

**INTRODUCTORY REMARKS BY DR. ABDULLAHI SHEHU, DIRECTOR GENERAL, GIABA,
AT THE 8th GIABA AD HOC MINISTERIAL COMMITTEE MEETING, HELD IN PRAIA, THE
REPUBLIC OF CAPE VERDE, ON 5 MAY 2010**

HE, The Prime Minister of the Republic of Cape Verde,
Your Lordships, the President and judges of the Supreme Court of CAPE Verde,
Honourable Members of the National Assembly of Cape Verde,
Honourable Ministers,
Excellencies, Members of the Diplomatic Corps,
The President of the FATF, Mr. Paul Vlaanderen,
The Deputy Director General of GIABA,
Gentlemen of the Press,
Distinguished invited Guests,
Ladies and Gentlemen,

It is a great pleasure and privilege for me to welcome you all to the 8th Ad hoc Ministerial Committee Meeting of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) holding here today in the beautiful and historic city of Praia. Permit me Excellencies, to begin this remark by expressing our profound gratitude to the government and people of Cape Verde for accepting to host this meeting here today. I must thank in particular the Ministers of Finance and Justice (two very strong ladies who are an embodiment of integrity and gender balance) and strongly supported GIABA with all the logistics required to ensure that this and the plenary meetings are held in the best atmosphere. My thanks go to the Minister of Justice who in the traditional hospitality of Africa and in particular that of Cape Verde, hosted her colleagues and other participants to our plenary to a sumptuous dinner last night.

Excellency, Mr. Prime Minister, one of the main reasons why Cape Verde was chosen as the venue of our meetings is to promote solidarity and deepen regional integration within the framework of the ECOWAS. Despite the challenges we encountered to arrive here, we were determined that you would be happy with our presence in your country as a mark of this solidarity. Based on the warmest reception and excellent facilities put at our disposal by your government to hold these series of meetings, I am sure all participants would join me to thank you and your officials for this gesture.

Excellencies, distinguished ladies and gentlemen, permit to briefly inform you about our organization and the purpose of this meeting today. The Inter-Governmental Action Group against Money Laundering in West Africa is a “child of necessity”. I say so because this organization was established through a decision of the Authority of Heads of State of ECOWAS on 10 December 2000 in response to the apparent realization of the negative consequences and impact of organized transnational crime on the economic and political stability of our region. The Authority of Heads of State mandated GIABA among others to: (i) develop strategies to protect the national economies, in particular, the financial and banking systems of the member states, against the threats caused by the laundering of the proceeds of crime and the financing of terrorism; (ii) to coordinate and provide technical assistance to member States to strengthen measures and increase efforts to combat these crimes; and (iii) to reinforce cooperation between its members to fight money laundering and the financing of terrorism. In this regard, GIABA is one of the specialized institutions of the ECOWAS established to promote and deepen regional integration. It is therefore justified to say that the establishment of GIABA is a demonstration of the strong political commitment of our governments to fight money laundering and terrorist financing.

Since the objective of GIABA is to promote regional and international cooperation in the fight against these menaces, after establishing a Secretariat, this Ministerial Committee directed us to seek recognition as a Financial Action Task Force (FATF) Style Regional Body (FSRB) to foster this objective within the framework of the global network to fight these phenomena. Thus, since June 2006, following this recognition by the FATF, GIABA operates as an FSRB to promote the full roll out and effective implementation of the FATF 40+9 Recommendations.

In brief, the FATF is the global standard setting body for the fight against money laundering and terrorist financing. The FATF 40+9 Recommendations provide a complete set of counter-measures against money laundering and terrorist financing, covering the criminal justice system and law enforcement; the financial system and its regulation; and international co-operation. Although these recommendations do not represent a binding international convention, they have been recognized, endorsed or adopted by over 182 countries and jurisdictions that 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. The driving force behind these standards is the presumption that a higher level of international co-operation will reduce the vulnerability of the international financial system to ML/TF, and will improve global compliance with the standards.

