Inter-Governmental Action Group against Money Laundering in West Africa

ANNUAL REPORT 2016

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i. The year 2016 was an important milestone for GIABA on several accounts:

- It marked the kick-off of the Strengthening Anti-money Laundering Capacities in West Africa (SAMWA) project, which is funded by a European Union grant with the aim to improve operational capacities of AML / CFT actors in the States. It is worth noting that this project’s implementing bodies were fully set up by the end of the year. The project, needless to say, primarily seeks to build the capacity of FIUs and judicial authorities and to foster greater involvement of State authorities;

- It also achieve a considerable increase in AML/CFT stakeholder mobilization and involvement in the region, following the Regional AML / CFT Stakeholder Forum held in Saly Portudal and attended by the Member States through their diplomatic representations, by GIABA National Correspondents, Heads of the ECOWAS National Offices, and several Heads of ECOWAS Institutions, including the President of the Commission. As a result, all the participants were able to better understand the mission of GIABA in global security and the challenges besetting this institution in the implementation of its mandate and which should be addressed as soon as possible with the contribution of all actors;

- The year 2016, finally, marked the beginning of the second round of mutual evaluations of member States’ AML/CFT systems, with the on-site visit to Ghana in September. The evaluation report of Ghana’s AML/CFT regime will be discussed at the GIABA Technical Commission plenary meeting in May 2017 in Monrovia, Liberia. In order to prepare the Member States to successfully undertake the second cycle of mutual evaluations, GIABA strengthened its stakeholders training activities in 2016; it also involved experts of the Secretariat in the FATF member States’ fourth round of evaluations, to enable their good ownership of the peer review process.

- At member States level, following advocacy missions, the new WAEMU AML/CFT Directive has been transposed into the national legal corpus of some countries. In this respect, it is absolutely necessary that the process of internalization of this Directive be accelerated to enable States to fill the range of weaknesses covered by this Community law.

- At the regional level, GIABA updated the GIABA/FATF Joint Typology Report of 2012 on Terrorist Financing to include the Central Africa region on the wake of recurrent terrorist attacks in several countries both in West and Central Africa. In this context, the contributions of the FATF and the Action Group against Money Laundering in Central Africa is to be commended. The updated report was approved by the FATF plenary in October, where the plenary commended those who had conducted the study for the quality of the information contained in the document.

- At the international level, GIABA has continued to strengthen its influence with its partners through high quality participation in various fora. It also achieved significant progress in Nigeria’s FATF membership process, with the approval by the plenary in October of a mission to be led by FATF President to the Nigerian authorities in March 2017, to ensure their continued commitment to this process, and the arrangements made by the country for its successful completion. GIABA has also broadened its partnership base through the signing of a cooperation agreement with the Committee for Intelligence and Security Services of Africa (CISSA) in Kigali, in August 2016.
From the foregoing, one can say that the foundation for achieving Management’s ambition to set GIABA as an AML/CFT reference institution within ECOWAS were duly laid in 2016, the kick-off year of actual implementation of the 2016-2020 Strategic Plan, will impulse new dynamics in the results-based management process.

Adama COULIBALY
Director General, GIABA
ii. The 2016 Annual Report, like the previous ones, is a summary of results achieved by GIABA in implementing activities during the last twelve (12) months.

iii. The year 2016 was a highly important benchmark for GIABA, with the actual start of the second round of Member States’ Mutual Evaluation in September.

iv. Thus, the results achieved in 2016 in strengthening the institutional base as well as enhancing regional and international cooperation, are touchstones of the management’s doggedness to make GIABA a modern and model AML/CFT institution. Without the contribution of each member of staff, this would not have been possible. The Secretariat would, therefore, like to thank each and every one for their efforts. Nevertheless, in view of the emerging challenges ahead, we must, in a spirit of solidarity and cohesion, set our ambition even higher and direct our actions towards more efficiency for concrete and visible results.

v. The Secretariat thanks all the technical and financial partners for their continued support and confidence, despite a difficult international environment.

GIABA Secretariat
Dakar, Senegal
1. GIABA was established by the Authority of Heads of State and Government of ECOWAS, by Decision A/Dec./12/99 of 10 December 1999, with mandate to ensure that Member States recognize, adopt and implement international AML/CFT measures, in particular FATF standards, to ensure the security, integrity and stability of the region’s financial systems.

2. The repeated terrorist attacks of 2016 in certain countries, and the extension of these attacks to other countries of the region illustrates the relevance of vision of the Heads of State and Government in endowing the ECOWAS with a specialized institution to fight against money laundering and especially terrorist financing.

3. The impressive logistic means deployed by the attacks perpetrators raised questions on their funding sources, and led attentive observers to establish links between money laundering and terrorism financing. GIABA’s mandate, whose main thrusts are highlighted below, is thus placed at the core of global security issues:

   - To assist Member States in setting up specific national arrangements in line with FATF recommendations;
   - To provide States with technical assistance in setting up institutional and regulatory frameworks and mechanisms for strengthening good governance;
   - To organize self-evaluations within the Member States, as well as Mutual Evaluations, so as to enhance the effectiveness of national fighting mechanisms and their compliance with international standards; and
   - To coordinate and boost regional and international cooperation with a view to increasing the actors’ intervention and action capacities.

4. As concerns with activities carried out, the year 2016 was devoted to: (I) continued provision of technical assistance to Member States to consolidate their AML/CFT regimes; (ii) strengthening regional and international cooperation; (iv) development of the GIABA 2016-2020 Strategic Plan; (v) continuing various typology studies and other research studies; (vi) conducting National Risk Assessments (NRA) of Member States; effective start of the second cycle of mutual evaluations; (vii) capacity building of the Secretariat’s expert evaluators through their participation in the mutual evaluation of FATF member States.

5. This report is thus structured as follows: in addition to Chapter 1 on introductory remarks, a general presentation of AML / CFT in West Africa is featured in Chapter 2; Chapter 3 is devoted to the analysis of country follow up reports; Chapter 4 presents typology and other research projects. Chapter 5 deals with the technical assistance provided to Member States; Chapter 6 is devoted to advocacy and awareness raising. Regional integration, international cooperation and partnerships are discussed in Chapter 7. Chapter 8 deals with administrative and support issues. Finally, the conclusions and perspective are the last part of the report.
6. The implementation of Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) measures in the GIABA region witnessed improvement in the course of the year 2016 largely due to an increasingly conducive socio-economic and political climate. The volatility of previous years has relatively waned, paving the way for more predictability in the policy-making environment.

7. In 2016, economic growth in West Africa was projected at 3.7%, trailing behind East Africa, which led the relatively strong growth in Sub-Saharan Africa at 6.4%. The recession in Nigeria, the region’s largest economy, which was majorly caused by the tumbling of the global price of petroleum, and the economic slow-down in some countries of the region that have recently discovered oil, meant that the overall economic growth in the region was lower than expected. This is occurring within a positive context of improved economic, social and governance performance in Sub-Saharan Africa, where growth is projected to accelerate in 2016/2017, above the global average. The gradual recovery of commodity prices at the global market towards the end of the year, as well as the containment of the Ebola Virus Disease (EVD), helped in pulling the region back from the edge of economic volatility and social instability. Also, the gradual recovery of the international prices of major export commodities from the region such as copper, gold and cotton in the year, improved the foreign exchange earnings of many other countries in the region.

8. Also, the domestic political uncertainties that characterized previous years appear to have abated. The scourge of terrorism has been substantially cut back with the decimation of the militants. In Nigeria, where the notorious Boko Haram group had held sway in the North East, the renewed offensive by the military has yielded dividends. Apart from the loss of all territories and freeing of captives held by the terrorist group, attacks by Boko Haram militants have become far more infrequent, while many of their commanders and fighters have been captured. These results can be traced partly to the efforts of the regional Multi-National Joint Task Force (MNJTF) spearheaded by Nigeria in 2015, comprising of Benin, Cameroun, Chad, Niger and Nigeria.

9. In Mali, however, Al Qaeda and its affiliates mounted several attacks on foreign peacekeepers, further showing the continued vulnerability of the country to terrorism. In addition, the year saw the spread of terrorism to other member States. The attacks in Burkina Faso and Côte d’Ivoire emphasized the resilience of terrorist groups in the region and the need for a more coordinated approach by member States to implementing measures for countering the financing of terrorism.

10. On a positive note, the political situation in Mali and Niger relating to the Tuareg question continued to improve since the Peace Agreement signed in 2015. Also, as reported in the 2015 Annual Report, the situation in Burkina Faso and Guinea Bissau has improved considerably. Election, which used to be a major source of instability, was held peacefully in most countries, apart from the brief crisis resulting from the presidential election in the Gambia at the end of the year.

11. However, though peaceful, the elections that were held in West Africa in the year, with the exception of Niger, confirmed a new wave of democratic progress by which mass disaffection with the quality of governance forced the electorate to vote incumbent presidents or prime ministers out of office, replacing them with opposition candidates.

12. The remaining part of this chapter lays out the political and economic context in each member State. The country reports outline the opportunities, threats and other national-level factors that shape the implementation of AML/CFT measures in each jurisdiction.

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1. African Economic Outlook, 2016
Political Situation

13. The year opened with a keenly contested presidential election whose outcomes confirmed Benin's solid democracy credentials. The victory of businessman Patrice Talon over former Prime Minister Lionel Zinsou, the candidate of the ruling party, reinforced a growing political trend in West Africa where incumbents are displaced by the opposition. The high mobilization for the election, the peaceful nature of the process, acceptance of its outcomes by all sides, and hitch-free transfer of power to the new leadership further signaled the consolidation of the country's democracy. The outcome also put to end the uncertainties surrounding the former President's commitment to stand down after completing the constitutional two-term limit in office.

14. The electoral victory of the opposition also brought to the fore the disenchantment of the population with the declining governance record, as reported in the 2015 Annual Report. With a score of 36% as opposed to 37% in 2015 and 39% in 2014 on the Corruption Perceptions Index (CPI) of Transparency International, the country appears to be on a downward slide in the area of governance. This observation is confirmed by the Ibrahim Index of African Governance (IIAG). The index shows that the country dropped about a point from 58.8% in 2015 to 57.5% in the year. The country needs to take advantage of its political stability and improve on governance as an enabler for effective implementation of AML/CFT measures.

Economic and Financial Situation

15. The growth of Benin's GDP from 5.2% in 2015 to projected 5.5% in 2016 shows that the country's economy has continued to perform well. This performance was driven by a combination of the support for agricultural and investment in infrastructure. This modest economic performance is however undermined by an accelerated inflationary rate, which jumped from 0.4% in the previous year to projected 2.3%. Besides, GDP per capita also declined, though slightly, from 2.7% in the previous year to 2.6% in 2016.

16. This outlook is likely to exert social pressure with likelihood of increase in criminal activities that could generate funds for laundering and/or the financing of terrorism or violence.

AML/CFT Situation

17. As detailed in Chapter Three of this report, Benin continued with efforts to resolve the deficiencies identified in its AML/CFT system, and the country remains in the Expedited Follow-Up process of the GIABA Mutual Evaluations. Major efforts undertaken in the year include the creation of Commercial Court, establishment of a National AML/CFT Technical Committee, and strengthening of the human resource capacity of the FIU. In addition, border authorities seized the equivalent of about four billion (4,000,000,000) CFA francs in foreign currency.

18. However, the country's AML/CFT system remains highly vulnerable to ML/TF as many weaknesses remain unaddressed. The country is yet to finalize and sign the draft Decree designating the Minister responsible for Finance as the competent authority in the freezing of funds; and the draft Ministerial Order specifying the powers, organization and functioning of the Advisory Committee on the Freezing of Assets has not been signed.

Prevalence of predicate crimes

19. According to the Country Report submitted by Benin for 2016, the prevalent predicate crimes for money laundering in the country are drug trafficking, corruption, tax evasion, fraud, smuggling of goods, theft, counterfeiting and piracy. The proceeds generated from these crimes were laundered through real estates, cross-border cash movements, banks, insurance companies, DNFBPs and microfinance.

Technical Assistance

20. In order to address the outstanding shortcomings in the country's AML/CFT regime, Benin has expressed needs for technical assistance in the following areas: training, outreach and ICT equipment for the FIU; and outreach to DNFBPs.

See the African Index of African Governance 2016

3 African Economic Outlook 2016, 270
Conclusion

21. It is encouraging that the political commitment to the implementation of AML/CFT measures remains high in the country. However, the country needs to improve on its governance rating, while GIABA and its development partners continue to explore further opportunities for sustaining technical assistance to strengthen the country’s AML/CFT regime.

Political Situation

22. Burkina Faso has become stable since the first post-Campaore violence and the subsequent election in late 2015. The new government has been able to calm the political turmoil, which attended the popular overthrow of the Campaore’s government and the subsequent coup d'état, which threatened to truncate the country’s transition to constitutional democracy. However, in January there was an unprecedented attack on a popular hotel in the capital, Ouagadougou, by Islamist militants. The country suffered another terrorist attack in December, with flag-waving Islamists killing almost a dozen soldiers near the border with Mali. These events saw the once relatively stable country listed as one of the danger zones of terrorism within the region, which called for more vigilance and action against terrorist financing by the authorities of the country.

23. Burkina Faso’s performance on governance appears to be stable but low, by maintaining the 42 points out of 100, as against 38 points in the previous year, on the Transparency International’s CPI. The country now occupies the 72nd position out of 176 countries, compared to the 2015 ranking of 76th out of 168. The Ibrahim Index of African Governance (IIAG) shows that governance improved by 1 position, moving from 22nd in the previous year to 23rd position in 2016. Improvement in governance framework, combined with political stability, means that the country has the potential for committing to effective implementation of AML/CFT measures.

Economic and Financial Situation

24. Burkina Faso’s economy continue to grow in 2016, though slowly. Real GDP was expected to grow from 4.8% to 5.0%, largely due to the restoration of democratic institutions, which stabilized the political system and the resumption of Gold mining. Equally important is the gradual recovery in the agriculture and mining sectors, particularly with the improvement in the international prices of gold and cotton (the country’s major exports). Yet, inflation has been on the rise, moving up from 0.8% in the previous year to projected 2.9%. Although the inflationary rate is well within the 3% limit set by the West African Economic and Monetary Union (WAEMU), the high rate of poverty can make any upward inflationary pressure become a driver of organized crime, and expose segments of the population to radicalization in a region where terrorism has been on the rise. Good governance of the mining industry remains critical to sustained economic growth.

Prevalence of Predicate Crimes

25. Burkina Faso’s has long borders that are inadequately policed, which make the country highly vulnerable to a host of organized cross-border crimes, including terrorism as was the case in the year. The country report submitted to GIABA for 2016 shows that many of the predicate crimes for money laundering are prevalent in the country. They include drug trafficking, corruption, tax evasion, fraud, smuggling of goods, theft, and counterfeiting. Burkina Faso remained among countries in the Tier 2 category of the US State Department Human Trafficking Report for 2016. According to the report, the country is a source, transit, and destination for women and children subjected to forced labor and sex trafficking. The proceeds generated from these crimes are laundered through real estates, cross-border cash movements, banks, DNFBPs and microfinance.

AML/CFT Situation

26. Burkina Faso has continued to make progress in addressing the deficiencies in its AML/CFT system in 2016. By the end of the year, the country

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4See African Economic Outlook 2015, p. 272.

5See https://www.state.gov/j/tip/rls/tiprpt/2016/
exited the GIABA follow-up process in preparation for its Second Round of Mutual Evaluation. As a prerequisite for undergoing the mutual evaluation exercise, the country is in the process of undertaking its ML/TF National Risk Assessment (NRA). However, preparation for the NRA exercise has been slow, and the country needs to double efforts in order to meet the set targets for undergoing its mutual evaluation.

**Technical Assistance**

27. The priority areas of technical assistance identified by Burkina Faso for 2016 include: training, outreach and ICT equipment for the FIU; training for the judiciary; and training on international cooperation.

**Conclusion**

28. Burkina Faso has made steady progress, which signifies the commitment of the political authorities of the country to the implementation of AML/CFT measures. However, there are still outstanding deficiencies in the country’s AML/CFT system and the political commitment needs to be sustained in order to rapidly address them as the country prepares for its second mutual evaluation. This includes directing adequate resources to priorities, particularly the NRA exercise. The country also needs to continue to pay attention to effective border management, given the growing menace of terrorism it now faces.

**Political Situation**

29. Cabo Verde maintained its leading position as a beacon of democracy, stability, economic growth and development in West Africa, as has been reported in the previous reports since 2014. For the first time in 15 years, the opposition Movement for Democracy (MPD) took over power from the incumbent African Party for the Independence of Cabo Verde (PAICV) in the parliamentary elections held in March. Governance has also remained strong, going by regional performance.

30. Cabo Verde scored 55 out of 100 on Transparency International’s CPI, a 2-point drop from 57 in the previous year, and was ranked 40th out of 168 countries. In 2014, the country was considered the best-governed country in West Africa and the second best in Africa. The impressive performance on overall governance is very encouraging and provides favorable context for implementing AML/CFT measure of acceptable international standard. Cabo Verde has the best development indicators in the region, and continues to occupy its leadership position in West Africa on the UNDP’s medium human development index (HDI). This performance confirms the quality of governance, in spite of the country’s economic challenges.

**Economic and Financial Situation**

31. Economic recovery has continued since 2014, as real GDP growth is projected to reach 4.0% in 2016. This positive, though slow, performance is largely driven by increased revenues from tourism-related investments and improved domestic demand. Also, construction has helped to sustain the recovery. However, unemployment remains very high, blunting the effects of the recovery. Also, inflation is on the rise, reaching projected 1.6% in 2016. While the rising inflationary rate indicates recovery of domestic demand, the country needs to maintain inflation at the optimum level to accelerate economic growth.

**Prevalence of Predicate Crimes**

32. In its 2016 Country Report to GIABA, Cabo Verde reported the prevalent predicate crimes for ML/TF as to be: drug trafficking, corruption, tax fraud, fraud, and theft. Previous reports have consistently showed that it is an important transit country for illicit drugs from South American countries headed for European countries. The country’s geographical location as an archipelago of islands, makes it particularly vulnerable to maritime related crimes. Cabo Verde has also been grouped among countries

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6 IIAG 2015, p. 4.
7 See the 2016 UNDP Human Development Report.
8 Available at: http://giaba.org/reports/annual/reports.html.
in the Tier 2 category of the US State Department Trafficking in Persons Report. It is reported to be a source and destination country for children subjected to forced labor and sex trafficking within the country and in Guinea and a destination country for women for forced prostitution. The common channels for laundering the proceeds of these crimes, as reported by the country, include real estates, cross-border cash movements, banks, and DNFBPs.

**AML/CFT Situation**

33. Cabo Verde has made progress in strengthening its AML/CFT system, particularly in the areas of national coordination, supervision of financial institutions and prosecution. The details of country’s performance are elaborated in Chapter 3. The country is currently on the Expedited Follow-Up process of GIABA Mutual Evaluations and is on schedule to exit the process ahead of its 2nd round mutual evaluation in late 2017. Despite the country’s sustained efforts to address the deficiencies in its AML/CFT regime, there still some outstanding issues.

34. The country needs to, among other things, strengthen the AML/CFT supervisory regime for financial institutions and DNFBPs; and effectively implement the mechanisms consistent with the obligations under UNSCRs 1267 and 1373. Conducting the National Risk Assessment ahead of the evaluation should be a top priority for the country.

**Technical Assistance**

35. To deal with the deficiencies identified in its AML/CFT system, the country needs the continued support of GIABA and its development partners. In its Country Report for 2016, Cabo Verde identified the following technical assistance needs: training, outreach and mentoring for the FIU; and training for the judiciary.

**Conclusion**

36. As has been reported in previous years, the overall governance performance of Cabo Verde is encouraging and favorable to good implementation of AML/CFT measures in the country. This context, combined with the existing political commitment to AML/CFT, needs to be taken advantage of by GIABA and its development partners to encourage the country to resolve the remaining deficiencies in its AML/CFT system.

**CÔTE D’IVOIRE**

**Political Situation**

37. Côte d’Ivoire’s has largely recovered from the destabilization of the 2010/2011 post-election civil war the peaceful presidential election of the previous year testifies to this assertion. The national program for reconciliation, which commenced since 2013, is on course while the peacebuilding process has been consolidated. However, the security situation in the country suffered a major setback early in the year when terrorist attacked the beach resort of Grand Bassam, near Abidjan, killing 18 people. The attack, which followed similar terrorist assaults on hotels in Bamako, Mali and Ouagadougou, Burkina Faso, indicated the expansion of terrorist activities within the region.

38. The quality of governance has improved in the country. Its score on Transparency International’s CPI moved up from 32% in the previous year to 34%, consolidating the consistent improvements since 2013. The Ibrahim Index of African Governance (IIAG) also shows that overall governance has been improving in the country. The country posted a score of 52.3%, up from 48.3% in 2015, ranking 21st as against 35th in 2015. This impressive performance needs to be strengthened in order to reinforce the enabling environment for the effective implementation of AML/CFT measures.

**Economic and Financial Situation**

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9 INCSR 2015, p. 109
10 See Transparency International’s yearly Corruption Perception Index since 2013.
11 See IIAG 2016, p. 18.
39. The gradual stabilization of the political system has also been accompanied by rapid improvement in economic performance. The robust recovery and expansion of the economy, which began in 2012, has continued, albeit, with a slight deceleration in 2015. Real GDP growth in 2014 was 7.9%, 8.8% in 2015 and projected to be 8.6%, in 2016. This strong performance is attributable to booming agriculture, improved business climate and the return of direct foreign and domestic investment\textsuperscript{12}.

40. The expansion has strengthened the country’s position as one of the fastest growing economies in West Africa and, combined with the improvement in governance and political stability, provides a conducive environment for adequately combatting organized crime, including ML/TF and their predicate crimes.

Prevalence of Predicate Crimes

41. All the major predicate crimes for ML/TF are manifest in Côte d’Ivoire. In its Country Report for 2016, the country reported the prevalent ML/TF predicate crimes as drug trafficking, corruption, fraud, tax fraud, contraband smuggling, human trafficking, theft, counterfeiting, piracy and other crimes. The US State Department Human Trafficking Report identified Côte d’Ivoire is a Tier 2 Country and as a source, transit route and destination for country for women and children subjected to forced labor and sex trafficking\textsuperscript{13}.

42. According to the country’s report to GIABA, the most frequently used channels/methods for laundering the proceeds of these crimes are real estates, cross-border cash movements, banks, insurance companies, microfinance, and DNFBPs.

AML/CFT Situation

43. Côte d’Ivoire has continued to improve its AML/CFT regime by addressing the deficiencies in its regime. In 2016, the country adopted some legislations, reported efforts with regard to investigations, assets freeze and confiscation, drug seizures, and regional cooperation (see Chapter 3 of this Report for the details).

