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As part of GIABA’s strategic management and to further enhance the effectiveness of the institution’s performance, the GIABA Secretariat has developed a 2016-2020 Strategic Plan, the effective implementation of which commenced in 2017, a year marked by crucial actions, the key ones of which could be summarized as follows:

- The continuation and intensification of the implementation of the Strengthening Anti-money Laundering Capacities in West Africa (SAMWA) Project, funded by a grant from the European Union. This project, in 2017, reached its cruising speed with the provision of equipment for various national agencies of GIABA Member States, to strengthen their operational capacities, visits of Financial Intelligence Units (FIU) mentees to mentors and vice-versa, as well as two (02) study tours to the United States of America for Judges from Anglophone Member States and to France for those from Francophone Member States of GIABA, as part of the drive to strengthen the capacity of judicial authorities;

- The effective completion of the on-site visits to Senegal and Cabo Verde, after Ghana’s in 2016, under the second round of the mutual evaluation exercise;

- Amendment in the rules governing the assessing the AML / CFT regimes of the Member States of the Global AML/CFT Network under the so-called FATF International Cooperation Review Group process, commonly known as the ICRG process. As a result of this amendment, the FATF Working Group placed 62 countries worldwide under observation, including fifteen (15) from GIABA;

- Nigeria’s suspension from the Egmont Group activities, following comments issued by this Group regarding the autonomy of the Nigerian FIU and the confidentiality in the processing of financial intelligence. Given the cooperation among stakeholders in the Global AML/CFT Network, this decision of the Egmont Group has resulted in the suspension of Nigeria’s membership process to the FATF.
ii. In the light of the foregoing, it should be noted that GIABA, notwithstanding its extensive experience and expertise in AML/CFT, is facing emerging challenges that will require it to develop the capacity and resources needed to address them within a reasonable timeline, if it should continue to play its role as a reference institution in the fight against organized financial crime, the financing of terrorism and proliferation of weapons of mass destruction in Africa and the world at large.

iii. In this regard, Year 2018, which will witness an intensification in the implementation of the 2016-2020 Strategic Plan and the SAMWA Project, will be decisive in stimulating a new spate of dynamism for GIABA and its partners for the achievement of even more impressive results.
iv) The 2017 Annual Report, like previous reports, is a summary of the results of GIABA’s activities implemented over the last twelve (12) months.

v) The effective conduct in 2017 of the On-site Visits to Senegal and Cabo Verde, constituting a highly significant benchmark for GIABA, has also confirmed its status as a reference institution, by meeting its commitments with regard to the overall calendar.

vi) Thus, the impressive performance recorded in 2017, confirmed as much in the area of strengthening the institutional base as in the area of regional and international cooperation, is the result of the unflinching commitment and determination of the Management to transform GIABA into a modern and model AML/CFT institution. This level of performance would not have been possible without the contribution of each and every member of staff. The Management would therefore like to thank each and every one of you for your efforts, both collectively and individually.

vii) For their invaluable contributions to the institution’s impressive performance, the Secretariat would like to acknowledge the efforts deployed by all the technical and financial partners, who, in spite of the challenging international environment, continue to provide unreserved support for GIABA.

viii) However, in view of the emerging challenges mentioned above and for which GIABA will have to design appropriate solutions in a spirit of solidarity and cohesion, we must nurture greater ambitions and redirect our actions towards an approach that will guarantee efficiency as we forge ahead to achieve even better results.

GIABA Secretariat
Dakar, Senegal
CHAPTER 1

GENERAL INTRODUCTION

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 a mandate to ensure that the 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. Notwithstanding a narrowing of the scope of terrorist activities in the region, the year 2017 has seen attacks in some states, which have targeted in particular soldiers of national or foreign contingents for maintaining or imposing the stability of these states.

3. The complexity of the methods as well as the impressive logistical means used to perpetrate these attacks not only raise the question of the sources of their funding and lead observers to look for links between money laundering and the financing of terrorism, but also impose on all national and regional actors in the field of security, to recognize AML / FTP as a priority, in that it focuses on prevention and anticipation, particularly through intelligence. The purpose of this approach is to dry up the sources of funding as well as the seizure, confiscation and management of criminal assets, which are objectives of GIABA’s activity, in accordance with recommendations of the FATF and other relevant international conventions.

4. The mandate of GIABA, whose major areas of intervention are highlighted below, is thus at the heart of the emerging issues of global security:

   - assist Member States in the establishment of specific national arrangements in line with FATF recommendations through the establishment of institutional and regulatory frameworks and mechanisms to strengthen good governance;
   - organize self-assessments within Member States and mutual peer reviews to enhance compliance with international standards and the effectiveness of national control systems;
   - coordinate and strengthen regional and international cooperation with a view to increasing the intervention and action capacities of the actors.

5. As part of the activities carried out, the year 2017 was devoted to:

   - (i) continuing the provision of technical assistance to Member States with a view to consolidating their AML / CFT regimes;
   - (ii) strengthening of regional and international cooperation;
   - (iv) the start of the implementation of the GIABA Strategic Plan 2016-2020;
   - (v) continuation of various typology studies and other research studies;
   - (vi) the conduct of National Risk Assessments (ENR) of Member States as part of the continuation of the second cycle of mutual evaluations, with site visits to two Member States;
   - (vii) capacity building of regional and regional expert evaluators through their participation in a training workshop.
6. Thus, this report is structured as follows: in addition to chapter 1 on introductory remarks, a general presentation of AML / CFT in West Africa is made in chapter 2; Chapter 3 is devoted to the analysis of State monitoring reports, when Chapter 4 presents typology projects and other research projects. Chapter 5 deals with the technical assistance provided to Member States, when 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, Chapter 9 sets out the conclusions and defines the perspective of the priorities and challenges that GIABA will have to lift in 2018.
CHAPTER 2

OVERVIEW OF THE AML/CFT SITUATION IN WEST AFRICA

7. The political, economic and social contexts which shape the implementation of anti-money laundering (AML) and counter financing of terrorism (CFT) policies and measures in the GIABA region have not changed drastically over the last one year. As reported in 2016, the socio-economic and political climate has increasingly become less volatile more, giving more room for more predictability in the policy environment.

8. Combating money laundering (ML), terrorist financing (TF) and the proliferation of the weapons of mass destruction effectively requires robust economic and financial capabilities that enable a variety of appropriate policy options.

9. In 2017, West Africa’s economy grew at projected 3.4%, up from the anaemic growth of 0.4% in the previous year. In spite of this positive outlook, the region’s economy still remains within the danger zone. The slow recovery has been driven by rebound in commodity prices, particularly that of petroleum oil, whose tumbling from late 2015 forced the regions powerhouse, Nigeria, into its worst recession in decades. Since recovery in mid-2017, Nigeria has been compelled to intensify its efforts at economic diversification in order to reduce its vulnerability to oil price shocks.

10. Hopefully, as other countries pursue diversification, they would be able to collectively and increasingly shield the region from the cyclical shocks of commodity market crash and strengthen the fundamentals of rapid and sustained growth. In the meantime, remittances from the Diaspora have continued to grow and serve as an important source of external finance, as official development assistance (ODA) has only continued to trickle below commitments.

11. The region is one of the two biggest recipients of remittance inflow in Africa (the second being North Africa), both accounting for 90% of total inflow to Africa in 2016. In 2017, remittances to West Africa are projected to increase slightly to 46% of Africa’s share. In the context of such economic uncertainties, mobilizing domestic financial resources and fighting financial crimes, such as tax evasion and similar criminal schemes, become mutually reinforcing objectives.

12. The domestic uncertainties that characterized the political space in the preceding years gradually gave way to more political stability and predictability across the region, with the exception of Guinea Bissau and Togo. The electoral crisis that bedeviled The Gambia through 2016 was eventually resolved peacefully with the swearing in of the first freely elected president in more than 22 years, thanks to the resolute deployment of a regional intervention force in the country by ECOWAS. The political situation in Mali and Niger relating to the Tuareg question continued to improve since the Peace Agreement of 2015, resulting in a joint patrol between Malian forces and Tuareg separatists as well other rival militias during the year.

13. West African leaders have threatened regional sanctions to force Guinea Bissau’s political actors resolve the country’s lingering political crisis. Regional leaders are also poised to mediate in Togo, where protests broke out across the country demanding the restoration of two presidential term limits as enshrined in the 1992 constitution. With the swift and robust intervention of ECOWAS, it is hoped that the political situation will gradually stabilise across the region, thus allowing for improved political commitment to AML/CFT implementation in all member States.
14. From the security dimension, the region witnessed mixed fortunes. As reported in the previous year, the bastions of terrorism in West Africa have been substantially cut back with the decimation of the ranks of Boko Haram, Al Qaeda and affiliated militants in Nigeria, Niger and Mali. However, while terrorist violence by the usual groups has been pressured to pockets of sporadic attacks on soft targets, new groups with links to global terror networks emerged and opened new fronts in a widening scope of operation, including Burkina Faso and Cote d’Ivoire. New attacks in those two countries and the launch of operations by the notorious Islamic State in Iraq and the Levant (ISIS) in Niger late in the year forebode the increasing integration of West Africa into the global axes of terror. This growing menace begs the question: how are they financed? No doubt, the regional military coalition of the Multi-National Joint Task Force (MNJTF) has considerably degraded terrorism in West Africa; the new threats require an equally regional approach to understanding and cutting the financial life wire of terrorism, in concert with global efforts on counter terrorism (CT) and counter financing of terrorism (CFT).

15. Yet, the threats of money laundering and terrorist financing (ML/TF), as well as the expected counter-measures, are first and foremost national in nature. The remaining part of this chapter is, therefore, dedicated to the specific political and economic context in each member State, how this context shapes which shape the implementation of AML/CFT measures, implementation challenges unique to the respective countries.

BENIN

Political Situation

16. Benin has continued to progress on the path of democratic consolidation, as confirmed the peaceful process of the keenly contested presidential election of 2016, which resulted in the election of the opposition candidate. In continuation of a tradition of democratic maturity, the Parliament, in 2017, successfully blocked a constitutional amendment proposal to restrict successive administrations to a single term of 6 years.

17. The quality of overall governance has improved in Benin in the last year. On the Ibrahim Index of African Governance (IIAG) for 2017, the country’s score moved from 57.5% in the previous year to 59%. In support of this observation, the perception of corruption has also improved. The country scored 39% on the Corruption Perception Index (CPI) of Transparency International. This is an improvement from the score of 36% in 2016 and 37% in 2015. This performance is encouraging and should provide the momentum to drive far-reaching implementation of AML/CFT standards in the country.

Economic and Financial Situation

18. With GDP projected growth from 4.0% in 2016 to 5.5% in 2017, Benin’s economy has quickly picked up from the dip recorded in the previous year and is projected to sustain the momentum to 6.2% in 2018. This performance forecast is based on the expected results of the implementation of the Government Programme of Action, “Bénin révélé”, which promises a drastic rise in investment from 18.8% of GDP in the previous year to 34.6% through year to 2021. This outlook is however projected to be accompanied by rise in the rate of inflation from 1.7% in 2016 to 3.2%. Hopefully, the government will be able to implement social policies to ensure that the projected growth of the economy is inclusive and enables the mobilization of citizens against ML/TF and other related crimes.

AML/CFT Situation

19. 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.
20. 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 decree specifying the powers, organization and functioning of the Advisory Committee on the Freezing of Assets has not been signed. The country has also not domesticated the UEMOA Directive on ML/TF in its legal framework.

Prevalence of predicate crimes

21. Benin did not submit its Country Report for 2017, where prevalent ML/TF predicate crimes are reported. However, its report for 2016 listed drug trafficking, corruption, tax evasion, fraud, smuggling of goods, theft, counterfeiting and piracy as prevalent. The proceeds generated from these crimes were laundered through real estates, cross-border cash movements, banks, insurance companies, DNFBPs and microfinance. According to the Trafficking in Persons Report for 2017, Benin remains on Tier 2 Watch List for the second consecutive year.

Technical Assistance

22. Again, Benin did not submit request for technical assistance in 2017. In 2016, the country expressed needs for technical assistance in the following areas: training, outreach and ICT equipment for the FIU; and outreach to DNFBPs.

Conclusion

23. It is encouraging that the political commitment to the implementation of AML/CFT measures remains high in the country. This is also reinforced in the improvement in in overall governance in the country. Together with the projected improvement in the economic situation, the Benin provides motivation for GIABA and its development partners to continue to explore further opportunities for sustaining technical assistance to strengthen the country’s AML/CFT regime.

BURKINA FASO

Political Situation

24. Since the post-Campaore election of 2015, Burkina Faso has remained politically stable. However, the security situation relapsed in 2017, with the second deadly terrorist attack on a restaurant in August. That attack claimed 18 lives reaffirmed the fear that the once peaceful country had fallen into the West Africa axis of global terrorism. This renewed fear calls for greater vigilance and tracking of the flow of illicit finance, including the funding of terrorist activities.

25. Burkina Faso’s performance on overall governance improved in the year. The country moved from the 23rd position to the 21st on the IIAG. On the Transparency International’s CPI, Burkina Faso maintained its score of 42% for the third consecutive year. However, its position dropped from 72nd in the previous year to 74th. The country needs to maintain vigilance against corruption as well as other financial crimes, which are likely to weaken its AML/CFT system.

Economic and Financial Situation

26. Burkina Faso’s economy is projected to grow strongly in 2017 by 8.4% from 5.4% in 2016. This quantum acceleration is driven by the burgeoning mining sector and major capital investment under the 2016-20 PNDES national economic and social development plan adopted in July 2016. Equally important is the sustained improvement in the international prices of gold and cotton (the country’s major exports) since 2016. Inflation is projected to rise marginally to 2.1% from 1.8% in the previous year. The inflationary rate is well within the 3% limit set by the West African Economic and Monetary Union (WAEMU), which, combined with improved governance, is expected to make the rapid growth projection more inclusive. Combating inequality and social exclusion in Burkina Faso is a necessary condition for defeating the rising menace of radicalization, terrorism and financial crimes in the country.
Prevalence of Predicate Crimes

27. Burkina Faso’s long inadequately policed borders make the country highly vulnerable to a host of organized cross-border crimes, including terrorism, as has been the case in the last two years. The country report submitted to GIABA for 2017 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 2017. 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, according to the country’s report for 2017.

AML/CFT Situation

28. Burkina Faso continued to make progress in addressing the deficiencies in its AML/CFT system in 2017. By the end of 2016, the country exited the GIABA follow-up process in preparation for the Second Round of Mutual Evaluation of member States’ AML/CFT regimes. As a prerequisite for undergoing the mutual evaluation exercise, the country is preparing 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 as agreed in the approved GIABA Calendar.

Technical Assistance

29. The priority areas of technical assistance identified by Burkina Faso for 2017 include: training for the FIU, the judiciary, DNFBPs, and training on international cooperation.

Conclusion

30. Given the rising menace of terrorism in Burkina Faso, the country sustain its political commitment to the implementation of AML/CFT measures, notably by endeavouring to disrupt terrorist financing and other illicit financial flows. Political commitment also needs to be strengthened in order to rapidly address them as the country prepares for its 2nd round mutual evaluation. This includes directing adequate and timely attention and resources to the set targets, 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.

CAPE VERDE

Political Situation

31. Cape Verde remains a beacon of good governance, democracy, political stability, economic growth, and human development in West Africa. The elections held in 2016 were peaceful and 2017 witnessed the normal functioning of government, as has been the tradition. Although its position slipped from 2nd to 4th in Africa on the IIAG for 2017, Cape Verde maintained its position as the best governed in West Africa. On the perception of corruption, Cape Verde maintained the score of 55 since the previous year, which is a 2-point drop from 57 in 2015. Confirming this slight decline, the country’s position dropped from 40th in the previous year to 48th.

32. The strong performance on overall governance is encouraging, is expected favourable 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 impressive quality of governance, in spite of the marginal decline.

Economic and Financial Situation

33. Cabo Verde’s post-recession economy has continued on the path of gradual recovery and is projected to grow from 3.2% in 2016 to 3.7% in 2017. This positive, though slow, performance is largely driven by increased revenues from tourism-related investments and improved agriculture. With inflation rising from -1.6% to projected 0.8%, indicating recovery of domestic demand, Cabo Verde would need to implement further reforms to accelerate the growth of the economy.
Prevalence of Predicate Crimes

34. In its 2017 Country Report to GIABA, Cabo Verde reported the prevalent predicate crimes for ML/TF as follows: drug trafficking, corruption, tax fraud, and fraud. Previous reports have consistently showed that it is an important transit country for illicit drugs from South American countries headed for European countries. Cape Verde has also been grouped among countries in the Tier 2 category of the US State Department Trafficking in Persons Report. The common channels for laundering the proceeds of these crimes, as reported by the country, include cross-border cash movements, banks, and DNFBPs.

AML/CFT Situation

35. Cabo has made significant progress in strengthening its AML/CFT system, particularly in the areas of national coordination, supervision of financial institutions and DNFBPs, and prosecution. The details of country’s performance are elaborated in Chapter 3. The country exited the First Round of Mutual evaluation and its Expedited Follow-Up process, and underwent its Second Round of Mutual Evaluation at the end of the year. Despite the country’s sustained efforts to address the deficiencies in its AML/CFT regime, there still some outstanding issues.

36. 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.

Technical Assistance

37. 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 2017, Cabo Verde identified its technical assistance needs to include training for the FIU and the judiciary.

Conclusion

38. The overall governance milieu in Cabo Verde is encouraging and favourable to robust implementation of AML/CFT measures in the country. Furthermore, the government faces an arduous task of reflating the economy and accelerating growth, and this should be seen as a priority for which effective AML/CFT implementation is highly relevant. This context, combined with the existing political commitment to AML/CFT implementation, needs to be utilized by GIABA and its development partners to encourage the country resolve the remaining deficiencies in its AML/CFT system.

CÔTE D’IVOIRE

Political Situation

39. Côte d’Ivoire’s has enjoyed political stability since the end of the 2010/2011 civil war. However, the security situation in the country remained precarious through the year 2017 with incessant army mutinies over non-payment of bonuses. Although the heads if the army, police and gendarmerie were removed and the bonuses paid, the authorities would need to carefully manage the current peace and prevent a relapse of the country to violence and instability. Also, the country needs to ensure that terrorism does take hold in the country, although there has been no similar incident since the attack on the beach resort of Grand Bassam, near Abidjan, in 2016.

40. The quality of governance has steadily improved in the country. The country posted a score of 54.2%, up from 52.3% in 2016 on the IIAG, moving up to the 20th position in Africa from the 21st in 2016. Its score on Transparency International’s CPI moved up from 34% in the previous year to 36%, consolidating the consistent improvements since 2013. The Ibrahim Index of African Governance (IIAG) also shows that overall governance. This impressive performance needs to be strengthened in order to reinforce the enabling environment of effective implementation of AML/CFT measures.
Economic and Financial Situation

41. The gradual stabilization of the political system has also been accompanied by rapid and sustained economic growth. The robust recovery and expansion of the economy, which began in 2012, has seen real GDP grow at projected rates of 8.9%, 8.4% and 7.3% in 2015, 2016, and 2017, respectively. This strong performance is attributable to booming agriculture, improved business climate and the return of investment.

42. 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, promises a conducive context for surmounting the growing menace of organized crime, including ML/TF and their predicate crimes.

Prevalence of Predicate Crimes

43. All the dominant predicate crimes for ML/TF in West Africa are manifest in Côte d'Ivoire in 2017. In its Country Report for 2017, the country reported the prevalent ML/TF predicate crimes, and they include 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.

