



Building Capacity for Effective AML/CFT in West Africa

Speech By

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Introduction

Protocols

Accra is a unique city and Ghana is lucky to host two major events of GIABA within the month of July 2009. Just two weeks ago, we held a regional programme for Judges of High Court in the English Speaking countries of the Economic Community of West African States (ECOWAS). Today, we are happy to be here again in Accra for the regional Assessors' training programme for the Anglophone members of ECOWAS. These two events have come in quick succession following the historic visit of President Obama of the United States America (USA) to Ghana. I congratulate the Government and people of Ghana for hosting these major events.

2. I wish to thank in particular, the Honourable Attorney General and Minister of Justice of Ghana, Mrs Betty Iddrisu, for her continued support. I also thank the Minister of Finance and

Economic Planning, Dr. Kwabena Duffour, as well as the National Security Coordinator of Ghana, Colonel Larry Larty, for their commitment and support to our National Correspondent and the overall AML/CFT initiatives in Ghana. The mutual evaluation of Ghana, which was undertaken by GIABA three months ago, could not have been successful without the support and cooperation of these key government officials. We appreciate this commitment and urge you to continue to support your staff to implement the FATF standards in your country.

3. Within the structure of GIABA, the Ministers of Finance, Justice and Interior/Security of each Member State are members of the GIABA Ad hoc Ministerial Committee. We look forward to your practical support and regular attendance at the Committee's meetings.

4. The GIABA National Correspondent in each country represents the link between GIABA and his/her country. I am happy to note the appointment of Mr. George Nelson two

months ago as the National Correspondent of GIABA in Ghana. I am also delighted at the commitment of Mr. Nelson to his duty, including the proper coordination of the two regional programmes we held here this month. I call on the National Coordinator to continue to support our National Correspondent to facilitate greater coordination of the AML/CFT measures in Ghana..

GIABA and the Mutual Evaluation of Members

5. GIABA is a specialized institution of the ECOWAS, as well as a Financial Action Task Force (FATF) Style Regional Body. By this dual status, GIABA is mandated to integrate the implementation of the FATF standards into the ECOWAS regional economic integration programme by developing strategies to prevent the economies of our member States from misuse for the purposes of laundering the proceeds of crime. In this connection, GIABA acts as a regional alliance, pooling resources together to support member states to develop the

necessary architecture for the prevention and control of money laundering terrorist financing.

6. One of the strategic objectives and a key cluster in GIABA's Plan of Action is the conduct of mutual evaluations. This process involves regular peer review and discussion of member countries' progress toward full implementation of the FATF 40 + 9 Recommendations. The mutual evaluation process entails responses to questionnaires, interviews with officials and the private sector, written reports of findings, discussions and critique of those reports in plenary meetings. The mutual evaluations proceed in a collegial manner, and allow specialists from the financial, legal, and law enforcement sectors to share their expertise and provide useful insights concerning their national efforts to implement sound anti-money laundering policies. The value of the expert level -- as opposed to political - - discussion is particularly evident in our Mutual Evaluation process.

7. Since 2006, GIABA has concluded the evaluation of 11 countries – Sierra Leone, Cape Verde, Senegal, Nigeria, Mali, the Gambia, Guinea Bissau, Niger, Burkina Faso, Ghana and Benin. All the reports have been discussed and published except for Burkina Faso, Ghana and Benin, which were conducted this year and are scheduled for discussion during our next plenary meeting. The remaining 4 countries – Cote d’Ivoire, Guinea, Liberia and Togo will be evaluated before the end of 2010, thus completing the first round of the evaluations. The mutual evaluation process is key to determining the progress made by member States, and thus to GIABA’s credibility as a body. We are committed to sustaining and consolidating on the progress so far made.