44. The country is on the Enhanced Follow-Up process as it still has a number of significant deficiencies outstanding. It is hoped that the domestication and effective implementation of the draft UEMOA Law on AML/CFT as adopted by the National Parliament in November will resolve the outstanding legal deficiencies.

Technical Assistance

45. Given the backdrop of the challenges of post-war transition and recovery, Côte d’Ivoire’s performance in the implementation of AML/CFT measures has been outstanding. The country needs continuous support in order to sustain the performance and address the outstanding deficiencies in its AML/CFT regime. The priority technical assistance needs expressed by the country in 2016 include training, outreach, mentoring and ICT equipment for the FIU; training and mentoring for the judiciary; and training and mentoring for regulatory and supervisory authorities.

Conclusion

46. Côte d’Ivoire has continued to make significant progress in strengthening its AML/CFT system in the wider context of stabilizing political system, implementation of governance reforms, and strong, sustained economic growth.

47. However, the country faces the expanding threat of terrorism and a number of ML predicate crimes are prevalent in the country. The favorable political and economic climate, therefore, needs to be utilized to fortify the emerging economy against significant threats.

\textsuperscript{12} African Economic Outlook 2016, p. 281

\textsuperscript{13} https://www.state.gov/documents/organization/258878.pdf
Political Situation

48. The year 2016 was a watershed in the political history of The Gambia. It was an election year and, from the start of the year, the political mobilization was intense, especially in the context of the 22-year rule of President Yahya Jammeh. Although the president was defeated at the polls in what was adjudged to be a free, fair and transparent election, he refused to hand over power as envisaged, and this is in spite of the promises he made earlier to do so. His defeat at the polls again confirmed what has become the new wave in West Africa’s democratization by which incumbent regimes are unseated by opposition parties.

49. The defeat, in spite of decades of one-man rule, proved that democracy is still possible to practice in the region, regardless of seemingly unsurmountable challenges. Also the engagement by the ECOWAS Authority of the parties concerned in the post-election crisis is a good indication of how peaceful resolution can be reached in political conflicts with the hope of a quick return to political stability.

50. Generally, governance has also remained a huge challenge in the country. In 2015 the country scored 28% and was ranked 126th out of 175 countries on the Transparency International’s CPI. This low performance deteriorated in 2016 with the score dropping to 26% while the country moved down to 145th position in the world. The IIAG 2016 puts The Gambia on the 35th position on overall governance, out of 54 African countries, as against 27th position in the previous year.

Economic and Financial Situation

51. Despite the political and governance challenges, the Gambia’s economy, which contracted in 2014 due to the impact of the Ebola outbreak on tourism, continued on the path of recovery in 2016. The GDP is projected to grow by 5.5% in 2016 from 4.2% in 2015\(^4\). Inflation is projected to contract form 6.5% in the previous year to 5.5%, helping to stabilize the country’s macro-economic environment.

52. The country still faces an uphill task of translating the gains of the recovery into human development for the population. The country ranks among the lowest in the yearly UNDP Human Development Index, making it highly vulnerable to organized crime and other ML/TF predicate crimes.

Prevalence of Predicate Crimes

53. According to the Country Report provided to GIABA, drug trafficking, corruption, tax evasion, fraud, human trafficking and theft are the major ML predicate offences noticed in The Gambia in 2016. Also The Gambia remained in the Tier 3 category of the US State Department Trafficking in Persons Report in 2015. The country was downgraded to Tier 2 category in 2014. The country is a source and destination country for women and children subjected to forced labor and sex trafficking.

AML/CFT Situation

54. The Gambia made significant progress in strengthening its AML/CFT regime in 2016. The major efforts made by the country include the enactment of various relevant legislations, issuance of the ML/TF Risk Assessment and Risk-Based Approach Guideline for Reporting Entities, expansion of AML/CFT supervision and application of sanctions, enhancement of national coordination, promotion of international cooperation, and achievement of relevant prosecutions, convictions and asset freeze.

55. In spite of this progress, there are still outstanding deficiencies in the country’s regime. Some of the gaps include the non-criminalisation of market manipulation; non-enactment of a comprehensive Mutual Legal Assistance (MLA) Act and appropriate guidelines; inadequate supervision of DNFBPs; and failure to keep to the timelines agreed for the implementation of its AML/CFT National Strategy and Action Plan. The country is currently on the Expedited Follow-Up process and reports to GIABA annually on the progress made towards addressing the deficiencies.

\(^4\) African Economic Outlook, 2015 & 2016 Country Notes on The Gambia
Conclusion

57. While The Gambia made good progress in strengthening its AML/CFT system in 2016, the remaining deficiencies listed above need to be addressed in order to bring the country’s AML/CFT regime into full compliance with international standards. The country is encouraged to expedite the implementation of its National AML/CFT Strategy and Action Plan, which is designed to comprehensively address the deficiencies in its regime.

Technical Assistance

56. In 2016, The Gambia expressed its technical assistance needs consistent with those expressed in the previous year. They include the following: training and awareness raising for the FIU; training for the judiciary; and training for regulatory and supervisory agencies.

Ghana

Political Situation

58. Ghana held successful presidential elections late in the year, further re-asserting its reputation as a model of democratic consolidation in the region. Although keenly contested, the election was peaceful as usual, and saw the defeat of the incumbent president by the opposition. The conceding of defeat by the defeated president further consolidated Ghana’s history of peace and political stability, considering that similar scenarios were generating considerable crises with the region.

59. Issues of governance were central in the elections and critical in determining the outcome. Ghana had always measured high on governance, by regional standards, although the country witnessed a consistent decline on its governance rating over the past two years. The country’s 2016 score on the Transparency International’s CPI was 43%, a significant drop from the score of 47% in 2015. Ghana was ranked 70th globally in 2016 as opposed to 56 in the previous year. The country maintained its 7th position on the 2016 IIAG.

Economic and Financial Situation

60. The economy of Ghana is projected to recover from the downward trend it experienced from 2014 through 2015. Year 2016 has seen the easing of the challenges of sharp currency depreciation, energy crisis, macroeconomic imbalance, and high inflation and interest rates of the last two years. Real GDP is projected to accelerate from 3.7% in 2015 to 5.8% in 2016, while inflation is projected to decrease from 17.2% in 2015 to 10.2% in 2016. The projection on inflation is still high, however, the positive trend is expected to continue into 2017 as the macroeconomic stability consolidates and as the fiscal and monetary policy reforms take hold. The economy is projected to recover with increased production of oil and gas, improved coca harvest and gold production.

Prevalence of Predicate Crimes

61. In 2016, all the main money laundering predicate crimes - drug trafficking, corruption, cybercrime, tax fraud/evasion, smuggling of goods, human trafficking, theft, counterfeiting and piracy - were reported by the country as prevalent. The proceeds of these crimes are laundered in various forms. The methods and channels mostly used are real estate, cross-border cash movement, banks, insurance companies, DNFBPs, microfinance and equity investment. In addition, Ghana is categorized as a Tier 2 Country in the US State Department Trafficking in Persons Report as a source, transit route and destination country for women and children, subjected to forced labor and sex trafficking.

AML/CFT Situation

62. Ghana is one of the best performing GIABA member States in addressing the main deficiencies in its AML/CFT regime towards meeting acceptable in-

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15 2016 Ibrahim Index of African Governance
16 African Economic Outlook 2016, p. 290
17 Ibid
19 GIABA, Summary of Country Reports.
20 2015 Trafficking in Persons Report, p. 167
ternational standards. The country exited the GIABA follow-up process in November, 2015, in order to prepare for its mutual evaluation. The onsite visit was carried from 19 September to 1st October 2016. The Report will be considered by the GIABA Plenary in May 2017. As the first GIABA Member State to be evaluated in the 2nd round, Ghana has demonstrated sufficient political commitment to the effective implementation of AML/CFT measures.

63. Ghana successfully undertook its National AML/CFT risk assessment with the support of the World Bank and GIABA from 2014 to 2016, which was a very significant milestone especially in the context of mutual evaluation. The outcome of the assessment should help the country to understand the risks it faces in order to develop and implement appropriate measures to mitigate them. Chapter Three of this report details the specific actions undertaken by Ghana to reinforce its AML/CFT system as well as the remaining deficiencies to be addressed.

Technical Assistance

64. Ghana has continued to receive support from GIABA and its partners in order to further strengthen its AML/CFT system, particularly with regard to the conduct of its national risk assessment. Other areas of technical assistance needs that the country expressed in the year are on: training and awareness raising for the FIU; and training and mentoring on international cooperation.

Conclusion

65. Ghana’s political stability has considerably supported the continuous improvement of its AML/CFT system, although performance on governance has been tempered. Governance is expected to improve in the coming year, being one of the central campaign issues in the presidential elections. Also, the economic recovery is expected the enable the country surmount the challenges of the past and dedicate more attention and resources to AML/CFT implementation. As Ghana prepares for mutual evaluation, it needs all the necessary support from GIABA and its development partners to help bring its regime into full compliance with international AML/CFT standards.

GUINEA

Political Situation

66. The year 2015 saw mass protests in Conakry over the timetable for presidential and local elections, but the country has stabilized in 2016. President Alpha Conde won election for the second and final term in 2015, thus calming tensions through 2016 and avoiding the path of violent conflict. In a country where political succession has been turbulent, the eventual re-election of the president without any major threat to the peace marked the increasing development of the country’s political institutions. The country’s political stabilization is expected to help in strengthening the institutions of governance and support continuous improvement in AML/CFT implementation.

67. Guinea still faces challenges on governance. The country scored 27% on the 2015 Transparency International’s CPI, ranked 142nd country in the world. In the 2015, the country scored 25% and ranked 139th out of 168 countries. On the IIAG for 2016, the country deteriorated in rank from 40th to 41st out of 54 African countries, while the score fell from 4.7% to 43.3%. The low level of performance on governance remains a major challenge that needs to be addressed as the country seeks to address the deficiencies in its AML/CFT system.

Economic and Financial Situation

68. Economic recovery from the devastating impact of the EVD has been steady, though slow in 2016. Guinea was declared Ebola-free by the end of December 2015. At the beginning of the year, GDP growth was almost zero, with the budget deficit at 7% of GDP. However, with the end of EDV, coupled with a stabilized political system, the economic outlook is back to positive. Real GDP is projected to accelerate from 0.1% in 2015 to 4.0% in 2016. However, the inflation is expected to rise modestly from 8.0% in the previous year to 8.5%21. The government is com-

mitted to redressing the macroeconomic situation and the economy is expected to remain on the path of positive growth. The authorities need to sustain their efforts in order to unlock the potentials of the economy and propel rapid growth.

Prevalence of Predicate Crimes

69. Like 2015, Guinea did not provide any report on ML/TF predicate crime in 2016. However, the prevalent predicate crimes may not be dissimilar to the ones identified in earlier years, as follows: drug trafficking, corruption, tax fraud/evasion, smuggling of gems and precious metals, goods smuggling, bank fraud, forgery and piracy. The known channels for laundering the proceeds of these crimes include investment in real estate, cross-border transport of cash and bearer instruments, banks, casinos and microfinance.

70. Guinea is in the Tier 2 category of the US Trafficking in Persons assessment. The country is a source, transit, and to a lesser extent destination country for men, women, and children subjected to forced labor and sex trafficking.

AML/CFT Situation

71. Despite the devastating impact of the EVD, Guinea made good progress towards addressing the gaps in its AML/CFT regime. In particular, the country demonstrated political commitment to improving its system. Some of the outstanding achievements include:

i) Revision of the Penal Code, which criminalized the full range of FATF designated categories of predicate offences of money laundering;

ii) Adoption of a new Insurance Code which also provides for acts relating to money laundering and countering the financing of terrorism; strengthened the financial and human resource capacity of the FIU; and

iii) Reinforcement of banking supervision through on-site supervision of credit institutions.

72. Notwithstanding this progress, Guinea’s AML/CFT regime still suffers some significant deficiencies and the country is on the Enhanced Follow-Up process of GIABA mutual evaluation process. Chapter 3 elaborates the outstanding deficiencies in the country’s AML/CFT regime.

Technical Assistance

73. Guinea expressed need for technical assistance in 2016 in the following areas: training, awareness raising and ICT equipment for the FIU; and training and mentoring for the judiciary.

Conclusion

74. The country’s full recovery from the scourge of the Ebola epidemic is a tremendous relief from the economic and social devastations of the previous year. In addition, the consolidation of democracy and its stabilizing effect on the political system will enable the government to concentrate its efforts on strengthening governance and combatting corruption as well as other financial crimes. This will strengthen the country’s efforts to improve its AML/CFT system in order to bring it into compliance with international standards.

GUINEA BISSAU

Political Situation

75. Guinea Bissau has suffered from political instability over the years. In November 2016, Mr. Umaro Sissoco Embalo was appointed as the fifth prime minister in a little over a year, which settled the political impasse generated between the president and his opponents in the ruling PAIGC. As a result of the timely intervention by ECOWAS, the remaining part of 2016 saw the normalization of the political situation as the country was saved from another spiral of political crises.

76. However, it appears that the improvement in the political climate has not been accompanied by any notable improvement in overall governance.
the country. The country improved marginally from 45th position in the previous year to 44th, while the governance score rose from 35.7% in the previous year to 41.3%. On the level of corruption perception, the country dropped from the score of 17% in the previous year to 16% in 2016. It is crucial for the country and development partners to take advantage of the improved political environment to support the reinforcement of the overall governance framework. Such efforts will considerably enhance the capacity of the country to address development challenges, including issues related to AML/CFT.

**Economic and Financial Situation**

77. The return of donor support in 2015 has helped boost economic revival in Guinea Bissau. Overall, the economy has steadily improved over the last three years. The GDP, which grew at 2.7% in 2014, accelerated at 4.8% in 2015 and projected to grow at 5.7% in 2016. The return of international technical and financial support, conditioned upon the restoration of democracy, as well as increased revenues from cashew export are the main factors. Equally important, inflation has been subdued at projected 2.1% from 1.5% in the previous year. This is well within the 3% threshold of the UEMOA and needs to be sustained. Guinea Bissau has some of the lowest Human Development Indices, and has continued to rank among countries within the Lowest Human Development band. The country faces the challenge of charting a more inclusive path to growth in order to reduce the social pressure towards crime.

**Prevalence of Predicate Crimes**

78. The main ML predicate crimes reported by the country in 2016 include drug trafficking, corruption, theft and tax fraud/evasion. The country is a well-known transit route for Europe-bound cocaine from Latin America, as reported in the past years. In addition, Guinea-Bissau is reported as a source country for children subjected to forced labor and sex trafficking. Having failed to fully meet the minimum requirements of the US State Department on countering human trafficking, Guinea Bissau remained in Tier 3 category in the 2015 US State Department Trafficking in Persons Report as in the previous years.

79. The methods used for laundering the proceeds of these crimes, as reported by the country, are real estate, cross-border transport of cash and bearer instruments, banks and DNFBPs.

**AML/CFT Situation**

80. Since the inauguration of the new democratic government in 2014, Guinea Bissau has expressed willingness and greater commitment to addressing the identified deficiencies in its AML/CFT regime. The country took some steps in 2016 to address the outstanding deficiencies in its AML/CFT regime. The details of these actions are provided in Chapter Three of this report.

81. However, in spite of the efforts made, the country’s AML/CFT system still has many strategic deficiencies, which need to be overcome urgently. Some of the major deficiencies include the non-criminalization of the smuggling of migrants, smuggling and piracy; lack of prosecution or conviction relating to money laundering and the financing of terrorism; lack of seizure, freezing and/or confiscation of proceeds and instrumentalities of crime; among others. The full details of the strategic deficiencies are presented in Chapter 3 of this report.

**Technical Assistance**

82. GIABA and its development partners have renewed their commitment to support the new democratic government in strengthening the country’s AML/CFT regime. GIABA will continue to work closely with the country to implement the Action Plan developed jointly with the country for addressing the deficiencies. The only technical assistance needed, as reported by the country in 2016, is training for the FIU.

83. The improved political environment of Guinea Bissau is a very encouraging development, but the new government needs to take advantage of the political stability and economic revival to strengthen its AML/CFT regime.

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23 See the 2015 and 2016 IIAG.
24 See the UNDP Human Development Report 2016.
CFT system. In particular, the authorities of Guinea Bissau should demonstrate greater and high-level political commitment to resolving the strategic deficiencies in the country’s AML/CFT system as a matter of urgency.

**Political Situation**

84. The United Nations Mission in Liberia (UNMIL) transferred back the responsibility for security to Liberia’s army and police in June 2016. This singular act demonstrated the completion of Liberia’s post-war transition, which began more than a decade, earlier in 2003. The next presidential election will be held in 2017. The political mobilization, though intense, has been crisis-free and peaceful. Also, the social and economic fragility occasioned by the Ebola scourge has been surmounted substantially. The country was declared Ebola-free by the World Health Organization (WHO) in January 2016.

85. While Liberia’s post-war and post-Ebola transitions have been impressive, the country’s record on governance in 2016 has not kept the same pace. The country improved on its position from 94th out of 175 countries in 2015 to 90th out of 176 countries on the Corruption Perception. However, the country has maintained its score of 37% since 2014. On the IIAG 2016, Liberia slipped two positions from 26th in the previous year to 28th position out of 54 African countries. The country can do more to strengthen governance to match the pace of political stabilization and democratic consolidation.

**Economic and Financial Situation**

86. Liberia’s economy, similar to that of Guinea and Sierra Leone, came under severe shock due to the EVD outbreak. Owing to the severe impact of the epidemic, the economy decelerated precipitously from the rapid growth of 8.7% in 2013 to just 0.4% in 2015. However, with the end of Ebola, and the resumption of gold production and the execution of infrastructure projects the economy is expected to grow to a modest 2.8% in 2016\(^26\). Also, the Ebola-induced inflation, which rose sharply to 9.9% in 2014, has been on the decline. Inflation dropped to 7.7% in 2015 and is projected to fall further to 7.0% in 2016\(^27\). However, this rate is very high given the huge loss of household income due to the disruptions in employment. As a short-term measure, the government is currently focusing on improving the business-enabling environment to generate jobs and increase incomes. The impact of this measure is expected to alleviate the hardship of the population, and reduce the pressure towards financial crimes.

**Prevalence of Predicate Crimes**

88. The most prevalent ML/TF predicate crimes in 2016 identified in the country report are drug trafficking, corruption, tax fraud/evasion, smuggling of goods, theft and counterfeiting. This has been consistent in the country’s reporting over the previous years. According to the Trafficking in Persons Report 2016, Liberia is a Tier 2 country as well as a source and destination country for men, women, and children subjected to forced labor and sex trafficking. As a Tier 2 country, most victims of human trafficking originate from and are exploited within the country’s borders.

89. These predicate crimes generate illicit proceeds that are being laundered through the real estate, cross-border transport of cash and bearer instruments, banks, and casinos/gambling\(^29\).

**AML/CFT Situation**

90. In spite of the heavy burden placed by the EVD on governance, Liberia made progress in addressing the outstanding deficiencies in its AML/CFT regime in 2016, notably in the areas of legislation and training for stakeholder agencies. Chapter Three of this report gives the details of the efforts made by the country during the year. However, in spite of the noted progress, the country’s AML/CFT system still faces many challenges that require urgent attention.

91. The FIU of the country is in need of capacity

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\(^26\) African Economic Outlook 2016, p. 295  
\(^27\) Ibid  
\(^28\) US State Department Trafficking in Persons Report 2016  
\(^29\) GIABA Summary of Country Reports 2015.
enhancement, while non-bank financial institutions and DNFBPs are not being adequately supervised for AML/CFT purposes. In addition, the country’s obligations under the old FATF Recommendation 33, 34 and SR VII, SR IX on which it was assessed have not been met.

Technical Assistance

92. The country expressed technical assistance needs in 2016 mainly in strengthening of the FIU through training, outreach, mentoring and provision of ICT support. The country also needs training and outreach on international cooperation.

Conclusion

93. With Liberia declared Ebola free by the WHO, the country has the opportunity to strengthen its AML/CFT regime as a national priority in order to ensure that the country builds a solid foundation for economic recovery. To this effect, GIABA and development partners need to increase and sustain engagement with Liberia to ensure that the country meets fully its international AML/CFT obligations.

Mali

Political Situation

94. The political situation in Mali has gradually improved since the conclusion of the historic peace deal with the Tuareg nationalist rebels in 2015, ending years of armed conflict. Also the successful transition to democratic governance with the successful parliamentary election of 2014, has been a stabilizing factor for the country’s political system.

95. However, the security situation has remained precarious with jihadist militants sustaining deadly attacks on foreign forces in 2016. Such attacks have killed more than 100 peacekeepers since the UN mission’s deployment in the country in 2013, making it one of the deadliest places to serve for the UN.

96. In spite of the fragile security situation, Mali has made efforts to improve on governance and tackle corruption since the return to democratic rule. The country’s score on Transparency International’s CPI remained at 32% since 2015, though its ranking slipped to 116th out 175 countries; in 2014 the country ranked 127th out of 176 countries. On the IIAG, Mali moved up on its score for overall governance from 45.8% in 2015 to 50.6% in 2016.

Economic and Financial Situation

97. Mali’s economic recovery, which started in 2013 when GDP growth rose to 1.7%, slowed down in 2015 and is projected to consolidate in 2016. Real GDP growth decelerated from 5.8% in 2014 to 5.2% in both 2015 and 2016\(^1\). The slowdown has been due to the fallen output in the agricultural sector, particularly cotton production.

98. The prices of Mali’s main exports, cotton and gold, are highly volatile in the international market while the security situation remains fragile. These factors pose a constant threat to macroeconomic stability and human development in the country. Already, the security crisis in the north has led to a humanitarian situation, resulting in food shortages and malnutrition, particularly in the North. The challenge is to ensure that the growth of the economy is sustained and made more inclusive in order to cut down the high incidence of poverty and the population’s vulnerability to ML/TF and their predicate crimes.

Prevalence of Predicate Crimes

99. In 2016, the country reported all the major predicate crimes as prevalent. These include drug trafficking, tax fraud/evasion, goods smuggling, human trafficking, theft, counterfeiting and piracy. Mali was retained in the Tier 2 Watch List category of the US Trafficking in Persons report in 2016. The country is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking\(^2\).

100. As reported in previous reports the difficulty in policing the large swathe of desert space in northern Mali where terrorist groups continue to hold

\(^{1}\) African Economic Outlook, 2016

\(^{2}\) US State Department Trafficking in Persons report 2016
sway, heightens the prevalence of organized crimes and raises serious concerns about the high ML/TF risks the country faces. The country report lists the following channels for laundering the proceeds of these crimes: real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs, microfinance, and financial markets.