44. 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

45. Côte d'Ivoire’s sustained AML/CFT implementation and made efforts in addressing the deficiencies in its regime since 2012. In spite of the efforts, however, there are still strategic deficiencies outstanding in the countries AML/CFT regime, relating to the criminalization of migrant smuggling and terrorist financing, adoption of due diligence manuals for reporting entities, effective implementation of the UN Security Council Resolutions 1267 & 1373, and supervision of reporting entities, among others. The details of these deficiencies are captured in Chapter 3 of this report. The country is on the Enhanced Follow-Up process, and it is hoped that the country will take urgent steps to address those strategic deficiencies.

Technical Assistance

46. Given the weight of the deficiencies of Côte d’Ivoire, the country needs to be continuously assisted to address them. The priority technical assistance needs expressed by the country in 2017 include training and ICT equipment for the FIU; training and mentoring for the judiciary; and training for financial institutions.

Conclusion

47. Côte d'Ivoire has continued to make efforts to strengthen its AML/CFT system in the wider context of stabilizing political system, implementing governance reforms, and strong, sustained economic growth. However, the country faces the expanding threat of terrorism and a number of ML predicate crimes. The favourable political and economic climate, therefore, needs to be utilized to resolve the outstanding strategic deficiencies in the country’s AML/CFT regime.

The GAMBIA

Political Situation

48. 2017 was epoch making in the history of The Gambia, as it opened with the termination of the 22-year dictatorship of former President Jammeh. Thanks to the resolve of the masses and the support of ECOWAS, the crisis generated by the outcomes of the elections was resolved peacefully while the country was ushered into a free democratic dispensation. The Gambia has stabilized since the episode and the new Government of President Barrow has commenced implementation of measures to address the impunity of the past and foster national reconciliation.
49. After less than a year of democratic transition, it is perhaps too early to expect drastic improvement in governance. In spite of the challenges, The Gambia has made impressive progress, having moved up to the 33rd position in overall governance from 35th in Africa during 2017. The country scored 30%, up from 26% in 2016, and improved to 130th position from 145th in 2016, on the Transparency International's index of corruption perception.

Economic and Financial Situation

50. After the decline of 2016 due to the uncertainties surrounding the landmark elections, the economy of The Gambia gradually picked up in 2017. The GDP is projected to grow by 3.5% in 2017 from 2.1% in 2016. Inflation remains high, but is projected to contract from 8.3% in the previous year to 7.7%, helping to stabilize the country’s macro-economic environment.

51. The Gambia is still confronted with the challenge of accelerating growth ensuring that growth is inclusive in order to considerably enhance human development for the population. The country ranks among the lowest in the yearly UNDP Human Development Index, making the population susceptible to the allure of organized crime and other ML/TF predicate crimes.

Prevalence of Predicate Crimes

52. According to the Country Report of the country, drug trafficking, corruption, tax evasion, fraud, human trafficking, smuggling and forgery are prevalent ML predicate offences in 2017. The Gambia has made progress in combating trafficking in persons and was upgraded from the Tier 3 to the Tier 2 Watch List in the US State Department Trafficking in Persons Report for 2017. The country is a source and destination country for women and children subjected to forced labor and sex trafficking.

AML/CFT Situation

53. The Gambia made commendable progress in strengthening its AML/CFT regime in 2017, which are detailed in Chapter 3. The major progress recorded by the country are in the areas of reporting on currency and wire transfers, national coordination and collaboration, international cooperation, asset tracing and recovery, FIU effectiveness and oversight of financial institutions.

54. In spite of this progress, however, there are still outstanding deficiencies in the country’s regime. Some of the gaps include the non-supervisions of DNFBPs and non-passage of some critical outstanding Bills into law. The country is currently on the Expedited Follow-Up process and reports to GIABA annually on the progress made towards addressing the deficiencies.

Technical Assistance

55. In 2017, The Gambia expressed its technical assistance needs as contained in its Country Report to GIABA. They include the following: training and ICT equipment for the FIU; training for DNFBPs; and training for regulatory and supervisory agencies.

Conclusion

56. While The Gambia made some progress in strengthening its AML/CFT system in 2017, 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.

GHANA

Political Situation

57. Like The Gambia, Ghana opened the year with the swearing in of opposition candidate who beat incumbent President John Mahama in December 2016 election, which was concluded peacefully. This feat reaffirmed the country’s reputation as a model of democratic consolidation in the region. Not only was the election peaceful as usual, but it also saw the defeat of the incumbent president to the opposition. The concession of defeat by the president in a keenly contested election further consolidated Ghana’s history of peace and political stability, at a time when similar scenarios were generating considerable crises within the region.
58. Issues of governance, particularly corruption, were central in the electioneering campaigns and were critical in determining the outcomes of the election. The country had always measured high on governance, by regional standards, but witnessed a consistent decline on its governance rating over the past three years. The country’s 2017 score on the Transparency International’s CPI is 40%, a 3-point decline from 43% in 2016, and a significant drop from 47% in 2015. Ghana now ranks 80th globally, as opposed to the rank of 70th in the previous year. According to the Mo Ibrahim Index of African Governance, Ghana tumbled from the 7th position in the previous year in overall governance in Africa to the 14th in 2017.

Economic and Financial Situation

59. The persistent sluggish economic performance of the previous years was central determinant of the outcome of the election of December 2016. The GDP grew at 3.9% in 2015 and declined to 3.3% in 2016. The new government is expected introduce policy changes to revamp the economy, and the forecast for 2017 is positive. The country’s GDP is projected to grow at 7.1% in 2017, while the hyperinflation of 17.0% is projected to fall to 10.5% in the year. The economy is projected to recover with increased production of oil and gas, improved commodity prices and performance of the non-oil sector.

Prevalence of Predicate Crimes

60. In 2017, all the main money laundering predicate crimes, including drug trafficking, corruption, cybercrime, tax fraud/evasion, smuggling of goods, human trafficking, theft, and forgery were reported by the country as prevalent. The proceeds of these crimes are laundered in various forms in Ghana. The methods mostly used are real estate, cross-border cash movement, banks, DNFBPs, and microfinance. In addition, Ghana is still a Tier 2 Watch List Country, the country has made significant efforts to eliminate trafficking in persons in 2017.

AML/CFT Situation

61. Ghana is one of the best performing GIABA member States in terms of sustaining the implementation of AML/CFT measures of acceptable international standards to address the main deficiencies its AML/CFT regime. The country was evaluated under the GIABA 2nd round of mutual evaluation in 2017. Being the first member State to be evaluated in the 2nd round, Ghana has demonstrated the relative strength of its AML/CFT regime as well as the political commitment to effective implementation of AML/CFT measures.

62. Following the evaluation, Ghana was placed under the enhanced follow-up process. The outcome of the evaluation, including the details of the specific actions undertaken by Ghana to reinforce its AML/CFT system as well as the remaining deficiencies to be addressed are discussed in Chapter 3.

Technical Assistance

63. Ghana has continued to receive support from GIABA and its partners to further strengthen its AML/CFT system. Specific areas of technical assistance needs that the country expressed in the 2017 include training and sensitization for the FIU; training for supervisory and regulatory agencies; and training for financial institutions.

Conclusion

64. Ghana’s political stability has considerably supported continuous improvement of its AML/CFT system, although the country needs to improve its performance on overall governance. Also, the economic recovery projection is expected to enable the country dedicate more attention and resources to AML/CFT implementation in order to comprehensively resolve the deficiencies identified its system during the evaluation.

GUINEA

Political Situation

65. Since the presidential election of October 2015, Guinea’s political system has considerably stabilized. In a country with a history of turbulent political succession, the eventual re-election of President Alpha Conde without any major threat to the peace marked the increasing development of the country’s political institutions. The country’s political stabi-
lization is expected to help in strengthening the institutions of governance and support continuous improvement in AML/CFT implementation.

66. Guinea marginally strengthened its governance performance in 2017 as seen in the improvement of its ranking on the IIAG for the year. The moved up from the 2016 position of 41st in Africa with the score of 43.3% to the position of 39th in 2017 and a score of 45.5%. However, on the perception of corruption, the country maintained the 2016 score of 27%, while dropping its position from 142nd in the previous year to 148th. These figures show that governance remains a major challenge in the country.

Economic and Financial Situation

67. Guinea has consolidated the economy recovery from the devastating toll of the Ebola Virus Disease (EVD) has been steady, though slow, since 2016. The GDP decelerated slightly from 4.9% in the previous year to 4.6%, far higher than the subdued growth of 1.1% and 0.1% of 2014 and 2015, respectively. This recovery is driven by the post-Ebola revival of the mining sector. Similarly, the high of inflation of 8.1% (2016) is projected fall to 6.5% in 2017. Yet, the government is committed to redressing the macroeconomic situation and the economy is expected to remain on the path of steady recovery. Efforts must be doubled to unlock the potentials of the economy and propel rapid growth

Prevalence of Predicate Crimes

68. Over the last three years (2015, 2016 and 2017), Guinea did not report any ML/TF predicate crime in the year. However, the prevalent predicate crimes in the previous years were identified as follows: drug trafficking, corruption, tax fraud/evasion, smuggling of gems and precious metals, goods smuggling, bank fraud, forgery and piracy. The country ranks in the Tier 3 Watch List for trafficking in persons. 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.

AML/CFT Situation

69. Even through the devastating years of the EVD, Guinea has made steady progress in strengthening its AML/CFT regime and enhancing its compliance with the FATF standards. While the details of the country’s progress are contained in Chapter 3, the major achievements are in the areas of anti-corruption and freezing of assets. In view of the progress made by Guinea, the country was removed from the Enhanced Follow-Up process and placed on the Expedited Regular Follow-Up process.

Technical Assistance

70. Guinea did not submit its Country Report in 2017, where technical assistance needs are conveyed to the GIABA Secretariat. However, the needs expressed in 2014 include: training, awareness raising and ICT equipment for the FIU; and training and mentoring for the judiciary.

Conclusion

71. The post-Ebola recovery of the economy and the stable political environment are commendable. Yet economic growth needs to be accelerated, and while performance drastically improved upon in order to consolidate the positive outlook. This will strengthen the country’s efforts to improve its AML/CFT system in order to bring it into greater compliance with international standards.

GUINEA BISSAU

Political Situation

72. Thanks to the tireless engagement of ECOWAS, the political crises of the previous years in Guinea Bissau have abated considerably. ECOWAS continued to midwife democracy and political stability in the country in 2017. However, the political crisis has not been fully resolved, forcing regional leader to issue threats of sanctions against politicians unless they are resolved.
73. Overall governance in Guinea Bissau has continued improved gradually over the last few years as the political system stabilises. The country moved up to the 43rd position in Africa, from 44th in 2016 and 45th in 2015. On the level of corruption perception, the country returned to the score of 17% after dropping to 16% in 2016. However, the score is dismally low and the country needs move up far above the position of 171st in the world in order to strengthen governance and effectively confront the scourge of financial crimes, including ML/TF.

**Economic and Financial Situation**

74. Despite political uncertainties, Guinea Bissau has continued steadily with economic revival since 2015, when donor support was restored. The GDP, which grew at 2.7% in 2014, accelerated at projected 4.8% in 2015, slowing to 4.9% in 2016 and 4.8% in 2017. Sharply increased revenues from cashew export and impressive food crops harvest are the main factors for the economic performance. Lingering political crisis has stalled growth potentials of the economy, which should have fared much better. Critical donor support, which was again frozen in 2016, is expected to resume in 2017 and may improve the projection for the year. Equally important, inflation has been subdued at projected 2.7% from 2.6% in the previous year. This rate is still 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 driving accelerated and more inclusive growth in order to reduce the social pressure towards crime.

**Prevalence of Predicate Crimes**

75. The main ML predicate crimes reported by the country in 2016 include, smuggling, corruption, forgery 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 human trafficking, Guinea Bissau remained in Tier 3 category in the US State Department Trafficking in Persons Report 2015 as in the previous years.

**AML/CFT Situation**

77. Guinea Bissau has sustained the commitment to resolve the identified deficiencies in its AML/CFT regime since democratic transition in 2014,. The country made several efforts in 2017 to strengthen its AML/CFT regime. The steps taken by the country relate broadly to the adoption of the EUMOA directive on AML/CFT, the bills on migrant smuggling and piracy, assets seizure, international cooperation on information exchange and extradition, and national stakeholder sensitization. The specific details of the actions taken are provided in Chapter 3 of this report.

78. However, in spite of those efforts, the strategic deficiencies in the country’s AML/CFT system still have persisted, and need to be overcome urgently. Some of the 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 is presented in Chapter 3 if this report. Given the failure of Guinea Bissau to address the deficiencies over the years, the country is retained on the Enhanced Follow-Up process. GIABA has also maintained the Public Statement on Guinea Bissau until the country achieves a satisfactory level of compliance with the FATF Recommendations.

**Technical Assistance**

79. GIABA and its development partners have renewed their commitment to support the efforts towards of 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
Political Situation

81. 2017 marked a crucial landmark in the post-war transition to popular democracy, peace and stability in Liberia. The election of President George Weah at the end of the year was the first democratic transfer of power in decades. The overwhelming victory of President Weah in the second-round of voting signalled, not only the massive support the new government enjoys, but the also the potential for national unity and reconciliation in a country that is still recovering from a long history of fractious civil wars, misrule and social deprivation, in addition to the devastating impact of the recent EVD scourge. In his first public comments after his electoral victory, the President pledged to work towards improving the lives of Liberians. This is a pledge that, given the country's difficult experience, will be taken by the population as the yardstick for assessing the performance of the new administration.

82. The new government faces a tough task of strengthening public institutions and considerably improving governance. Overall governance in the country declined since 2016, when the country dropped from the 26th to the 28th position in Africa. It maintained the same position of 28th in 2017. On the corruption perception index, Liberia performed dismally in 2017, dropping to the 122nd position from the 90th in the previous year. Similarly, the country’s score fell from 37% to 31% within the same period. The country can do more to strengthen governance to match the pace of political stabilization and democratic consolidation.

Economic and Financial Situation

83. Like that of Guinea, Liberia’s economy came under severe shock from the EVD outbreak, in the previous years, when the economy posted almost zero growth worsened by low export commodity prices. As the country seeks to diversify the economy by expanding agricultural productivity, economy is projected to pick up to 4.0%. This projection is also strengthened by expected increased production of gold and iron ore. In addition, the Ebola-induced inflation, which rose sharply to 12.5% in 2016, has been on the decline. Inflation projected to cut back to 10.05% in 2017. The new government will need to work hard and introduce policies that stimulate rapid and inclusive growth, given the enormous challenge of addressing social exclusion, particularly for the youth.

Prevalence of Predicate Crimes

84. Liberia did not submit its Country Report to GIABA in 2017. However, the most prevalent ML/TF predicate crimes as reported by the country in 2016 are drug trafficking, corruption, tax fraud/evasion, smuggling of goods, theft and counterfeiting. This has been consistent the country’s reporting of the previous years. According to the Trafficking in Persons Report 2017, Liberia is a Tier 2 country and is making significant effort to eliminate trafficking in persons. 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.

AML/CFT Situation

85. Liberia made progress in addressing the outstanding deficiencies in its AML/CFT regime in 2017. Among other important measures, the country has developed a national Action Plan with specific timelines to implement all the recommendations, and the country expects to complete the Action Plan by February 2019.
These measures enabled Liberia address the identified strategic deficiencies in its AML/CFT regime in the year. The country was, therefore, removed from the Enhanced Follow-Up process and placed it on the expedited follow-up process. Chapter Three of this report gives the details of all the measures implemented by the country during the year.

86. However, in spite of the noted progress, the country’s AML/CFT system still faces many challenges that require urgent attention. Some of the gaps include, the lack of ALM/CFT convictions, non-supervision of non-bank financial institutions, non-passage of legislation of relevant legislation, lack of standard procedure operations manual for the FIU, and paucity of statistics.

Technical Assistance

87. The country did not express technical needs assistance in 2017. The needs submitted in 2016 consist mainly in strengthening of the FIU through training, outreach, mentoring and ICT support. The country also needs training and outreach on international cooperation.

Conclusion

88. With the first democratic transition in several decades, Liberia has accelerated the momentum for national unity, political stability and good governance. The country now has a new opportunity to strengthen AML/CFT implementation as a national priority to ensure that it 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 commits fully to its international AML/CFT obligations.

Economic and Financial Situation

92. Mali’s economic recovery has continued apace since 2013. GDP growth rose to 6.0% in 2015, 5.3% in 2016, and is projected to consolidate at 5.0% in 2017. This outlook is based on continued financial support for the international community and the government’s programme of economic reform.

93. 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. The challenge is to ensure that the solid growth of the economy is sustained and made more inclusive to cut down the high incidence of poverty and the population’s vulnerability to ML/TF and their predicate crimes.
Prevalence of Predicate Crimes

94. All the major crimes predicate to ML/TF were reported by Mali to be prevalent in the country in 2017. They include drug trafficking, corruption, tax fraud/evasion, goods smuggling, human trafficking, theft, forgery and piracy. Mali was downgraded from the Tier 2 to the Tier 3 Watch List for Trafficking in Persons in 2017.

95. As reported in previous reports the difficulty in policing the large swathe of desert space in northern Mali where terrorist groups continue to hold sway, heightens the prevalence of organised crimes and raises serious concerns about the high ML/TF risks facing the country. 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

96. In spite of the country’s security predicaments, Mali sustained efforts to address the deficiencies identified in its AML/CFT regime in 2017. Areas worthy of note, where the country has made progress include ML/TF legislation, prosecution, conviction confiscation, and international cooperation (on extradition and information exchange). The other important measures adopted by the country in the year are captured in Chapter 3. Mali has exited the follow-up process and is scheduled to undergo the second Round of Mutual Evaluation, commencing with on-site visit scheduled to take place in January 2019, in accordance with the GIABA Process and Procedures of the Second Round of Mutual Evaluation. The country is urged to urgently resolve all outstanding deficiencies in its AML/CFT system as a crucial step in the preparation for the evaluation.

Technical Assistance

97. In order to address the challenges to the implementation of robust AML/CFT measures in the country, Mali expressed technical assistance needs for 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. The country did not express any technical assistance needs in 2017.

Conclusion

98. Mali has demonstrated commitment to the implementation of AML/CFT measures by enacting several relevant instruments, in spite of the formidable security challenges faced by 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.

NIGER

Political Situation

99. Niger remains politically stable since a year after the re-election of President Issoufou, although the controversy surrounding the boycott of that election by the main opposition has lingered. The main opposition leader, Mr. Hama Amadou, was sentenced to one year in prison for child trafficking in absentia. However, the opposition maintains that the charges were politically motivated.

100. The security situation remains precarious in 2017. The menace of terrorist attacks surged 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 neighbouring Nigeria in the south, the Islamic State of Iraq and the Levant (ISIL) launched its West Africa front – ISIL-WA – in the country during the year. The entrance of ISIL-WA appears to have complicated the security problematic, threatening to turn the country into a global hub of terrorism. In response to this growing challenge, Niger and 4 other West African countries established a new regional force during the year to confront Islamist militants in the Sahel.
Economic and Financial Situation

101. Niger’s economic recovery since 2016 has been sustained through 2017. Growth is projected to rise from 5.2% in 2016 to 5.6% in 2017, thanks to good harvest, increased oil production and infrastructural investment. This positive outlook is not withstanding the long drawn out and costly anti-terrorist military operations in the south of the country. However, continued military spending is likely to exert a high toll on the current expenditure in the budget of the country, while the price of commodities are highly vulnerable to shocks. As reported in 2016, social spending on development infrastructure in remote areas is needed as a counter-measure against radicalization and extremism.

