 years ago, the US Government has been consistently supportive of our work. Through the office of the Treasury Regional Adviser for Africa, we have collaborated with the US Government, inc the hosting of a regional training program on detecting bulk cash smuggling for Customs officials in 2007. Just last month, the US Treasury Department assisted GIABA with an expert who contributed immensely to a regional workshop for Compliance Officers in financial institutions, which was held in Banjul, the Gambia. The US Government has continued to participate in our biannual plenary meetings and other activities.

During the first phase of the financial investigative techniques training program in Abuja last July, the US Ambassador to Nigeria, Madam Sanders Robinson, expressed the US's deep interest in the region, and its commitment to support us, particularly in combating transnational organized crime. We draw a lot of inspiration from such encouragement and support from the US government. Today, we are delighted to have in our midst the US Ambassador to Cote d'Ivoire, who will present a goodwill message at this workshop. We thank you most sincerely for your support.

All member States have demonstrated strong commitment to fight money laundering and terrorist financing in this region through the framework of the ECOWAS and GIABA. We are grateful to their distinguished representatives / Ambassadors who are with us. We will continue to count on your support to report our activities to your governments with a view to sustaining their commitment and support.

Honourable Minister, Madam Ambassador, Excellencies, distinguished ladies and gentlemen, let me briefly highlight some of the leading issues that constitute the fulcrum of this program.

The impact of money laundering and terrorist financing

Money laundering is a derivative crime. It is the process whereby proceeds from crime are disguised in order to conceal the true origin, ownership, movement and purpose of such proceeds. In this context,

money laundering is derived from the original offence that generated illegal wealth. On the other hand, terrorist financing could be derived from both legitimate and illegitimate activities. It thus, constitutes an offence to the extent of its outcome, namely the terrorist act. Overall both phenomena are a major problem with respect to international peace and security.

The laundering of the proceeds from crime could have adverse consequences for the stability of the financial system in particular and overall economic development. Criminals exploit weak links in the system to undermine the credibility of the system by commingling and integrating dirty money into the system. When this is not curtailed, criminals may take over the economic and political systems in a country, and thus undermine rule of law, and in extreme cases, cause political instability through arms trade and other means. Since organized crime recognizes no boundaries, it is imperative for all nations to cooperate to combat this menace.

The international community has since recognized the negative impact of money laundering and terrorist financing and has taken steps in the past few decades to combat these phenomena. Many multilateral instruments and best practices have been promulgated and adopted, but the Financial Action Task Force (FATF) 40+9 Recommendations remain by far, the most comprehensive and acceptable Standards against these phenomena.

The FATF Recommendations on Money Laundering, including the 9 Special Recommendations on the Financing of Terrorism, although they do not represent a binding international convention, have been recognized, endorsed or adopted by over 182 countries and jurisdictions who have made a political commitment to combat money laundering and terrorist financing by implementing the FATF standards. The standards set out the principles of action by governments and competent authorities, and allow countries a measure of flexibility in implementing these principles according to their unique circumstances and constitutional frameworks.

Specifically, the FATF Recommendation 26 requires countries to establish a Financial Intelligence Unit (FIU) that serves as a national centre for the receiving (and in some cases, requesting), analysing and disseminating STRs and other related information with a view to preventing and combating money laundering and terrorist financing. The recommendations further require countries to provide their competent authorities involved in combating these phenomena with adequate

financial, human and technical resources. In this regard, countries should have in place processes to ensure that the staff of those authorities are of high integrity.

The role of GIABA

GIABA was recognized as a FATF Style Regional Body (FSRB) in June 2006 and it is charged with the responsibility of enforcing the FATF Standards in this region. We do this through a systematic process of peer review and the conduct of typologies to determine the trends, patterns and emerging methods of laundering the proceeds from crime. Thus, the mission of GIABA is to promote the diligent implementation of acceptable international standards and best practices.

Suffice it say therefore that full and effective roll-out of the FATF standards in all countries is a major goal of the FATF. The uniform and consistent application of the FATF standards is essential to make it more difficult for criminals to penetrate the system. Although the FATF has developed comprehensive guidance notes and best practice papers to assist in the implementation of its standards, low capacity countries still face daunting challenges in doing so. The specific challenges of low income countries in implementing these standards include:

- 1) Competing priorities for scarce government resources
- 2) Severe lack of resources and skilled workforce to implement government programs, including AML/CFT programs
- 3) Overall weakness in legal institutions
- 4) The dominance of the informal sector and a cash based economy
- 5) Poor document and data retention systems
- 6) In some cases, very small financial sector with limited exposure to the international financial system.

In order to assist member States to apply these standards in this region, GIABA is also mandated to provide technical assistance to states. Our technical assistance is demand driven and is predicated on the following parameters:

- a. **Cooperation and engagement:** our preoccupation is to motivate and encourage sustained political commitment to implementing AML/CFT standards in member States. Let me reiterate that no amount of regional efforts and technical assistance would realize the goal of implementing acceptable standards without a strong political commitment at the national level.

- b. **Leadership and inter- agency cooperation and coordination:** we promote close cooperation with member States through the GIABA Ad hoc Ministerial Committee as well as a network of National Correspondents. Our technical assistance is therefore targeted at the establishment of strong coordination bodies in the form of inter-ministerial committees, which should be representative of all institutions and stakeholders involved in efforts and actions against money laundering and terrorist financing.
- c. **Strategic partnerships:** one of our main goals is to promote partnerships with the civil society, particularly the news media, NGOs and CSOs, and the private sector, who are directly affected by the impact of these scourges.
- d. **Technical assistance coordination:** in order to reduce duplication of efforts, strengthen comparative advantage and derive maximum benefits from technical assistance from our partners, GIABA is charged with the responsibility of coordinating assistance to ECOWAS member States to fight against money laundering and terrorist financing.
- e. **Prioritization and planning:** in order to enable member States to improve their capacity, GIABA undertakes risk assessments and typologies of money laundering and terrorist financing and makes policy recommendations to states. Upon request, we also provide mentorship, as well as legal advisory services to states to build their FIUs and assist them in developing and implementing National AML/CFT Strategies and Action Plans.

In essence, GIABA should not be seen to be replacing states, but rather supporting them to build internal structures to prevent and combat money laundering and terrorist financing. In order to ensure that the staff of competent authorities are of good quality and high integrity, this workshop is aimed at enhancing the capacity of those involved in the investigation of financial crime in their countries. I am happy to note that a good number of participants at this program have been drawn from the CENTIFs.

In conclusion, I would like to express confidence in the galaxy of experts that have been assembled here for this program. I am sure participants would find this program very interesting. It is a participatory program and all are expected to contribute, especially in the break out sessions, so that all can benefit from our respective experiences.

I thank you all for your kind attention and wish you fruitful deliberations!

GIABA Secretariat

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Dakar, Senegal

Website: www.giaba.org