AML/CFT Situation

101. In spite of the country’s political and security challenges, Mali sustained efforts to address the deficiencies identified in its AML/CFT regime in 2016. The country domesticated the EUMOA Uniform Law on AML/CFT, which addressed a substantial part of the identified deficiencies. The country also organized training and sensitization programs on the Uniform Law for various stakeholders, froze assets pursuant to the implementation of UNSCR 1267, enhanced the capacity of the FIU, and organized several AML/CFT training programs for AML/CFT stakeholders during the year.

102. The main outstanding deficiencies relate to the non-criminalization of the financing of a terrorist for any purpose, weak implementation of UNSCR 1373, and ineffective supervision of DNFBPs for compliance with AML/CFT obligations. The full list of the remaining deficiencies and their implications are discussed in detail in Chapter 3.

Technical Assistance

103. In order to address the challenges facing the effective implementation of AML/CFT measures in the country, Mali expressed needs for technical assistance in 2016. The needs include training, awareness raising, and ICT equipment support for the FIU, training for the judiciary, and training and mentoring on international cooperation.

Conclusion

104. Mali has demonstrated commitment to the implementation of AML/CFT measures by enacting several relevant instruments, in spite of the formidable security and humanitarian challenges facing the country. However, the enduring presence of terrorist organizations and their operations in the country call for extreme vigilance on the part of the authorities. The country needs the continued support of GIABA and its development partners towards combating the financing of terrorism and other rising organized crime.

Political Situation

105. After months of political tension, Niger successfully held its presidential election in March 2016 and President Mahamadou Issoufou was re-elected. However, the bitter controversies surrounding the elections, including the arrest and detention of opposition leader, Mr. Hama Amadou, in November (about four months to the election), and the boycott of the run-off election by his supporters tested the resilience of the country’s political system and its fledgling democracy.

106. In addition, the country faced a surging menace of terrorism and terrorist attacks in the year. Apart from Al Qaeda-affiliated terrorist groups, which have operated across the border from Mali over the years, the Boko Haram terrorist group operating from neighboring Nigeria continue with their deadly incursions into the southern region of Diffa. However, the intervention of the regional Multinational Joint Task Force (MNJTF) has minimized deeper incursion of the terrorists into the country.

Economic and Financial Situation

107. Niger’s economy is on the path of recovery from the slowdown it experienced in 2015, when GDP growth tumbled from 7.0% to 3.6%. Growth is projected to rise to 5.0% in 2016, largely due to the expected expansion of activities in extractive industries and as a result of more investment in agriculture and transport\(^2\). This positive forecast is not withstanding the long drawn out and costly anti-terrorist military operations. However, continued military spending is likely to exert a high toll on the current

\(^2\) African Economic Outlook 2016, p. 307
expenditure in the budget of the country. Yet, social spending on development infrastructure in remote areas is needed as a counter-measure against radicalization and violent extremism.

108. Inflation stabilized at 1.3% in the year, although it rose from 1.0% in the previous year, while the implementation of the 3N (Nigeriens-Nourish-Nigeriens) initiative is expected to continue to strengthen agricultural output. The policy is aimed at ensuring food security in a country that has, over the past several years, consistently posted the lowest human development indicators in the world.

Prevalence of Predicate Crimes

109. With Niger’s long, poorly manned borders and the presence of various terrorist groups within and in neighboring countries, the country is highly vulnerable to a host of criminal activities and other predicate crimes to ML/TF. In 2016, drug trafficking, corruption, tax fraud/evasion, goods smuggling, and counterfeiting were reported by Niger as the prevalent ML/TF predicate crimes. Also, Niger is in the Tier 2 Watch List category in the 2016 US Trafficking in Persons report. The country is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. The channels that criminals use to launder the proceeds derived from crimes in Niger include real estate, cross-border transport of cash and bearer instruments, banks, and DNFBPs, including casinos and gambling.

Conclusion

113. Niger’s political stability and economic recovery provides a good condition for the country to reinforce its AML/CFT system. The political commitment of the authorities to AML/CFT implementation is undoubted and needs to be harnessed by international partners to support the country’s efforts. Terrorist activities by Boko Haram have over strain the human and financial resources of the country. There is the need for GIABA and other stakeholders to continue to encourage the country by providing it with the support it requires to overcome these challenges.

Political Situation

114. Nigeria’s political system has steadily stabilized since the presidential election of 2015, which tended to accentuate the country’s enduring ethnic, religious and regional fault lines. The success of the new government in the war against terrorism has strengthened its legitimacy and enhanced the sense of national security. The operations of the regional MNJTF around the borders with Niger, Chad and Cameroun, and the massive internal deployment of forces against Boko Haram militants have resulted in the recovery of all territories previously held by the group. In addition, 2016 saw a drastic reduction in the frequency and intensity of Boko Haram attacks. The government also launched negotiations that led
to the release of a number of the “Chibok girls”, which has raised hope that more may be released. However, the resumption of restiveness by militants in the oil-producing Niger Delta and the attendant attacks on oil infrastructure in the region re-opened a familiar frontier of threats to the country’s peace, stability and economic development.

115. The Muhammadu Buhari Administration, which came to power mainly on the back of anti-corruption campaign, has continued to demonstrate its firm commitment to good governance. The administration has reinforced the legitimacy and effectiveness of the main anti-corruption agency, the Economic and Financial Crimes Commission (EFCC). The year 2016 witnessed many high-profile arrests on corruption, prosecutions, convictions, and discovery and confiscation of huge sums of hidden money in both local and foreign currencies. In spite of these efforts, the year also saw the collapse of some very high-profile cases in court, revealing the existing weaknesses in the country’s criminal justice system. The Transparency International 2016 score fell from 34% in the previous year to 28% in 2016. Similarly, the country’s governance performance on the IIAG fell from 48.8% in 2015 to 46.5% in 2016. The country needs to raise the level of governance and improve the environment for the effective implementation of AML/CFT measures.

Economic and Financial Situation

116. Nigeria is West Africa’s largest economy, with more half of its GDP. Nigeria’s economic downturn, which began in the latter part of 2015, heighten precipitously during the year. Real GDP decelerated from 6.2% in 2014 to 3.0% in 2015 and forced the economy into recession in 2016, owing to a combination of exogenous and endogenous factors. The scarcity of foreign currency also led to the crash of the Naira and increased inflationary pressure, forcing inflation into double digits for the first time in decades. However, the determination of the government to stimulate the economy through various policy measures has started to yield results albeit modestly. Some of the measures include an expansionary 2016 budget, cutting the cost of governance, enforcement of the single treasury account to block financial leakages, tax compliance enforcement, start of zero-budgeting in 2016, and increasing the ratio of capital to recurrent expenditure to 30:70.

Prevalence of Predicate Crimes

117. Hopefully, the improving security situation in the northeast as well as improvement in overall governance will enable the government to vigorously pursue its vision of inclusive growth and sustain its fight against corruption, money laundering and terrorist financing.

AML/CFT Situation

119. Nigeria has continued to make significant progress towards strengthening its AML/CFT regime. The most notable areas of progress include improved requirements for CDD, improved reporting by financial institutions and DNFBPs and enhanced supervision of reporting entities, increased dissemination of intelligence reports, and increased AML convictions and confiscations. The country also successfully undertook its ML/TF National Risk Assessment and made progress on its impending membership of the FATF.

33 African Economic Outlook 2016, p. 308
34 Trafficking in Persons Report 2016, p. 289
120. In spite of these efforts, Nigeria has outstanding deficiencies in its AML/CFT system. The country has not effectively implemented the requirements for countering the financing of terrorism, particularly the receipt of STRs, freezing of funds or other property, investigation, prosecution and, especially, conviction relating to the financing of terrorism despite the activities of Boko Haram. There are a number of crucial bills pending with the legislature, and the UNSCRs 1267 and 1373 have not been effectively implemented.

**Technical Assistance**

121. The technical assistance needs expressed by Nigeria for 2016 are as follows: training, awareness raising and ICT equipment for the FIU, training and mentoring for regulatory and supervisory bodies, and training for civil society organizations and the media.

**Conclusion**

122. The current difficulties faced by the region’s largest economy are likely to intensify social pressure and make the country more vulnerable to ML and its predicate crimes. However, with the gains made on the counter-terrorism and anti-corruption fronts, the risks of ML and TF are expected to recede gradually. Also the restructuring of the economy is expected to revive other more sustainable growth drivers and put the country back on the track of robust growth. The country still faces the challenge of fostering human development as a counter-measure against radicalization, violent extremism, insecurity and organized crime.

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**Political Situation**

123. São Tomé and Príncipe (STP) a non-ECOWAS but a GIABA member State, is a multi-party democracy and has continued to consolidate on political stability since holding a peaceful Presidential election in 2011. In 2016, presidential election was held successfully where President Evaristo Carvalho emerged as the winner.

124. In terms of governance, São Tomé and Príncipe has consistently remained one of the high performers in Africa. The country moved up on the Transparency International’s CPI from the rank of 66th out of 168 countries in 2015 to 62nd out of 176 countries in 2016. On overall governance, the IIAG for 2015 put the country at the 10th position out of 54 African countries. However, the country fell to the 11th position with a score of 60.5% in 2016, still well above the African average of 50.0%. The country has continued to demonstrate commitment to improving its AML/CFT regime but it is constrained by limited resources.

125. The modest growth posted by the economy of São Tome and Principe (STP) in recent years suffered a slight setback in the year. The GDP growth rate improved from 4.5% in 2014 to 5.3% in 2015 but declined to 5.0% in 2016. On a positive note, inflation declined from 5.3% in the previous year to 4.6% in 2016, thus easing the pains of the economic slowdown. The government has undertaken reforms for sustainable economic growth and job creation through improving public administration efficiency and social services. The economic slowdown is likely to provide a sufficient condition for increase in criminal activities. Also the country’s cash-based economy, the discovery of oil, and its location in the Gulf of Guinea, where organized crime has been growing, all combine to heighten the risks of ML/TF.

**Prevalence of Predicate Crimes**

126. In its Country Report submitted to GIABA in 2015, São Tomé and Príncipe identified the prevalent predicate crimes in its jurisdiction as drug trafficking, corruption, fraud, tax evasion, goods smuggling, human trafficking, theft, counterfeiting and piracy. The proceeds from these crimes are laundered through real estate, cross-border cash movements, banks, insurance companies, DNFBPs, casino/gambling, and micro-finance.
AML/CFT Situation

127. Since the adoption of STP’s Mutual Evaluation Report in May 2013, the country has continued to make efforts to strengthen its AML/CFT system. Some of the measures adopted by the country to address its AML/CFT deficiencies in 2016 include the enactment of the Intellectual Property Code (Decree-Law 23/2016), which criminalizes piracy and counterfeiting of products and insider trading and market manipulation. The country also enacted the International Cooperation in Criminal Matters law; undertook asset seizure and freezing, training for FIU and law enforcement officials, capacity building for financial institutions and DNFBPs, supervision of banks and insurance companies, and regional cooperation on money laundering investigation and prosecution. The details of these efforts are provided in Chapter 3 of this report.

128. The remaining deficiencies in the country’s AML/CFT system include: the lack of legislation and procedures for freezing of terrorist funds or other assets of persons designated by the United Nations Al-Qaida and Taliban Sanctions Committee; and lack of implementation of AML/CFT requirements across all sectors.

Technical Assistance

129. STP’s nascent AML/CFT regime will continue to be mentored by GIABA in order to enhance the capacity of the country to implement the required AML/CFT measures. To this end, STP identified the following technical assistance needs in 2016: awareness raising and training for the FIU and for the judiciary.

Conclusion

130. As reported over the last two years in GIABA’s Annual Reports, the country’s location as an island in the Gulf of Guinea makes it particularly vulnerable to a host of criminal activities, particularly piracy. The menace of international organized crime, especially oil theft and piracy, in the Gulf of Guinea has steadily been on the rise, and the country is encouraged to continue to strengthen governance and its commitment to full implementation of acceptable international AML/CFT standards in order to protect its economy and the financial system.

Political Situation

131. Senegal remained stable in 2016, in keeping with its time tested political history. The country maintained its reputation as a regional example of political stability, built on multi-party democracy and the culture of peace and tolerance. A major development in the year relate to the passage of a referendum to reduce the presidential term from seven (7) to five (5) years. Although the proposal generated much political ripples, it did not snowball into a crisis; the controversy died down once the referendum got the popular vote. Also, the situation of the latent conflict in Casamance improved significantly in the year with France dropping long-standing warning against travel to the region. The French action is likely to boost the tourism sector, which is central to the economy of the country.

132. Senegal has retained the tradition of high performance on overall governance compared to other African countries. However, the country’s performance declined in 2016. Its overall governance score for the year dropped to 60.8% from 70.6% in the previous year, and the country fell on the IIAG from the 7th position in 2015 to the 10th out 54 African countries. Nevertheless, Senegal has continued to make progress in combating corruption. The country’s score on the Transparency International’s CPI improved from 44% in 2015 to 45% in 2016, and moved up to the 64th position in the world. The government’s resolute stand against corruption, which is a leading predicate crime to money laundering in West Africa, testifies to its determination to entrench good governance and effectively implement AML/CFT measures.

Economic and Financial Situation

133. Senegal’s Economic growth continued in 2016. The GDP grew at 3.5% in 2013; 4.5% in 2014; 5.1% in 2015; and is projected to accelerate to 6.0%
in 2016. Inflation fell to projected -0.4% from 0.0% in the previous year. The implementation of the major projects in the Plan Sénégal Emergent (PSE), launched in 2014, entered the third year in 2016. However, with regard to human development, the country scored 0.466 on the UNDP Human Development Index for 2015, and is ranked 170th out of 188 countries in the world\(^{38}\). Hopefully, with sustained implementation of the projects under the PSE, the economy will experience transformation and grow rapidly enough to leading to improved well-being of the population. The PSE is aimed at making Senegal an emerging economy by 2035 and becoming a hub for West Africa. One of the three areas of focus of the initial implementation phase (2014 to 2018) is human capital, social protection and sustainable development.

### Prevalence of Predicate Crimes

134. According to the 2016 US Trafficking in Persons report, Senegal is on the 2 Tier Watch List, and is a source, transit, and destination country for children and women who are subjected to forced labor and sex trafficking.

135. Also, the US INCSR for 2016 shows that Senegal is vulnerable to organized crime, drug trafficking, internet fraud, bank and deposit fraud, document forgery, Ponzi schemes, and widespread corruption at many levels of government and commerce\(^{39}\). The country’s status as a regional business center for Francophone West Africa, surrounded by countries that are very vulnerable to drug trafficking and terrorist activities, heightens its vulnerability to the threats of ML/TF.

### AML/CFT Situation

136. Senegal has continued to demonstrate strong commitment to improving its AML/CFT regime. The country exited the GIABA 1st Round of Mutual Evaluation follow up process in 2016 in preparation for its mutual evaluation under the 2nd Round, with the onsite set to for second half of 2017. In preparation for the mutual evaluation, Senegal has made progress in the conduct of its ML/TF National Risk Assessment, which it expects to conclude in mid-2017. This will assist the country to clearly understand its ML/TF risk environment in order adopt the appropriate mitigation measures, including the adoption of the risk-based approach to AML/CFT implementation ahead of the evaluation. The details of the country’s efforts in 2016 and the outstanding deficiencies in its AML/CFT regime are provided in Chapter Three of this report.

### Technical Assistance

137. GIABA and development partners will continue to support the country in its efforts to address the remaining deficiencies in its AML/CFT system and in the conduct of the mutual evaluation. The only technical assistance needs expressed by the country in 2016 are training and awareness raising for the FIU. GIABA and the World Bank have provided support to the country for the conduct of the National Risk Assessment.

### Conclusion

138. Senegal has demonstrated strong commitment to countering ML/TF by making tremendous progress in addressing the remaining deficiencies identified in its AML/CFT regime. Its preparation for the 2nd round of mutual evaluation is on course and the country is expected to considerably improve in AML/CFT implementation over the coming year. As it prepares for its evaluation, Senegal has the opportunity to draw lessons from the experience of Ghana, which was the first GIABA member State to be evaluated under the second round and the new FATF assessment methodology.

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\(^{38}\) UNDP Human Development Report 2015, p. 210  
\(^{39}\) International Narcotics Control Strategy Report 2016, p. 151
Political Situation

139. After two years of serious disruptions, Sierra Leone was finally declared Ebola-free by the World Health Organization (WHO) in March 2016. The country still has some time to the next presidential election, but the political mobilization to the March 2018 polls holds promise to be a keenly contested one. President Ernest Koromah will be stepping down, after completing the maximum two-term limit, which makes the political field wide open. However, Sierra Leone’s democracy has developed uninterruptedly for a decade and a half after the end of the civil war. Events surrounding the elections are, therefore, expected to be peaceful, as they have been with past elections.

140. The country’s score on the Transparency International’s CPI of 30% in 2016 marks a marginal improvement from 29% in the previous year. The score has swung between 29% and 31% since 2012, and the country’s ranking has moved from 119th out of 168 countries in 2015 to 123rd out of 176 countries in 2016, but the change in ranking reflects more on the increase in the number of countries in the survey than substance (176 in 2016 against 168 in 2015). In any case, both rankings show that corruption is still a crucial issue for governance in the country. On overall governance, the country has continued to make progress. With a score of 49.4%, the country now occupies 30th position out of 54 African countries on the IIAG 2016.

Economic and Financial Situation

141. Sierra Leone’s economy is still reeling from the debilitating impact of the Ebola crisis, which contracted growth from 4.6% in 2014 to -21.5% in 2015. Recovery has been slow since the end of the crisis, and growth is projected at 0.2% against 2016. The difficult economic situation was compounded by the fall in iron ore prices, accompanied by continuous depreciation of the Leone (the country’s currency). Consequently, inflation has been on the rise, though slowly—from 7.1% in 2014 to 9.9% in 2015 and projected to pick at 10.0% in 2016. The government will, thus, continue to face the uphill task of improving governance and bringing about human development to reduce hardship faced by its citizens while at the same time it will be required to implement counter possible rising of crime rate.

Prevalence of Predicate Crimes

142. In its Country Report submitted to GIABA in 2016, Sierra Leone identified the following ML/TF predicate crimes as prevalent: drug trafficking, corruption, tax fraud/evasion, goods smuggling, human trafficking and theft. The country retained its 2015 classification as Tier 2 on human trafficking in the US Trafficking in Persons Report 2016, and is identified as a source and destination country for men, women, and children subjected to forced labor and sex trafficking.

AML/CFT Situation

143. Sierra Leone continued to make steady progress in AML/CFT implementation, in spite of the heavy burden of the Ebola crisis. Some of the measures adopted by the country include the following: the conclusion of its National Risk Assessment (NRA); amendment of the Terrorism Prevention (Freezing of International Terrorists Funds and other related Matters) Regulations, 2013; and strengthening of national coordination, capacity building, supervision of financial institutions, and international cooperation. Chapter Three provides the details of the measures implemented by the country in 2016.

144. Some of the deficiencies remaining in the country’s AML/CFT regime include the non-criminalization of terrorism and insider trading and market manipulation as predicate offences of money laundering; inadequate supervision of DNFBPs for AML/CFT compliance; and non-implementation of United Nations Security Council Resolutions 1267 and 1373.

Technical Assistance

145. In its Country Report to GIABA, Sierra Leone identified the following areas for technical assistance as priorities:...
assistance in 2016: training, outreach and mentoring for the FIU; training and mentoring for the judiciary; training and mentoring for regulatory and supervisory bodies; and mentoring on legislative drafting. In addition, the country needs to mobilize the necessary assistance and support to address outstanding deficiencies and bring its AML/CFT system into compliance with the required international standards. GIABA and the World Bank provided support to the country to enable it conduct its National Risk Assessment.

Conclusion

146. Post-Ebola Sierra Leone has demonstrated political and social stability, although improving overall governance is still a challenge. As the economy slowly recovers from recession, more reforms will be required to significantly improve governance and ensure that such recovery is inclusive.

147. Improved governance is expected to translate into more effective implementation of AML/CFT measures in the country. It would also translate into a more frontal war against corruption and other predicate crimes, thus diminishing the country’s vulnerability to the threats of ML/TF.

Political Situation

148. The political tension, which permeated the re-election of President Faure Gnassingbe Eyadema in 2015, has settled and the country has remained peaceful throughout 2016. Overall governance has gradually improved in Togo, albeit slowly. From the base year of 2011, governance in the country improved by a cumulative point of 4.0 and the country is on the 34th position out of 54 African countries. Togo has maintained its performance on the perception of corruption, as measured by the Transparency International’s CPI. The country has maintained the 2015 score of 32% and now occupies the 116th position out of 176 countries. Endemic corruption hinders effective implementation of AML/CFT measures, and like many other countries in the region, Togo needs to improve its performance and reinforce the enabling environment necessary for fully meeting its AML/CFT obligations.

Economic and Financial Situation

149. Togo’s economic expansion of the previous years slowed down to 5.5% in 2015 and modestly picked up to projected 5.9% in 2016. The ambitious infrastructural investment which started in 2010 has been the main driver of this performance, although that has considerably increased public debt. In addition, inflation has risen steadily from 0.2% in 2014 to 1.9% in 2015 and projected 2.1%, still well within the UEMOA threshold of 3%. Improving the business climate still remained a major priority for the country in 2016.

150. Again, government’s commitment to sustained implementation of the 2013-2017 Strategy for Boosting Growth and Promoting Employment (SCAPE) 2013–2017 will determine how far the country can go in improving governance and enhancing human development.

Prevalence of Predicate Crimes

151. In its 2016 Country Report to GIABA, Togo reported the following ML/TF predicate crimes as prevalent: drug trafficking, corruption, fraud/tax evasion, smuggling of goods, human trafficking, theft, counterfeiting and piracy. Togo maintained its Tier 2 classification, and is a source and transit country for men, women, and children subjected to forced labor and sex trafficking, according to the 2016 US Trafficking in Persons report.

AML/CFT Situation

152. In 2016, Togo took some steps towards addressing the deficiencies identified in its AML/CFT system. The steps include enactment of a new penal code criminalizing terrorism and terrorist organiza-
tions, the financing of terrorism, human trafficking and migrants smuggling, corruption, offences associated with corruption and cybercrime. The country also secured the extradition of an individual involved in a criminal matter. Its FIU signed Cooperation Agreements with India and with Trinidad and Tobago in June and July, respectively.

153. In spite of these measures, Togo is on the Enhanced Follow-Up process and the pace of the country’s progress in addressing its AML/CFT deficiencies has been slow. Notably, the country has not made any sufficient progress in the improvement of the legal framework governing financial crimes. The details of the pending legislations and other deficiencies are provided in Chapter 3.

Technical Assistance

154. Togo expressed its AML/CFT technical assistance needs to include training, awareness raising, and ICT equipment and logistics for the FIU; sensitization for the judiciary; training and sensitization for financial institutions; and sensitization for civil society and media.