102. Fortunately, inflation was subdued from 2.1% in the year to projected 1.9%, while the implementation of the 3N (Nigeriens Nourish Nigeriens) initiative is expected continue strengthening agricultural output. The policy is aimed at ensuring food security in a country that has consistently posted one of the lowest human development indicators in the world over the past several years. With Niger’s long poorly manned borders and the presence of various terrorist groups within and in neighbouring countries, the country is highly vulnerable to a host of organized criminal activities and other predicate crimes to ML/TF.

Prevalence of Predicate Crimes

103. In 2017, drug trafficking, corruption, tax fraud/evasion, goods smuggling, human trafficking, theft, forgery and piracy were reported by Niger as the prevalent ML/TF predicate crimes. Also, Niger remained on the Tier 2 Watch List in the 2017 Trafficking in Persons report. 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, microfinance and DNFBPs, including casinos gambling.

AML/CFT Situation

104. Niger made progress towards reinforcing its AML/CFT regime and resolving its deficiencies in 2017. The notable efforts include revision of the Penal Code to include new predicate offences, and strengthening of the High Authority against Corruption and Related Offences. Also, the Criminal Penal Code incorporates a new provision that requires banks to carry out increased monitoring of bank accounts opened or held by politically exposed persons (PEPs).

105. There are, however, outstanding deficiencies in Niger’s AML/CFT regime and the country is currently on the Expedited Regular Follow-Up process. Major gaps in the country’s regime include lack of progress in meeting beneficial ownership requirements, and lack of comprehensive and harmonized statistics. See Chapter 3 for detailed analysis on the country’s AML/CFT performance for 2017.

Technical Assistance

106. In its Country Report to GIABA for 2017, Niger identified its technical assistance needs as training and sensitization for the FIU. GIABA will continue to work with its technical and financial partners to strengthen the country’s AML/CFT system.

Conclusion

107. Niger’s political stability and economic recovery are vital enablers for reinforcing the country’s AML/CFT system. The political commitment to AML/CFT implementation is undoubted and needs to be harnessed by international partners to support national efforts. The growing threat of terrorism has brought exigency to the fore, and GIABA will continue to galvanize that necessary international assistance from development partners.

NIGERIA

Political Situation

108. Nigeria’s democracy consolidated further in 2015 with the overwhelming election of President Buhari of the opposition All Progressives’ Congress (APC). The APC’s victory ended the 16 years of the People’s Democratic Part (PDP)’s uninterrupted dominance since democratic transition in
1999. The emergence of a counterweight to the PDP has given the country’s democracy the reality of pluralism as the electorate now has true options to choose from. In 2017, thanks to the effective deployment of crisis management by the government, the country successfully survived tensions occasioned by the separatist rhetorics of Biafran youths in the southeast of the country and counter threats from a coalition of northern youths.

109. The security situation has remained fragile through 2017. Although the government has largely won the war against terrorism, with far fewer attacks in 2017 than in previous years, newer threats have emerged to undermine safety and security across the country. 2017 saw a spike in mass killings by herdsmen across various states of federation, reawakening ethnic, religious and regional conflict fault lines, and weakening national unity and political stability.

110. The Buhari Administration continued to demonstrate firm commitment to good governance in 2017. The country’s governance performance on the IIGA fell moved up to 48.1% from 46.5% in the previous year. The country also recorded a number of high-profile non-conviction based forfeiture of large proceeds of corruption during the year. However, in spite of this performance, the country has continued to decline on the perception of corruption. The CPI fell from 34% in 2015 to 28% in 2016, and to 27% in 2017. The declining figure testify to, not only the deep entrenchment of corruption in all levels of government, but also the resilience and resistance of the corrupt. In spite of the challenges, the country must needs to raise the momentum in current war against corruption in order to facilitate effective AML/CFT implementation.

Economic and Financial Situation

111. 2017 saw a moderate recovery of the Nigerian economy from its first recession in over 2 decades. From the deceleration of -1.5% in the previous year, GDP picked up at the projected rate of 2.2% in the year. Similarly, the hyperinflation of 15.7% in 2016 cut back to projected 14.3% in 2017, and is projected to drop to 12.4% in 2018. The recovery has been largely due to expanded infrastructure spending, recovery of the oil price, and restoration of oil production to previous levels. The government also began the implementation of some economic policy reforms under the framework of the Nigeria Economic Recovery and Growth Plan (NERGP 2017-2020). The framework focuses on macroeconomic stability, economic growth and diversification, improving competitiveness, fostering social inclusion, and governance and security.

112. The moderate recovery is still vulnerable due to the vagaries of the international oil price regime. It is hoped that the policy reforms take hold, the economy will pick up on a surer, faster and more inclusive foundation. Such outlook would provide the government the room sustain its fight against insecurity, corruption, money laundering and terrorist financing.

Prevalence of Predicate Crimes

113. The Country Report of Nigeria for 2017 showed that the main ML/TF predicate crimes are present in the country. They include drug trafficking, corruption, tax fraud/evasion, human trafficking, goods smuggling, theft, forgery and piracy. According to the US Department of State INCSR report 2017, Nigeria was downgraded to the Tier 2 Watch List in the year, in spite of efforts to eliminate human trafficking.

AML/CFT Situation

114. Nigeria sustained the progress of previous years towards fortifying its AML/CFT regime. The country exited the follow-up process to the 1st round of mutual evaluation in preparation for the 2nd round. Nigeria is also preparing to be admitted as a member of the Financial Action Task Force (FATF), being the only GIABA member State to do so. However, the FATF planned on-site visit to Nigeria during the year, as part of the process of the country’s admission, was postponed due to concerns raised about the readiness. In particular, the global Egmont Group of elite FIUs raised doubts about (i) the protection
and confidentiality of information held by the Nigerian FIU (NFIU); and (ii) the legal basis and clarity of the NFIU’s operational independence from the country’s Economic and Financial Crimes Commission (EFCC). Nigeria needs to accelerate the process of passing the relevant legislations and expeditiously address the concerns to enable the FATF determine new date of the on-site visit.

Technical Assistance

115. The technical assistance needs expressed by Nigeria for 2017 are as follows: training and ICT equipment for the FIU, training for regulatory and supervisory bodies, and training for judicial officials.

Conclusion

116. In spite of Nigeria’s complex security predicaments, the economy is on the path of recovery, though slowly, while the counter-terrorism and anti-corruption drives are yielding gains. The country needs resolutely confront the new security threats posed by herdsmen and speed up the restructuring of the economy in order to accelerate growth. The successful implementation of the NERGP will foster human development as a counter-measure against extremist violence, insecurity and organized crime.

SÃO TOMÉ AND PRÍNCIPE

Political Situation

117. São Tomé and Príncipe (STP) enjoys a multi-party democracy and has continued to consolidate on political stability since holding the last presidential election of 2016 peacefully. Although not a Member State of ECOWAS, STP was admitted a GIABA member State in 2013.

118. In terms of governance, São Tomé and Príncipe has consistently remained one of the high performers in Africa. The country maintained its 2016 position of 11th in Africa on overall governance and increased its score marginally to 61% from 60.5% in 2016. On the perception of corruption, however, STP declined from the 62nd in the previous year to 64th. The country’s sound governance credentials need to be harnessed to confront the challenge of corruption and strengthen AML/CFT implementation.

Economic and Financial Situation

119. In 2017 São Tome and Príncipe (STP) sustained the economic growth of the past years. The real GDP growth improved from 5.0% in 2016 to projected 5.6% in 2017. Inflation continued to decline for consecutive years, from 5.3% in 2015 to 4.6% in 2016 and projected 4.1% in 2017. This performance is driven by agricultural investment and foreign direct investment in the construction and tourism sectors. The government has also envisaged reforms for meeting public spending through enhanced domestic resource mobilization. As reported in 2016, the country’s cash-based economy, the discovery of oil, and its location on the Gulf of Guinea, where organized crime has been growing, all combine to heighten the risks of a host of ML/TF predicate crimes.

Prevalence of Predicate Crimes

120. In its Country Report submitted to GIABA in 2017, São Tomé and Príncipe identified the prevalent predicate crimes in its jurisdiction as drug trafficking, corruption, fraud/tax evasion, goods smuggling, human trafficking, theft, forgery and piracy. The proceeds from these crimes are laundered through cross-border cash movements, banks, insurance companies, DNFBPs, and micro-finance.

AML/CFT Situation

121. Since the adoption of STP’s Mutual Evaluation Report in May 2013, the country has continued to make effort to strengthen its AML/CFT system. Some of the major measures adopted by the country to address those deficiencies 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; undertaken 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 this progress are given in Chapter 3 of this report.

122. The remaining deficiencies in the country’s AML/CFT system include: the lack of legislation and procedures for freezing 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

123. 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 2017: ICT equipment and logistics support for.

Conclusion

124. As reported over the last two years, the country’s location as an island in the Gulf of Guinea makes it particularly vulnerable to a host of organized crimes. 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 financial system.

125. Senegal maintained its impeccable tradition of peace and political stability in 2017. The country maintained its reputation as a regional example of political stability built on multi-party democracy and the culture of peace and tolerance. President Macky Sall’s coalition won over two-thirds of the seats in a parliamentary election held in April, providing the advantage of policy stability. Also, the one turbulent region of Casamance remained virtually peaceful since the ceasefire of 2014. The consolidation of peace in the region should help boost the tourism industry, which is central to the economy of the country.

126. As expected, Senegal has retained the tradition of high performance on overall governance compared to other African countries. Its overall governance score for the year rose to 61.6% from 60.8% in the previous year, though the country maintained its 2016 position of 10th out 54 African countries on the IIAG. Senegal has maintained performance in the perception of corruption. The country’s score remained constant for the second year at 45%, from 44% in 2014, although the fell from the 2016 position of 64th to 66th on the Transparency International’s CPI.

127. Senegal’s economic growth continued to accelerate in 2017, with the real GDP projected to grow at 6.8% from 6.7% in 2016. The impressive performance is led by agriculture, industry and services sector. Inflation is projected to rise from 1.1% in the previous year to 1.9%. The implementation of the major projects in the Plan Sénégal Emergent (PSE), launched in 2014, entered the third year in 2017. Sustained implementation of the projects of the PSE is expected to further speed up the growth of the economy to 7.0% in 2018, rapid enough to deliver the goal of improved well-being for the population. The PSE is aimed at making Senegal an emerging economy by 2035 and becoming a hub for West Africa.

128. In 2017, Senegal reported goods smuggling, human trafficking and theft as the prevalent ML/TF predicate crimes in the country. According to the Trafficking in Persons report for 2017, Senegal remains on the 2 Tier Watch List for the second consecutive year. Also, the US INCSR for 2017 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.
The proceeds are laundered through the real estate sector, cross-border movement of cash, and DNFBPs.

**AML/CFT Situation**

129. Senegal continued to demonstrate strong commitment to AML/CFT implementation. The country underwent the 2nd Round of Mutual Evaluation process in 2017. The outcomes of the evaluation are discussed in Chapter 3. The details of the country’s efforts in 2017 and the deficiencies outstanding in its AML/CFT regime are provided in the chapter.

**Technical Assistance**

130. GIABA and development partners will continue to support the country’s efforts to address the remaining deficiencies in its AML/CFT system. The only technical assistance needs expressed by the country in 2017 are training for financial institutions.

**Conclusion**

131. Senegal’s political stability and rapid economic growth provide a favourable milieu for sustaining strong commitment to countering ML/TF by making tremendous progress in addressing the remaining deficiencies identified in its AML/CFT regime. Now that the 2nd round of mutual evaluation has been completed, Senegal will need to commit resources towards addressing the identified deficiencies in the report.

**SIERRA LEONE**

**Political Situation**

132. Sierra Leone has a few months to the next elections, but the political mobilization for early 2018 has promised to yield a keenly contested presidential election. President Koromah will be stepping down, after completing the mandatory two-term limit, and the field is likely to be wide open. However, Sierra Leone’s democracy has developed uninterrupted 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 over the past elections.

133. On overall governance, Sierra Leone continued to make progress in 2017. With a score of 51.7%, as against 49.4% in the previous year, the country moved up the 26th position from the 30th position it occupied out of the 54 African countries on the IIAG 2016. The country’s score on the Transparency International’s CPI remained unchanged from 2016 at 30%. However, the country’s ranking dropped to 130th from 123rd in 2016. This decline shows that corruption is still a crucial governance challenge in the country.

**Economic and Financial Situation**

134. Sierra Leone’s has made a stunning economic turn around from crippling impact of the Ebola crisis, which contracted growth from 4.6% in 2014 to -21.1% in 2015. Recovery has been rapid since the end of the crisis, with GDP racing at 4.3% in 2016. The economy is projected to grow at 5.0% in 2017 and 5.9% in 2018. The performance is driven by improvement in agriculture and construction. However, inflation remains high at projected 10.5% from 10.4% in 2016. The government continues to face the uphill task of improving governance human development in order address social hardship and at the same time implement counter-measures against the possibility of rising crime rate.

**Prevalence of Predicate Crimes**

135. Sierra Leone submitted its Country Report to GIABA in 2017 and identified the following ML/TF predicate crimes as prevalent: corruption, tax fraud/evasion, goods smuggling, human trafficking and theft. The country retained its 2016 classification as Tier 2 in the 2017 trafficking in persons report. The methods and vehicles used for laundering the proceeds of these crimes in 2017 include, cross-border cash movement, banks and DNFBPs.

**AML/CFT Situation**

136. Sierra Leone continued to make steady progress in AML/CFT implementation in 2017 and in addressing its deficiencies. In particular, the country concluded its National Risk Assessment (NRA) and validated the report in March 2017. The country also amended the Terrorism Prevention (Freezing of Internatio-
nal Terrorists Funds and other related Matters) Regulations, 2013, to address the gaps identified in the Regulations. The country also strengthened national coordination, capacity building, supervision of financial institutions, and international cooperation. Chapter Three provides the details of the measures implemented by the country during the year.

137. Some of the deficiencies remaining in the country’s 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; and non-implementation of United Nations Security Council Resolutions 1267 and 1373.

Technical Assistance

138. In its Country Report to GIABA, Sierra Leone identified the following areas for technical assistance in 2017: training for the FIU and for the DNFBPs. 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.

Conclusion

139. Post-Ebola Sierra Leone has demonstrated political and social stability, and accelerated economic recovery. In spite of this positive contextual outlook, more reforms are required to tremendously improve governance and ensure that the rapid economic growth is inclusive.

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

Economic and Financial Situation

143. Togo’s modest economic growth has remained largely unchanged for three consecutive years. GDP growth stood at 5.3% in 2015 and 5.0% in 2016, and is projected to grow at 5.1% in 2017. The ambitious infrastructural investment started in 2010 has been the main driver of this performance, although that has considerably increased public debt. In addition, inflation has risen from 1.5% in 2016 to projected 2.2%, though this is still within the UEMOA threshold of 3%.

Prevalence of Predicate Crimes

144. In its 2017 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, forgery and piracy. The laundering of the proceeds of these occurs through real estate transactions, cash-border cash movement, banks and microfinance institutions.

AML/CFT Situation

145. In 2017, Togo took some steps towards addressing the strategic deficiencies identified in its AML/CFT system. In particular, the
FIU intensified its advocacy with the relevant authorities to address the strategic deficiencies. In addition, the FIU has demonstrated growing capacity in the areas of analysis, asset freeze, and intelligence dissemination.

146. 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, Togo is yet to demonstrate firm commitment towards the domestication of the UEMOA Directive on AML/CFT and enactment of the relevant pending Bills. The details of the pending legislations and other deficiencies are provided in Chapter 3.

Technical Assistance

147. Togo expressed its AML/CFT technical assistance needs for 2017 to include training for the FIU; training for financial institutions; and training and sensitization for DNFBPs.

Conclusion

148. As recommended in the report of 2016, 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.
CHAPTER 3

COUNTRY ASSESSMENT

149. Country Assessment is a core component of GIABA’s mandate. GIABA conducts assessment of each of its member country’s AML/CFT regime by way of mutual evaluations. The mutual evaluation is a multilateral peer review exercise that assesses a country’s level of compliance with international AML/CFT standards, particularly the FATF Recommendations. After conducting the mutual evaluation of a country and following the discussion and adoption of its MER by the GIABA Plenary, the country is placed on a follow up process. Under the follow-up process, assessed countries are required to provide a report on the progress they have made in addressing the deficiencies identified in their AML/CFT systems. The follow-up process is intended to ensure regular monitoring of member States’ AML/CFT regimes; provide up-to-date information on member States’ compliance with the FATF Recommendations; and where necessary, exert pressure on countries that fail to make significant progress in addressing the deficiencies identified in their AML/CFT regime.

150. During the period under review, GIABA continued to monitor the progress made by member States under the follow-up process of the first round of mutual evaluations. Importantly, GIABA also commenced the second round of mutual evaluations during the period under review. The mutual evaluation on-site visit to Ghana took place from 19 September to 1 October 2016 and the MER of Ghana was adopted in May 2017. The mutual evaluation on-site visit to Senegal took place from 18 September to 4 October 2017; and the mutual evaluation on-site visit to Cabo Verde took place from November 27 to December 12 2017. The MERs of Senegal and Cabo Verde will be adopted in November 2018 respectively.

THE MUTUAL EVALUATION OF GHANA

151. The mutual evaluation on-site visit to Ghana was conducted from 19 September to 1 October 2016. The assessment was carried out using the 2012 FATF Recommendations, and the 2013 FATF Methodology. Ghana was rated Compliant (C) on 14 Recommendations, Largely Compliant (LC) on 18 Recommendations, Partially Compliant (PC) on 7 Recommendations, Non Compliant (NC) on 1 Recommendation. Ghana was rated as having a Low level of Effectiveness under Immediate Outcome (IO) 4, 5, 8, 9, 10 &11; rated as having a Moderate Level of Effectiveness under Immediate Outcome (IO) 1, 3, 6 & 7 and a Substantial Level of Effectiveness under Immediate Outcome (IO) 2. The shortcomings identified in the AML/CFT system of Ghana include the lack of a comprehensive national AML/CFT Policy based on risks identified in the NRA, inadequate prioritization of investigation and prosecution of the different types of ML offences, lack of an integrated TF and counter-terrorism strategy, the absence of an effective and coordinated confiscation policy and strategy, the lack of an effective AML/CFT risk-based supervision/monitoring across all categories of DNFBPs and inadequate regulatory and institutional framework for NPOs.

152. The GIABA 27th Technical Commission/Plenary Meeting held in May 2017, in Liberia, Monrovia, adopted the MER of Ghana. In accordance with the GIABA Mutual Evaluation Process and Procedures (ME P&P), the Plenary placed Ghana on the Enhanced Follow-up process and directed Ghana to submit its First Follow-up Report to the GIABA Plenary in May 2018.
FOLLOW-UP REPORTS


Fourth Follow Up Report of Sao Tomé and Principe

154. Sao Tomé and Principe enacted 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 (Law no. 6/2016) which provides clear procedures on cooperation with third countries on criminal matters. The law also widens the country’s scope for international cooperation. Sao Tomé and Principe has criminalised the full range of categories of designated offences for money laundering and is poised to provide the widest range of mutual legal assistance and extradition to countries outside CPLP - Comunidade dos Países de Língua Portuguesa (Community of Portuguese Language Countries). Both pieces of legislation have been published in the Official Gazette and are in force.

155. On provisional freezing measures, the total value of property frozen and seized was one hundred and forty seven thousand one hundred and forty two (147,142) Euros, including a bank account with an amount of 100,000.00 Euros belonging to an individual suspected of laundering the proceeds of crime. The authorities of Sao Tomé and Principe also cooperated with the authorities of The Gambia in prosecuting a money laundering case involving more than 500,000 Euros.