Objective of this Workshop

8. The mutual evaluation process is based on acceptable standards and methodology developed by the FATF – the body responsible for global standards setting against money

laundering and terrorist financing. To qualify as an Assessor in this process, one must attend the requisite training programme organized by the FATF, the FSRBs or the IFIs. The purpose of this programme therefore, is to build the capacity of our member States to conduct proper and thorough assessments based on the FATF Methodology. Specifically, the objectives of this training programme are to inter alia:

- Provide a platform for capacity enhancement for AML/CFT assessments;
- Explain the FATF Methodology, Process and Procedures to Assessors;
- Discuss the roles and responsibilities of Assessors;
- Examine the overall FATF 40+9 Recommendations and discuss how to apply the Methodology in assessing a country's level of compliance; and
- Provide case studies, mock interviews and role plays to acquaint participants with their roles on how to conduct evaluations.

Expectations from Assessors

9. A good evaluation report is a function of the quality of the assessors. Assessors are therefore expected to conduct themselves professionally and apply their skills objectively and with integrity. Thus, the qualities expected of an Assessor would normally include the following:

First, good knowledge of money laundering and terrorist financing trends and mechanisms is necessary to understand how preventive and law enforcement measures can be applied. Without a sufficient knowledge of this subject, it is almost impossible to determine how effective, preventive and control measures should work. Merely understanding the definition of money laundering as a derivative crime is not enough for this purpose without an appreciation of what the derivatives or predicate offences for money laundering are.

Secondly, Assessors must fully understand the FATF 40+9 Recommendations to be able to determine the level of compliance with them. It should be pointed out that simply reading the first line of a recommendation that “***countries should or are encouraged to....***” is not enough to conduct a meaningful assessment. Beyond the requirements of each recommendation are the essential criteria and other elements necessary in determining the effectiveness of an AML/CFT system.

Thirdly, every assessor must have a clear understanding of the Methodology. This is crucial for practical, meticulous and objective analysis and drafting of mutual evaluation reports..

Fourthly, in addition to the FATF Recommendations and Methodology, is the need to understand and apply the relevant United Nations Conventions and Security Council Resolutions to the mutual evaluation reports .

Team Work is also an important requirement of each Assessor. You must know your roles properly and demonstrate commitment to work in tandem with other sectoral Assessors toward a common goal. Without cooperation among Assessors, it would be impossible to produce an objective, accurate, comprehensive and timely report.

Sixthly, all Assessors must possess some academic flare and should read the documents fully before setting out for assessment. We have had situations where Assessors did not read the documents properly and were unable to craft questions to clarify issues with the assessed country's authorities. The ability to develop good interview techniques is derived from one's understanding of the relevant documents. Of course, you can not re-invent the wheels outside the Methodology.

Excellent drafting skill is also a major requirement of a good Assessor. After collecting information about a jurisdiction's system, it is important that the results of the assessment are

analysed dispassionately, comprehensively and clearly stated in the report.

Finally, every Assessor must take responsibility for his/her work and must be able to defend the ratings awarded and other comments made about AML/CFT systems in a given country..

10. Overall, a good Assessor is what the person is – demonstrating the attributes and core values of GIABA, namely, integrity, professionalism, team work, respect for diversity, accountability and transparency. I believe that through this one week programme you will be able to develop your technical skills to achieve those values. The training will be delivered by technical experts with extensive working experience and will be hands-on. A variety of teaching methods will be used, including presentations, discussions, case studies, group work and sharing of country experiences. The workshop will encourage active involvement of participants so that participants can benefit from the cross fertilization of ideas and experiences. The workload

and programme design call for full time and commitment on the part of participants. I urge you all to commit yourselves to this training and interact among yourselves.

11. Before I conclude, ladies and gentlemen, let me thank our partners in this endeavour. I am particularly grateful to the World Bank for their contributions towards this programme. I also thank the FATF and the IMF for contributing experts to this event. Let me emphasise that the quality of our mutual evaluation reports have improved significantly with the support and assistance of the FATF and the IFIs. I look forward to our continued collaboration.

12. Finally, I wish to thank our member States for their continued support and cooperation. I would nevertheless, reiterate our call to their political authorities to continue to support our experts in promoting the goals and objectives of GIABA.

13. On this note, honourable Ministers, I would conclude by thanking you once more and wishing participants fruitful deliberations.

14. I thank you all!

GIABA Secretariat,

Dakar, Senegal,

27 July 2009.