Conclusion

155. Togo needs to demonstrate stronger commitment to the implementation of AML/CFT measures of acceptable international standards. The country needs to expeditiously address the serious deficiencies in its AML/CFT system. Furthermore, the country should maximize the available windows of technical assistance by actively seeking support to specifically address the outstanding AML/CFT deficiencies. GIABA is committed to supporting the country to address the challenges it faces in developing its AML/CFT.
CHAPTER III

COUNTRY ASSESSMENT

156. One of the core functions of GIABA is the conduct of assessments of the AML/CFT regimes of its members through mutual evaluations. Mutual evaluation is a multilateral peer review mechanism through which countries are assessed in order to monitor their compliance with the required international AML/CFT standards, in particular, the FATF Recommendations.

157. The level of ML/TF activities in the region necessitates that member States effectively implement AML/CFT measures to counter the threats. Mutual evaluations help countries to measure to what extent they are implementing AML/CFT measures consistent with international standards by identifying the strengths and weaknesses of a country’s AML/CFT regime. The mutual evaluation report also identifies and recommends priority actions or measures that can improve the assessed country’s level of compliance with international standards.

158. GIABA commenced the second round of mutual evaluations in 2016 with the assessment of Ghana. The mutual evaluation on-site visit of Ghana was conducted from 19 September to 4 October 2016. The mutual evaluation report will be considered at the May 2017 GIABA Plenary. The procedures guiding mutual evaluation requires that each assessed country is placed on a follow-up process following an assessment and the discussion of the mutual evaluation report at the Plenary. Therefore, the follow-up process for the first round continues. The follow-up process is intended to support member States’ implementation of the FATF Recommendation and provide regular monitoring and up-to-date information on measures countries are taking to improve their level of compliance with the international standards. The follow up process also ensures the application of sufficient peer pressure where members fail to make significant progress in addressing the deficiencies in their AML/CFT regime.

159. In line with the procedures guiding mutual evaluation, all GIABA member States were placed on the follow up process during the first round of mutual evaluation. Member States on the follow up process are required to submit regular reports to the GIABA Plenary for discussion. The follow up reports that were considered during the period under review are indicated below.

FOLLOW-UP REPORTS

160. The GIABA Plenary meeting in May 2016 considered and adopted the Fifth Follow-up Report of Guinea, the Third Follow-up Report of Sao Tomé & Principe, the Fifth Follow-up Reports of Togo and Liberia, the Sixth Follow-up Report of Benin, the Eighth Follow-up Reports of Nigeria and Senegal, the Ninth Follow-up Report of Cabo Verde, the Tenth Follow-up Report of Guinea Bissau, the Tenth Follow-up Report of The Gambia and the Thirteen Follow-up Report of Sierra Leone.

161. The GIABA Plenary meeting in November 2016 considered and adopted the Fourth Follow-up Report of Cote D’Ivoire, the Sixth Follow-up Report of Guinea, the Seventh Follow-up Report of Burkina Faso, the Eighth Follow-up Reports of, Mali and Niger and the Eleventh Follow-up Report of The Gambia.

162. The discussions at the Plenary and subsequent decisions were based on the Secretariat’s Analysis of the Follow-up Reports of these member States and additional information provided by them relating to the progress made in implementing the recommendations in their Mutual Evaluation Reports (MERs) and the Report of the Co-chairs of the Evaluation Compliance Group (ECG).

Fifth and Sixth Follow-Up Reports of Guinea

163. Guinea criminalized the smuggling of migrants, trafficking in human beings, counterfeiting, market manipulation, insider trading, cybercrime, the financing of an individual terrorist and a terrorist group or organization through the adoption of a new Penal Code. The country also passed a new Insurance Code which designates money laundering and terro-
risk financing as major offences. The Insurance Code is expected to complement the AML/CFT law for the operation of insurance companies.

164. Staff of the FIU assumed duty on 22 January 2016. The FIU received 1.2 billion Guinean francs or USD160, 000, financial support from GIABA and a generator for its operations in 2016. The FIU received nine (9) STRs and forwarded five investigation reports to the Public Prosecutor for further action. The authorities froze the bank accounts of a suspect and arrested 2 jihadists. The FIU also received and responded to three (3) requests from counterparts FIUs and signed a memorandum of understanding with the FIU of Ukraine.

165. The Central Anti-Drug Office (OCAD) collaborated with the Customs Intelligence and Investigations Department (DRED) to seize 1,406 tonnes of cannabis and 121 kgs of cocaine. The Criminal Investigation Division of the Police Criminal Investigations Department (DICDI) and the Interpol National Central Bureau (NCB) recorded one hundred and nineteen and twenty eight criminal cases, respectively. Guinea reactivated its Counterterrorism Committee. The Administrative Authorities provided a headquarters for the National Technical Committee and extended the membership of the Committee to include a representative of DNFBPs.

166. Guinea lacks effective laws and procedures to freeze terrorist funds or other assets of persons designated under UNSCR 1267(1999) and in the context of UNSCR 1373 and has been strongly urged by the FATF to request technical assistance from the relevant bodies to assist the country to address the gaps identified by the FATF in relation to those procedures. The country also lacks Guidelines for DNFBPs to implement their AML/CFT obligations.

167. The Plenary urged Guinea to:
   a) publish the Penal Code in the official Gazette of the Republic of Guinea in order to facilitate its entry into force;
   b) put in place a comprehensive mechanism to effectively implement United Nations Security Council Resolutions 1267 and 1373, and successor resolutions;
   c) issue guidelines for DNFBPs to ensure effective implementation of their AML / CFT obligations;
   d) implement the program of activities of the National Technical Committee, which should focus on enhanced training of reporting entities and key stakeholders in AML / CFT system; and
   e) undertake the National Risk Assessment project.

168. The Plenary retained Guinea on the Enhanced Follow-Up process and directed the country to submit its Seventh Follow-Up Report in May 2017. The Plenary further directed Guinea to work with the Secretariat to prepare an Action Plan to address the remaining deficiencies in its AML/CFT system.

Third Follow-Up Report of Sao Tomé and Principe


170. The authorities seized and froze suspected proceeds and instrumentalities of crime valued at thirteen thousand Euros and fifty thousand dollars, respectively and secured some convictions for environmental crimes. The country also seized five hundred thousand Euros (€ 500,000) from a foreigner and repatriated same to the source country.

171. The Banking and Insurance Supervision Directorate of the Central Bank of STP and the FIU inspected two banks and one insurance company to ascertain their compliance with national AML/CFT requirements. The FIU signed MoUs with the FIUs of Ghana and Togo and published its Third Annual Report covering the year 2015. The Customs Authorities in STP cooperated with their counterparts in Portuguese speaking countries.

172. It was noted that STP had not criminalized piracy, counterfeiting of products and insider trading and market manipulation. The country has not adopted clear procedures on international cooperation. It also lacks the necessary frameworks to implement targeted financial sanctions pursuant to UNSCR 1267/1989/1988 and UNSCR 1373 and has been urged by the FATF to take swift action to address the problems identified or be subjected enhanced monitoring by the FATF. STP reported that Bill on International Cooperation is pending before the National Assembly and may be passed into law by the end of 2016.

173. STP committed to enhance increase capacity
building and awareness raising programmes, joint inspection of financial institutions and amend relevant legislation to incorporate outstanding requirements in order to improve its AML/CFT system.

174. The Plenary strongly urged STP to take the necessary actions to address the deficiencies in its AML/CFT system without delay, and effectively implement the FATF Recommendations. The Plenary retained STP on the Expedited Regular Follow-Up process and directed the country to submit its Fourth Follow-Up Report to the Plenary in May 2017.

Fifth and Sixth Follow-Up Reports of Togo

175. Togo enacted a new Criminal Code, Law Act No. 2015-010, which among other things, criminalized corruption and human trafficking. Based on the new law, Togo established the High Authority to Prevent and Control Corruption and related offences through Law No. 2015-05 of 28 July.

176. The FIU received eighty five (85) STRs from May 2015 to February 2016 and additional twenty five STRs March 2016 to August 2016. The FIU increased its staff strength by two and signed Cooperation Agreements with India and with Trinidad and Tobago.

177. Cash amounting to the equivalent of FCFA 224500.5 million at exit points, 7480; 1 million at entry points; and 35 million in transit). The Togolese authorities seized narcotic drugs and other contrabands, as well as currency amounting to seventy seven thousand five hundred united states dollars.

178. Togo has not criminalized terrorist acts in accordance with the FATF Recommendations. The country has not criminalized cybercrime and environmental crime. The country indicated that some draft legislation have been submitted to the authorities for signature or adoption in order to criminalize the mentioned offences. Togo lacks specific regulations for freezing terrorist funds and other assets in accordance with UNSCRs 1267 and 1373. Togo is developing procedures for freezing funds and other assets of terrorists in accordance with Resolutions 1267 and 1373. Furthermore, the country has not transposed Directive No. 02/2015/CM/UEMOA dated 2 July 2015 on AML/CFT measures within the UEMOA member States into its domestic legislation. The entry into force of the UEMOA Uniform Law and its effective implementation by Togo is expected to resolve some of the deficiencies in the country’s AML/CFT system.

179. Due to the slow pace of progress made by Togo in addressing the deficiencies in its AML/CFT system, the Plenary placed Togo on the Enhanced Follow-Up process and directed the country to present its 6th Follow-Up Report in November 2016.

180. The sixth follow-up report of Togo indicated that the country is enforcing currency declaration obligations by travelers to and from Togo at the entry and exit points of the country. Law enforcement authorities seized a substantial amount of narcotic drugs.

Fifth and Sixth Follow-Up Reports of Liberia

181. The Fifth Follow-up Report of Liberia indicated that the country issued the Regulations on Currency Transaction Reporting for Financial Institutions, the Regulations Dealing with Cross-Border Transportation of Currency and Bearer Negotiable Instruments and the Regulations for further Distribution and Action on the United Nations List of Terrorists and Terrorist Groups. However, the Regulation for Further Distribution and Action on the UN List of Terrorists and Terrorist Groups pursuant to 1267 does not fully comply with the FATF standards. Consequently Liberia does not yet have adequate mechanisms and procedures for implementing UNSCRs 1267 and UNSCR 1373, relating to the prevention and suppression of financing of terrorism. The FATF has also drawn the attention of Liberia to this issue following its analysis of the measures in place in Liberia to implement targeted financial sanctions pursuant to the relevant UNSCRs and has strongly urged the country to request technical assistance from the relevant bodies to assist it address the gaps identified by the FATF in relation to those measures.

182. Liberia passed the Regulations on Suspicious Transaction Reporting for Financial Institutions, which requires financial institutions to report suspicious transactions to the FIU. The FIU received 53 STRs and 25,000 CTRs, but did not forward any intelligence report to law enforcement authorities for further action. However, the FIU moved into a secure office complex and recruited eight additional technical staff.

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44 29 at the time of reporting and additional 24 at the time of discussion.
The Plenary noted that Liberia had not criminalized illicit arms trafficking, counterfeiting and piracy of products, illicit trafficking in stolen and other goods. The country informed the Plenary that it was in the process of enacting the Fire Arms and Ammunition Control Bill and the Intellectual Property Bill, which aimed to criminalize the mentioned offences. It was also noted that Liberia has not criminalized the financing of a terrorist for any purpose. Liberia, with the support of the World Bank and the US Treasury completed the first draft of “an Act to Combat all forms of Terrorism and to Authorize Special Procedures for Law Enforcement Agencies to Deal with Terrorism-Related Offences” in order to address the deficiencies relating to the financing of terrorism.

Liberia informed that the country was making efforts to undertake a comprehensive review of its AML/CFT laws to address the deficiencies in its legal framework, develop a manual to be used as a guide for the effective supervision financial institutions; and commence studies on the gaming sector to adopt appropriate measures for the supervision of the sector. The Plenary urged Liberia to address the strategic deficiencies identified in its AML/CFT system without delay.

Due to the strategic deficiencies in the country’s AML/CFT system, the Plenary moved Liberia to the Enhanced Follow-Up process and directed the country to submit its Sixth Follow-Up Report to the Plenary in November 2016.

The Sixth Follow-Up Report revealed that Liberia has enacted the Firearms and Ammunition Control Act, 2016 and the Intellectual Property Act, 2016. The Central Bank of Liberia also completed the AML/CFT Examination Manual for Financial Institutions, trained examiners on the use of the Examination Manual, established an AML/CFT Unit within the Central Bank and commenced the examination of financial institutions in respect of AML/CFT compliance. The Liberian FIU prepared policy documents to enhance its operations and the country conducted AML/CFT training programmes for DNFBPs, LEAs, Prosecutors and Judges.

Liberia is yet to put in place mechanisms and procedures for implementing UNSCRs 1267. The country has not adoption of legal framework to implement UNSCR 1373 and is yet to criminalize the financing of a terrorist for any purpose. The draft Targeted Sanctions against Terrorists Act, the Anti-Terrorism Act and the Act to Authorize Special Criminal Procedure against Terrorists aimed at addressing these deficiencies are before the National Legislature.

The Plenary also urged Liberia to adopt appropriate measures for the AML/CFT supervision of all reporting entities and fully operationalize its FIU. Based on the deficiencies in the AML/CFT system of Liberia, the Plenary retained Liberia on the Enhanced Follow-Up process and directed the GIABA Secretariat to write a letter to the relevant Ministers in Liberia in accordance with Paragraph 53 (a) of the GIABA Process and Procedures for the first round of Mutual Evaluations to draw their attention to the effect of non compliance with the FATF Recommendations. The Plenary also directed Liberia to submit its seventh Follow-Up report in May 2017.

Sixth Follow-Up Report of Benin

Benin elevated the status of the Decentralized Financial Systems Monitoring Unit to a National Agency by Decree No.2015-346 of 15 June 2015 with strong institutional powers and capacities. The Agency led supervisory missions to sixty-two (62) institutions of which forty-one (41) of the missions focused on the AML/CFT system and made recommendations for further action. The FIU received three hundred (300) STRs and forwarded eight (8) intelligence reports to the judiciary for action.

Benin has not prohibited reporting entities from keeping anonymous accounts or accounts in fictitious names. There is no requirement for reporting entities to submit STRs on attempted transactions relating to terrorist financing to the FIU. The country has no clear procedures for the effective implementation of UNSCRs 1267 and 1373.

The Plenary urged Benin to:

a) Finalize and sign the draft Decree designating the Minister responsible for Finance as the competent authority in the freezing of funds and which, according to the Sixth Follow-Up Report, had been tabled to the council of ministers for consideration and adoption;

b) Sign the draft Ministerial Order specifying the powers, organization and functioning of the Advisory Committee on the Freezing of Assets tabled to the Minister responsible for Finance for his signature;

c) Sign the order constituting the National Technical Committee (NTC);

d) Adopt the National AML/CFT Strategy paper updated in April 2015 as a national reference document on the programme of action to
fight against ML/FT in the country;

e) Sign the order appointing new correspondents in public services, the draft of which has been tabled to the supervisory minister for his signature;

f) Formalize, by an order or by any other enforceable means, the sharing of information between the customs service and the FIU on cases relating to the cross-border transportation of currency and bearer negotiable instruments; and

g) Domesticate, without delay, the new WAEMU AML/CFT uniform law.

192. The Plenary retained Benin on the Expedited Regular Follow-Up process and directed the country to present its Seventh Follow-Up Report in May 2017. The Plenary also directed Benin to engage with the Secretariat to provide update on its progress for discussion by the November 2016 Plenary.

Eighth Follow-Up Report of Nigeria

193. Supervisory authorities, together with the Nigerian Financial Intelligence Unit (NFIU) conducted on-site and off-site supervision of nine hundred and thirty one (931) reporting entities to ascertain their compliance with national AML/CFT requirements. The examinations revealed that most reporting entities were in compliance with the requirements. Reporting entities that were found to have violated the requirements were subjected to various forms of sanctions, including revocation of operating licenses, suspension from operations, sealing off, fines, and imprisonment. Twenty-one (21) managers of wonder banks were also arrested.

194. The NFIU received one thousand seven hundred and eight (1708) STRs relating to money laundering. The FIU also received three million one hundred thousand, seven hundred and fifty five (3,100,755) CTRs from financial institutions, while SCUML received one STR that led to the prosecution and conviction of a hotelier for money laundering, and ninety three thousand, eight hundred and forty nine (93,849) CTRs from DNFBPs. The NFIU entered into bilateral relations with the FIUs of Panama and Bangladesh, both in relation to combating money laundering and terrorist financing.

195. The Nigeria confiscated property valued at about six million two hundred and eighty seven thousand six hundred and twenty five United States dollars ($6,287,625.00), prosecuted twenty money-laundering cases and secured ten convictions. Nigeria received two requests for Mutual Legal Assistance from the German Police Authority and United Kingdom, involving Nigerians arrested in connection with trafficking in hard drugs. The country also signed Judicial Agreements on Extradition with the United Arab Emirates in relation to the Transfer of Sentenced Persons, Mutual Legal Assistance on Criminal Matters, and Mutual Legal Assistance on Criminal and Commercial Matters, including the recovery and repatriation of stolen wealth.

196. Nigeria is currently involved in military operations with Niger, Cameroon, Chad and other international parties to stamp out the activities of terrorists who have constituted a menace to security in the North East region of Nigeria.

197. Nigeria has not enacted laws relating to the confiscation of proceeds and instrumentalities of crime, the NFIU and mutual legal assistance. The Plenary, therefore, urged the Nigeria to urgently enact the Proceeds of Crime (non-conviction-based Civil forfeiture) Bill, the Nigerian Financial Intelligence Centre Bill (or take other legislative action concerning the legal status of the NFIU) and the Mutual Legal Assistance Bill that has been pending for more than three years.

198. Plenary retained Nigeria on the Expedited Regular Follow-Up process and directed the country to submit its Ninth Follow-Up Report in May 2017. The Plenary urged Nigeria to work closely with the Secretariat towards its membership of the FATF by providing regular updates to the GIABA Secretariat.

Eighth Follow-Up Report of Senegal (Expedited Regular Follow-Up)

199. Senegal signed legislation and the established structures with competence in AML/CFT, particularly the supervision and monitoring of NPOs, as well as electronic money transfer activities.

200. The FIU received one hundred and sixty four (164) STRs from reporting entities and 10,767 systematic reports on transactions concerning non-profit organizations, while SCUML received one STR that led to the prosecution and conviction of a hotelier for money laundering, and ninety three thousand, eight hundred and forty nine (93,849) CTRs from DNFBPs. The NFIU entered into bilateral relations with the FIUs of Panama and Bangladesh, both in relation to combating money laundering and terrorist financing.

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198. Plenary retained Nigeria on the Expedited Regular Follow-Up process and directed the country to submit its Ninth Follow-Up Report in May 2017. The Plenary urged Nigeria to work closely with the Secretariat towards its membership of the FATF by providing regular updates to the GIABA Secretariat.
ding the case forwarded by the FIU to the State Prosecutor.

201. In line with Decree No. 2015-145 of 4th February 2015 which institutes an enhanced legal framework designed to monitor the activities of NPOs and audit the sources of funding, of NPOs, as well as the findings of an audit carried out in 2014, the Senegalese authorities audited and licensed eighty-one (81) NGOs based in 13 of the 14 regions in Senegal.

202. In 2015, inbound and outbound travelers complied with currency declaration requirements at the various entry and exit points of the country. From January to February 2016, the Customs Department forwarded eight (8) STRs related to suspected proceeds of drug trafficking and violation of exchange control regulations. Sixteen (16) consultative meetings were held with national stakeholders involved in the general action to strengthen governance or specifically in the fight against financial crimes.

203. Senegal has not criminalized the financing of an individual terrorist and a terrorist organization for any purpose and has not transposed the new UEMOA Law on AML/CFT, which is expected to address some of the deficiencies in the country’s AML/CFT legal framework. Senegal is developing a National Anti-Terrorism Strategy Paper, under the coordination of the Centre for Advanced Studies in Defense and Security (CHEDS), attached to the Prime Minister’s Office.

204. In view of the fact that Senegal is scheduled its second mutual evaluation by GIABA in the third quarter of 2017, the Plenary approved the exit of Senegal from the Follow-Up process, in line with the revised Calendar of the GIABA Mutual Evaluation Process and Procedure for GIABA’s Second Round of Mutual Evaluations and encouraged the country to conduct the National Risk Assessment as recommended by the revised FATF methodology. The Plenary also directed Senegal to provide the Secretariat with an update on its progress for discussion at the November 2016 Plenary.

206. The FIU received one hundred and fifty six (156) STRs from reporting entities, Customs and counterparts of the FIU, analyzed 38 STRs and disseminated thirty three (33) intelligence reports to the relevant competent authority/Attorney General’s Office (PGR).

207. The Cabo Verdean authorities froze and confiscated suspected laundered property comprising cash, 27 plots of land, 4 vessels; 1 water scooter; high-end vehicles; and 5 buildings valued €39,105,678.42 (thirty nine million one hundred and five thousand, six hundred and seventy-eight Euros and forty-two cents) and four hundred thirteen million forty-seven thousand two hundred fifty-five USD (413,047,255.00).

208. The FIU signed MOUs with the FIUs of Japan and Colombia, made ten (10) requests for information from its foreign counterparts and received three (3) requests for information from counterpart FIUs. The Cabo Verde FIU continued to process its application for membership of the Egmont Group of FIUs. Cabo Verde received 143 and issued 13 Letters Rogatory, two international arrests warrants and received two requests for extradition. The Government of Cabo Verde, through the Ministry of Justice, signed a protocol with the US Treasury Department with the aim of facilitating the provision of technical assistance to strengthen AML/CFT regime in Cabo Verde.

209. Cabo Verde enacted Law No 119/VIII/2016 to establish the process for distribution of the Sanctions Lists pursuant to UNSCRs 1267 & 1373 and a framework for the implementation of UNSCR 1373, including the process of designation of persons and entities that finance or support terrorism, and management of the national list. The country has commenced dissemination of the UN sanctions list to reporting entities on February 24, 2016.

210. Cabo Verde has not criminalized the smuggling of migrants. The AML/CFT Supervisory regime for financial institutions and DNFBPs is weak, and there is a lack of effective implementation of the mechanisms established pursuant to obligations under UNSCRs 1267 and 1373. Cabo Verde was ur-
ged by the Plenary address the remaining gaps in its AML/CFT regime.

211. The Plenary retained Cabo Verde on the Expedited Regular Follow-Up process and directed the country to submit its Tenth Follow-Up Report in May 2017.

Tenth Follow-Up Report of Guinea Bissau

212. The BCEAO and the General Supervision Directorate for Financial Activities and Insurance undertook a joint inspection of financial institutions and detected serious lack of compliance with due diligence and other internal procedures. Disciplinary proceedings are on-going with a view to revoking the licenses of the defaulting institutions.