156. The Directorate of Banking and Insurance Supervision of the Central Bank of STP (CBSTP) and the FIU conducted joint on-site supervisions of two private banks to ascertain their compliance with national AML/CFT requirements. The team examined amongst other things, account opening processes relating to both natural persons and legal persons and the transfers of funds above a stipulated threshold. The examiners observed some lapses in the application of customer due diligence measures, inadequacies in record keeping and insufficient analysis of transactions to establish suspicion. The banks were directed to take steps to address the lapses. The country has drafted a Guidance Manual with a sample list of indicators of suspicious transactions; Regulations on General Conditions for the Opening of Bank Deposit Accounts; and a Manual of Guidance and Procedures for Companies and Designated Non-Financial Professions (DNFBPs).

157. The FIU received six (6) STRs from financial institutions and disseminated two (2) intelligence reports to the Public Ministry for further action. The FIU received assistance to provide training for its technical staff, build the capacity of financial institutions and DNFBPs and provide essential equipment, including analytical software. Sao Tomé and Principe also conducted AML/CFT training for officials in the judicial and law enforcement sectors. The FIU is set to relocate to new premises allocated by the Government and has a specific budget line approved for its operations in 2017.

158. Sao Tomé and Principe is not adequately monitoring the DNFBP sector for compliance with AML/CFT requirements. For example the FIU is facing challenges in ensuring compliance of the Bar Association with the requirement to file STRs.
159. Sao Tomé and Principe commenced drafting a Bill to amend Law 8/2013, the AML/CFT Law, to provide an adequate framework for the effective implementation of the United Nations Security Council Resolutions 1267 and 1373.

160. Sao Tomé and Principe needs to intensify efforts to adopt effective laws and procedures to freeze terrorist funds or other assets of persons designated by the United Nations Al-Qaeda and Taliban Sanctions Committee in accordance with S/RES/1267(1999) and in the context of S/RES/1373(2001) and ensure effective implementation of AML/CFT requirements across all sectors. The Plenary urged the country to take the necessary actions to improve its AML/CFT regime.

161. Sao Tomé and Principe was retained on the Expedited Regular Follow-up process and directed to submit its Fifth follow-up report to the Plenary in May 2018.

**Fifth Follow-Up Report of Côte d’Ivoire**

162. Côte d’Ivoire took some actions aimed at addressing the deficiencies in the country’s AML/CFT system. These measures include the adoption of legal frameworks, training of officials of competent authorities, awareness raising for AML/CFT stakeholders and civil society and participation in national and international fora.


164. The authorities of Côte d’Ivoire froze and seized the sum of FCFA 1,275,000,000 (1.275 billion) and FCFA 24,000,000,000 (24 billion), respectively. The FIU obtained the freezing in Europe of funds transfer worth 1,176,270 Euros (FCFA 771,582,540).

165. The FIU received additional budgetary support for its operation and has recruited an analyst and two investigators. It also acquired essential office equipment, including software.

166. The FIU received one hundred and forty-four (144) Suspicious Transactions Reports (STRs) relating to money laundering, and disseminated twelve (12) intelligence reports to the Public Prosecutor’s Office. On the basis of the analysis of STRs received and processed by the FIU, several trends were identified, including: fraud, tax fraud, corruption and cybercrime. The FIU also received twenty-three (23) requests for information from its foreign counterparts and ten (10) from domestic authorities and responded to all thirty-three (33) requests.

167. The FIU signed a cooperation agreement with the FIU of Namibia on 5 February 2017.

168. Côte d’Ivoire provided statistics on STRs, international cooperation, including mutual legal assistance for investigations, prosecutions and related proceedings and mutual legal assistance in the absence of dual criminality; predicate offences of money laundering; money laundering; seizure of suspected proceeds and instrumentalities of crime.

169. However, the Plenary noted that Côte d’Ivoire has not fully addressed the deficiencies relating to the core and key Recommendations and other Recommendations that were rated PC and NC. In particular, Côte d’Ivoire has not criminalised the smuggling of migrants, insider trading and market manipulation (Recommendation 1). According to the Action Plan of the country, the National Assembly will adopt the law criminalising migrant smuggling in March 2018. The country has not criminalised the financing of a terrorist organisation and an individual terrorist for any purpose (Special Recommendation II). Côte d’Ivoire has not adopted manuals for reporting entities to enable them to comply with customer due diligence requirements (Recommendation 5). Furthermore, Côte d’Ivoire is not effectively implementing the United Nations Security Council Resolutions 1267 and 1373. The country is yet to establish a committee to distribute the UN List of designated persons and establish a domestic list in accordance with UNSCR 1267 and
1373 respectively. There is also no effective supervision of reporting entities, especially DNFBPs.

170. The Plenary acknowledged the efforts made by Cote d’Ivoire to address the deficiencies in its AML/CFT system but noted that most actions taken by Cote d’Ivoire to address the deficiencies in its AML/CFT system are still ongoing and urged the country to address the identified deficiency in its AML/CFT system.

171. Cote d’Ivoire was retained on the Expedited Regular Follow-Up process and directed to submit its Sixth Follow-up Report to the Plenary in May 2018.

Seventh Follow-Up Report of Benin

172. Benin created a National AML/CFT Technical Committee and established a list of correspondents of the FIU drawn from various competent authorities including the Headquarters of the National Police, the Department of Customs and Indirect Taxes, the Office of Legal Statistics, the Office of the Prosecutor General and the National Institute of Statistics and Economic Analysis (INSAE).

173. The country established a Commercial Court in Porto-Novo.

174. The FIU renovated its premises, acquired essential office equipment and took measures to strengthen the security of its premises. The FIU also received three hundred and eighty five (385) STRs and transmitted thirty-seven (37) intelligence reports to the Public Prosecutor for further action. The FIU renewed its request to the FIUs of Senegal and France to facilitate its application for membership of the Egmont Group. The FIUs of France and Senegal consented and received a delegation from the FIU of Benin in January and February 2017, respectively.

175. Benin strengthened the obligations to identify subscribers to electronic communications networks.

176. The border authorities in Benin seized the equivalent of about four billion (4,000,000,000) CFA francs in foreign currency.

177. Notwithstanding the progress made by Benin, the country needs to: (i) finalize and sign the draft decree appointing the Minister of Finance as the competent authority for the freezing of funds; (ii) sign the draft ministerial decree specifying the powers, organization and functioning of the Advisory Committee on the Freezing of Assets which has already been drawn up and submitted to the Minister of Finance; (iii) ensure the effective implementation of UNSCRs 1267, 1373 and successor Resolutions; and (iv) transpose Directive No. 02/2015 / CM / UEMOA on the fight against money laundering and the financing of terrorism in UEMOA member States into the country’s domestic legal framework.

178. Benin was retained on the Expedited Regular Follow-up process and directed to submit its Eighth Follow-up Report to the Plenary in May 2018.

Seventh and Eighth Follow Up Report of Togo

179. The National Assembly, on 21 November 2016, adopted a law to domesticate the Protocol to the African Union Convention on the Prevention and Combating of Terrorism adopted in Addis Ababa on 8 July, 2004. The principal objective of the Protocol is to strengthen the effective implementation of the Convention, to coordinate and harmonize the efforts of the continent in the prevention and fight against terrorism in all its ramifications, as well as the implementation of other relevant international instruments. Togo also adopted the Uniform Law of 22 November 2016 establishing the national and local databases of the Office of the Registrar General’s Department (RCCM) and the responsibilities of the clerks managing the databases. The purpose of this law is to establish national and local databases of the RCCM designed to enable Togo to comply with the Organisation for the Harmonization of Business Law in Africa (OHADA) Uniform Act on Revised General Commercial Law (AUDCG) adopted in Lomé on 15 December 2010. This Law provides for the identification of beneficial owners of companies. On 30 December of 2016, Togo also adopted the law ratifying the Lomé Charter on Maritime Safety and Security and Development in Africa adopted in Lomé on 15 October 2016.
180. The President of Togo signed two Decrees to appoint the Director and seven members of the High Authority for the Prevention and Fight against Corruption and Related Offences. The appointees who are responsible for enforcing anti-corruption laws and other relevant laws were sworn in on 7 February 2017.

181. The deployment of a magistrate, a senior police officer and an analyst to the FIU enhanced its staff strength. The FIU received fifty six (56) STRs and forwarded five (5) intelligence reports generated from these STRs to the Prosecutor. Togo concluded a cooperation agreement with the Republic of Ukraine.

182. The 27th Plenary/Technical Commission observed that Togo was not effectively implementing the UNSCRs 1267, 1373 and successor resolutions and therefore maintained Togo on the enhanced follow-up process in May 2017.

183. The Eighth Follow-up Report of Togo indicated that the FIU intensified its engagement with the relevant authorities to address the outstanding strategic deficiencies in the country’s AML/CFT system.

184. Between March and August 2017, the FIU received ninety-nine (99) suspicious transaction cases, nine (9) of which relate to terrorist financing. Four (4) cases have already been referred to the State Prosecutor. The FIU froze the amount of fifty-two million CFA Francs (CFAF 52,000,000) in a bank account on the basis of a suspicious transaction report. This provisional measure was confirmed by the judicial authority during the ensuing proceedings. In addition to the intelligence disseminated by the FIU, which are currently being investigated, the Togolese justice system handled seven hundred and ninety-three (793) cases of predicate offences resulting in five hundred and fifty eight (558) convictions. The country however, noted that no parallel money laundering investigation was conducted on the predicate offences investigated over the period.

185. The Director General of GIABA, in line with the recommendation of the 26th Plenary in November 2016, led a high-level mission to the Togolese Government authorities in June 2017 to sensitize the Togolese political authorities on the need to strengthen the country’s legal AML/CFT framework. However, no progress has been made with regard to the deficiencies identified under Recommendations R5; SR.II and SR.III. The Bills developed since October 2013, are still at the draft stage and the country is yet to domesticate the new UEMOA Directive on AML/CFT, Directive No. 02/CM/UEMOA of 2nd July 2015. The domestication of Directive No. 02/CM/UEMOA of 2nd July 2015 and the enactment by of all the Bills developed since 2013 by the relevant Togolese competent authorities are necessary for the effective implementation of AML/CFT measures in the country. Despite the retention of Togo on the enhanced follow-up regime and advocacy missions undertaken by GIABA, the country is yet to enact the requisite laws.

186. The Plenary urged Togo to enact the relevant laws, retained Togo on the Enhanced Follow-up process and directed the country to submit its Ninth Follow-up Report to the Plenary in May 2018.

Seventh and Eighth Follow Up Report of Guinea

187. The Republic of Guinea criminalised the full range of FATF designated categories of predicate offences of money laundering through the revision of the Penal Code as follows: migrants smuggling (Article 334), trafficking in human beings (Article 323 and 341); counterfeiting (Article 451); market manipulation (Article 780); insider trading (Article 1006 - 1010); and cybercrime. The new Penal Code also criminalised the financing of an individual terrorist, a terrorist group or a terrorist organisation (Article 574) as required by Special Recommendation II. Guinea also adopted a new Insurance Code which addresses money laundering and countering the financing of terrorism. Guinea published these three pieces of legislation in a Special Edition of the Official Gazette of the Republic and the laws have entered into force.

188. The Agency for the Recovery and Management of Seized and Confiscated Assets
The Government increased the budget of the FIU by 74% for the year 2017 and the FIU recruited an additional financial analyst to strengthen its capacity. The FIU received fifty nine (59) STRs, generated seven (7) intelligence reports and forwarded five (5) reports to the relevant prosecutor for further action. Competent judicial authorities issued the relevant instructions in relation to three indictments for money laundering and provisional seizures of suspected proceeds of crime.

The FIU of Guinea received and responded to a request for information from its counterpart in the Republic of Ghana. The FIU also made five (5) requests to FIUs in the region and received one response. The Unit also organized AML/CFT related-sensitization programme for Directors of Police Investigations at the National Police College.

The Directorate of Banking Supervision conducted on-site examination of three credit institutions. One of the examinations focused on AML/CFT compliance.

The 27th Plenary/Technical Commission observed that Guinea needs to enhance the effectiveness of its AML/CFT system including by (i) finalizing the mechanism for implementing UNSCR 1267, including dissemination of the United Nations Sanctions Lists to all relevant persons and ensuring effective functioning of the body responsible for the recovery and management of seized and confiscated assets; (ii) implementing the Action Plan of the Technical Committee, including increased awareness and sensitization of taxpayers on AML/CFT obligations; (iii) issuing guidelines for DNFBPs to ensure effective implementation of their AML/CFT obligations; and carrying out a ML/TF risk assessment.

The Eighth Follow up Report of the Republic of Guinea showed that the country took concrete actions to enhance its compliance with the FATF standards with the passage of the Law against Corruption and Related Offences. This law provides a firm legal and institutional framework for the prevention and detection of corruption and related offences and enhances the enforcement of the Regulation on laundering the proceeds of corruption and related offences.

Pursuant to Resolutions 1267 and 1373 of the UN Security Council, Guinea established the Authority in charge of Administrative Freezing, appointed the members of the Advisory Committee on Administrative Freezing (CCGA) and developed relevant measures and procedures (under Decree D/2015/191/PRG/SGG) including the mode of referral to the Authority, the dissemination of freezing orders, requests from third countries, penalties for offenders and so on.

Guinea developed a four-year action plan covering the period 2017-2020 which has been approved by the Technical Committee. The implementation of this plan commenced with the organization of a two-day sensitization event targeting Defence and Security Forces, Religious Leaders, Civil Society Organizations and Youth Associations.

Between May 2017 and November 2017, the FIU referred three (3) investigation reports to the prosecutor, following information obtained from twenty –two (22) STRs received from reporting entities including one DNFBP (a lawyer). In handling these case files, the prosecution authorities have frozen a total amount of GNF 374 million and made some indictments.

Guinea should focus on the sustained implementation of its action plan, ensure the effectiveness of its law enforcement system, particularly the prosecution of ML with regard to STRs disseminated to judiciary.
199. In view of the progress made by Guinea, the Plenary removed Guinea from the Enhanced Follow-Up process and placed the country on the Expedited Regular Follow-up process. Guinea was directed to submit its Tenth Follow-up Report to the Plenary in November 2018.

Seventh and Eighth Follow Up Report of Liberia

200. Liberia enacted and published the Small Arms and Ammunition Control Act, 2015 and the Intellectual Property Act, 2015. The Small Arms and Ammunition Control Act criminalizes illicit arms trafficking, while the Intellectual Property Act criminalizes counterfeiting and piracy of products. These pieces of legislation widened the scope of predicate offences for money laundering in the country. Liberia also criminalized the financing of terrorism through the enactment of the Anti-Terrorism Act, 2017. The law amended the new Penal Law by, among other things, repealing Section 14:54 of the Penal Law and replacing it with a new section 14:54 entitled Offences Involving Terrorist Acts. The law criminalized the financing of a known or suspected terrorist for any purpose whatsoever but did not cover the financing of a terrorist organization for any purpose. Liberia also passed the Special Criminal Procedures for Offences Involving Terrorist Acts, 2017. The Act amended the Criminal Procedure Law to empower LEAs to trace and identify terrorist property. Liberia further enacted the Targeted Sanctions against Terrorist Acts, 2017. The Act addressed deficiencies relating to the jurisdictional reach of the TF offence. In addition, the Act now covers the offence of “attempt to facilitate the travel of another person” for terrorist purposes in accordance with the revised FATF Recommendations.

201. In collaboration with the UNODC, Liberia conducted a National Training on Mutual Legal Assistance and Extradition for prosecutors, judges and staff of the FIU to build their capacity and ensure effective implementation of Recommendations 36, 38, 39 and SRV. The staff of the FIU also received a special training on operational and financial analysis.


203. Liberia secured one conviction for money laundering.

204. The FIU received forty-seven (47) STRs from reporting entities in 2016 and disseminated six (6) intelligence reports to LEAs for investigation. The FIU reviewed the process for application of membership of the Egmont Group and the FIU intends to apply for Membership of the Egmont Group in June 2017.

205. Liberia is yet to conduct examination of non-bank financial institutions. The country has not commenced the supervision of DNFBPs and is yet to provide sector specific guidelines for DNFBPs. Liberia also needs issue regulations for the effective implementation of SRIII. The country did not provide comprehensive statistics on matters relevant to the effectiveness and efficiency of its AML/CFT system. The Plenary expressed concerns about the capacity of competent authorities in Liberia to maintain relevant statistics.


207. The Eighth Follow up Report of Liberia showed that the country took a number of concrete actions to improve its compliance with the FATF standards and in particular, addressed the strategic deficiencies identified in the country’s AML/CFT regime. Specifically, Liberia revised and re-published the Anti-Terrorism Act, 2017 and the Targeted Financial Sanctions against Terrorist Acts, 2017. The revised Anti-Terrorism Act, 2017 addressed deficiencies relating to the jurisdictional reach of the TF offence. In addition, the Act now covers the offence of “attempt to facilitate the travel of another person” for terrorist purposes in accordance with the revised FATF Recommendations.

208. Liberia revised and republished the Targeted Sanctions against Terrorist Acts, 2017 to address the gaps in the Act. The Act is substantially compliant with the technical requirements of SRIII. Liberia commenced drafting the Anti-Terrorism Regulations which will facilitate the effective implementation of
the Act by supervisory authorities, relevant competent authorities and other stakeholders within the private sector. Liberia was urged to conduct sensitization and training on the TF law in relevant stakeholder institutions to ensure effective implementation of targeted financial sanctions.

209. With the exception of illicit trafficking in “other goods” Liberia has criminalised offences under each of the twenty-one categories of offences designated as predicate offences by the FATF. Liberia has only reported one money laundering conviction as such the country is yet to demonstrate effective implementation and applicability of its money laundering legislation as required under Recommendation 2.

210. Liberia conducted a comprehensive review of its AML/CFT legal framework with the aim of amending and enacting laws and regulations that comply with the requirements of the revised FATF Recommendations.

211. The country relocated the FIU thus, providing increased security and additional space for the operations of the FIU.

212. The Liberian FIU issued the following AML/CFT Guidelines on June 30 2017:  
   i)  AML/CFT Guideline No.1- Introduction to AML/CFT;  
   ii) AML/CFT Guideline No.2 - Overview of the FIU;  
   iii) AML/CFT Guideline No.3 - Implementing a Compliance Program; and  
   iv) AML/CFT Guideline No.4 - Reporting Transactions to the FIU;

213. The FIU, in collaboration with the Central Bank of Liberia (CBL), provided training and guidance to Mobile Money Service Providers. The training was aimed at building the capacity of these entities to reporting suspicious transactions to the FIU. Between May and November 2017, thirty-three (33) STRs were received and six (6) of these were disseminated to LEAs for further action. The FIU also commenced collaboration with the Ministry of Finance and Development Planning (MFDP) on AML/CFT supervision of the Non-Profit Organization (NPO) sector and the National Lottery Authority (NLA) on enhancing AML/CFT supervision of the gaming sector. Liberia conducted training for key AML/CFT stakeholders including journalists, certified public accountants, law enforcement officers and the FIU staff. The FIU intends to submit its membership application to the Egmont Group by February 2019.

214. Notwithstanding the progress made by Liberia, the country needs to ensure that Non-Bank Financial Institutions (NBFIs) and DNFBPs are monitored for compliance with AML/CFT obligations. This includes developing and issuing AML/CFT examination manuals for all Non-Bank FIs, especially insurance companies & mobile money service providers.

215. In addition, Liberia should revise, amend and enact relevant laws and regulations, including legislation that will permit LEAs to trace illicit proceeds that involve ML and all predicate offences; regulations for the implementation of the mutual legal assistance and extradition laws; legislation to establish an asset forfeiture fund and authorize sharing of assets with other countries; legislation on personal and arrangements, legislation on NPOs, regulation on PEPs, sector specific regulations for DNFBPs, and also conclude the Standard Operations Procedures Manual for the FIU. The country should also ensure that competent authorities in the country maintain statistics in accordance with Recommendation 32.