Excellencies, Mr. Prime Minister, honourable Ministers, permit me to welcome Mr. Paul Valaanderen, the President of the FATF to this meeting. His presence today is a demonstration of the support and encouragement GIABA receives from members of the FATF. We are indeed honoured by his visit to our region and I would like you to thank him sincerely for coming.

Over the past few months, GIABA has consistently implemented a comprehensive programme to accelerate the momentum of the fight against these scourges within the framework of its Regional Strategic Action Plan 2007-2009, which was approved by the Council of Ministers in December 2006. We have learned a number of lessons so far, most important of which is the fact that the FATF standards are expected to be applied thoroughly regardless of disparities in resources and capacities. Our members are low capacity countries and the full roll out of these standards as illustrated through our mutual evaluation processes has posed some challenges too numerous to mention all.

Countries' compliance level with acceptable international standards is still quite low. Deadlines are set but are too often not met by Member States, which makes it extremely difficult for GIABA to correctly fulfill its calendar of activities. The quality of information provided by countries is often very sub-standard. It is difficult if not impossible to obtain reliable hard data on socio-economic issues in the region. Yet the quality of such information is essential to map the way forward in a meaningful manner. Without the proper data, serious on-site problems arise with regard to planning and evaluating the true situation, and proposing the appropriate corrective measures. Solutions to problems become based on emotional impressions rather than on concrete and reliable facts. Post-site analysis also suffers and remains only partially reliable. Such unproven analysis leads directly to mistaken solutions and waste of precious resources. However, with regard to the FATF standards, it may be fair to ask whether it is fair to expect low capacity countries to fully comply? It may take time for these countries to reach the requisite level of capacity.

The low absorptive capacity of many member States with regard to gaining the necessary capacity to meet international standards expected of modern economies remains the most important challenge as yet. Member States must demonstrate a definite and clear will to comply and a desire to work towards building capacity. They must be ready to gain the knowledge and the skills required, and to benefit from the technical tools and the training being made available to them. This can only be achieved if Ministers show keen interest and support their experts to discharge their duties without undue interference.

Nevertheless, there is a vista of opportunities for countries to see the value and benefit of implementing a robust AML/CFT regime in order to protect their economies and attract investments. The technical assistance provided by GIABA to its members has been very helpful in addressing their needs. Nonetheless, there is still room for improvement and I believe with your continued support, we will win the battle.

No matter what we can do at the regional level, ultimately it all depends on the member States to demonstrate strong political commitment to implement the recommendations arising from our mutual evaluations. In this connection, permit me to acknowledge the strong collaborative efforts among the three key Ministers of GIABA in Cape Verde, namely, the Ministers of Finance, Justice and the Central Administration, who since 2008 during my first official visit to Cape Verde signed a memorandum of

understanding aimed at promoting inter-ministerial cooperation in the fight against money laundering and terrorist financing. This is one of the best practices that we encourage other countries to emulate.

The outcome of our mutual evaluations revealed that many countries need to amend their legislation to conform to acceptable standards. Following the evaluation of Cape Verde, this country has moved rapidly and amended its AML legislation going as far as putting the burden of proof on the accused. This is a very strong piece of legislation and we commend the Minister of Justice and other authorities of Cape Verde for their strong commitment to combat organized crime, promote rule of law and sustainable peace and security. Inter-agency cooperation is one of the sine qua non of a robust AML/CFT regime.

In conclusion, I would like to sincerely thank our esteemed Ministers for their continued support and encouragement. Your being here today is a demonstration of the strong commitment of your respective governments to fight against these menaces. I would not rest on my oaks to seek for closer cooperation and assistance to the technical staff in your ministries to be able to discharge their duties and to support GIABA at the regional level to assist your countries to meet the desired level of compliance with international standards.

Finally, permit me honourable ministers, to reiterate our profound gratitude to the Prime Minister of Cape Verde and his Ministers here present for their warm hospitality. Honourable Prime Minister, sir, your presence here is a strong demonstration of the importance your country attaches to our goals and we are very grateful indeed.

Once more, honourable Ministers, ladies and gentlemen, you are all welcome and I wish you successful deliberations.

Thank you for your kind attention.

GIABA SECRETARIAT
05 MAY 2010