213. The FIU organized various training and awareness raising activities for financial institutions, received four STRs and forwarded two intelligence reports to the Public prosecutor for further action. The FIU trained its analysts on analysis of financial information and published an Annual Report covering its activities from 2011 to 2014. The FIU received and responded to four requests for information from the FIUs of Portugal, Nigeria, Senegal and Ghana and signed MoUs with the FIUs of Cabo Verde, Ghana, Sao Tome and Principe, Nigeria, The Gambia and Liberia.

214. Guinea Bissau, in collaboration with the UNODC and the Ministry of Internal Administration of Portugal, organized AML/CFT related training programmes for the General Directorate of Personal Financial Activities Supervision and Insurance and Promotion Agency of Micro-Finance, commercial banks, law enforcement officials (40 magistrates/judges and 10 investigators from the Judiciary Police), local authorities, religious and university students local authorities, civil society, religious bodies and students.

215. Guinea Bissau designated members of the Inter-Ministerial Committee on AML/CFT but the Committee needs to be provided with funds to enable it to function effectively.

216. Customs officials seized currency and bearer negotiable instruments worth FCFA 56,910,000.00. Judicial authorities extradited a Mauritanian involved in a case relating to terrorism, and are investigating one case on financing of terrorism and two cases relating to money laundering.

217. Guinea Bissau has not criminalized the smuggling of migrants and insider trading and market manipulation and did not demonstrate effective implementation of UNSCRs 1267 and 1373. A significant number of deficiencies in the AML/CFT system of Guinea Bissau will be addressed through the domestication and effective implementation of the 2015 UEMOA Uniform Law on AML/CFT into the national legal framework of the country.

218. Guinea Bissau, with assistance from the GIABA Secretariat, developed a National AML/CFT Strategy with an implementation action plan spanning 2016-2019 in line with the directive of the GIABA 23rd Technical Commission/Plenary meeting held in Yamoussoukro in May 2015 that Guinea Bissau should work closely with the Secretariat to develop an action plan with realistic timeframe for addressing the remaining deficiencies, Guinea Bissau. The document is based on the revised FATF Standards and takes into account outstanding deficiencies in the AML/CFT system of the country. These include non-criminalization of migrant smuggling and the financing of an individual terrorist, effective implementation of UNSCRs 1267 and 1373 and confiscation of proceeds of crime. On 29 April, 2016, the Council of Ministers approved a draft law on the smuggling of migrants, adopted Directive no2/2015/CM/UEMOA, the UEMOA directive relating to AML/CFT and the draft Decree for the adoption of the National AML/CFT Strategy document.

219. The Plenary urged Guinea Bissau to, without delay, domesticate the UEMOA Uniform Law into its national legal framework and pass the Bill on migrant smuggling, issue guidelines to DNFBPs.

220. The Plenary retained Guinea Bissau on the Expedited Regular Follow-Up process and directed the country to submit its Eleventh Follow-Up Report in May 2017.

Thirteenth Follow-Up Report of Sierra Leone

221. Sierra Leone drafted proposed amendments to the AML/CFT Act, 2012 which criminalizes the act of providing support to an individual terrorist or terrorist organization for any purpose, in accordance with SRII. The country has also drafted Directives & Guidelines on the Prevention of Money Laundering and Terrorism Financing for Financial Institutions and Legal Practitioners/Law Firms. The Central Bank of Sierra Leone issued Guidelines for mobile money financial services and the Financial Intelligence Unit,
in consultation with the Bank of Sierra Leone (BSL) and the Sierra Leone Insurance Commission, drafted the Directives & Guidelines for Financial Institutions on the Prevention of Money Laundering/Terrorism Financing. The directives are intended to ensure that financial institutions including foreign exchange offices effectively implement the AML/CFT Act, 2012.

222. Sierra Leone conducted AML/CFT onsite examination of ten (10) commercial banks and the Financial Intelligence Unit provided training to commercial banks on AML/CFT training matters. The Attorney-General commenced the prosecution of two money laundering cases and applied provisional freezing measures in the two cases.

223. The AML/CFT Inter-Agency Intelligence Coordinating Committee (AIIC) signed an MoU to provide a framework for the signatory agencies to disseminate, amongst themselves, information relevant to intelligence gathering and investigation concerning financial transactions suspected to be related to money laundering, financing of terrorism and other related unlawful activities, either spontaneously or at the request of relevant agencies.

224. Sierra Leone is yet to criminalize insider trading and market manipulation. The country has drafted the Securities Bill, 2015 to address this gap. Sections 107 and 108 of the Bill prohibit market manipulation and insider trading respectively. The country is also yet to criminalize terrorism. Sierra Leone however reported that a committee chaired by the Central Intelligence and Security Unit (CISU) comprising representation from key intelligence and law enforcement agencies including the Financial Intelligence Unit (FIU) has commenced the process of drafting the legislation aimed at criminalizing terrorism.

225. The Plenary urged the country to expedite action to pass the amendment to the AML/CFT law, criminalize the outstanding predicate offences and ensure that reporting entities particularly designated non-financial businesses and professions (DNFBPs) and non-bank financial institutions comply with AML/CFT obligations and are monitored for this purpose.

226. The Plenary retained Sierra Leone on the Expedited Regular Follow-Up process and directed the country to submit its Fourteenth Follow-Up Report in May 2017.

Tenth and Eleventh Follow-Up Reports of The Islamic Republic of The Gambia

227. The Gambia commenced concrete implementation of its AML/CFT National Strategy and Action Plan, 2014-2019, strengthened its AML/CFT supervisory regime by conducting AML/CFT examination of bank and non-bank financial institutions, adopted comprehensive AML/CFT Guidelines for financial institutions and DNFBPs, an AML/CFT examination (onsite and offsite) manual for regulatory and supervisory authorities and commenced the implementation of the requirements of UNSCRs 1267 and 1373.

228. The Gambian authorities conducted 10 investigations on money laundering, one investigation on the financing of terrorism, prosecuted one case on money laundering, received and analyzed thirty three STRs, investigated and prosecuted one hundred and twenty three offences related to drug trafficking, convicted one hundred and one suspects for various offences, and investigated six and prosecuted two suspects for trafficking in human beings.

229. The FIU relocated to a secured and permanent office premises, recruited nine additional members, adopted an internal operational manual and a five-year strategic plan spanning 2016-2020, exchanged information with domestic competent authorities and counterpart FIUs and signed cooperation agreements with the FIUs of Burkina Faso and Guinea Bissau.

230. The Gambia improved national coordination and collaboration through regular meetings of the AML/CFT Inter-Ministerial Committee and the establishment of the Chief Compliance Officers Forum of Banks. The country also organized several sensitization and outreach programmes for the public, as well as workshops and capacity building programmes for reporting institutions and AML/CFT stakeholder institutions. The Gambia received funding to conduct a national ML/TF risk assessment, and is receiving technical assistance from the World Bank in this regard. However, The Gambia has not criminalized market manipulation; there is no effective application of regulatory sanctions; there is lack of supervision of DNFBPs; and the country lacks comprehensive legislation and appropriate guidelines on Mutual legal Assistance (MLA).

1. The Gambia submitted its 10th FUR to the Secretariat in November 2015 but the 24th TC/Plenary did not discuss the Report because the officials of the country did not attend the Plenary.
231. The Plenary maintained The Gambia on the Expedited Regular Follow-Up process and directed the country to submit its Eleventh Follow-Up Report to Plenary in November 2016.

232. The Eleventh Follow-Up Report of The Gambia indicated that the country enacted the Non-Bank Financial Institutions Act 2016, the Payment Systems Act, 2016 and the Legal Practitioners Act, 2016. The Central bank of The FIU issued the ML/TF Risk Assessment and Risk-Based Approach Guideline for Reporting Entities 2016 and The Central Bank of The Gambia (CBG) established a Risk Management Unit and appointed an AML/CFT Compliance Officer to strengthen its role in AML/CFT. The country sustained and expanded the scope of AML/CFT examination and application of sanctions. The FIU published its 2015 Annual Report. The Gambia enhanced national coordination and collaboration; recorded ML and related prosecutions, convictions and asset freeze; and made progress on international cooperation on information exchange.

233. The FIU obtained the acceptance of the FIUs of Nigeria and France to mentor the FIU to apply for membership of the Egmont. The Gambia organized several sensitization/outreach and capacity building programmes for AML/CFT stakeholder-institutions, including reporting institutions and allocated part funding to conduct its NRA.

234. The FIU received and analyzed twenty five (25) STRs, and disseminated thirteen (13) intelligence reports to law enforcement agencies. There were thirteen (13) ML investigations and three ML related prosecutions resulting in the freezing of US$389,239.98. Seven fraud cases are under investigation and five (5) cases relating to human trafficking are being prosecuted. Two hundred and thirty seven investigations and 188 prosecutions are ongoing while 91 convictions were secured in relation to illicit drugs trafficking. The GFIU made seventy-eight (78) requests to and received eight (8) requests from domestic competent authorities. The FIU also made six (6) international requests for information and received one. Six (6) commercial banks, nine (9) insurance companies, four (4) microfinance institutions and three (3) finance companies were examined for AML/CFT purposes.

235. The CBG fined three (3) banks for violations of “Fit and Proper” procedures, suspended the managing director of a bank for obstructing an examination and refusing to allow access to information. The CBG also withdrew the operating licenses of two insurance companies. The Gambia trained 270 Officials from the GFIU, CBG, Gambia Police, Drug Law Enforcement Agency, National Agency against Trafficking in Persons and other institutions on issues relating to AML/CFT.

236. The Gambia has not criminalized Market Manipulation. The country lacks a comprehensive MLA Act and appropriate guidelines. The Gambia has not shown adequate supervision of DNFBPs. The country has incorporated these deficiencies into its 2014-2019 National AML/CFT Strategy and Action Plan with specific implementation timeframe, but has not adhered to the timelines in this regard. The Plenary highlighted these deficiencies and urged The Gambia to intensify efforts to address them.


Fourth Follow-Up Report of Côte d’Ivoire

238. Cote d’Ivoire strengthened existing institutions through the appointment of relevant officers, created specialized units to investigate money laundering, terrorist financing, terrorism and other transnational organized crime, appointed officers of competent authorities and members of coordinating bodies.

239. The authorities of Cote d’Ivoire froze and confiscated suspected proceeds of crime and various volumes of narcotic drugs, psychotropic substances and pharmaceutical products. Cote d’Ivoire trained and sensitized one thousand one hundred and sixty two public officials on AML/CFT issues and designated 3 Magistrates to investigate cases relating to ML/FT. Officials of Cote d’Ivoire also participated in international AML/CFT programmes, thus enhancing their understanding of AML/CFT issues.

240. Cote d’Ivoire received 29 MLA requests and responded to 22 of them. The Minister for Security signed cooperation agreement with his counterparts in Mali, Burkina Faso and Senegal to prevent and control terrorism. The country also signed an agreement with Burkina Faso to establish a Permanent Monitoring Commission on the fight against cross-border trafficking of children.

241. Cote d’Ivoire has not criminalized the smuggling of migrants, insider trading and market manipulation and the financing of a terrorist organization
or an individual terrorist for any purpose. The authorities have not issued manuals to relevant stakeholders to enable them to comply with customer due diligence requirements, demonstrate effective implementation of United Nations Security Council Resolutions 1267 and 1373 and effective supervision of reporting entities, particularly DNFBPs. A significant number of deficiencies in the AML/CFT system of Cote d’Ivoire will be resolved with the promulgation and effective implementation of the draft UEMOA Law on AML/CFT adopted by the National Parliament on 11 November 2016.

242. The Plenary retained Cote d’Ivoire on the Expedited Regular Follow-Up process and directed the country to submit its Fifth Follow-Up Report to the November 2017 Plenary. The Plenary also directed Cote d’Ivoire to work with the Secretariat to develop an action plan on how to address the outstanding deficiencies, and the Secretariat to report progress to the Plenary in May 2017.

Seventh Follow-Up Report of Burkina Faso

243. Burkina Faso enacted Law No. 016-2016/AN on 3rd May, 2016 to domesticate the Uniform AML/CFT. It also passed eleven AML/CFT related laws. The FIU received sixty-seven (67) STRs and forwarded twenty-nine (29) investigation reports to the Prosecutor. There were two (02) convictions and one (01) acquittal. Burkina Faso, in collaboration with Mali, Niger and Côte d’Ivoire investigated various terrorist attacks carried out in the sub-region and arrested two (02) young Burkinabe jihadists who were radicalized in Niger and were in possession of an explosive belt, two (02) grenades and huge sums money. Burkina Faso requested the authorities of Mali to extradite a Burkinabe jihadist arrested in Mali in June 2016. Ten (10) individuals, including three (03) suspects actively involved in the terrorist attacks carried out in Ouagadougou on 15 January 2016 and Grand Bassam in Cote d’Ivoire on 13 March 2016 were arrested while six (06) others were declared wanted.

244. The National Police, the National Gendarmerie and Customs seized substantial amounts of narcotic drugs, prohibited substances, gold and ammunitions. The State Police and Gendarmerie referred three hundred and sixty (360) persons to the Ouagadougou High Court (TGI) for trafficking, possession, sale and abuse of drugs. 42 suspects were being prosecuted for trafficking 1,099 human beings comprising 563 boys and 536 girls. 17 of the suspects were prosecuted resulting in the conviction of 10 and acquittal of 7.

245. Burkina Faso needs to strengthen collaboration between the FIU, the Police, Gendarmerie, Forestry and the Judiciary with a view to conducting parallel investigations for ML/TF in relation to drug seizures and other illicit goods, in accordance with the FATF Recommendations. The country also needs to operationalize the Burkinabe Intelligence Community (CBR) and the Burkinabe Intelligence Agency as well as that of the Legal Divisions specialized in the prevention of economic and financial crimes and the Advisory Committee for freezing of terrorist assets.


Eighth Follow-Up Report of Mali (Expedited Regular Follow-Up)

247. Mali enacted Law No. 2016-008/AN-RM of 17 March 2016 to domesticate the UEMOA Uniform Law on the fight against Money Laundering and Terrorist Financing in UEMOA member States. The authorities organized training and sensitization programmes on the Uniform Law for various stakeholders. The law substantially addresses a significant number of the technical deficiencies identified in relation to Recommendations 5, 6, 7, 8, 10, SR III and SR VIII but does not criminalize the financing of a terrorist and a terrorist organization for any purpose as required under SR II. The country also criminalized cybercrime.

248. Mali provided additional information to the effect that on 23 October 2015 the country passed the law establishing the Central Office against Illicit Enrichment (OCLEI) and a Decree on the Organization and Operation Modalities of the OCLEI on 26 October 2015.

249. The Malian authorities froze the assets of some Malians pursuant to the implementation of UNSCR 1267 and reported twenty seven (27) money laundering cases to the judiciary.

250. The FIU received eighteen (18) STRs and disseminated three (3) intelligence reports to law enforcement authorities. The FIU also received eleven (11) requests for information from foreign counter-
parts and made seven (7) requests to foreign counterparts within the framework of information exchange through the Egmont Group platform and on bilateral basis. The members of the Council of the FIU assumed duty. It is expected that the effective functioning of the Council will enhance the operations of the FIU.

251. Mali organized several AML/CFT training programmes for AML/CFT stakeholders including reporting entities, auditors, hotel staff, the police, the gendarmerie, customs, judiciary and FIU.

252. Mali is yet to criminalize the financing of an individual terrorist and a terrorist organization for any purpose. Although Mali has designated terrorists, the country did not demonstrate that it had comprehensive procedures to effectively implement UNSCR 1373 and successor resolutions. Mali is also yet to put in place adequate measures for effective supervision of DNFBPs for compliance with AML/CFT obligations.

253. The Plenary encouraged Mali to address the identified deficiencies in its AML/CFT system. The Plenary further maintained Mali on the Expedited Regular Follow-Up process and directed Mali to submit its Ninth Follow-Up Report to the Plenary in November 2017.

Eighth Follow-Up Report of Niger


255. Niger convicted eighteen (18) suspects and committed seven (7) suspects to stand trial on money laundering offences. Niger froze and confiscated a substantial amount of narcotic drugs, psychotropic substances and pharmaceutical products.

256. The FIU received twenty one (21) STRs from financial institutions and forwarded three (3) intelligence reports to Prosecutor General. It also made fifty five (55) and received eighteen requests for information from foreign FIUs, and signed a cooperation agreement with the FIU of Congo for the exchange of information. The FIU, in collaboration with the UNODC, French Cooperation Agency, Central Office for Illicit Drug Traffic Control, Directorate of Police of the City of Niamey and other organizations, organized capacity building training and awareness raising programmes for AML/CFT stakeholders. The FIU also disseminated tax fraud information to taxation services. Officials of Niger participated in international AML/CFT related programmes.

257. Niger convicted eighteen suspects and committed seven suspects to stand trial on charges of money laundering. The Nigerien authorities arrested sixty (60) individuals and charged them with criminal conspiracy in connection with a terrorist enterprise. Eight of the suspects were convicted and sentenced to thirty months imprisonment, with fifteen months suspended sentence. Five persons were convicted on offences relating to drug trafficking and unlawful possession of firearms and ammunition, and were sentenced to various terms of imprisonments and fines. The courts confiscated cash, firearms and ammunition connected to these offences. Niger seized and confiscated high volumes of narcotic drugs, psychotropic substances and pharmaceutical products.

258. Niger has not adopted the draft Decree on administrative freezing of funds, property and other financial resources approved by the Council of Ministers in 2015 in order to ensure the effective implementation of the freezing requirements of Recommendation 3 and Special Recommendation III. The country did not provide statistics on the following as required by Recommendation 32:
   a) A breakdown of the type of financial institution, DNFBP, or other business or person that submitted the STRs to the FIU.
   b) Reports filed on: (i) domestic or foreign currency transactions above the prescribed threshold, (ii) cross border transportation of currency and bearer negotiable instruments, or (iii) international wire transfers;
   c) Number of persons or entities and the amounts of property frozen pursuant to or under U.N. Resolutions relating to terrorist financing;
   d) Extradition requests (including requests relating to freezing, seizing and confiscation) that were made or received, including the nature of the request, whether it was granted or refused, and the time required to respond;
   e) Spontaneous referrals made by the
f) On-site examinations conducted by supervisors relating to or including AML/CFT and any sanctions applied;
g) Formal requests for assistance made or received by supervisors relating to or including AML/CFT, including whether the request was granted or refused.

259. The Plenary urged Niger to take the necessary actions to adopt the draft Decree and maintain necessary statistics on the areas highlighted. The Plenary retained Niger on the Expedited Regular Follow-Up process and directed the country to submit its Ninth Follow-Up Report to the November 2017 Plenary.

Technical Assistance to Ghana on the Completion of Mutual Evaluation Questionnaires

260. The GIABA Secretariat, at the invitation of the Financial Intelligence Centre (FIC) and as a follow-up to the Pre-Assessment Training organised for Ghana in September 2015, assisted relevant AML/CFT stakeholders to complete the Questionnaire for Technical Compliance (Mutual Evaluation Questionnaire (MEQ) at a Workshop organised by the FIC from 8 to 10 March, 2016 in Accra, Ghana. The Secretariat provided participants with an overview of the Mutual Evaluation Process, as well as Key Issues for Countries Undergoing Mutual Evaluation. Participants worked in five (5) groups (Cross-Cutting, Legal, Law Enforcement/FIU, Financial Sector and Designated Non-Financial Businesses and Professions (DNFBPs) to cover the various spectrum of mutual evaluation. Participants demonstrated commitment to the process and were able to identify critical gaps that the country needed to address before the on-site mutual and completed parts of the MEQ.

Pre-Assessment Training Workshops for Senegal, Nigeria and Cabo Verde

261. In line with paragraph 88 of the Process and Procedures for the 2nd Round of GIABA Mutual Evaluations on Anti-Money Laundering and Combating the Financing of Terrorism (GIABA P & P), the GIABA Secretariat organized Pre-Assessment Training Workshops for Senegal, Nigeria and Cabo Verde from 15 to 18 March, 2016, 21 to 24 March, 2016 and 6 to 9 December, 2016, respectively.

262. The workshops gave relevant stakeholders who would be involved in the on-site mutual evaluation exercises in their countries an understanding of their roles in the mutual evaluation process. The workshops also sensitized them on the significance of the mutual evaluation exercise and sought to ensure that countries are prepared and fully involved in the mutual evaluation exercise.

On-Site Mutual Evaluation of the Republic of Ghana

263. The second round of GIABA mutual evaluations commenced in 2016. The Republic of Ghana was the first country to be assessed. The mutual evaluation on-site visit to Ghana was from September 19- October 4, 2016 in Accra, Ghana. The mutual evaluation was conducted by an assessment team comprising of experts from GIABA member countries and the GIABA Secretariat. The onsite commenced with an opening meeting on September 19, 2016 which was attended by members of the Ghana Inter-Ministerial Committee (IMC) and other top government officials. During the onsite visit, the assessment team met with relevant competent authorities as well as the private sector. The onsite concluded with an exit meeting on October 4, 2016 where the assessment team presented their Initial Findings to the Ghanaian Authorities.

264. On the whole, the mutual evaluation on-site visit was well-coordinated by Ghana’s Financial Intelligence Centre.
CHAPTER IV

TYPOLOGIES AND OTHER RESEARCH STUDIES

Introduction

265. Typologies and other research studies on money laundering and terrorist financing are key functions of an FATF-Style Regional Body (FSRB) and goes with the mandate of GIABA as contained in its Statutes. GIABA in 2016, the year under review, adopted and commenced the implementation of a 5-year strategy plan (2016 – 2020). One of the strategic goals (Goal 2) of the plan is to build AML/CFT regimes that are based on pertinent current and emerging risks. The conduct of typologies and other research studies is fundamental to the identification and understanding of ML/TF risks, as opined in Goal 2 of the current strategy.

266. Conducting typologies is also key to the identification of risk indicators and red-flags for ML/TF emanating from system and institutional vulnerabilities or the threats against them. It is therefore now obligatory for all jurisdictions to have a good understanding of the ML/TF risks they face in order to adequately mitigate them, as stipulated under the new FATF Recommendations (February 2012), Recommendation 1 in particular, emphasizes the conduct of National ML/TF Risk Assessments (NRA) for all countries.

267. Considering that ML/TF risks, trends and methods are constantly evolving, typologies and research studies are critical to the ability of GIABA and its member States to take effective action to strengthen their AML/CFT regimes.

Conduct of National Risk Assessment

268. The conduct of National ML/TF Risk Assessment became an obligation for all countries and is part of the compliance assessment under the new FATF assessment regime revised in 2012. GIABA has since then prioritized the provision of both technical and financial support to its West Africa member States for the conduct of their NRAs.

269. Ghana and Nigeria completed their NRA during the period under review. The whole exercise took Ghana 18 months to complete, while Nigeria reported spending 10 months to conclude. Sierra Leone though one of the first countries to have commenced their NRAs, reported that progress was slowed due to the outbreak of the Ebola Virus Disease (EVD). The country has however, produced the first draft and it has been reviewed by the World Bank and GIABA NRA support team. Sierra Leone is poised to complete it NRA by March, 2017. The assessments outcome is expected to assist the countries to set the required priorities in mitigating the risks they face and is a prerequisite to the second round of mutual evaluations, which will rate the very NRA exercise and outcome.