216. Liberia informed the Plenary that the country had developed a national action plan with specific timelines to implement the FATF Recommendations and the country expects to complete the action plan by February 2019.

217. The Plenary underlined the dearth of money laundering convictions as a significant gap which the country ought to address.

218. The 28th Plenary/Technical Commission acknowledged that Liberia has addressed the strategic deficiencies identified in its AML/CFT regime. The Plenary therefore removed Liberia from the Enhanced Follow-Up process and placed the country on the Expedited Regular Follow-Up process. The Plenary further directed the country to submit its Tenth Follow-up Report to the Plenary in November 2018.
Ninth Follow-Up Report of Mali

219. The Republic of Mali has continued to put in place measures to enhance the country’s AML/CFT regime. The Malian Parliament passed Law No. 2017-49 of 8th September 2017 which regulates Foundations established in Mali with a view to preventing the abuse of Non Profit Organisations (NPOs) for terrorist purposes.

220. The specialized Legal Division located within the precincts of the Bamako High Court indicted fifteen suspects of ML and TF and froze funds in some bank accounts in respect of these cases. Furthermore, the Bamako Court of Appeal, during its August 2017 session, upheld convictions in two money laundering cases and in one of the cases, the two accused persons were each sentenced to two years’ imprisonment. The Court of Appeal also fined the accused persons four hundred eighty-three million (483 million) CFA Francs and made a confiscation order in the sum of sixteen million eight hundred and sixty-four thousand, six hundred ninety-three (16,864,693) CFA Francs.

221. The FIU’s staff strength was enhanced with the recruitment of two (2) new Senior Financial Analysts. The FIU received a sizeable financial support to the tune of eight hundred and fourteen million (814 million) CFA Francs provided by the Authorities on 9th January 2017 for the construction of a new and more secure headquarters.

222. Mali’s Central Office against Illicit Enrichment became operational in June 2017.

223. Mali received two (2) information requests relating to money laundering and one (1) request for extradition from foreign counterparts. The Mali-FIU signed a cooperation agreement with the FIU of the Republic of Congo on 4th July 2017. The draft agreements with the FIUs of Macedonia, Chile and Argentina are being finalized.

224. As regards Special Recommendation II, it was observed that Article 9 of the AML/CFT Law No. 2016-008 of 17th March 2016 does not criminalize the financing of a terrorist organization and an individual terrorist for any purpose. The Plenary enjoined Mali to review the Penal Code to criminalise terrorist financing in accordance with international standards.

225. Mali’s Mutual Evaluation on-site visit is scheduled to take place in January 2019. Therefore, in accordance with the Process and Procedures of GIABA’s Second Round of Mutual Evaluation, Mali was allowed to exit the follow-up process, to allow the country to adequately prepare for its mutual evaluation. Mali was also directed to provide an update of the measures taken to resolve the outstanding deficiencies identified in it AML/CFT system to the Plenary in May 2018.

Ninth Follow-Up Report of Niger

226. Niger revised the Criminal Procedure Code by incorporating new provisions which allow a Presiding Magistrate to take appropriate measures to identify, locate, seize and freeze assets relating to Transnational Organized Crime (TOC) and TF. The new provisions also confer a wide range of powers on the Specialized Legal Division including the powers to take action when the offence has been committed outside the national territory or has a significant impact on national assets. Niger instituted the High Authority against Corruption and Related Offences which has wide ranging powers, including the power to conduct investigations. The Criminal Penal Code also incorporates a new provision that requires banks to carry out increased monitoring of bank accounts opened or held by PEPs.

227. Within the framework of implementing the targeted financial sanctions (UNSCR 1267/1373), the President and Head of State issued Decree No. 2017-097/PRN/MF of 17th February 2017 on the Administrative Freezing of Funds, Assets and other Financial Resources, which specifies the mandate, organization and functioning of the Technical Advisory Committee on Administrative Freezing (CTCGA). The President also issued Decree No. 2017-599/PRN/MJ of 13th July 2017, establishing the Central Agency for the Management Seizure, Confiscations, Freezing and Recovery of Assets (ACGSCGRA).
228. The FIU received twenty-six (26) STRs and disseminated six (6) intelligence reports. Niger secured two (2) TF convictions and one (1) conviction related to terrorism. The country froze twelve (12) bank accounts holding a total of 47 685 426 FCFA. The country also conducted a number of AML/CFT training.

229. However, Niger should consider presenting comparable and harmonized statistics reflecting the national situation, including judicial cooperation, seizure of physical cross-border transportation of cash and bearer negotiable instrument (SRIX). Niger should also consider providing statistics on the findings of the on-site inspections undertaken by the supervisory authorities (R.23, SR.VI).

230. Niger was retained on the Expedited Regular Follow-Up process and directed to submit its Tenth Follow-up Report to the Plenary in November, 2018.

Tenth Follow-Up Report of Cabo Verde

231. Cabo Verde made significant progress in addressing the deficiencies in its AML/CFT system during the period under review. The country operationalized the Task Force on Financial Crimes, which is responsible for national co-operation and coordination, including operational issues, alongside the Inter-Ministerial Committee which prescribes and coordinates policies on preventing and combating money laundering.

232. The Ministry of Justice recruited eight prosecutors to be stationed in regions. The Central Bank of Cabo Verde (BCV) recruited six agents for the supervision department, two of which will specifically support the AML/CFT supervision of financial institutions. The BCV conducted two on-site inspections of financial institutions to ascertain their compliance with national AML/CFT requirements.

233. In respect of supervision of DNFBPs, Cabo Verde established the General Inspectorate of Economic Affairs as the supervisory authority for dealers in luxury cars and antiques.

234. Cabo Verde established a mechanism for the designation of persons and entities to be sanctioned under the United Nations Security Council Resolutions 1267 and 1373 as well as procedures to update the sanction lists. These are published on the Internet sites of the Government and the Bank of Cabo Verde, under the authority of the Attorney General of the Republic, the designated competent authority to freeze terrorist funds and other assets.

235. The FIU of Cabo Verde FIU was admitted as a member of the Egmont Group network in February 2017.

236. Cabo Verde produced six (6) AML/CFT awareness videos that were broadcasted on national TV during prime time.

237. In order to achieve a higher level of compliance, Cabo Verde needs to: (i) criminalize the smuggling of migrants; (ii) strengthen AML/CFT supervision mechanisms for financial institutions and DNFBPs; and (iii) effectively implement targeted financial sanctions in accordance with United Nations Security Council Resolutions 1267 and 1373.

238. The second on-site mutual evaluation of Cabo Verde was scheduled for November 2017, therefore the Plenary allowed the country to exit the follow-up process to enable the country to adequately prepare for the mutual evaluation.

Eleventh and Twelfth Follow-Up Reports of Guinea Bissau

239. The Cabinet of Guinea Bissau adopted Directive n.º2/CM/UEMOA/2015, the UEMOA Uniform Law on AML/CFT and the draft law on Migrant Smuggling on 29 April 2016. Both documents are awaiting adoption by the National Assembly.

The FIU adopted a new template for STR and circulated the template to reporting entities in November 2016. It received eleven (11) STRs related to money laundering, ten of which were from banks and one from an insurance firm, and disseminated four intelligence reports to the Prosecutor for further investigation. The FIU received and responded to one request for information from Togo and received requested information from Cote d’Ivoire. It also organized a study mission to build the capacity reporting entities.

Technical staff of the FIU and other competent authorities received AML/CFT related training at national and international levels. Training programmes were organized in collaboration with the Office of the United Nations for Peace Building in Guinea-Bissau (UNIOGBIS), the Magistrates of the Federal Republic of Brazil, the Centre for Judicial Studies (CEJ), Lisbon, Portugal; and the General Secretariat of INTERPOL with the support of the Canadian Government.

The 27th Plenary/Technical Commission observed that Guinea Bissau had not made significant progress since the adoption of its Tenth Follow-Up Report in May 2016 and there remained significant deficiencies in the country’s AML/CFT system. In particular, Guinea Bissau had not criminalised migrants smuggling and piracy; there had been no prosecution or conviction relating to money laundering and the financing of terrorism; there was limited seizure, freezing and/or confiscation of proceeds and instrumentalties of crime; there had been no effective supervision of reporting entities, particularly DNFBPs and no DNFBP had filed any STR; there was no evidence of international cooperation between competent authorities, other than the FIU, and their foreign counterparts; there was no evidence that the country was providing mutual legal assistance and responding to request for extradition; and the requirements of the UNSCRs 1267 and 1376 were not being implemented.

In addition, Guinea Bissau had not domesticated the UEMOA Uniform Law on AML/CFT. Domestication of the Uniform Law will address a significant number of deficiencies in its legal framework. Furthermore, Guinea Bissau did not adhered to the timelines on its Action Plan which it adopted at the directive of the GIABA 22 Technical Commission/Plenary meeting held in Yamoussoukro, Cote d’Ivoire to address the remaining deficiencies in its AML/CFT system. Guinea Bissau needs to intensify efforts to reach an appreciable level of compliance with the FATF Recommendations and effectiveness of its AML/CFT system.

The 27th Plenary/Technical Commission urged Guinea Bissau to intensify efforts to address the deficiencies in its AML/CFT system. The Plenary retained the country on the Enhanced Follow-up process and directed Guinea Bissau to submit its Twelfth Follow-up Report to the Plenary in November 2017.

The Twelfth Follow-Up Report of Guinea Bissau indicated that the authorities of Guinea Bissau seized a total of thirteen (13) million CFA francs at the «Osvaldo Vieira» International Airport between January and June 2017. The authorities also seized seven (7) vehicles. Investigations on the seizures are ongoing.

Between April and September 2017, the FIU received six (6) suspicious transaction reports (STRs) from banks. The FIU received and responded to one request for information from the FIU of Togo, and made two requests for information to the FIUs of Senegal and Côte d’Ivoire. The National Central Bureau (NCB) of Guinea Bissau requested for information from its counterpart in Guinea. The request related to a Guinean citizen charged with criminal breach of trust for sums totaling ninety million Guinean Francs (90.000.000 GNF).

The FIU conducted a National Workshop on the Prevention and Abuse of Non-Profit Organizations for Financing Terrorism from 10 – 11 August 2017. Some officials of Guinea Bissau also participated in national, regional and international AML/CFT-related programmes.

Guinea Bissau extradited five non-nationals from the country and indicted an individual in the country to be tried of a money laundering offence. The authorities of the country also seized seven vehicles and some cash, and are investigating four cases relating to tax and one case on embezzlement and corruption.
250. Guinea Bissau did not address the significant deficiencies identified in its AML/CFT regime. In particular the country needs to criminalise the smuggling of migrants and piracy; investigate and prosecute money laundering and financing of terrorism; ensure effective supervision of reporting entities, particularly DNFBPs; ensure that Non-Bank Financial Institutions and DNFBPs have an understanding of, and are implementing their reporting obligations; ensure competent authorities, other than the FIU, and their foreign counterparts actively engage in international cooperation. In addition, Guinea Bissau should implementing the requirements of the UNSCRs.

251. Guinea Bissau noted that the country was making efforts to address the deficiencies in its AML/CFT particularly the adoption of requisite legal frameworks between December 2017 and 2018. In particular, the National Assembly planned to adopt the UEMOA Uniform Law on AML/CFT, the draft Law on Migrant Smuggling and the draft Law on Piracy in December 2017.

252. The Plenary retained Guinea Bissau on the Enhanced follow-up process and decided to maintain the Public Statement on Guinea Bissau until the country achieves an appreciable level of compliance with the FATF Recommendations. The Plenary also directed Guinea Bissau to submit its Thirteenth Follow-up Report to the Plenary in May 2018.

Fourteenth Follow-Up Report of Sierra Leone

253. Sierra Leone concluded its National Risk Assessment (NRA) and validated the report in March 2017. The country amended the Terrorism Prevention (Freezing of International Terrorists Funds and other related Matters) Regulations, 2013 to address the gaps identified in the Regulations following the review of the Regulations by the FATF Terrorist Financing Fact Finding Initiative.

254. Sierra Leone enhanced national coordination and collaboration through regular meetings of the Inter-Ministerial AML/CFT Committee and strengthened international cooperation by signing bilateral agreements with the FIUs of The Gambia, Senegal, Mali and Guinea for the purpose of information exchange. The country is working with Ghana and Nigeria to facilitate the admission of the Sierra Leone FIU to the Egmont Group of FIUs. Sierra Leone made three (3) mutual legal assistance requests and received two (2) responses during the review period.

255. The FIU received fifteen (15) STRs, analysed (7) and disseminated one(1) intelligence to the law enforcement agency. The FIU made one hundred and nineteen (119) requests to, and received twenty (20) requests from domestic competent authorities. The FIU received three (3) international requests from foreign FIUs and responded to all of them. The Unit froze 26 bank accounts with cash totaling SLLe1,622,674.84 and US$50,461.72 administratively and SLLe611,547,753.60 through a Court Order. In addition, the Unit independently and jointly with the Central Bank organized several sensitization/outreach and capacity building programmes for AML/CFT stakeholder-institutions, including reporting entities.

256. The Bank of Sierra Leone (BSL) conducted two (2) onsite inspections and thirteen (13) off-site monitoring of commercial banks, while the Sierra Leone Insurance Commission (SLICOM) carried out unspecified quarterly prudential inspections on underwriting activities of some insurance companies. The two sanctions applied by the Central Bank related to prudential violations, while no sanction was applied by SLICOM during the period under review.

257. Sierra Leone has not criminalized terrorism and insider trading and market manipulation. The country is yet to commence supervision of DNFBPs for the purpose of compliance with AML/CFT requirements and Sierra Leone has not demonstrated effective implementation of United Nations Security Council Resolutions 1267 and 1373/Terrorism Prevention (Freezing of International Terrorists Funds and other related Matters) Regulations.

258. The Plenary commended Sierra Leone for the progress made and urged the country to intensify efforts to address the outstanding deficiencies in its AML/CFT regime. In addition,
the Plenary directed Sierra Leone to work with the FIUs of Ghana and Nigeria to address key issues that will facilitate the admission of the Sierra Leone FIU to the Egmont Group.

259. The Plenary retained Sierra Leone on the Expedited Regular Follow-up process and direct the country to submit its fifteenth follow-up report to the Plenary in May 2018.

Progress made by Nigeria

260. The 22nd GIABA Technical Commission/Plenary Meeting held in November, 2014 decided that a GIABA member State scheduled for evaluation should be permitted to exit the follow-up process one year prior to the mutual evaluation on-site visit. This is to allow the member State to adequately prepare for the mutual evaluation. On this basis, the 23rd GIABA Technical Commission/Plenary Meeting in May, 2015 permitted Nigeria to exit the follow-up process to prepare for its Mutual Evaluation which was originally scheduled to take place in the first quarter of 2016. The Mutual Evaluation of Nigeria was subsequently postponed and the Plenary directed Nigeria to provide regular updates to the Plenary on actions the country has taken to improve its AML/CFT regime. Nigeria provided an update to the Plenary in May 2016.

Summary of Update on Progress made by Nigeria

261. The Central Bank of Nigeria (CBN) and the Security Services Commission (SEC) improved their requirements for CDD with the issuance of a circular on the upward review of restrictions on limits on levels I and II accounts of the CBN’s Three Tiered Know Your Customer (KYC) requirements and the development of a Three Tiered KYC Framework to promote financial inclusion for unbanked persons in the Nigerian capital market, respectively. The frameworks provide for appropriate identification measures and cash thresholds for different classes of customers. In a related situation, the SEC carried out dematerialization of share certificates to forestall the incidence of fraud, cloning and loss of share certificates and directed all Registrars to update/re-concile the register of members of their client companies. The action is intended to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing and ensure adequate transparency concerning the beneficial ownership and control of legal persons in the capital market.

262. Financial institutions submitted two thousand nine hundred and forty (2,940) STRs and two million one hundred and eighty seven thousand seven hundred and seventy six (2,187,776) cash transactions reports (CTRs). The Special Control Unit on Money Laundering (SCUML) received one hundred and one thousand nine hundred and eighty five (101,985) CTRs/CBTRs from designated non-financial institutions (DNFIs). The NFIU disseminated twenty three proactive intelligence reports gathered from analysed STRs and five hundred and twenty five reactive intelligence reports, based on request from domestic stakeholders and international counterparts. It also disseminated six hundred and seven international reports to its foreign counterparts.

263. Supervisory authorities conducted on-site examinations of reporting entities within their regulatory purviews to ascertain their compliance with national AML/CFT requirements. Reporting entities in the financial sector were reported to be largely in compliance with AML/CFT requirements. Defaulting financial institutions were sanctioned in the forms of fines, suspension and cancellation of their operating licenses.

264. The Nigerian authorities effected one hundred and twenty three (123) arrests, conducted four hundred and fifty two (402) prosecutions and secured ten (10) convictions in relation to the offence of money laundering. Three hundred and forty (340) vehicles and motorcycles of unspecified values and other property valued at sixty billion five hundred and thirteen million one hundred and seven thousand Naira (N60, 513,107,000) were confiscated.

265. Nigeria did not demonstrate effective implementation of requirements to counter the financing of terrorism. In particular, the FUR does not indicate the receipt of any STR, freezing of funds or other property, investigation, prosecution and conviction relating to the financing of terrorism.
266. Nigeria needs to enact the EFCC (Amendment) Bill, the Terrorism (Prevention and Prevention) (Amendment) Bill, the Asset Recovery and Management Bill and the Mutual Legal Assistance Bill to address the deficiencies pertaining to the frameworks for the operational autonomy of the FIU, effective implementation of UNSCRs 1267 and 1373, recovery of proceeds and instrumentalities of crime and international cooperation.

267. Nigeria was urged to take urgent steps to enact the pending Bills and continue to inform the Plenary on progress the country has made in addressing the outstanding deficiencies in its AML/CFT system.

ASSESSORS TRAINING

268. A joint GIABA/FATF Regional Assessor training was organised in Accra, Ghana from March 20 - 24, 2017. This training was aimed at ensuring that there is an adequate pool of assessors in the region. The delivery of this workshop has resulted in an increase of experts with the requisite skills and competencies to carry out AML/CFT assessments in GIABA’s 2nd round of mutual evaluations. The workshop was attended by both experienced and new assessors comprising legal, financial and law enforcement experts from the global network. The workshop furnished participants with the requisite skills to conduct thorough assessments based on the revised FATF Methodology.

PRE-ASSESSMENT TRAINING

269. The pre-assessment training serves as a forum to acquaint national authorities with their roles in the mutual evaluation process. The training is also designed to inform and sensitize national stakeholders on the significance of the mutual evaluation and ensure that countries are prepared and fully involved in the mutual evaluation exercise. In line with the GIABA Second Round Mutual Evaluation Process and Procedures, GIABA conducted pre-assessment training for Bukina Faso from June 5 - 7, 2017. The training also provided technical guidance on how to complete the Mutual Evaluation Questionnaire (MEQ) and on planning the mutual evaluation process.

LESSONS LEARNED FROM GIABA’S FIRST MUTUAL EVALUATION EXERCISE UNDER THE SECOND ROUND

270. As indicated above, GIABA commenced the 2nd round mutual evaluation in 2016 with the assessment of Ghana. The onsite visit to Ghana took place from September 19 to October 5, 2016 in Accra, Ghana. The mutual evaluation comprised assessment of Technical Compliance with the FATF Recommendations and Effectiveness of the AML/CFT systems in Ghana using the FATF 2013 Methodology and the revised GIABA ME Process and Procedures. Since the Ghana Mutual Evaluation was the first assessment carried out by GIABA using the new methodology, the assessed country and the assessment team were on a learning curve and there were naturally some impediments in the process. The key challenges encountered by the assessment team were:
- Inadequate understanding and interpretation of some of the elements of the standard and methodology; and
- The untimely provision of comprehensive statistics to the assessment team.