270. Most of the countries reported in the review period that they had got in contact with the World Bank and the GIABA Secretariat with a view to launching their project. In this regard, countries were called upon and advised to be time conscious in the planning of the conduct of their NRAs so as to be able to start and complete their NRA exercises in good time before the planned date of their mutual evaluation of the AML/CFT regime of their respective countries. They should also ensure they have the commitment of political authorities, as well as trained human resources and financial means before initiating the process. In particular, member States were encouraged to participate in any national risk evaluation workshop in the region or elsewhere so as to understand the process before initiating it, and to also request technical assistance from countries such as Ghana, Nigeria and Sierra-Leone, which have already gone through the process.

271. Four (4) other countries, Benin, Cabo Verde, Niger and Senegal started their NRA in the Second half of the review period and are all expected to complete the exercise in 2017. Other countries that are poised to start in 2017 are Cote d’Ivoire, The Gambia, Guinea Bissau, Liberia and Mali.

Typologies on Terrorist Financing in West and Central Africa (A Joint project with the FATF and GABAC)

272. The report on the typologies on terrorist financing in West and Central Africa was intended to
update the FATF/GIABA joint report on Terrorist Financing in West Africa (October, 2013) and extended to Central Africa. An important finding of the study is that, while the 2013 study is still relevant, the scale and nature of terrorist groups within the region have changed and this has had an impact on their financing strategies as well. The report identified the confirmed and suspected funding sources (the threats), particularly in relation to Boko Haram and groups linked to Al-Qaeda, including Al-Qaeda in the Islamic Maghreb (AQIM) and its affiliates. It revealed a number of threats and vulnerabilities that are specific to the region including the prevalence and profitability of cattle rustling as a key feature of rural and cross-border criminality in the Chad Basin. It also highlighted the role of cash, including foreign currency, in TF in the region.

273. The report concluded that Boko Haram is mostly funded locally, while Al-Qaeda affiliates may also be benefiting from foreign donations. While there are indications that terrorist organizations are associated with criminal organizations and with organized crime in the region, there is limited evidence to support these alleged links.

274. While this report attempted to address knowledge gaps about how terrorist groups raise, move and use funds in West and Central Africa, the challenges faced by the public and private sectors in detecting TF as well as limited examples of complex financial analysis on the issue make it difficult to present a full picture of TF methods in the region. Further studies and risk assessments, from a regional perspective, could assist to identify specific vulnerabilities and shape government responses to disrupt terrorism financing.

275. The report acknowledged that there is further work to be done in the region, particularly in the area of cross-border collaboration. Some government initiatives, such as the Multinational Joint Task Force aimed at combating the criminal activity near Lake Chad, have had some success but such examples are limited. There is, therefore, a clear need for countries in the region to work closely together and with the broader international community to conduct financial investigations, share information with other agencies and countries, as well as the private sector, and work with intelligence agencies in order to further identify and disrupt terrorism financing within the region.

**Outcome of the Terrorist Financing Fact Finding Initiative (TFFFI) Exercise in GIABA member States**

276. The TFFFI exercise was meant to gather information on the specific countermeasures GIABA MS have put in place to ensure the detection and disruption of terrorist financing and the challenges they face. The exercise has enabled GIABA to obtain first-hand information on the measures in place to counter TF in GIABA MS and the existing gaps. It has thrown up several issues including lack of preparedness by some MS, particularly those that have not been directly hit by terrorists. It is also glaring from the responses that most MS approach to terrorism and TF has been reactive rather than proactive. There is the need for MS to adopt proactive counter TF strategies to be able to detect and disrupt terrorists and TF activities. The TF risks according to the responses also depict the presence of the huge informal sector of our economies and the use of bulk cash in most transactions.

277. Below is a summary of the challenges faced by Member States:

- Low capacity of personnel in state institutions;
- Insufficient IT infrastructure and digital data platforms to facilitate storage, processing and quick dissemination of relevant information on both terrorism and TF;
- Lack of a centralized national database with interoperability and interconnectivity;
- The near absence of counter TF strategy and non-implementation where it exists;
- Low level of TF sensitization and awareness, including limited private sector awareness; and
- Lack of a regional leader with a robust CFT framework to learn from.

278. In view of the outcome of the exercise, the following recommendations were put forward for consideration:

i. A regional consultative meeting by regional partners and MS’ stakeholders should be held to develop a counter TF strategy for the region, to go along with the counter-terrorism strategy;

ii. The CFT strategy should include training programs for key agency personnel on TF intelligence gathering, detection, disruption and investigation of TF and its related activities, and how to enhance effective information sharing;

iii. Support MS to develop national databases on TF or integrate TF information on existing
iv. Provide training to MS on the management of TF related information within a central national database;

v. Assist countries to develop an all-inclusive national CTF strategy;

vi. Member States should develop and adopt national guidelines on the sharing of TF information within the broader framework of counter terrorism and intensify awareness raising and sensitization amongst all key stakeholders including the private sector;

vii. More time should be devoted by GIABA to TF issues within the framework of its bi-annual plenary meetings and Ministerial Committee meetings;

viii. The information gathering exercise on the CFT measures should be sustained by GIABA.

Typologies on Money Laundering arising from Electronic Counterfeiting and Intellectual Property (IP) Theft in West Africa

279. The report on money laundering arising from electronic counterfeiting and intellectual property theft in West Africa which has been finalized during the review period revealed that economic expansion in the region has seen the emergence of a number of economic crimes that raise considerable illicit proceeds. Among these crimes are counterfeiting and Intellectual Property Theft (IPT), particularly, piracy of electronic products. Notwithstanding the lack of definitive data, the two phenomena, generate substantial illicit proceeds in the region and seriously undermines both the economic potential of the countries and the integrity of commerce in the region. In all major cities and towns in West Africa, pirated electronic materials are commonly found and sold on the streets, especially on major roads with heavy traffic. This is generally tolerated by the law enforcement officials, even where there are laws that prohibit the production, distribution and sale of fake or patented products.
Research Report

Anti-Money Laundering and Combating the Financing of Terrorism

TYPOLOGIES STUDIES ON MONEY LAUNDERING ARISING FROM ELECTRONIC COUNTERFEITING AND INTELLECTUAL PROPERTY THEFT IN WEST AFRICA

FEBRUARY 2017
280. The substantial illicit proceeds generated through electronic counterfeiting and IP theft present a serious challenge to anti-money laundering (AML) efforts in West Africa. Specifically, the illicit proceeds provide criminal groups, especially those involved in other more serious criminal activities, with not only complementary income but also more money to invest in serious crime. The proceeds generated could be used to expand the production, importation, or trafficking of counterfeit goods, which are then fed into legitimate supply chains in order to obtain clean money.

281. The most interesting findings of the study is lack of knowledge and awareness on counterfeiting and IP right issues of electronic products among stakeholders including both investigative and enforcement agencies. Even where there is understanding of the counterfeiting and IP Theft phenomena, policymakers, regulatory bodies, as well as investigative and enforcement agencies identified in this report, for most of the time, made very little or no attempt to make the ML/TF connection on cases investigated and or prosecuted. Evidence suggests investigative agencies like the police normally disregard the ML issues when investigating IP right infringements. The Police for instance are mostly unable to look into the specific ML/TF issues including transaction tracing and how the criminals channel proceeds from counterfeiting and IP theft related activities into the financial system. Our analysis suggest lack of understanding and resource constraints largely contribute to this.

282. Evidence suggest the IP administration and enforcement is very weak in the region. Weak enforcement of IP rights has been attributed to weak institutional and legal framework. Legislations governing IP rights enforcement are found in various IP laws. There are also different institutions involved in IP enforcement and the coordination among these institutions have been a challenge. Measures at the country’s borders to detect and prevent the importation of counterfeit electronic products are not effective enough.

283. The study has established that most counterfeit electronic products circulating in the market were imported from China. Further investigations suggest most of these counterfeit products were imported through official channel into the country. Enforcement becomes very difficult when these goods find their way through the legal channels into the market. One of the major issues affecting enforcement of IP related rights is the inability of enforcement officials to identify counterfeit products in the market. Many indigenous companies and patent owners do not employ easily identifiable and authentication labels on their products. In some cases, counterfeit products are better packaged than authentic products.

284. Evidence suggest state institutions mandated to address IP related issues cannot police the production and distribution of electronic products in the market without the involvement of the IP industry which is an interested party. Lack of collaboration between IP administration and enforcement institutions and the private sector has been a major factor affecting effective administration and enforcement of IP rights.

*Update on the Typologies on Money Laundering related to the Counterfeiting of Pharmaceuticals in West Africa*

285. During the review period, GIABA commissioned and carryout a study again on the typologies on money laundering related to the counterfeiting of pharmaceuticals in West Africa. The final report is still being finalized and is expected to be published in the first half of 2017. Due to budgetary constraints, the project could not be initiated in good time. The project had a slow start due to administrative delays and approvals.

286. In addition to the slow takeoff of the project which saw the effective commencement of the typologies exercise only in the second half of the review period, most of the cases submitted by member States and the ones contained in the experts’ reports required further details on some specificities. As a result, clarification was solicited from member States who submitted the cases and the experts.

*Update on the Assessment of the Effects of Know-Your-Customer (KYC) and Customer Due Diligence (CDD) on the Provision of Financial Services in West Africa, in the Context of Financial Inclusion*

287. GIABA initiated a study in line with its program of activities in the review period. The study is titled: An Assessment of the Effects of KYC-CDD on the Provision of Financial Services in GIABA Member States within the context of Financial Inclusion.

288. The objective of the study is to understand and explain the interplay between the implementa-
tion of the KYC-CDD frameworks and financial inclusion in GIABA member States. The study is also aimed at highlighting the challenges associated with the implementation of effective KYC-CDD measures to the widest range of financial services and products in the region. The outcome of the study will assist government authorities in the design of relevant and targeted policies, focused regulatory and supervisory measures towards improving KYC-CDD in order to facilitate financial inclusion. It will also assist financial institutions in the design of effective KYC-CDD program with respect to the services they provide and to support member States implement a robust risk-based approach to AML/CFT supervision and compliance that is based on country-specific risks context and financial management structures.
289. The on-going study, which was launched in September 2016, and being implemented directly by the Secretariat, will involve data collection from all the eight (8) Central Banks in West Africa (BCEAO, Central Bank of Cabo Verde, the Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone). Data is also to be collected from financial sector operators in the same countries.

Proposal for a Typologies Exercise on ML/TF and the Extractive Industry/Mining Sector in GIABA Member States

290. The proposed typologies exercise is to study the methods and techniques of money laundering and terrorist financing associated with those involved in the extractive industry/mining sector of West Africa. The extractive industry/mining sector constitutes a major source of proceeds of crime in the region. Ten out of the fifteen economies in the region are highly dependent on the extractive industry/mining sector for a substantial part of their foreign exchange earnings, which also form a substantial part of their GDP.

291. The exercise will result into a better understanding of the linkages between extractive industry/mining sector and money laundering and terrorist financing in the region, identifying the regional dimensions and the impact of the phenomenon on ECOWAS policies and programmes; and provide policy recommendations aimed at effective regulation, supervision and law enforcement, as well as promotion of regional cooperation against criminal abuse of the extractive industry/mining sector involving ML/TF.

Conclusion

292. The conduct of typologies and other research studies on ML/TF continues to be a critical component of GAIBA activities, not only because it is mandated to do so, but also because of the need to constantly update knowledge and adapt existing measures to the dynamic nature of ML/TF in terms of the evolving risks, methods, and trends.
CHAPTER V

TECHNICAL ASSISTANCE & TRAINING

Introduction

293. GIABA Technical Assistance (TA) and training in 2016 were targeted at addressing observed strategic deficiencies identified in member44 States’ mutual evaluation/follow up process, and enhancing the capacity of relevant stakeholder-institutions to effectively address and respond to current and emerging AML/CFT challenges. The ultimate objective was to strengthen member States’ Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) systems and prepare them for the 2nd round of mutual evaluation.

294. TAs and capacity development programmes provided during the review period focused on emerging issues and other traditional areas, such as money laundering and terrorist (ML/TF) risk assessment; review of AML/CFT national strategies; enhancement of AML/CFT legislation; provision of infrastructure; support for Egmont Group membership; and trainings on implementation of relevant United Nations Security Council Resolutions (UNSCRs), financial investigations/prosecution, AML/CFT supervision, strategic analysis by FIUs, combating terrorist financing; and other specific national priorities. GIABA also provided financial support to assist some member States execute some specific projects, especially the national risk assessment.

295. To ensure efficient utilization of resources and avoid duplication of technical support to member States, GIABA strengthened collaboration and coordination with development partners in the provision of TAs and training. GIABA also implemented a targeted TAs and training regime focusing on critical areas that have maximum impact on national and regional AML/CFT regime.

296. The TAs and training implemented by GIABA resulted in significant improvement in the AML/CFT regime across member States. Majority of the strategic deficiencies identified in Mutual Evaluation and Follow-up Reports of member States were substantially addressed. In addition, Ghana, Nigeria and Sierra Leone have conducted their NRA while a number of other member States are at various stages of the process. The quantity of intelligence disseminated by the FIUs and the resultant ML/TF prosecution/conviction, as well as, asset recoveries recorded improvement. It is imperative to mention that, the support by development partners contributed immensely to the enhancement of AML/CFT systems across member States, and also allows greater TA and training delivery than would be possible from the limited internal resources. On the whole, the TAs and training provided reinforced the human and institutional capacity of member States which enable them to effectively address outstanding deficiencies in their AML/CFT systems and regimes.

297. A summary of the technical assistance and trainings provided by GIABA to member States in 2016 is provided below.

Deployment of AML/CFT Analytical Software to FIUs

298. The deployment of AML/CFT Analytical Software (Oracle Mantas) to the thirteen beneficiary member States was concluded in July 2016 with the installation of the software in Guinea Bissau. Following feedback from some beneficiary member States on technical challenges associated with the software, GIABA undertook a short survey of the project to assess the impact of the support, including extent of utilization, associated challenges and way forward. This was achieved through administration of questionnaire on the thirteen (13) beneficiary FIUs. The survey focuses on the performance of functionalities built into the software, utilization & effectiveness of the software, impact of the software on FIU operations, challenges faced by beneficiary FIUs, and termination or continuity of project. The Survey culminated in a report on the Implementation Status of the AML/CFT Analytical Software Project

44These include regulatory authorities; financial intelligence units (FIUs), the judiciary, prosecutors, law enforcement agencies, financial institutions (FIs), Designated non-financial Businesses and Professions (DNFBPs) and civil society organisations
(Oracle Mantas) for Thirteen GIABA Member States Financial Intelligence Units.

299. The Secretariat presented a summary report of the Survey report to the Forum of Financial Intelligence Units of GIABA Member States on November 16, 2016 in Saly, Senegal. The report was discussed and member States unanimously agreed that there was no need to buy a new product. They want GIABA to engage Jetlink Ltd (service provider/vendor) and come up with solutions that will make the system functional. In addition, they want GIABA to organize a session that will bring together officials of Jetlink, GIABA Secretariat and beneficiary FIUs (ICT experts and Analysts) to resolve the challenges.

300. To ensure optimal utilization of the software and sustainability of the project, GIABA will continue to work with the FIUs and vendors to address identified challenges, undertake holistic evaluation of the project in order to embark on the design of post implementation actions, including the re-training of the relevant FIU staff. This will culminate in the formal hand-over of the project to the authorities of the thirteen beneficiary FIUs.

Membership of the Egmont Group

301. FATF R.29 and its associated Interpretative Note urged countries to establish a FIU which should apply for membership in the Egmont Group. To support MS meet the Egmont membership requirement, GIABA has over the years, incorporated FIUs development as a critical component of its Strategic Plans.

302. In line with its strategic objective, GIABA continued to collaborate with national authorities to strengthen member States FIUs, especially non-Egmont members to promote their eligibility for Egmont Group membership. During the period under review, GIABA worked diligently with the FIUs of Cabo Verde, Sierra Leone, Gambia and Benin to promote their eligibility for Egmont membership. These FIUs are at the various stages of membership process. It is expected that in the coming year, some of these FIUs would have gained Egmont membership status while others would have advanced their application process to the verge of admission. The Secretariat will continue to support the national authorities of these FIUs and other eligible member States to facilitate their membership of the Egmont Group.

Forum of FIUs of GIABA Member States

303. The 8th and 9th meetings of the Forum of the Financial Intelligence Units of GIABA (FFIUG) member States were held on May 4, 2016 and November 16, 2016 in Praia, Cabo Verde and Saly, Senegal, respectively, as part of the preliminary meetings leading to the 25th and 26th GIABA Plenary meetings. The meetings were attended by Heads of all member FIUs, and the GIABA Secretariat, except FIU of Sao Tome and Principe that did not attend the 9th meeting.
304. Discussions at the 8th meeting focused on Activity Report of the Forum’s Chair and review of the Forum Charter. The meeting also adopted the report of the 7th meeting, considered update on member States’ Application to Egmont Group; took briefing from Egmont Group Focal Point for West and Central Africa; and update on Annual membership due contributions. Key outcomes of the 7th meeting, included the election of the President of Cote d’Ivoire FIU as the Forum’s Chair for 2016/2017 and signing of MOUs amongst some members.

305. The 9th meeting of the Forum considered and adopted the report of the 8th meeting, discussed the status of activities and finances of the Forum, considered update on member States’ Application to Egmont Group; took briefing from Egmont Group Focal Point for West and Central Africa; and took update on Annual membership due contributions. Key outcomes of the 9th meeting, included the adoption of draft programme of activities of the Forum for November 2016-May 2017, discussions on Secretariat paper on the Implementation Status of the AML/CFT Analytical Software Project and signing of MOUs amongst some members.

Forum on Technical Assistance and Training

306. The meeting of the Technical Assistance Forum was held on May 4, 2016 as part of the preliminary meetings leading to the 25th GIABA Plenary held in Praia, Cabo Verde. The meeting was attended by representatives of member States, development partners, observers and GIABA Secretariat.

307. Deliberations at the May 2016 meeting covered updates on support provided by GIABA and technical/financial partners to member States and the implementation status of GIABA-EU joint project. Participants underscored the need to sustain the technical assistance/capacity building to member States to enable them adequately address existing and emerging challenges, as well as, meet effectiveness requirements under the new FATF methodologies. Member States were urged to take full ownership of on-going TAs to ensure sustainability; identify any other key priorities for further assistance and contact relevant development partners for support.

308. The November 2016 meeting of the Forum was incorporated into the SAMWA Steering Committee (GIABA-EU Project) meeting because the issues for discussions relate to technical assistance and training with participation by all head of member States FIUs.

Direct Financial Support to member States

309. GIABA provided limited financial support to Nigeria and Sierra Leone in response to their requests. The financial support was to specifically facilitate the conduct of National Risk Assessment (NRA) in the respective countries. It is imperative to state that Ghana, Nigeria and Sierra Leone have concluded their NRA with the support of GIABA and other technical and financial partners. Other member States are at various stages of the NRA process. The NRA is a priority project for GIABA in the process of the implementation of the 2nd Round of Mutual evaluations of member States.

Capacity Enhancement Programmes

310. In 2016, GIABA organized both national and regional training programmes to enhance the capacity of its member States to effectively implement their AML/CFT regime. Some of the programmes were undertaken in collaboration with development partners. Highlights of the programmes executed in 2016 are as follows:

Pre-Assessment Training Workshops, Abuja, Nigeria (May 15-18, 2016) and Dakar, Senegal (March 23-25, 2016)

311. As part of its support to prepare member States for the 2nd round of mutual evaluation, GIABA organized two (2) pre-assessment training workshops for AML/CFT stakeholders in Senegal and Nigeria from March 15-18, 2016 and May 23-25, 2016, respectively. The main objectives of the workshops were to sensitize the officials of AML/CFT stakeholder institutions who will be involved in the mutual evaluation process to understand their roles in the evaluation process and take necessary follow-up actions in preparation for the mutual evaluation. The workshops underscored the importance of the mutual process and ensure that Nigeria and Senegal are adequately prepared for their 2nd round of mutual evaluation. The trainings also offered stakeholders technical guidance on how to complete the Technical Compliance Questionnaire based on the revised FATF Standards, Methodology and the GIABA Mutual Evaluation Process and Procedures.
312. The Workshops were attended by thirty three (33) and sixty-nine (69) officials from Senegal and Nigeria, respectively. The participants were drawn from the FIU; regulatory agencies, law enforcement agencies, line Ministries (Finance, Justice and Interior); financial institutions and designated non-financial businesses and professions (DNFBPs). The training was facilitated by officials from GIABA Secretariat and other regional experts.

313. In general, participants demonstrated a general awareness and appreciation of the issue of mutual evaluation, although some knowledge gaps still exist, especially in the completion of the Technical Compliance Questionnaire. To address this gap, Secretariat officials took time to review works done, identified the challenges, discussed the way forward and set the participants on the right tract.

314. This workshop was organized by GIABA for financial institutions and DNFBPs in The Gambia from July 27-29, 2016, in Banjul, The Gambia.

315. The main objectives of the workshop were to: (i) develop a shared understanding of the concept, approach and methodology for money laundering & terrorist financing (ML/TF) risk assessment; (ii) enhance the capacity of financial institutions and DNFBPs in conducting comprehensive ML/TF risk assessment/build a robust anti-money laundering and combating the financing of terrorism (AML/CFT) Risk Assessment Methodology; (iii) provide a practical guide for conducting ML/TF risk assessment in the financial & DNFBPs sectors; and (iv) agree on next steps to take this work forward in the various individual sub-sectors. The Workshop was also designed to help financial institutions & DNFBPs implement effective risk-based approach to AML/CFT implementation.

316. The workshop was attended by senior level officials responsible for AML/CFT compliance/risk assessment in financial institutions and DNFBPs in The Gambia. Also in attendance were officials from the GFIU and the CBG.
317. A total of fifty-three (53) participants attended the workshop.

318. Major outcomes of the workshop was as follows:

a. Financial institutions and DNFBPs should:
   • Deepen implementation of AML/CFT measures to enhance the integrity and stability of the financial system, and support national efforts at combating money laundering, and terrorist financing;
   • Undertake holistic/robust ML/TF risk assessment to better understand the risk they face and apply Risk-Based Approach (RBA) in the implementation of their AML/CFT programmes. In view of the fact that the outcome of such assessments would also serve as inputs into the financial sector and/or National ML/TF Risk Assessments, financial institutions are to act expeditiously;
   • Encourage and promote financial inclusion as a strategy in implementing AML/CFT measures;
   • Create a KYC repository that will provide platform for information sharing on KYC/CDD to facilitate customer identification and verification, as well as, identification of beneficial ownership;
   • Create a National Political Exposed Person (PEPs) list to complement other international open sourced/signatory financial list utilized by FIs and DNFBPs.

b. Authorities of financial institutions & DNFBPs should grant sufficient operational independence to Chief Compliance Officers and adequately resource compliance functions to enhance their capacities to effectively comply with both national and international AML/CFT requirements;

c. Compliance Officers should enhance sectoral coordination and collaboration in AML/CFT matters. In this regard, they should, at sectoral and national levels, strengthen and/or establish collaborative platforms, including Compliance Officers Associations, to facilitate experience sharing, and coordination/cooperation with relevant regulatory and other competent authorities.

Regional Forum of Stakeholders on the Emerging Challenges of AML/CFT and the Implications for the GIABA Member States, Saly, Senegal, August 16-18, 2016.

319. This programme was attended by Ambassadors from the ECOWAS member States accredited to Senegal, National GIABA Correspondents in member States, Heads of ECOWAS National Offices, GIABA Technical and Financial partners, and especially distinguished High Authorities of the Community, including the President of the Commission, Speaker of the Parliament and President and Vice-President of the ECOWAS Court of Justice.
320. The forum was aimed at: (i) providing a global overview of current and emerging risks of the ML/TF; (ii) ensuring common understanding of the demands of the implementation of the revised recommendations and of the new FATF methodology, with a view to enhancing the compliance of AML/CFT measures, (iii) providing a platform for GIABA’s 2016-2020 Strategic Plan, including the implications in terms of resources; and (iv) strengthening community cooperation efforts on AML/CFT.

321. The major outcome of the programme was the Saly Declaration in which participants acknowledged among other things:

- The need for stakeholders to mobilize themselves and support GIABA in the execution of its mandate, whose relevance was acknowledged;
- The urgent need for GIABA to obtain sufficient human and financial resources for a comprehensive implementation of its programmes;
- The Member States’ obligation to ensure that AML/CFT regimes are in compliance with international standards, and to develop the capacities of the Financial Intelligence Units (FIUs) to enable them attain the best results.


322. Organized in Abuja, Nigeria, from December 12-15, 2016 the Regional Capacity Building Workshop on Economic and Financial Crimes for Judges, Prosecutors and Investigators brought together key personnel who are involved in investigation, prosecution and adjudication of money laundering and terrorist financing cases.

323. The main objectives of the workshop were to: (i) enhance collaboration and experience sharing amongst participants in efforts at combating ML/TF, (ii) improve the capacity of judicial officers, prosecutors and LEAs to enable them deal with substantive legal issues and facilitate the implementation of AML/CFT legislation, and (iii) sensitize participants on international developments in combat of economic and financial crimes, as well as, consider regional/international legal frameworks and best practices in the area of economic and financial crimes.

324. Discussions during the Workshop focused on International Standards in combating ML, TF and Proliferation; Typologies on ML/TF; Prosecution/Adjudication of Economic and Financial Crimes; Dealing with Criminal Assets:
Freezing, Seizure and Confiscation Measures; Coordination and Cooperation in the Investigation & Prosecution of Money Laundering and other Financial Crimes-Interaction between the FIU, LEA and Prosecutors; Mutual Legal Assistance in ML/TF Cases, etc. In general, the workshop provided a platform for participants to identify barriers to successful investigation, prosecution and adjudication of money laundering and terrorist financing in the region; pinpoint challenges to effective coordination and cooperation between relevant competent authorities and determine the impediments to implementing AML/CFT measures of internationally acceptable standards within the criminal justice system. The programme further created an opportunity for networking and mutual exchange of views and experiences. A total of seventy-two (72) participants attended the workshop.

Table 5.1 : GIABA contributions to capacity building in member States

**NUMBER OF PARTICIPATION / BENEFICIARIES BY MEMBER STATE: 2011-2016**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Member State</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>TOTAL</th>
</tr>
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<td>63</td>
<td>12</td>
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<td>58</td>
<td>16</td>
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<tr>
<td>3</td>
<td>Cabo Verde</td>
<td>20</td>
<td>29</td>
<td>32</td>
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<td>31</td>
<td>34</td>
<td>153</td>
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<tr>
<td>4</td>
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<td>511</td>
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Table 5.2a : Nature of Programmes: 2011-2016

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Table 5.2a : Nature of Programmes: 2011-2016

Chart 5.1 : Participation/Beneficiary per Member State: 2011-2016
Table 5.2b : Nature of Programmes

<table>
<thead>
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<th>National</th>
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Table 5.3: Participation by Sector

<table>
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<th>YEAR</th>
<th>YEAR</th>
<th>YEAR</th>
<th>YEAR</th>
<th>TOTAL</th>
</tr>
</thead>
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<td>31</td>
<td>34</td>
</tr>
<tr>
<td>4</td>
<td>Ministries (Economic, Security, Judicial, ECOWAS Institutions and National Units)</td>
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<td>656</td>
<td>190</td>
<td>92</td>
<td>171</td>
<td>160</td>
</tr>
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<td>61</td>
<td>3</td>
<td>69</td>
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<td>Law Enforcement</td>
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<td>106</td>
<td>153</td>
<td>90</td>
<td>42</td>
</tr>
<tr>
<td>7</td>
<td>Others (Civil Society, Media, ECOWAS unit etc)</td>
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<td>571</td>
<td>1,481</td>
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<td>Total</td>
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<td>2,410</td>
<td>2,816</td>
<td>700</td>
<td>1,165</td>
<td>772</td>
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</tbody>
</table>

Chart 5.3: Participation by Sector: 2011-2016
### Participation by Gender

<table>
<thead>
<tr>
<th>S/N</th>
<th>GENDER</th>
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<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<td>1,532</td>
<td>539</td>
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<td>271</td>
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<td></td>
<td>TOTAL</td>
<td>1,606</td>
<td>2,410</td>
<td>2,816</td>
<td>700</td>
<td>1,165</td>
<td>772</td>
<td>NHPN</td>
</tr>
</tbody>
</table>

**Chart 5.4 : Participation by Gender: 2011-2016**

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**Challenges in the implementation of technical assistance**

325. Key challenges faced by GIABA in the implementation of technical assistance during the year include: inadequate funding as a result of dwindling community resources; weak absorptive capacity of some MS; inability of some member States to take ownership and sustain TAs provided; lack of dedicated AML/CFT staff, and/or, frequent transfer/relocation of trained officials from AML/CFT desks across MS, thus creating capacity gaps; delay in communication of TA needs to the Secretariat by MS and weak coordination between GIABA Secretariat and other development partners.

**Conclusion**

326. To address some of these challenges, GIABA implemented a targeted TAs and training regime focusing on critical areas that have maximum impact on national and regional AML/CFT implementation. Similarly, GIABA strengthened its collaboration and cooperation with development partners through its TA Coordination Forum, culminating in greater TA and training delivery than would have been possible from the limited internal resources. GIABA remains committed to working with its internal and external partners to rise up to the challenges of continually evolving TA and training needs and help member States effectively implement international AML/CFT standards.

327. Technical assistance is one of the core mandates of GIABA and is critical in strengthening member States’ capacity for effective implementation of national AML/CFT regime. As evidenced in the Follow-up Reports of member States, the TA and capacity development programmes provided by GIABA and other development partners over the years, and especially in 2016, have helped to enhance the capacity of member States to address some of the strategic deficiencies in their AML/CFT systems, and prepared many of them for the 2nd round of mutual evaluation. Though the volume of TAs and training delivered in 2016 remained relatively low
owing to resource constraints and other challenges highlighted above, it is expected that, the implementation of the joint EU-GIABA project in 2017, will improve support to member States. While GIABA will continue to work collaboratively with its development partners to provide necessary support to member States, they are expected to complement the efforts of GIABA and allocate more resources to AML/CFT implementation in order to sustain both national and regional efforts.
Introduction:

328. The year 2016 presents GIABA a greater opportunity in consolidating its engagement with the wider society, and expand its reach within the region and beyond. This section of the Annual Report was expanded and made a full chapter in the 2012 version. This was a result of expanded outreach activities; media engagement, public communication and Civil Society Outreach. This 2016 version adjusted the title of the chapter to capture the important aspect of GIABA's work that's been somewhat silent in the previous reports; that is Communication. Therefore, the Chapter 6 of the report is now titled: Communication, Advocacy and Civil Society Outreach.

329. The year 2016 saw the commencement of key activities in the life of GIABA, these activities are quite relevant to wider level of public communication and expanded outreach activities. The new GIABA Strategic Plan, 2nd Round of Mutual Evaluation and the take-off the Strengthening Anti-Money Laundering Capacities in West Africa (SAMWA) - GIABA-EU Funding partnership under the EU-EDF 10 Project, these key activities necessitate a wide media engagements, reaching out to wider audiences and laudable publicity for GIABA as an institution and the message it carries.

330. The Importance of communication, awareness raising and advocacies cannot be over emphasized. In the year under review, GIABA has renewed its commitment to building stronger and durable partnership with the Civil Society, including the media, youth groups amongst others. The capacity building activities of GIABA (Technical Assistance) as seen in previous chapters have been well articulated to raise knowledge and ability in combating ML/TF within and outside the region. All of these are well communicated through GIABA multi-faceted communication channels. The Director General also engaged diligently in the year through high level advocacy missions to reach out to highest authorities in selected Member States. The DG’s effort was supported by the Information Centers through medium advocacy visit to authorities and relevant institutions in the member States.

High Level Advocacy Visits

331. The Director General of GIABA, Col. Adama Coulibaly and the deputy Director General, Mr. Brian Anku Sapati undertook high level advocacy missions to authorities of the following member States:

Advocacy Visit to the President of the Republic of Cabo Verde, May 2016, Praia, Cabo Verde

332. In the margin of the 25th Plenary and Technical Commission Meetings of GIABA which held in May 2016, The Director General of GIABA led a high level delegation to the President of Cabo Verde on an advocacy visit; The DG was accompany by Directors of the Financial Intelligence Units (FIUs) of member States and some GIABA staff. The DG used the opportunity of the visit to thank the President for the country’s hosting of the GIABA plenary and GMC in the country. He highlighted that GIABA will continue to solicit the support and political commitment of the highest authorities of its member States in the fight against Money Laundering and Terrorist Financing. The President welcome the DG and his team and assured the DG of the country’s continued support and commitment to the fight, he emphasis the willingness to continue to do their part to ensure the country complies with all the recommendations and be a good example in the fight against Money Laundering and Terrorist Financing. He enjoined the delegates to enjoy the beauty of the country.
333. The Director-General embarked on an advocacy visit to the Ivorian authority to mobilize stronger support for the fight against ML/TF in the country. During the visit, the DG held talks with the Minister in the Prime Minister’s office responsible for Finance and Economic Affairs, the Minister of African Integration, Ivorians in the Diaspora, as well as with the AML/CFT National Policy Coordinating Committee.

334. During the Working session, the Director General reiterated GIABA’s mandate and exchanged views with the authorities on security issues, especially terrorism and its financing, as well as the underlying factors.

335. It was then unanimously agreed that Côte d’Ivoire should further strengthen its AML/CFT regime by resolving the outstanding deficiencies, especially the transposition into national law of the new UEMOA Directive on AML/TF.

336. The Ministers once again reassured GIABA of the unflinching support of the Ivorian Government and its determination to take all necessary steps for the adoption of the new Community law.

337. In line with the directive of the GIABA 23rd Plenary to the Secretariat to undertake a High-Level Mission to the countries most affected by the Ebola Virus Disease (EVD) to commend the authorities on their resilience in dealing with the EVD, the Secretariat undertook High-Level advocacy missions led by the Deputy Director General to Sierra Leone and Liberia on 18 April, 2016. The objectives of the missions were to commend the authorities on their resilience in dealing with the Ebola Virus Disease (EVD), their commitment in implementing AML/CFT measures of acceptable international standards, particularly the FATF Recommendations, elicit renewed political support to address outstanding issues in the AML/CFT systems of both countries and identify priority areas of GIABA’s technical assistance. The DDG was well received by the authorities and they express their appreciation to GIABA and the ECOWAS Community for their support and in particular for the visit by GIABA and assured the team of the Country’s commitment to AML/CFT.
338. In the same vein as the above, The GIABA Plenary directed that high level mission from the GIABA Secretariat be dispatched to Liberia on the 20th of April, 2016 to commensurate with the Country over the recent out-break of Ebola in the country, As a result that the country couldn’t participate in the 23rd Plenary session of GIABA.

339. The Deputy Director of GIABA, Mr. Brian Anku Sapati led a high level delegation to the Country, The DDG met with authorities in the country bearing the message of GIABA to the government and people of Liberia, and wish the Country peace and healthy environment for all citizen. The DDG use the opportunity to highlight key areas of deficiencies from the country’s follow up report to be addressed and encourage the country to continue to build its AML/CFT region to conform to the global international standards.

Courtesy Visits to the Director General

340. The Director General of GIABA within his schedule has been receiving important stakeholders at the GIABA headquarters in Dakar – Senegal, such visits gives the DG the opportunity to enlighten his guest on the activities of GIABA and request their support by adding their voices to the fight against ML/TF in the region. Below are list of such visits to the GIABA Secretariat:

- Delegation from the Department of Internal security of the USA on 30 June 2016 in Dakar;
- Justice Jean Bruguière, Investigation Specialist for Transnational Organized Crimes;
- The Senegalese Association of Next Generation Leaders (SENEGEL).

341. The discussions at the meeting of the delegation from the Department of Internal Security of the United States of America focused on the vulnerabilities and threats as well as the risks of ML/TF in West Africa and the search for appropriate solutions. The American delegation reassured the Director-General of the US’ willingness to support GIABA as part of cooperation programmes with Sub-Saharan Africa. The GIABA Director-General commended the members of the delegation and reiterated the Secretariat’s commitment to pursuing its assistance to the States in the sustained strengthening of their AML/CFT regime.

342. Within the same framework, the Director-General hosted, on 13 July 2016 in Dakar, Mr Jean Louis BRUGUIERE, former member of the French anti-terrorist prosecution department. With Judge BRUGUIERE, interviews focused on security issues in West Africa, especially the upsurge of security threats, and the solutions that can be envisaged to support member States in establishing strengthened security and stability. Mr Bruguière informed the DG of his availability to support GIABA with his experience in the strengthening of the capacities of magistrates, especially in the area of the anti-terrorist struggle. GIABA, appreciated the Magistrate’s cooperation and said the capacity building of the stakeholders of the judicial system would constitute GIABA’s priority and be given pride of place in its 2016-2020 strategic Action Plan.

343. With the “SENEGEL” Association which intervenes in the area of promoting good governance, the latter explained to the Secretariat the citizenry initiative of the association and hoped for closer cooperation with GIABA. In return, GIABA’s willingness to support all initiatives in relation to good governance was reaffirmed to the officials of the association. The DG explained to the team the mandate and key areas of work for GIABA and he called the group to also join GIABA in propagating the AML/CFT message not only in Senegal but across the region.

Activities of Information Centers

344. The Lagos Information Center conducted a series of outreach visits to key AML / CFT stakeholders in Nigeria, including: (i) the Independent Commission against Corrupt Practices and Related Offenses (ICPC); , Lagos Regional Office (11 August 2016); (ii) the Nigerian Stock Exchange (August 23, 2016); (iii) Nigeria Police Authorities in Lagos (August 30, 2016 and September 05, 2016); (iv) The National Drug Law Enforcement Agency (NDLEA, 1 September 2016), the National Agency for the Prohibition of Trafficking in Persons (15 September 2016).

345. During the working sessions organized as part of its visits, the GIABA delegation, after recalling the missions of the institution, presented the risks and threats related to corruption, money laundering and financing of terrorism.

346. It then urged both to be active members of
the regional fight alliance by providing support to GIABA, through their collective mobilization and commitment to the NRA process and the second round of mutual evaluations, a real success. In addition, the Lagos Information Center received members of the West African People Assembly (WAPA) on 25 August 2016 as part of the activities marking its third anniversary. Launched on May 27, 2013 as an NGO, this organization aims to support the integration process of ECOWAS. Regarding the Abidjan Information Center, the Centre organized the 10th edition of the Open House Day of the AML / CFT Outreach Program in Côte d’Ivoire. The center was also visited by HE Ambassador Jonathan COKER, Permanent Representative of ECOWAS, in the Republic of Côte d’Ivoire, on March 30, 2016.

**Under the fora for the benefit of Youth and Civil Society on transnational organized crime**

347. GIABA organized in Banjul, the 9th edition of the Open Day on AML / CFT, the Forum of Civil Society Organizations (CSOs) in Lagos, Nigeria, and Cotonou in Benin. These sensitization platforms provided the Secretariat with the opportunity to increase stakeholders awareness and understanding of AML / CFT phenomena and to further their support for the fight against ML/TF.

![Group photograph of AML/CFT Sensitization Outreach to Members of Civil Society, December 8, 2016, Festac Town, Lagos - Nigeria](image)

**Under partnerships**

348. It is worthy of note, the development of a specific communication program on the GIABA-EU Strengthening Anti-Money Laundering Capacities in West Africa Project, known as the SAMWA Project, to strengthen the capacity of Member States in the fight against the ML / FT in West Africa which is being implemented under the 10th EDF for an amount of 3 million Euros.
CHAPTER VII

REGIONAL AND INTERNATIONAL COOPERATION

349. In the framework of regional and international co-operation, GIABA participated in various meetings during which the evaluation and monitoring reports of both its work and that of member States were examined, as well as emerging issues related to terrorism and its financing, and the development and implementation of new survey and investigation instruments to improve the performance of FIUs. These meetings also provided platforms for exchanging and sharing experience and expertise with peers to strengthen technical assistance to member states. Under this heading, we will particularly note:

**GIABA Statutory Meetings**

350. As mandated, GIABA successfully conducted its Statutory Meetings. The 25th and 26th Technical Commission / Plenary met in May and November 2016 accordingly to discuss progress made by member States in implementation of AML/CFT regimes. Specifically, the TC/Plenary meetings discussed technical reports presented by GIABA Secretariat, including the proposal for the Revision of the GIABA 2nd Mutual Evaluation Calendar of GIABA member States, Memorandum on the Reconstitution of membership of the Evaluation and Compliance Group (ECG) and Risk Trends and Methods Group (RTMG), Follow-up Reports to ascertain levels of progress and compliance of member States with Financial Action Task Force (FATF) standards, as well as reports of GIABA research/typologies studies and made appropriate recommendations. Similarly, the 16th GIABA Ministerial Committee (GMC) meetings was held in May 2016 to ratify decisions of the 25th Technical Commission / Plenary meetings and also deliberated on other critical issues. Details and outcome of the meetings of the 25th and 26th Plenary meeting and the 16th GMC meeting are highlighted below.

**The 25th Technical Commission (TC) / Plenary Meetings. May 02 – 06, 2016, Praia, Cabo Verde**

351. The 25th Technical Commission/Plenary Meetings held from 02 to 06 May 2016 at the Oasíss Atlântico Hotels & Resorts, Praia, Cabo Verde. Meetings of the Evaluation and Compliance Group (ECG), the Risk Trends and Methods Group (RTMG), the Forum of Heads of Financial Intelligence Units (FIUs) in West Africa and Technical Assistance Forum with Technical and Financial Partners, preceded the Plenary.

352. The Plenary took a number of decisions based on the recommendations of the Evaluation and Compliance Group concerning member States Follow Up Report and directed concerned MS to take actions in the short and medium terms towards strengthening their AML/CFT systems. The follow up considered were Sao Tome and Principe, Togo, Liberia, Benin, Nigeria, Senegal, Cabo Verde, Guinea Bissau, The Gambia, Guinea, and Sierra Leone. Upon analyzing and adopting the reports the 25th Plenary specifically placed Sao Tome and Principe, Benin, Nigeria, Guinea Bissau, Cabo Verde, and Sierra Leone on the Expedited Regular Follow-Up Process and directed them to submit their next FURs in May 2017. Similarly, Liberia, Guinea, The Gambia, and Togo was placed on Enhanced Follow-Up Process and directed to submit their FURs to the Plenary in November 2016. The Plenary decided that Benin should provide an update on its progress in November 2016 and Senegal should exit the Follow Up Process in line with GIABA Process and Procedures, to enable the country to adequately prepare for its On-Site mutual evaluation exercise.

353. Following the preliminary meetings and presented reports by the Secretariat to the Plenary; the plenary deliberated on the reports of the 25th TC/Plenary of GIABA. The followings were the outcomes of the meetings:

a) Agreement to the response from The Gambia regarding the absence of the Gambia from the 24th Technical Commission/Plenary Meeting;

b) Adoption of DG’s summary activity report;

c) Adoption with directives of the Report on the High-Level Missions to Sierra Leone and Liberia;

d) Adoption of the Memorandum on
the proposal to revise the Calendar for the Second (2nd) Round Mutual Evaluation of GIABA MS;

e) Adoption of the Memorandum on the Reconstitution of the membership of the Evaluation and Compliance Group (ECG). New membership is to come from the following member States: Benin, Guinea Bissau, Liberia, Niger and Togo;

f) Adoption of the report of the co-chairs of the Evaluation and Compliance Group (ECG);

g) Adoption of the Memorandum on the Reconstitution of the membership of the Risks, Trends and Methods Group (RTMG). New membership is to come from the following member States: Benin, Guinea, Guinea Bissau, Liberia, Mali, Niger, Sierra Leone and Togo;

h) Adoption of the report of the co-chairs of the Risks, Trends and Methods Group (RTMG);

i) Brief on initiatives to counter terrorist financing and on the TF information gathering exercise for member States;

j) Brief on outcomes from the FATF February 2016 Plenary;

k) Status Report on domestication of the new UEMOA AML/CFT laws by UEMOA member States. Member States provided a brief oral update, as the uniform law had already been adopted by the WAEMU Council of Ministers, each member State is encouraged to address the remaining deficiencies regarding terrorist financing by adopting corresponding measures in its criminal code;

l) Revised draft GIABA Strategic Plan 2016 – 2020 for presentation to the GMC for adoption;

m) Adoption of the report of the 25th GIABA Technical Commission/Plenary.