271. On the positive side, Ghana organized the on-site visit very well. The meetings with the competent authorities were properly scheduled and the assessment team noted that there was a strong political commitment. There were no significant delays during the process and there was excellent communication and coordination between Ghana, the GIABA Secretariat and assessors. The country’s commitment and its high level of cooperation with the assessors at every point during the process lead to a smooth ME process.

272. The following observations were made:

a) The short interval between the adoption of NRA and the onsite made it difficult for the assessed country to demonstrate effective implementation of the recommended actions indicated in the NRA. There is therefore, the need for GIABA member States to conduct the NRA, or other sectoral or thematic AML/CFT risk assessments long before the onsite mutual evaluation to afford the country sufficient time to adopt necessary measures for the implementation of the recommendations.
to mitigate identified risks prior to the onsite mutual evaluation.

b) Strong national coordination/collaboration and political will are important ingredients of a mutual evaluation exercise.

c) Early engagement between the assessed country and the Secretariat is important to ensure strict adherence to timelines.

d) The commitment and experience of assessors are key ingredients to conducting a successful evaluation and producing a good quality MER that is consistent with MERs adopted by other assessment bodies.

e) The is the need for the GIABA Secretariat to support and provide adequate guidance to assessors given that assessors in the region are still acquainting themselves with new Methodology.

f) Commitment of the national focal agency to the mutual evaluation process is fundamental to the success of the onsite assessment, particularly in respect of ensuring the full involvement and participation of all key stakeholders in the assessment process.

g) The evaluation process is resource intensive thus, sufficient resources (in terms of financial, human and material resources) are required at both the Secretariat and assessed country levels.

h) Given the challenges and observations outlined above, the GIABA Secretariat took the following steps which were intended to address the challenges identified and enhance future mutual evaluation exercises.

i) The GIABA Secretariat made a presentation at the GIABA Plenary in May 2017, to the heads of FIUs (GIABA focal persons) on their expected roles during the mutual evaluation of their country, particularly the need to involve competent authorities at an early stage of the process.

j) The GIABA Secretariat in collaboration with the FATF TREIN conducted the first Regional Workshop on Effective Implementation of AML/CFT Requirements and Roles of Stakeholders from 16 – 19, October, 2017 in Grand Bassam, Cote d’Ivoire. The workshop was intended to enhance participant’s knowledge of the FATF standards and ensure that officials from stakeholder institutions have a comprehensive understanding of actions or measures required to establish and sustain effective AML/CFT regimes.

273. It is hoped that the lessons learned from the mutual evaluation of Ghana will be applied in future assessments. The schedule of mutual evaluation on-site visits for GIABA member States is indicated below.
### Table 1: Calendar of the Second Round of Mutual Evaluation On-Site Visits for GIABA Member States

<table>
<thead>
<tr>
<th>Member State</th>
<th>Date of On-site</th>
<th>Date of Plenary Discussion</th>
<th>Date of Follow Up Assessment</th>
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<tbody>
<tr>
<td>Ghana</td>
<td>September 2016</td>
<td>May 2017</td>
<td>May 2022</td>
</tr>
<tr>
<td>Senegal</td>
<td>September 2017</td>
<td>May 2018</td>
<td>May 2023</td>
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<tr>
<td>Cabo Verde</td>
<td>December 2017</td>
<td>November 2018</td>
<td>November 2023</td>
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<tr>
<td>Burkina Faso</td>
<td>July 2018</td>
<td>May 2019</td>
<td>May 2024</td>
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<td>Nigeria</td>
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<td>TBD</td>
<td>TBD</td>
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<tr>
<td>Mali</td>
<td>January 2019</td>
<td>November 2019</td>
<td>November 2024</td>
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<tr>
<td>Benin</td>
<td>February 2019</td>
<td>November 2019</td>
<td>November 2024</td>
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<tr>
<td>Sierra Leone</td>
<td>September 2019</td>
<td>May 2020</td>
<td>May 2025</td>
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<tr>
<td>Niger</td>
<td>January 2020</td>
<td>November 2020</td>
<td>November 2025</td>
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<tr>
<td>Togo</td>
<td>March 2020</td>
<td>November 2020</td>
<td>November 2025</td>
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<tr>
<td>Guinée Bissau</td>
<td>October 2020</td>
<td>May 2021</td>
<td>May 2026</td>
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<tr>
<td>The Gambia</td>
<td>February 2021</td>
<td>November 2021</td>
<td>November 2026</td>
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<td>Côte d’Ivoire</td>
<td>February 2021</td>
<td>November 2021</td>
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<td>Liberia</td>
<td>September 2021</td>
<td>May 2022</td>
<td>May 2027</td>
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<td>Guinea</td>
<td>January 2022</td>
<td>November 2022</td>
<td>November 2027</td>
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<td>Sao Tome and Principe</td>
<td>March 2022</td>
<td>November 2022</td>
<td>November 2027</td>
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<td>Comoros</td>
<td>September 2022</td>
<td>May 2023</td>
<td>May 2028</td>
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CHAPTER 4

TYPOLOGIES AND OTHER RESEARCH STUDIES

Introduction

**274.** One of the primary functions of the Intergovernmental Action Group against Money Laundering and Terrorist Financing (GIABA) as an FATF-Style Regional Body (FSRB) is to conduct typologies and other research studies on money laundering and terrorist financing. The conduct of typologies and other ML/TF research emanates from the GIABA mandate and is enshrined in its Statutes. Consequently, Goal 2 of the current GIABA 5-year strategy plan (2016 – 2020) is to build AML/CFT regimes that are based on pertinent, current and emerging risks, and the conduct of typologies and other research studies is fundamental to the identification and understanding of ML/TF risks as discoursed in the current strategy.

**275.** 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 revised FATF Recommendations (February 2012), Recommendation 1 in particular, emphasizes the conduct of National ML/TF Risk Assessments (NRA) for all countries.

**276.** 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.

**277.** The conduct of National ML/TF Risk Assessment (NRA) became an obligation for all jurisdictions and is part of the compliance assessment under the current 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.

**278.** A total of Six (6) countries have completed their NRA so far, with four (4) countries Cabo Verde, Niger, Senegal and Sierra Leone completing during the review period. Three (3) other countries Benin, Burkina Faso and the Gambia commenced their NRA exercise during the period under review and are expected to complete by 2018. Other countries that are poised to commence the exercise in 2018 are Cote d'Ivoire, Guinea Bissau, Liberia, Mali and Togo. 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.

**279.** 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 autho-
rities, 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 in the region that have already gone through the process.

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

280. The report on money laundering resulting from counterfeiting of pharmaceuticals in West Africa which has been finalized during the review period revealed that in spite of the rigorous regulation governing the pharmaceutical sector in all countries. One of the main causes of this boom, especially in West Africa, is indisputably the colossal profits reaped by traffickers and other stakeholders involved in the importation, storage, distribution and sale network. This financial windfall enables the criminal networks to organize, finance and diversify their activities by investing in other illicit activities that generate proceeds and probably to corrupt law enforcement personnel, especially at the borders, in order to guarantee them impunity. To consolidate on this impunity and to appear to be respectable stakeholders, the criminals, try to invest their illicit proceeds in established legal businesses.

281. The placement, layering and integration of the proceeds generated from the trafficking of counterfeit pharmaceuticals, through financial arrangements that are sometimes extremely simple, constitute enormous risk, which is likely to weaken the AML/CFT regimes within West African countries. Hence, the need to understanding the techniques and methods used in laundering the proceeds derived from counterfeit pharmaceuticals.

282. The review and analysis of available literature indicate that the trafficking of counterfeit pharmaceuticals is a global phenomenon. The Asian countries, China and India in particular, are the main locations for the manufacture of counterfeit pharmaceuticals. The export of the counterfeit products generates extremely high profits for the importers as well as for all those involved in the distribution chain. The African market appears to be a preferential consumer of these products. In fact, the African market absorbs a considerable portion of the global production, thereby exposing the local population to serious health risks.

283. In West Africa, Lagos, Cotonou, Lome, Accra-Tema and Conakry ports are the reference entry points of counterfeit pharmaceuticals. Due to the porosity of the borders, the counterfeit products are easily routed to other countries in the region. Furthermore, the falsification of the packaging of the drugs makes the detection of counterfeit products by the national competent authorities difficult. The corruption of the regulatory and law enforcement personnel, their lack of training or specialization, the inadequate resources available for prevention and law enforcement, the size of the informal sector, the rate of illiteracy and difficulty in accessing conventional medical care, are all vulnerabilities that undermine efforts at combating the counterfeiting of pharmaceuticals. Thousands, if not millions, of people are involved in the trafficking of counterfeit pharmaceuticals and have used it to develop a parallel economy as a source of illicit revenue. This dirty money is regularly laundered within the region through various informal activities that provide infinite possibilities.

284. The cases examined also illustrated that illicit proceeds generated from the trafficking of counterfeit pharmaceuticals are also laundered through the traditional channels of the formal economy. It is often observed that revenue generated through the trade of counterfeit pharmaceuticals are cut off from their origin, especially through alternative funds transfer, with a view to reinvest the funds into legal businesses.

285. Furthermore, legal and institutional measures for combating trafficking in counterfeit products are not dissuasive enough to curb this illicit business, which has adverse repercussions on the public health of the local populace, and for the integrity of the economic and financial systems in the West African region.
The key findings of the study are:

a) Trafficking in counterfeit pharmaceuticals is widespread in West Africa and is done in three ways – imports from outside of the region, especially from China and India; re-distribution within the region, using easy target countries as warehouses; local manufacture/repackaging/export and re-export to countries outside the region;

b) There is no serious political commitment from high level political authorities to counter the trafficking of counterfeit pharmaceuticals;

c) The legal frameworks of most of the countries is weak, thereby creating a vulnerability for exploitation by criminals;

d) The majority of personnel involved in countering the trafficking of counterfeit pharmaceuticals do not have adequate knowledge and skills to work effectively;

e) The informal economy and its cash-based nature is a key vulnerability in the trafficking of counterfeit pharmaceuticals;

f) Corruption is very high among officials dealing with the problem, which creates impunity for the criminals;

g) The networks and associations of those involved in the trafficking of counterfeit pharmaceuticals is similar or even more organised than that of those involved in legal activity;

h) Both licenced and unlicensed practitioners in the pharmaceutical industry are involved in illegal activity;

i) Huge sums of money is being generated and laundered through the trafficking of counterfeit pharmaceuticals as shown by a number of case studies. Unfortunately, no estimates could be provided or reported from this study. This is largely due to the fact that competent authorities are not looking at the money or asset in their investigations.

Based on the findings of the study, a number of short, medium and long-term recommendations were made. Among them is the need for effective collaboration and cooperation both at national and international levels. Law enforcement and regulatory officials involved in countering counterfeit pharmaceuticals need to be adequately trained. Some financial monitoring measures such as enhanced due diligence and continuous monitoring of financial activities need to be put in place for the sector. Countries also need to reorganise how the sector is managed in terms of tracking, tracing and encoding legitimate products. Above all, the legal environment must be enhanced to deter criminals.

An Assessment of Know-Your-Customer (KYC) and Customer Due Diligence (CDD) Measures and Financial Inclusion in West Africa

The report on an assessment of KYC and CDD measures, and financial inclusion is a study undertaken to understand and address the challenges of implementing the money laundering and terrorist financing (ML/TF) preventive measures of KYC and CDD in the context of expanding financial inclusion. On the basis of the findings of the study, a set of guidelines is being developed to assist the relevant authorities in GIABA member States to design effective KYC/CDD frameworks that support financial inclusion, in compliance with the spirit of the Financial Action Task Force (FATF) Recommendations and Assessment Methodology (as revised).

Both the report and the guidelines will considerably help countries in the region as they struggle to expand access to financial services for their population, while ensuring effective protection of their financial systems against ML/TF. In so doing, countries in the region will be able to adopt the flexibility offered by the risk-based approach to the implementation of ML/TF preventive measures, as enshrined in the international AML/CFT standards.

The study revealed that the West Africa’s financial sector has been growing steadily over the last 5 years, indicating positive results from the financial inclusion policy drives of countries over the period. The most growth potentials are rural banking, micro-finance, remittances, foreign exchange bureau, and electronic finance, which are targeting agriculture, SMEs and market women. However, the expansion has been moderate, and this moderate growth betrays sub-optimal progress on financial inclusion.
In spite of this growth, financial access remains highly skewed in the region, representing between 10% and 30% of the population. Access is skewed in favour of those with formal education, formal employment, and those living in cities or urban townships.

A major reason for this subdued financial sector growth is that the implementation of AML/CFT measures, in general, and KYC/CDD, in particular, is rigid in many countries. The legal and regulatory frameworks governing the conduct of KYC-CDD requirements lack the flexibility to allow financial service providers implement the risk-based approach (RBA).

Lead industry players, particularly in the banking sub-sector, tend to have strong compliance frameworks, which incidentally limit financial access. However, smaller players that promote financial inclusion have weak or non-existent compliance frameworks. Instructively, most countries in the region have not undertaken sectoral or national AML/CFT risk assessment. The rarity of such assessment hampers the adoption of the RBA by financial institutions in discharging their KYC-CDD obligations.

In most countries, KYC-CDD guidelines exist for operators, particularly in the emerging sectors of micro-finance, mobile money and foreign exchange. However, such guidelines are not explicit on the different types of customers or products and, thus, do not allow for flexibility.

Customer identification and verification remain the major obstacles to the flexible CDD implementation by operators, and which inhibit expansion of financial access. With a few exceptions, financial institutions still rely on the traditional methods of customer identification and verification. The traditional method is not based on risk assessment to profile the customer or specific products. Hopefully, the few countries that have completed their national ML/TF risk assessment would lead the way in designing a risk-based approach to customer identification/verification.

Supervision and regulation of CDD implementation by financial service provision are weak across the region. Financial service providers – particularly micro-finance, insurance, foreign exchange bureaus and mobile money businesses providing technology-driven financial services (fintech), all of which hold huge promise for financial inclusion – are not receiving sufficient or effective monitoring, control or guidance from supervisory and regulatory authorities. On the one hand, emerging service providers with the potential of expanding financial inclusion are the least supervised and do not know their AML/CFT obligations, let alone complying with any KYC-CDD guidelines. On the other, many traditional financial institutions, such as banks, are the more supervised but do not receive appreciable feedback from regulator and supervisors on reports (STRs and other reports emerging from the application of KYC-CDD measures) they file.

A key factor for this weak supervision is the low level of knowledge on financial technology among supervisors and regulators. In terms of expertise, some of the operators are far ahead of their regulators and supervisors, who do not go beyond the traditional onsite/offsite inspection to ML/TF risks assessment on technologically driven financial products and services. Another factor is a sub-optimal collaboration between supervisors/regulators and operators in the emerging growth sectors with high potentials of reaching the underserved.

The extractive industry of Africa has lacked transparency and accountability and has been linked to illicit financial flows, corruption, drug trafficking, arms smuggling, financing of terrorism, and other illegal activities. Precious minerals are widely used as means of moving cash in economies where currency has minimal value. They offer an attractive alternative to hard currency, which often in short supply in Africa.
299. The negative impact of criminal activities on economic and social stability associated with the extractive industry/mining sector not only in West Africa but in Africa is very high. Studies on the trends and methods of the phenomenon have not so far provided lasting options for dealing with the problem; hence its patterns, methods and impact continue to change over time. Ten out of the Fifteen West African economies highly depends on their extractive industry/mining sector for foreign exchange earnings which also form a substantial part of their GDP.

300. The extractive industry/mining sector in West Africa remain handicapped due to unstable Governments and insecurity. The traditional mining has legal and illegal method of trade channels in West Africa.

301. Porous national borders make it nearly impossible to control the flow of these minerals. National customs agencies are fragile, corruption is oftentimes rampant at all levels, and considerable flows of uncontrolled migration across national borders all contribute to the ineffectiveness of measures to halt precious mineral smuggling and fraud.

302. This study was undertaken to comprehensively assess the ML/TF risks, trends and methods associated with the extractive industry in order to provide practical evidence for better policy formulation and coordination of regional efforts to deal with the problem holistically.

Methodology

303. A project team, mostly composed of experts and practitioners from the region (Burkina Faso, Cote d’Ivoire, Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo) were engaged by GIABA and supported by members of the GIABA Risks, Trends and Methods Group (RTMG); a comprehensive literature/desk review of reports, journals and press documents was conducted.

304. The project team with the support of the GIABA Secretariat administered and analysed responses to questionnaires, including conducting in-depth interview on a range of relevant authorities, including, dealers, regulatory and supervisory agencies and law enforcement, as well as victims and other vulnerable individuals in the region. The team also, conducted extensive research on the patterns, methods, techniques and impact of the phenomenon and a critical analysis of findings, including follow-up in their various countries. Each team member drafted a comprehensive report, including cases and recommendations. A typologies exercise workshop with the project team, other experts from the member States, RTMG, and the GIABA Secretariat was held in September, 2017. The RTMG was given an update during the GIABA 28th Plenary meetings in Abuja, November, 2017 and the deadline for the finalisation of the report was extended to May 2018. A draft regional will be presented at the RTMG meeting during the GIABA 29th Plenary meetings in Somone, May, 2018 and the Plenary will consider and approve the report for publication.

Expected Outcomes

305. The following are the expected outcomes of the study:

a) An in-depth understanding of the linkages between the extractive industry/mining sector and money laundering and terrorist financing in the region;

b) The adequacy or otherwise of control measures aimed at safeguarding the sector from exploitation.

c) Practical recommendations aimed at effective regulation, supervision and law enforcement, as well promoting regional cooperation against the exploitation of the extractive industry/mining sector in particular and transnational organized crimes in general;

d) A final report outlining the regional dimensions and impact of the phenomenon on ECOWAS policies and programmes. The Final Report is produced and published in English, French and Portuguese; and

e) The report will be considered and approved by the GIABA Technical Commission and Ministerial Committee before it is forwarded to the ECOWAS Council of Ministers and the relevant sectoral Ministerial Committee for consideration and specific directives to member States on the implementation of the recommendations.
Proposal for a Typologies Exercise on ML/TF and Human Trafficking and Migrant Smuggling in West Africa

306. The proposed typologies exercise is to study the methods and techniques of money laundering and terrorist financing associated with those involved in human trafficking and migrant smuggling in West Africa. Human trafficking and migrant smuggling does not only generate proceeds of crime but have been linked to terrorist financing in the region. The twin scourges have both local and international dimensions. While the local practice takes the usual rural urban drift mostly for economic and social reasons. The international / regional dimension involved for the most part, coastal West African countries deem to be source countries, travelling inward towards the Sahel countries, which are acting as both source and transit countries going to destination countries (selected Western European nations).

307. The exercise will result into a better understanding of the linkages between human trafficking and migrant smuggling on the one hand, and money laundering and terrorist financing on the other, 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

308. 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 5

TECHNICAL ASSISTANCE & TRAINING

309. GIABA implemented a targeted Technical Assistance (TAs) and training regime in 2017 with a focus on important current and emerging AML/CFT issues, including specific priorities from member States. The broad objectives were to: (i) enhance the capacity of relevant stakeholder-institutions to effectively address and respond to evolving AML/CFT challenges, (ii) assist member States address existing strategic deficiencies in their AML/CFT systems, especially as identified in their mutual evaluation/follow up reports, (iii) prepare member States for the 2nd round of mutual evaluations, and (iii) ultimately, support member States build strong and effective AML/CFT regimes.

310. The review year witnessed significant improvement in the number and scope of TA and trainings provided to member States compared to 2016, due to: (i) appreciable improvement in budgetary allocation to GIABA, (ii) progress in the implementation of the joint GIABA-European Union (EU) project on Strengthening AML capacities in West Africa (SAMWA), (ii) interventions by development partners which allowed greater TA and training delivery than would be possible from the limited internal resources, and (iii) direct financial support by GIABA to assist some member States execute critical projects, especially the national risk assessment.

311. Overall, the TA and capacity enhancement programmes delivered in 2017, including training, mentorship, study tours, support for Egmont membership, policy development/review of legislation, funding and institutional support, have reinforced the human and institutional capacities of member States, resulting in significant improvement in the implementation of AML/CFT regime across member States. For instance, a number of outstanding strategic deficiencies identified in Mutual Evaluation and Follow-up Reports of member States were addressed; Cabo Verde, Sierra Leone and Senegal completed their NRA, while a number of other member States are at various stages of the process. Similarly, the quantity and quality of suspicious transaction reports filed to FIUs, the quantity of intelligence disseminated by FIUs to competent authorities, and the resultant ML/TF prosecution/conviction, as well as, asset recoveries recorded some improvements. In addition, the TAs facilitated the successful conduct of the 2nd round of mutual evaluations in Senegal and Cabo Verde.

312. A summary of the TA and trainings provided to member States in 2017 is provided below.

Support for Egmont Group Membership

313. In 2017, GIABA continued to sustain collaboration with national authorities to strengthen member FIUs. In particular, priority attention was given to the FIUs that have applied for Egmont membership, as well as, weak member FIUs under the joint GIABA-EU project to promote their eligibility for Egmont Group membership. Consequently, the FIU of Cabo Verde was admitted into Egmont Group in 2017 while the others, especially the FIUs of Benin, The Gambia and Sierra Leone, are at the various stages of the membership process. It is expected that in the coming year, these FIUs would have advanced their application process to the verge of admission. The Secretariat will continue to work diligently with these FIUs and other eligible member FIUs to facilitate their Egmont membership process.
Provision of Infrastructure

314. Basic essential working tools, such as computers and printers, were procured for the five weak member FIUs and key law enforcement agencies and judicial authorities in ten member States, to improve the infrastructural capacity, operational efficiencies and working environment of the beneficiary institutions, and ultimately, enhance the implementation of AML regime across member States.

315. The equipment were provided under components 1 and 2 of the joint GIABA-EU project. Procurement of the equipment was done by member States following ECOWAS procurement process and contract award procedures on behalf of the Secretariat.

Review of Legislation

316. The Secretariat Analysis of the 7th Follow Up report of Liberia highlighted certain deficiencies with respect to the country’s Anti-Terrorism Act, 2017, and Targeted Financial Sanctions against Terrorist Acts, 2017. In order to address these gaps, take into account some other deficiencies arising from the revised FATF standards, and bring the laws into compliance with required standards, GIABA supported Liberia by providing a review of the laws. Both laws were republished during the year under review.

Assessment of the AML/CFT Analytical Software to FIUs

317. Following the recommendations of the heads of regional FIUs on the survey report by the Secretariat on the Implementation Status of the AML/CFT Analytical Software Project in November 2016, the Secretariat engaged the services of a financial analyst and an ICT expert with biases in FIU’s operations and experience in Oracle Mantas to assess the impact of the technical support (Oracle Mantas), including the extent of utilization, associated challenges and way forward. The report of the exercise has been submitted and will form the basis for: (i) the design of post implementation actions, including the re-training of the relevant FIU staff, and (ii) further engagement between GIABA, the vendor (Jetlink Ltd) and user FIUs, to resolve observed challenges. This is expected to ensure sustainability of the project, optimal utilization of the software, and improve the analytical capacities of the beneficiary FIUs, with attendant positive impact on AML/CFT implementation by benefiting member States.

Direct Financial Support to member States

318. GIABA provided limited financial support to Burkina Faso, Cabo Verde, Niger and Senegal in response to their requests. The support was to specifically facilitate the conduct of NRA in the respective countries. To date, eight (8) member States have received direct financial support in this regard. It is imperative to state that, Cabo Verde and Senegal successfully concluded their NRA in the year under review with the support of GIABA and other development partners. Other member States are at various stages of the NRA process.

319. The NRA is a priority project for GIABA to assist member States identify, assess, and understand the ML/TF risks they face preparatory to the 2nd round of mutual evaluations. This is to enable them comply with, especially the requirements of FATF Recommendation 1 in the absence of comprehensive sectoral or thematic ML/TF risk assessments across member States.

320. Similarly, financial support was extended to the ECOWAS National Units in thirteen member States to enable them promote the activities of GIABA, advocate and galvanize support for the implementation of AML/CFT programmes in their respective countries.

Capacity Enhancement Programmes

321. Capacity enhancement programmes provided to member States in 2017, include training (national and regional programmes), mentorship, study tour and infrastructural support. These were designed to improve the capacity of stakeholder-institutions to address strategic deficiencies in their AML/CFT systems, undertake NRA, prepare for the 2nd round of mutual evaluation, and indeed, strengthen the overall AML/CFT regime of
member States. Some of the programmes were undertaken under the joint GIABA-EU project. Highlights of the capacity enhancement programmes executed in 2017 are as follows:


322. GIABA began its 2nd round of mutual evaluation in 2016 with the assessment of Ghana. The evaluation was based on the revised FATF standards and methodology. In continuation of its preparations for the 2nd round of mutual evaluation, GIABA collaborated with the FATF to organize a five day Regional Assessors Training for the 2nd Round of Mutual Evaluation from March 20 – 24, 2017 in Accra, Ghana.

323. The programme was aimed at equipping participants with the requisite capacity needed to undertake an assessment of technical compliance with FATF standards and for reviewing the level of effectiveness of a country’s AML/CFT system.

324. The Workshop was attended by 46 participants, comprising financial sector, law enforcement, and legal experts, drawn from GIABA member States, as well as GABAC and ES-AAMLG regions.

National Training Workshop on Investigative Techniques in Money Laundering and other Financial Crimes for Law Enforcement Agencies, Ouagadougou, Burkina Faso, May 30 - June 2, 2017

325. This workshop was organized to strengthen the capacities of law enforcement agencies to improve the effectiveness of investigation and prosecution of economic and financial crimes, particularly money laundering and terrorism financing (ML/TF), as well as the recovery of proceeds of crimes in Burkina Faso.

326. The programme was attended by about thirty delegates from various criminal investigation and prosecution agencies, including officials from the office of the Prosecutor, the Police, Gendarmerie, State Treasury, Customs, Revenue and Forestry Departments.

327. Major outcomes of the workshop are that government should provide adequate re-
sources for the functioning of the National AML/CFT Committee; improve capacity development for judges to enable them deliver on their mandate; and ensure participation of all national stakeholders in AML/CFT activities to promote effective national collaboration and coordination in the fight against these scourges. In addition, the FIU should collect various legislative and regulatory texts on AML/CFT and disseminate them to all stakeholder-institutions.

328. The 2nd round of the mutual evaluation of Burkina Faso is scheduled for the 3rd quarter of 2018. To adequately prepare the country ahead of the evaluation, GIABA organized a four (4) day Pre-Assessment Training Workshop for AML/CFT stakeholders in Ouagadougou from June 5-8, 2017.

329. The programme was designed to sensitize 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 assessment.

330. The workshop which was attended by fifty (50) officials, drawn from the FIU; regulatory agencies, law enforcement agencies, GIABA line Ministries (Finance, Justice and Interior); financial institutions and DNFBPs, underscored the importance of the mutual evaluation process and prepare the stakeholders for the exercise. The trainings also offered stakeholders technical guidance on how to complete the mutual evaluation questionnaire, including the Technical Compliance Questionnaire.

Pre-Assessment Training Workshops, Ouagadougou, Burkina Faso, June 5-8, 2017

Regional Workshop on Preventing Terrorist Abuse of Non-Profit Organizations, Lome, Togo, June 12-14, 2017

331. The outcome of GIABA’s 1st round of evaluations indicates member States still face challenges in their efforts to implement or comply with FATF Recommendation 8 (NPO). In view of the vulnerability of some segments of the NPOs to terrorist financing, GIABA organized a three (3) day Regional Workshop on Preventing Terrorist Abuse of Non-Profit Organizations(NPOs) in Lome, Togo, from June 12-14, 2017, to: (i) improve awareness of regulators and practitioners about the pertinent
standards and best practices for regulation and monitoring of NPOs; (ii) identify gaps in the existing legal and regulatory framework in relation to the NPO sector in the region; and (iii) enhance coordination and collaboration between relevant government agencies and operators during national risk assessment and mutual evaluation process.

332. The workshop was attended by forty-six (46) officials, comprising members of the non-profit sector, regulators, and relevant competent authorities from GIABA member States.

333. Major outcomes of the workshop are highlighted below:

a) That national authorities should:
   • Undertake a holistic review of the NPOs sector to better understand which NPOs are at risk and apply a risk-based approach in the supervision and regulation of NPOs as operators are not homogenous and thereby face different ML/TF risk levels;
   • Engage and involve NPOs in the national risk assessment at an early stage to ensure that they understand the purpose, expectations and scope of the process, and are well-prepared to participate in the mutual evaluation process;
   • Enhance outreach to the NPO sector to raise awareness and sensitize NPOs on TF as this is a critical element in the implementation of FATF Recommendation 8;
   • Strengthen: (i) engagement with communities in areas where NPOs operate, and (ii) cooperation and collaboration with self-regulatory bodies (SRBs) in the management, monitoring and regulation of the NPO sector. In particular, they should encourage NPOs to self-regulate in collaboration with relevant regulatory authorities and involve SRBs in the development of appropriate legal/regulatory frameworks and guidelines; and
   • Ensure that measures adopted to protect the NPO sector from terrorist abuse should not disrupt or discourage legitimate charitable activities, rather, such measures must promote human rights, transparency and engender greater confidence in the sector.

b) That National NPO Networks/Platforms should:
   • Strengthen regional cooperation under the platform of Regional AML/CFT CSOs Forum to facilitate experience sharing, development and dissemination of best practices, coordination with GIABA in support of regional efforts against terrorist financing, and foster interest of members.
   • As part of national collaboration, work with regulators in preventing terrorist abuse of the sector, including creating an enabling environment for the NPO sector to thrive.

c) That GIABA should:
   • Support the Regional AML/CFT CSOs Forum to develop a model law for the NPO sector.
• Undertake advocacy visit to national authorities to promote awareness raising on issues relating to NPOs, including the development of a central electronic database on NPOs.

334. To assist Burkina Faso and The Gambia identify, assess, and understand their ML/TF risks in line with FATF Recommendation 1, GIABA and the World Bank supported the delivery of the NRA Workshops hosted by the two countries. Besides the technical support to Burkina Faso and The Gambia, GIABA also provided direct financial support towards the conduct of NRA in both countries. UNODC and the African Development Bank also supported and took part in The Gambia’s NRA workshop.

335. The workshops which were attended by critical stakeholder-institutions involved in the NRA process in the two member States, were aimed at familiarizing participants with the assessment tools, defining the responsibilities of all working groups and preparing all stakeholders for the NRA exercise.

336. The vulnerabilities inherent in international trade provide several opportunities for criminal organizations and terrorist groups to move funds and values across borders. However, the capacity of many stakeholders to identify and combat money laundering through international trade remains low, necessitating GIABA to organize a three-day Regional Workshop on ML / FT through International Trade in Cotonou, Benin from July 17-19, 2017.

337. The broad objective of the workshop was to improve the level of compliance of international trade supervisory authorities as well as financial institutions with the FATF Standards, in order to ensure more effectiveness in the implementation of due diligence measures designed to safeguard the integrity of financial transactions relating to international trade. Specifically, the workshop aims to: broaden participants’ understanding of the risks of ML/TF through international trade; and facilitate the exchange of information and experiences among entities involved in the regulation, supervision and monitoring of international business transactions and financial relations.
338. The workshop was attended by 77 officials drawn from investigation and prosecution authorities, including Customs and Tax authorities, as well as FIUs and commercial banks.

Regional workshop on ML / TF Risk Assessment for Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs), Saly, Senegal, August 2-4, 2017

339. FATF Recommendation (R) 1 requires reporting entities to identify, assess, and understand their ML/TF risks and take appropriate actions. Thus, under the revised standards, risk assessment is a critical component and the first step reporting entities must take in the design and implementation of their AML/CFT programmes. Against this background therefore, GIABA organized a three (3) day Regional workshop on ML / TF Risk Assessment for Financial Institutions and DNFBPs to strengthen the capacity of reporting entities to facilitate their compliance with FATF R.1.

340. The main objectives of the workshop were to: (i) develop a shared understanding of the concept, approach and methodology for money laundering and terrorist financing (ML/TF) risk assessment; (ii) enhance the capacity of financial institutions and DNFBPs in conducting comprehensive ML/TF risk assessment and thus build a robust anti-money laundering and combating the financing of terrorism (AML/CFT) Risk Assessment Methodology; and (iii) provide a practicable guide for conducting ML/TF risk assessment in the financial & DNFBPs sectors. The Workshop was also designed to help financial institutions and DNFBPs implement effective risk-based approach to implementation of AML/CFT measures.

341. The programme was attended by ninety-two (192) participants, comprising senior level officials responsible for AML/CFT compliance/risk assessment in financial institutions and DNFBPs across member States. Also in attendance were officials from some supervisory/regulatory authorities, including Banque Centrale des États de l’Afrique de l’Ouest (BCAEO), Conseil Régionale de l’Epargne Publique et des Marches Financiers de l’UMOA (CREPMF), Commission Inter-Africaine des Marches d’Assurance (CIMA), Central Banks of member States, Securities & Exchange Commissions and National Insurance Commissions.

342. Major outcomes of the workshop were as follows:

a) National authorities should:
   • Engage and involve financial institutions and DNFBPs in the conduct of their national risk assessment at all stages to ensure that the institutions understand the purpose, expectations and scope of the process, and are well prepared to participate in mutual evaluation process;
   • Promptly publish or share widely, the outcomes of sectoral/national risk assessment with reporting institutions.
   • Ensure sustained collaboration with reporting institutions to effectively address current and emerging ML/TF threats, as well as, promote robust implementation of AML/CFT preventive measures.
   • Support capacity development of DNFBPs for implementation of AML/CFT measures, and where applicable, establish or strengthen institutional framework for the supervision and regulation of the sector.
   • Enact or strengthen laws and regulations to protect Compliance officers and enhance their independence.

b) Financial institutions and DNFBPs should:
   • Facilitate the: (i) conduct of holistic ML/TF risk assessment in their institutions to better understand the risk they face, and (ii) application of RBA in the implementation of their AML/CFT programmes. In view of the fact that the outcome of reporting institutions’ risk assessments could serve as inputs into the sectoral/ national risk assessment process, reporting institutions are to act expeditiously.
   • Ensure that financial institutions and DNFBPs take active part in sectoral/national risk assessment process to gain common understanding of the risks, in order to facilitate implementation of the outcome of such assessments.
   • Deepen the implementation of robust AML/CFT preventive measures to: (i) enhance the integrity and stability of the financial system, (ii) strengthen national AML/CFT regime,
and (iii) improve the level of performance in the relevant Immediate Outcomes during the 2nd round of mutual evaluations.

- Encourage and promote financial inclusion as a strategy in implementing AML/CFT measures. In particular, financial institutions and DNFBPs should take advantage of technology-driven innovations to reach out to financially excluded individuals.

- Support the establishment of compliance officers associations in their respective sectors at national level or strengthen existing ones by securing the support of relevant supervisory/regulatory authorities for their recognition and issuance of regulations that make it mandatory for chief compliance officers to belong and attend the associations’ meetings.

- Promote good governance practices and provide top management support to drive the implementation of RBA to AML/CTF issues.

- Undertake only businesses for which they have appropriate risk management processes in place.

c) That Chief Compliance Officers in the region should:
- Ensure the full operationalization of the Regional Chief Compliance Officers Forum to provide a veritable platform for experience sharing, exchange of ideas and engagement with GIABA and other authorities on relevant AML/CFT matters.
- Understand the business of their organizations and design Compliance Programmes that will help to promote sustainable businesses.

d) GIABA should continue to provide administrative support to the Regional Chief Compliance Officers Forum in view of language diversities.


343. Following the directive of the 49th Ordinary Summit of ECOWAS Heads of State and Government to ECOWAS Commission to map out a support framework for member States in their efforts to sensitize and educate the citizenry against radicalization and violent extremism, GIABA collaborated with the ECOWAS Gender Development Centre (EGDC) to organize a consultative meeting for key stakeholders to share knowledge, experience and best practices on how to address the increasing vulnerability and involvement of youth in financial and transnational crimes.
344. Specific objectives of the meeting were to: (i) integrate the youth and gender dimensions in policies, strategies and programmes intended to combat financial and other transnational organized crimes; (ii) find concensus in the definition of key strategic and operational issues, as well as mechanisms consistent with gender and youth dimensions intending to fight financial and other related crimes; (iii) adopt a regional AML/CFT action plan geared towards gender and youth dimensions ; and (iv) develop a framework for a sustainable regional partnership focused on gender, youth and AML/CFT in West Africa.

345. Discussions during the three-day event focused on financial crimes with emphasis on ML/TF, and the gender and youth dimensions of the phenomena. The meeting was attended by the representatives of the Ministries of Finance, Gender, Justice, Security/Internal Affairs, Civil Society Organizations, ECOWAS Institutions and Agencies as well as development partners.

346. GIABA began the 2nd round of mutual evaluation in 2016 with the evaluation of Ghana. Following observations by the Secretariat that member States did not effectively participated in the discussions of Ghana’s draft MERs at the ECG and Technical Commission meetings in May 2017, it became necessary for GIABA to collaborate with the FATF Training Institute to organized a four (4) day Regional Workshop on Effective Implementation of AML/CFT Requirements and Roles of Stakeholders in Grand Bassam, Cote d’Ivoire, from October 16-19, 2017.

347. The programme was designed to strengthen the capacity of participants on the FATF standards and methodology to close the knowledge gaps. In particular, the workshop was aimed at assisting member States to have a comprehensive understanding of the actions and measures required to establish and sustain effective AML/CFT regimes, in order to promote effective peer review mechanism through high quality discussions of mutual evaluation reports during ECG and Technical Commission meetings. Ultimately, this will result in the production of objective and accurate evaluation reports.
348. The workshop was attended by 52 officials drawn from FIUs, GIABA line Ministries (Justice, Interior, Finance and economy), regulatory authorities, etc, who are normally delegates at GIABA ECG and Plenary meetings.

Workshop for the Development of Guinea’s National AML / CFT Strategy, the Preparation of its NRA and Support to its Inter Ministerial AML / CFT Committee, Conakry, Guinea, October 30 - November 1, 2017

349. Due to the strategic deficiencies noted in the 1st round Mutual Evaluation Report (MER) of Guinea, the country was placed on the Enhanced Follow-up regime. Analysis of subsequent Follow up reports by the Secretariat indicate that the country still faces major challenges, including low level of FIU operational capacity, that impede the effective implementation of the country’s AML/CFT regime. This led GIABA to keep the country in a pool of countries eligible for a special assistance programme.

350. In light of the foregoing therefore, GIABA organized a three (3) day national workshop designed to support the country to: (i) develop its national AML/CFT strategy, (ii) establish a mechanism to complete the NRA, and (iii) Operationalize and strengthen the AML/ CFT Inter Ministerial Committee to promote national coordination in the implementation of its AML/CFT regime.