354. The other preliminary meetings the 7th meeting of the Forum of Financial Intelligence Units of GIABA MS (FFIUG) and the Technical Assistance Forum with Development Partners was held as part of the preliminary meetings leading to the 25th TC/Plenary meeting. Major highlights of the meetings included:

a) Consideration of updates on member States financial contribution and the revision of the Charter;

b) Côte d’Ivoire was elected as the new chairman of the Forum;

c) Technical Assistance provisions to member States and the need for MS to take full ownership of the on-going support to ensure sustainability, identify key priorities for further assistance, and send their request to technical/financial partners for such assistance.
355. The 16th GIABA Ministerial Committee Meeting held on the 7th of May 2016 at the Oásis Atlântico Hotels & Resorts, Praia, Cabo Verde. The meeting was preceded by the GIABA 25th Technical Commission / Plenary meeting. The followings were the outcomes of the meetings:

a) Adoption of the DG’s summary activity report;

b) Approval of the draft GIABA’s Strategic Plan 2016 – 2020 and the need for it to be forwarded to the ECOWAS Council of Ministers for adoption;

c) Adoption of the 25th Technical Commission/Plenary Report;

356. The 26th Technical Commission/Plenary Meetings held from 14 to 18 November 2016 at the Framissima Palm Beach Hotel, Saly, Senegal. Meetings of the Evaluation and Compliance Group (ECG), the Risk Trends and Methods Group (RTMG), and the Forum of Heads of Financial Intelligence Units (FIUs) in West Africa, preceded the Plenary.


358. Following the preliminary meetings the highlighted outcomes from the meeting deliberations are below:

- Adoption of the DG’s summary activity report;
- Status Update Report on Benin and Senegal; addressing the decision of the Plenary at its 25th Plenary Meeting, Benin and Senegal submitted an update on the progress made in addressing its respective AML/CFT deficiencies;
- Status Update Report on Nigeria membership of the FATF; Nigeria has made significant progress, specifically in addressing its AML/CFT regimes;
- Adoption of member States’ AML/CFT Country Reports;
- Adoption of the ECG Report;
- Adoption of the RTMG Report;
- Consideration of other tabulated matters presented at the 26th Technical
The sessions of the FATF and Egmont Group working groups and plenaries

359. On the search for greater effectiveness of the FIUs, their autonomy on the one hand, and the examination of the conformity of States FATF members as well as the conditions for strengthening International Cooperation based on the exchange of information, GIABA was in attendance of the sessions of the FATF and Egmont Group working groups and plenaries. These meetings also review research projects on ML/FT risks, trends and methods for their validation.

Meetings on topics related to AML/CFT

360. For 2016, these meetings focused on the issues of cybercrime, cyber security, risk identification and management, terrorist group mapping, recruitment and financing, issues and challenges specific to West Africa in the context of AML/CFT and the contribution of the Franc Zone Anti-Money Laundering Liaison Committee (CLAB) to the development of control policies.

The meetings of the technical groups and the GABAC plenary, in Bangui, Central Africa from March 20th to 2nd, 2016

361. Since 2014, GIABA has concluded with GABAC a memorandum of understanding on strengthening cooperation between the two (2) institutions in order to provide the best technical assistance to their respective Member States.

The General Assemblies of the UEMOA CENTIF Network (RECEN-UEMOA)

362. As part of the promotion of AML/CFT, GIABA provides technical and financial support to RECEN-UEMOA. This network, created since 2012, promotes the pooling of both the resources and expertise of Francophone FIUs in West Africa. The Ouagadougou meeting aimed to: (i) define RECEN-UEMOA’s intervention strategy in the context of the escalation of insecurity linked to terrorism and the gradual reduction of State budget allocations; (ii) identify the mechanisms and best practices to be implemented in order to increase the revenues of the FIUs through an efficient contribution from the WAEMU institutions; (iii) improve the coordination of cooperation between FIUs for the synergy of actions in the second cycle of mutual evaluations. The Working Session organized between the Management of GIABA and that of the ECOWAS Center for Gender Development (CCDG), March 9, 2016.
363. The meeting focused on the concerns of the Center and the support that GIABA can bring to the Center to address these. Thus, issues raised concern social and health insurance coverage for staff and the problems of calls for expressions of interest for supply contracts. At the end of the meeting, the two institutions reached consensus on solutions to help the EGDC reduce its management costs.

The Friedrich Neumann Foundation Conference on the upsurge of terrorist acts in West Africa

364. GIABA participated in a conference organized by the German Foundation Friedrich Neumann, on Liberties, Terrorism and its Financing on 12 April 2016 in Dakar, Senegal. The purpose of the conference, which was attended by several student and youth leaders’ associations, was to sensitize young people to the escalation of terrorist acts in the region and to engage them as patriots in the challenge. It emerged from the discussions that the solution to effectively combat terrorism should be regional, participatory and citizen based. Member States should prevent radicalization by focusing more on the content of teaching in schools and places of worship and creating conditions for the successful reintegration of those who have fought as terrorists.

The Regional Training Workshop for Interpol Police Chiefs and National Central Bureaus on the Prevention and Combating of Terrorism in West Africa (Abidjan, Côte d’Ivoire, 11-15 April 2016)

365. The Abidjan workshop organized by the Interpol Regional Office for West Africa, in collaboration with the Institute for Security Studies and GIABA, aimed at strengthening cooperation and action coordination between police forces in the context of repeated terrorist attacks in the sub-region. This meeting highlighted the interest of pooling resources and efforts as well as the exchange of information to defeat terrorism.

FATF / Private Sector Consultative Forum, (Vienna / Austria, 18-20 April 2016)

366. The Vienna meeting, which brought together a panel of AML / CFT experts and stakeholders, aimed at: (i) reviewing Standards for Non-Profit Organizations; (ii) discuss information exchange bottlenecks; (iii) develop guidelines on correspondent banking services; and, (iv), reflect on terrorist financing risk indicators.

Joint Expert Meeting FATF / UNODC / GIABA / EAG (Vienna / Austria, 09-11 May 2016)

367. Encouraging the exchange of experiences among AML / CFT experts on ML / TF risks, trends and methods was the main objective of the meeting. The FATF, GIABA and GABAC have pledged to jointly conduct a new study on the financing of terrorism in West and Central Africa; this will update the report of the 2013 study and extend its scope to the Central African zone.

Mutual Evaluation of Sweden in the framework of the 4th round of mutual evaluations of the FATF (May 26 to June 10, 2016)

368. GIABA participated in the evaluation of Sweden, which was part of FATF’s 4th cycle of mutual evaluations, from 26 May to 10 June 2016.

369. GIABA’s participation was aimed at consolidating international cooperation and capacity-building of the expert evaluators of its Secretariat, on the eve of its second round of mutual evaluations.

AfDB and African Development Fund Board Meetings (Lusaka / Zambia, May 21, 2016)

370. GIABA has developed partnerships with financial institutions in its quest for a source of funding for its programs in the face of difficulties in collecting the Community levy.

371. Also, it introduced during this mission, a request for funding of his ENR program from the ADB. The regular session of the Conference of the Committee of the Intelligence and Security Services of Africa (CISSA)

372. CISSA is a specialized organization of the African Union responsible for coordinating security data.

373. In its quest for a strategic partnership with CISSA, GIABA attended the regular session of this institution held in Kigali / Rwanda, from 3 to 6 August 2016. On this occasion, the Director General of
GIABA and the Secretary Executive of CISSA have engaged in a memorandum of understanding to establish cooperation between them through the exchange of information to enhance the security and stability of African states.


374. The main objective of the workshop was to assist State investigators to familiarize themselves with and appropriate Resolutions 1267, 1373, 1989, 2178 and so on. The designation of individuals and terrorist groups and the freezing of their assets.


375. This training session, organized by the Financial Market Integrity Group, enabled participants including GIABA experts to familiarize themselves with the World Bank’s revised ML / FT risk assessment tool.

**GIABA support missions to the ECOWAS Commission, 9-11 September 2016 and 31 October-1 November 2016, Abuja, Nigeria**

376. Within the framework of interinstitutional cooperation, GIABA assisted the ECOWAS Commission: (i) to review and update the terms of reference and the roadmap of the Coordination Team for Surveillance and Coordination; Evaluation of ECOVAS, (ii) finalizing the structure of the 2016 Community Performance Report and the Results Framework of the Community Strategic Plan, at the workshop held in Goshen City, Nassarawa State, Federal Republic of Nigeria, on 16 March 2016.

377. Similarly, GIABA assisted the ECOWAS Commission in the effective implementation of ECOlink Phase I and the launch of Phase II during the Abuja work from 9 to 11 September from October 31 to November 1, 2016.

378. It should be recalled that ECOlink is a computer application installed in all institutions, agencies and community offices with a view to modernizing their financial management by instituting uniform procedures. ECOlink contributes substantially to the improvement of good governance within these institutions and agencies. GIABA, having very early understood the usefulness of this application, has developed a proven expertise that allows it, henceforth, to bring its expertise in this field to other ECOWAS institutions.

**The Meeting of Finance Ministers of the Franc Zone (Yaoundé / Cameroon, April 9, 2016) and that of the Anti-Money Laundering Liaison Committee (CLAB) - (Paris / France from September 28-29, 2016)**

379. The GIABA Secretariat participated in the first half-yearly meeting of Finance Ministers, Central Bank Governors and Heads of Regional Franc Zone Institutions, held in Yaoundé, Cameroon, on 9 April 2016.

380. At this meeting, the commitment to ensure the economic development of the Area through the implementation of ambitious public policies contributing to the economic and social advancement of the population was reaffirmed. The state of nominal and real convergence of the Franc Zone in 2015 was presented; the result showed the need to continue implementing structural reforms and economic diversification programs to improve the overall resilience of the Franc Zone.

381. Thus, it has been recommended to implement structural adjustment policies and short-term reforms that can support sustainable growth. Revenue mobilization and expenditure rationalization without compromising Member States’ development-oriented investment require significant effort and the support and support of the international financial institutions in supporting fiscal adjustment. They were urged to help the States of the Zone to develop new instruments, particularly in the area of taxation, to better mobilize national public revenues.

382. The CLAB meeting in Paris examined the legislative progress made during the last six months in the zone. Discussions focused on: (i) the AML / CFT situation in the Economic and Monetary Union of the Franc Zone and the Comoros; (ii) the role of central banks in AML / CFT; (iii) an update of the actions undertaken by bank commissions; (iv) actions undertaken by FATF-type regional groups; (v) readiness for future mutual evaluation exercises; and (vi) International Cooperation.

383. With particular reference to the West Afri-
can Economic and Monetary Union (WAEMU), the Committee was informed that the new directive was adopted by Niger, Burkina Faso and Mali and that its process internalization in other states was under way. WAEMU member states were urged to transpose the WAEMU Directive into their national legal corpus.

384. 32nd Meeting of the East African and Southern Africa Anti-Money Laundering Group (GABAOA), 16th Session of the GABAOA Ministerial Council, 3rd Session of the Public Sector Dialogue for Sub-Saharan Africa (Victoria Falls / Zimbabwe, August 28 - September 3, 2016) and 2nd Meeting of the Asia-Pacific Group (APG) to Fight Weapons of Mass Destruction, (Seoul / Korea, August 23).

385. These meetings organized within the framework of international cooperation, constituted for GIABA, platforms for exchange and sharing of experiences and expertise with the peers for the reinforcement of the Global AML / CFT Network.

Workshops and round tables for sharing research results

386. These workshops and round tables organized respectively by the Institute for Security Studies (ISS) - (Dakar, June 20, 2016), the Open Society Initiative for West Africa (Dakar, June 16, 2016), JICA-ISS (Dakar, October 27, 2016) benefited from GIABA’s contributions on the following themes: “Combating Boko Haram: a situational assessment”; “When will peace return to Mali? ”; “Jihadist Address Changes”; “Young Jihadists in Mali: Guided by Faith or Circumstances”. These different frameworks allowed the experts to discuss and discuss the results of research related to the security situation in the region, in the context of the recrudescence of terrorist acts, and this in order to propose adequate solutions for the fight against terrorism and transnational organized crime.

Interpol Basic Training on «Building AML / CFT Capabilities in West Africa» (Abidjan / Ivory Coast, October 3-14, 2016)

387. This activity was designed to improve the operational capacity of stakeholders, including law enforcement authorities.

388. ECOWAS Commission Workshop on Establishing an Information Exchange Mechanism with Customs, 12-14 October 2016, Abidjan, Côte d’Ivoire

389. The recommendations made at the end of the workshop are as follows: (i) Customs departments must own and implement the 40 FATF Recommendations; (ii) it is necessary to significantly increase the financial, human and technical resources of the authorities responsible for the implementation of the customs communication system; (iii) there is an urgent need for Customs directorates to strengthen their capacity to fight transnational organized crime more effectively.

GIABA’s participation at the African Development Bank’s workshop on illegal financial flows in Africa, 27-28 October 2016, Abidjan, Côte d’Ivoire

390. During this workshop, in which GIABA took part and which was organized as a forum for the presentation of the progress made by the Countries by the partnership against Illicit Financing, an initiative launched by the United States. The African Development Bank (ADB) and other countries has been urged to better cooperate and collaborate with organizations, institutions in charge of the fight against corruption and money laundering. It is committed to organizing this annual meeting of stakeholders on Illicit Financial Flows (FFI).

Round Table on Challenges and Security Challenges in the Sahel-Sahara Region (Dakar / Senegal, 8 November 2016)

391. At the invitation of the Friedrich Ebert Foundation and as part of the peace and security project, GIABA participated in the round table on the challenges and problems of security in the Sahel-Sahara region.

392. The purpose of this roundtable was to examine current approaches to conflict prevention and resolution both within and outside states.

393. The recommendations from the roundtable focused on strengthening the capacity of national and regional security structures, including the management and sharing of intelligence and information.
CHAPTER VIII

ADMINISTRATIVE AND SUPPORT SERVICES

394. In 2016, GIABA consolidated its administrative and financial reforms with the implementation of the Human Capital Management component as well as that of the SAP Travel Management, like the other ECOWAS institutions. In addition, within the framework of staff retreat days and specific workshops, the institution has been building the capacity of all staff to be more effective in achieving his objectives, including making GIABA a modern and model institution in the field of AML / CFT.

395. In addition, with the aim of bringing management and staff closer together, and in order to strengthen the dialogue between the Management team and the Staff members, General Meetings were organized, including that of December 2016, held in Somone (Senegal) and which has particularly helped to improve the working atmosphere as well as the trust between the management team and the staff members on the one hand, and among the staff members themselves, on the other hand. The new internal communication and management mechanisms put in place by the new General Management have made it possible to broaden the staff’s expression and reinforce their motivation.

396. In addition, the 2016-2020 strategic plan, developed to address the challenges of the Second Round of Mutual Evaluations, as identified during the evaluation of the 2011-2014 Strategic Plan, clearly indicates the prospects for international positioning that GIABA aims to achieve by 2020 in terms of promoting and valuing the standards and good practices required for an ORTG.

397. Finally, in the social field, the year 2016 saw the reinforcement of the mechanisms for consolidating and improving social relations and the working environment. Thus, besides the election of the Staff Representatives, social activities including the International Women’s Day, that of the Assistants and Secretaries were celebrated and made it possible to exhort and encourage all the Staff to more cohesion and commitment.
In terms of budgetary and financial management, program funding resources were drawn mainly from the ECOWAS Community Levy and from the SAMWA Project funding grant under the 10th European Development Fund. These resources have been supplemented by the contribution of Sao Tome and Principe as an associate member of GIABA.

In total, the approved budget for 2016 amounted to UA 9724016 in resources and expenditure, a decrease of 9.5% in the 2015 budget.

The external audit of the 2014-2015 financial statements is being finalized by the firm.

Moreover, the deployment of SAP / ECO-Link software in all ECOWAS institutions, of which GIABA, now makes it possible to enhance transparency in transactions, efficiency in management and the duty of accountability.

Among the other activities, involving the Directorate of Administration and Finance, it should be noted that participation in the budget arbitration meeting held in Abuja from 19 to 23 September 2016 and that of the Administrative and Financial Committee (CAF) also held in Abuja from 24 to 28 October 2016.

In terms of procurement, from 1 January to 31 December 2016, four (4) categories of contracts have been concluded and relate to: (i) the completion of the typological study on Money Laundering in related to pharmaceuticals, (ii) vehicle purchases, (iii) acquisition of office equipment and supplies, and (iv) financing of maintenance services, for a total of eighty-nine (89) contracts concluded in compliance with the ECOWAS procurement code.

In terms of support services, the results of the Monitoring and Evaluation Unit during 2016 are in line with continuity and are based on the logical framework architecture of the 2011-2014 strategic plan. The new 2016-2020 strategic plan has not yet started. The report prepared by this Unit indicates a completion rate of 79.45%.

Table 8.1 below indicates the planned strategic objectives as well as those achieved.
Table 8.1: Strategic objectives

<table>
<thead>
<tr>
<th>Strategic Project Areas (SPA)</th>
<th>Strategic Objectives</th>
<th>Number of projects/ activities planned</th>
<th>Number of projects/ activities completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPA.1-Advocacy and stakeholders mobilization</td>
<td>Sensitize public at large and mobilize social forces and public policy makers for the fight against ML/TF</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>SPA.2-Elaboration, adoption and implementation of AML/CFT legislation</td>
<td>Support to elaboration, adoption and implementation of AML/CFT legislation</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>SPA.3-Financial Information Units and building investigative capacities</td>
<td>Support to operationalize FIUs with a component on building investigative capacities</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>SPA.4- Mutual Evaluations and follow up actions</td>
<td>Evaluation of AML/CFT structures in Member States and follow up of their levels of compliance with international AML/CFT standards</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>SPA.5-Research and typologies</td>
<td>Completion of typologies and studies to better apprehend ML/TF techniques, methods, trends and risks in the Member States</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>SPA.6- Regional and international cooperation</td>
<td>Promotion and strengthening of Regional and international cooperation</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>SPA.7-Technical assistance and capacity building of member States</td>
<td>Give support to MS to set up stronger, more efficient and effective AML/CFT structures and practices</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>SPA.8- Institutional Development of GIABA Secretariat</td>
<td>Strengthen institutional governance and work conditions of GIABA Secretariat</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL PROGRAMMES</td>
<td></td>
<td><strong>73</strong></td>
<td><strong>58</strong></td>
</tr>
</tbody>
</table>

407. During 2016, GIABA continued to provide technical assistance to Member States and key AML / CFT stakeholders through capacity-building programs at the national level (7 national workshops) and at the regional level (4 regional workshops), but also through advocacy with policy makers and key actors in civil society.

408. GIABA has consolidated and strengthened its dynamism in regional and international cooperation by honoring its participation in the planned meetings and by contributing to the work of the specialized AML / CFT bodies.

409. Under chapter 3 on budget headings, the share of the budget allocated to programs, corresponding to code P5000, amounted to 5,342,631, UA 40. The total amount executed under the programs is UA 3 4112 757.97, representing a budget implementation rate of 64%.

410. The distribution of these achievements by Strategic Project Area (SPA / SPA) is contained in the table above.
411. As regards the evolution of the legal framework of the member states, the report of the Monitoring and Evaluation Unit indicates that they have taken measures to strengthen their AML / CFT legal system. These measures include, inter alia, the criminalization of predicate offenses, the designation of the competent authority for the freezing and confiscation of criminal assets and the effective implementation of United Nations Security Council Resolutions and other AML / CFT conventions.

412. In terms of law enforcement, the Monitoring and Evaluation Unit report indicates that in 2016, one thousand three hundred and thirty-seven (1337) Suspicious Operating Declarations (STRs) were received by the FIUs. And one hundred and thirty-two (132) investigation reports were transmitted to the competent judicial authorities by the FIUs against five convictions for money laundering. It should be noted that these statistics do not include data from Liberia, Niger and Nigeria, which are not yet available.

413. In terms of training and capacity building of the actors, the report of the Monitoring and Evaluation Unit confirms the data shown in Table 8.2 below.
Table 8.2: Training and capacity building by sector

<table>
<thead>
<tr>
<th>Activity sectors</th>
<th>Number of actors trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Authorities &amp; FIUs</td>
<td>134</td>
</tr>
<tr>
<td>Banks and other financial institutions</td>
<td>41</td>
</tr>
<tr>
<td>Designated Non-Financial Businesses and Professions(DNFBP)</td>
<td>Nd</td>
</tr>
<tr>
<td>Ministries (Finance, Justice, Security)</td>
<td>127</td>
</tr>
<tr>
<td>Judiciary Sector (judges, prosecutors, barristers, etc.)</td>
<td>17</td>
</tr>
<tr>
<td>Law enforcement agencies</td>
<td>42</td>
</tr>
<tr>
<td>ECOWAS National Bureaus</td>
<td>33</td>
</tr>
<tr>
<td>Other (Civil Society, Medias, etc.)</td>
<td>344</td>
</tr>
<tr>
<td>Total</td>
<td>772</td>
</tr>
</tbody>
</table>

Source: GIABA/ DPP Capacity Building Table
FINANCIAL MANAGEMENT

Funding

414. For the year under review, GIABA was supported with funds from the following:

<table>
<thead>
<tr>
<th>SOURCE OF FUNDS</th>
<th>KEY FUNDING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECOWAS Community Levy Funds</td>
<td>Staff Salaries, Programme, Administrative and Capital Expenditure</td>
</tr>
<tr>
<td>European Union</td>
<td>Strengthening Anti Money Laundering Capacities in West Africa</td>
</tr>
<tr>
<td>African Development Bank</td>
<td>Strengthen AML/CFT compliance in West Africa</td>
</tr>
<tr>
<td>Sao Tome &amp; Principe</td>
<td>Contribution from Sao Tome &amp; Principe for membership of GIABA</td>
</tr>
</tbody>
</table>

Budget implementation

415. The 77th Ordinary Session of the ECOWAS Council Ministers approved a budget of UA 9,724,016 for the implementation of GIABA’s 2016 activities, representing a 9.5% reduction in funds made available to the institution over the previous year. This budget was expected to be financed at 89% (representing UA 8,614,554) from Community Levy and 11% (representing UA 1,109,462) from external funds. During the period under review, 64% of the budget provision was implemented. Audit of financial statements

416. The external audit of GIABA’s 2014 -2015 Financial Statements is expected to be completed in March 2017 by KPMG, Ghana and the final report will be submitted for the consideration of the Audit Committee.

417. In addition to the annual audits conducted by external auditors, the Financial Controller of ECOWAS Institutions and Office of the Chief Internal Auditor conducted on-site visits to examine GIABA’s administrative and financial operations.
418. Compared to 2015, GIABA in 2016 significantly improved the level of execution of its programs thanks to more available cash flow and better planning of its activities. Its new 2016-2020 strategic plan, developed in the context of the Second Round of Mutual Evaluations, should enable it to confront with equanimity the emerging challenges related to the effective application of the revised FATF Recommendations and its new Methodology in the framework of the evaluation process of its Member States.

419. The increase in external financial support through the SAMWA Project, among others, should help to alleviate the financial constraints that could hinder the NRA process and the continuation of site visits under the Second Round of Mutual Evaluations.

420. In this perspective, the strengthening of the capacities of the Secretariat staff as well as that of the expert evaluators and other actors, particularly those in the judicial sector of the Member States, remains a major priority.

421. Similarly, national coordination and the chain of all stakeholders need to be strengthened by their greater involvement, including civil society organizations.
Inter-Governmental Action Group against Money Laundering in West Africa