351. One of the main challenges inhibiting the effective implementation of AML/CFT regime in the region is the weak capacity of judges which results in low rates of ML/TF convictions and recovery of proceeds of crime. In order to improve the capacity of judges responsible for the adjudication of economic and financial crimes cases, GIABA organized International Study Tours for superior court Judges in the Anglophone member States in Washington DC and Baltimore, U.S.A from August 7-11, 2017, and Francophone member States from October 23-27, 2017 in Paris, France.

352. The main objectives of the study tours were to enable the superior court judges to explore, appreciate and gain deeper understanding of the prosecution and adjudication processes relating to economic and financial crimes in the toured countries.

353. Highlights of the Study Tours include visit to judges responsible for adjudicating economic and financial crimes cases and other key stakeholders in US/France and sharing of experiences on use of electronic evidence, judicial cooperation, extradition and mutual legal assistances, online management of cases
etc. On the whole, besides capacity enhancement, the study tour created opportunities for enhancing cooperation and networking between member States judges and their counterparts in the countries visited.

354. This programme was organized under component three (strengthen the capacity of enforcement bodies and the judiciary), of the GIABA-EU joint project.

**Study Tours by the FIUs of Nigeria and Senegal**

355. A key activity in component one of the joint GIABA-EU project - Strengthening AML / CFT Capacities in West Africa (SAMWA), is the exchanges between West African and European FIUs. Under this activity, four officials each of the FIUs of Nigeria and Senegal designated as the trainers and mentors under the project undertook a study tour of the FIUs of Netherlands from March 13-17, 2017, and Spain from April 18-20, 2017, respectively.

356. The key objective of the study tour was to expose the officials to best practices and enable them acquire additional operational knowledge to effectively deliver as trainers and mentors to the mentee FIUs under the GIABA-EU project. The visits helped to improve the level of networking and cooperation between the FIUs. In addition, the knowledge and experiences gained during the visit have been successfully shared with the mentee FIUs.

**Mentorship and staff Exchange Programmes**

357. Within the framework of the joint GIABA-EU project, two activities implemented in these regard relate to the regional peer-to-peer exchanges on good practices, and mentorship programme under component one of the SAMWA project. These activities were implemented by the FIUs of Nigeria, Senegal and Portugal (mentor FIUs) on behalf of GIABA Secretariat. Overall, the activities were designed to create avenues for sharing experiences and good practices between the mentor and mentee FIUs, as well as, enhancing the capacity of the mentee FIUs on financial analysis.

358. Under the regional peer-to-peer activity, the mentor FIUs sent experts to train the mentee FIUs, while in the mentorship programme, the mentee FIUs sent three officials each to understudy the operations of the mentor FIUs.

<table>
<thead>
<tr>
<th>SN</th>
<th>Member State</th>
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<tbody>
<tr>
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<td>Republic of Burkina</td>
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<td>Republic of Cabo Verde</td>
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<td>4</td>
<td>Republic of Cote d’Ivoire</td>
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<td>Republic of Ghana</td>
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<td>Republic of Guinea</td>
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<td>Republic of Nigeria</td>
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<td>13</td>
<td>Sao Tome and Principe</td>
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<td>14</td>
<td>Republic of Senegal</td>
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<td>Republic of Sierra Leone</td>
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<td>Republic of Togo</td>
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<td>17</td>
<td>Non GIABA Member States and Donors</td>
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<tr>
<td>TOTAL</td>
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</table>

Table 2: Participation by Country
# Participation by Sector

## Table 3: Participation By Sector

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<thead>
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<th>SN</th>
<th>Member State</th>
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<td>Financial Intelligence Units</td>
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<td>3</td>
<td>Banking Sector / Financial Institutions</td>
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<tr>
<td>4</td>
<td>Other Financial Institutions (DNFBPs)</td>
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<tr>
<td>5</td>
<td>Government Ministries</td>
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<tr>
<td>6</td>
<td>Law Institutions (Judges, Prosecutors, Lawyers, etc.)</td>
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<tr>
<td>7</td>
<td>Law Enforcement Agencies</td>
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<td>8</td>
<td>ECOWAS Institutions and National Units</td>
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<td>9</td>
<td>Others (Civil Society, Media, NGOs, etc.)</td>
<td>547</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>1,067</strong></td>
</tr>
</tbody>
</table>

## Graphic 1: Beneficiaries by Country

## Graphic 2: Participation by Sector
These activities were very successful and have tremendously improved the capacity and operational efficiencies of the beneficiary FIUs, in addition to strengthening the level of cooperation and networking between the mentor and mentee FIUs.

### Challenges in the implementation of Technical Assistance

**359.** Some of the major challenges faced by GIABA in the delivery of TA and trainings in 2017 include: inadequate funding resulting in the cancellation of some planned programmes; occasional delay in the disbursement of funds to GIABA; inability of some member States to take ownership and sustain TAs provided; and delay in communication of TA needs to the Secretariat by MS.

**360.** With respect to the joint GIABA-EU project, key challenges that impacted negatively on the effective implementation of the project, include the lack of: clarification and formalization of the roles and responsibilities of project actors and stakeholders resulting in recurrent coordination difficulties with a negative impact on its performance; a dedicated Project Coordination Unit (PCU), and low availability of project focal points in the MS.

**361.** To address some of these challenges, GIABA prioritized the TAs and training provided, with focus on programmes and projects that have maximum impact on AML/CFT implementation in member States. Similarly, GIABA strengthened its collaboration and cooperation with the EU and other development partners, culminating in greater TA and training delivery than would have been possible from the limited internal resources. GIABA remains committed to working with its member States and development partners to rise up to the challenges of continually evolving TA and training needs and help member States effectively implement international AML/CFT standards.
Conclusion

362. The 2017 TA and training were designed to enhance the human and infrastructural capacities of member States to enhance their implementation of AML/CFT regime, and also prepare them for the 2nd round of mutual evaluation. The progress in the implementation of the joint EU-GIABA project contributed immensely to the improved technical support provided to member States during the year under review. As the demand for TAs and training keep rising, GIABA will continue to collaborate with its development partners to meet these needs. However, in view of resource constraints, member States are encouraged to complement the efforts of GIABA/development partners and allocate more resources to AML/CFT implementation in order to sustain both national and regional efforts.
CHAPTER 6

COMMUNICATION, ADVOCACY AND CIVIL SOCIETY OUTREACH

Introduction

363. The increasing importance of raising public awareness on the ills of money laundering and terrorist financing in the society cannot be over-emphasized; the dare need for expanding the reach, building and strengthening partnerships and influencing human behaviors underscore the importance of this chapter in particular, and the high relevance of these overall engagements to the AML/CFT measures in general.

364. In the course of the year under review, GIABA has worked assiduously to increase its impact; raised massive awareness and strengthened its partnership to drive social re-engineering amongst the stakeholders in the fight against Money Laundering and Financing of Terrorism. The social media platform was explored on incremental basis and all the segments on the society were touched and engaged to get the required public buy-in and ownership of the fight against Money Laundering and Terrorist Financing.

ADVOCACY MISSIONS

High-Level Advocacy Missions

Director General’s High-Level Advocacy Mission to Monrovia, Liberia, March 4 – 8, 2017

365. The Director General of GIABA, Col. Adama Coulibaly, conducted a high-level advocacy mission to Liberia on the 4 – 8 March, 2017. The mission raised awareness amongst the authorities in the country, secured higher political commitment of the authorities to strengthen their AML/CFT regime in the country. In particular, identified deficiencies in the AML/CFT regime of the country were discussed, and there was a clear commitment by the authorities to address the concerns. Important and relevant stakeholders and competent authorities played host to the Director General of GIABA and his team members.

366. The team met with the Director of the Financial Intelligence Unit (FIU) of Liberia, Mr. Alexander Cuffy and some officials of the FIU. Also at the Central Bank of Liberia, the DG met with the Governor of the Central Bank and his team and discussed the roles of the bank in the fight against Money Laundering and Terrorist Financing, while thanking them for the support to the FIU. The Director General met with Her Excellency, Mrs. Ellen Johnson Sirleaf, the President of the Republic of Liberia and the Seating Chair of the Authority of the Heads of States and Government of ECOWAS. She assured the GIABA team of Liberia’s commitment and political will to do all that is required to meet the international standards. She pledged the countries commitment to address all identified gaps in its AML/CFT regimes. She also welcomed GIABA to host her 27th Plenary meeting and 17th GIABA Ministerial Committee (GMC) meeting in Monrovia.

367. In executing its mandate, the GIABA Secretariat conducts advocacy missions not only with the highest authorities of Member States to enlist their greater involvement in the effective implementation of AML/CFT measures and their enhanced support to the FIUs, but also with bilateral and multilateral
technical and financial partners, for increased and diversified support provided for both the GIABA Secretariat and Member States.

368. The technical assistance provided to member States by GIABA or in collaboration with the technical and financial partners, actually aims to strengthen and enhance their institutional, legislative and regulatory capacities for the establishment of effective AML/CFT regimes on one hand, and provide them with adequate resources and operational tools, on the other.

369. In this regard, the following advocacy missions were conducted:

**High-level Advocacy Missions with Ivorian Authorities**

370. In Côte d’Ivoire, advocacy focused on the reform of judicial services. During the discussions, the Director General recalled the Technical Compliance and Effectiveness requirements for Member states’ AML/CFT regimes in the second round of mutual evaluations. He expressed the hope that the reform would help improve the country’s AML/CFT regime and enable Côte d’Ivoire perform better.

**Advocacy Mission with Sao Tome and Principe Authorities, from 3rd to 4th April 2017**

371. It is noteworthy that Sao Tome and Principe was the first country outside ECOWAS to become a member of GIABA. Given the persistent deficiencies in the country’s AML/CFT regime and the lack of measures at national level to address them, FATF has recently underscored the need for urgent and strong action to be taken by this country, or face sanctions. In order to urge the authorities of this country to take the appropriate measures and save the country from possible FATF sanctions, the Director General conducted a high-level mission from 3rd to 4th April, 2017.

372. The mission, after highlighting the recent progress made by the country including the adoption of a new Intellectual Property Code and establishment of international cooperation in criminal matters, the adoption of National Resolutions for the implementation of the United Nations Security Council (UNSC) Resolutions 1267 and 1373, presented to the various stakeholders, AML/CFT Regulatory, Monitoring and Supervisory authorities (Central Bank, Deputy Speaker of Parliament, members of the Multi-sectorial Committee,
DNFBPs, FIUs), the issues, challenges and the country’s priority areas of intervention to bring the AML/CFT regime into compliance with the FATF standards, as well as the economic and financial consequences for any country declared as non-cooperative by FATF.

373. Notwithstanding the country’s weak financial capacity, the authorities reassured the mission that exceptional efforts would be made to provide the FIU with appropriate premises and higher budget allocation.

The Director General’s High-Level Advocacy Mission to Abuja – Nigeria, September 25-28, 2017:

374. Nigeria is a very important country to GIABA and ECOWAS Community at large. In recent time, the Nigerian authority has indicated interest to become a member of the Financial Action Task Force (FATF). It is worthy of note also, to state that Nigeria has been a member of the Egmont Group of Financial Intelligent Units (FIUs). However, the country was suspended from the Egmont Group following the country’s inability to appropriately respond to some deficiencies in the laws establishing the FIU and other issues relating to operational independence of the FIU and confidentiality of its core operations. The GIABA 28th Plenary Meeting and the 18th GIABA Ministerial Committee Meeting were slated to take place in Nigerian’s capital City Abuja. The meetings which are the statutory meetings of GIABA are very important meetings of the institution. With all of the issues stated above, there was a very dare need for the DG of GIABA and his team to undertake high-level advocacy visit to Nigeria and support the drive of the authorities to achieve all that is laid out before it. GIABA is a technical organization with high level of technical competencies in the area of AML/CFT, and it is willing to offer all the required technical support to Nigeria in addressing the challenges in the AML/CFT regime of the country.

375. The visit was to assess the situation in the country and proffer a credible way forward through professional and technical advice and assistance to Nigeria in addressing the legislative gaps in its AML/CFT laws. It is expected that this intervention would result in lifting of the suspension of Nigeria by the Egmont Group; advocate and support Nigerian preparedness for the FATF High-Level Visit towards Nigerian membership of
the FATF, however due to pending Egmont suspension, the FATF visit was rescheduled to another time. The visit also mobilized the authorities to support for the hosting of the GIABA Statutory meetings in Nigeria.

376. The DG and his team met with the following:
- The Ag. Director of the Nigerian Financial Intelligence Unit (NFIU) and GIABA National Correspondent for Nigeria.
- The Speaker of the Federal House of Representatives (National Assembly)
- The Ag. Executive Chairman of the Economic and Financial Crime Commission (EFCC)
- The Hon. Minister of Justice and the Attorney General of the Federation.

377. The engagements commenced with a working session with the Nigerian Financial Intelligence Unit (NFIU) led by its Ag. Director and GIABA National Correspondent for Nigeria, Mr. Francis Oka-Philips USANI with a team from his office. Later met with the Rt. Hon. Speaker of the Federal House of Representatives Yakubu Dogara; The Chairman of the EFCC, Alh. Ibrahim Magu and the Hon. Minister of Justice and the Attorney General of the Federation, Mal. Abubakar Malami. The meetings discussed and considered all the specific issues Nigeria is confronting in its AML/CFT regime.

378. The issues were listed as follows:
- Suspension of Nigeria from the Egmont Group of FIUs
- FATF High-Level Visit to Nigeria to assess Nigeria’s preparedness in its bid to become a member of the FATF
- Hosting of the GIABA Plenary and Ministerial meetings in Nigeria in November, 2017
- Pending pieces of legislations, legal instrument(s) or policy documents to be passed, processed, ratified, gazetted or accented to. These pending concerns were listed as:
  a) The law establishing the NFIU / EFCC acts and all the related sections
  b) Signing and public gazette of the Nigerian National Risk Assessment document
  c) Comprehensive legislation on asset seizure, forfeiture, confiscation, recovery and management
  d) Re-structuring and effectiveness of the Inter-Ministerial Committee
  e) The status of the Mutual Legal Assistance Bill passed by the National Assembly.
379. The authorities reiterated their commitment to the fight against ML/TF and pledged commitment to address all the areas identified. The visit has raised awareness and secured greater political commitment, with GIABA receiving the request of the authority to receive the legislations and previewing with technical advice on globally acceptable standards.

**Medium-Level Advocacy Missions**

**Advocacy Visit to the Consul General of Switzerland to Nigeria, Lagos, September 19, 2017**

380. Staff of the GIABA Information Centre, Lagos conducted an advocacy visit to Mr. Yves Nicolet, the Consular General of Switzerland in Lagos, Nigeria on September 19, 2017.

381. The Information Manager, Mr. Timothy Melaye who led the team, informed the Consular of GIABA’s mission and mandates and the level of partnership that the Swiss Embassy and GIABA hold, as well as the Swiss Embassy’s sponsorship of a key GIABA training workshop for participants from West and North Africa. He called for deepening of ties between GIABA and the Swiss delegation in Nigeria.

382. In his response, Mr. Yves Nicolet informed that the Consular office in Lagos is instrumental to the promotion of trade ties between Nigeria and Swiss businessmen. He noted that the Consular office was first relocated to the Federal Capital Territory Abuja; however the indisputable position of Lagos as Nigeria and West Africa’s economic hub was instrumental to the return of the Consular office to Lagos. He appreciated the GIABA team for welcoming him to Lagos and expressed willingness to facilitate GIABA’s partnership with the Swiss delegation in areas where their mandates are complementary.

**TRAINING OF STAKEHOLDERS**

**GIABA AML/CFT National Sensitization Seminar for Religious Leaders and Institution, Kaduna Nigeria, April 19-20, 2017**

**Introduction**

383. In its efforts to ensure the involvement of all stakeholders in the fight against money laundering and terrorist financing in West Africa, GIABA organized a 2-day National Sensitization Seminar for Religious Leaders and Institutions on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Measures. The seminar took place in Kaduna, Nigeria from 19th - 20th April, 2017.

384. The maiden edition of the National Sensitization Seminar for Religious Leaders and Institutions on Implementing Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Measures is part of the process of developing partnerships with all critical stakeholders towards the achievement of GIABA’s main objective of entrenching robust frameworks to combat corruption, religious extremism and international organized crime across West Africa. The meeting therefore aims to share information with, stimulate the interest of, and foster viable partnerships with, National Religious Leaders in Nigeria in the fight against Money Laundering (ML) and the Financing of Terrorism (FT).

385. The objective of the seminar was to raise the awareness level of religious leaders on their role in the fight against Money Laundering (ML) and Terrorist Financing (TF) and to build strong partnership with Faith Based Organizations (FBOs) on actionable points to curb violent extremism and promote peaceful co-existence in the society.
386. A total of 45 participants consisting of religious leaders, institutions and faith based organizations (FBOS) across the country participated in the seminar. Also in attendance were top government officials, high-level religious leaders, NFIU, SCUML and the Head of ECOWAS Unit in Nigeria participated in the 2-day seminar.

387. The opening session was declared open by the Kaduna State Governor, Mallam Nasiru El-Rufai ably represented by the Permanent Secretary, Ministry of Finance, Mr Idris Nyam, while the keynote address entitled “Religious Leaders as role models in the fight against crimes and promotion of peace in the society” was delivered by Most Reverend Matthew Hassan Kukah, Bishop of Sokoto Catholic Dioceses. The Director General of GIABA, Mr Adama Coulibaly represented by the Deputy Director General delivered the opening remarks and the CAN President, Rev, Samson Ayokunle Olasupo Adeniyi represented by the CAN Secretary, Mr Musa Asake delivered a goodwill address during the opening session respectively. The Secretary General of the Jamahatul Nasir Islam (JNI) and representative of the Supreme Council of Islamic Affairs were present and delivered goodwill messages as well.

388. The seminar was delivered by experts and GIABA faculty through discussions and presentation of the theme entitled “The Role of Religious Leaders in Preventing Money Laundering and Terrorist Financing; Money laundering and terrorist financing risks and vulnerabilities associated with religious organizations; Religious Institutions as a tool for promotion of Peaceful co-existence; Risk of terrorist abuse in non-profit organizations; and Promoting Tolerance and Preventing Violent Extremism and Sharing the Experience of SCUML on relationship with FBOs” delivered by the Director of SCUML, Mr Bamanga Bello.

389. At the end of the workshop, a pool of highly sensitized high-level religious leaders with in-depth knowledge on the deleterious effects of ML/FT and full understanding of GIABA mandate emerged.

390. Amongst key recommendations reached are that:
- Religious leaders be committed Ambassadors in AML/CFT within the ambit of their roles to sensitize and fight criminality within their institutions;
- The Legislative arm of Government should amend the existing laws to prescribe punishment that is commensurate to the offence charged;
- Commitment of religious leaders to leadership by example, would have greater positive impact on the society;
- In developing the strategies to protect the economies of the ECOWAS Member States from the abuse and the Laundering of proceeds of crime, there is a need to involve stakeholders actively in the fight against Money Laundering and Financing of Terrorism
- Urge GIABA and National Supervisory agencies to organize more sensitization meetings for Religious leaders at the National levels to sensitize religious institutions on the dangers of ML/TF, but also specialized trainings along that line
- GIABA should develop and support programmes at the country level to engage the government and the citizens of the country on the effects of ML/TF;
- The statutory provisions against money laundering and terrorism financing are consistent with the objectives of faith based organizations.
- GIABA to organise similar forum in all member States with a view to raise the desired awareness on the phenomenon of ML/TF.
- GIABA to continue to support Institutions and FBOs as an avenue to building their capacity on AML/CFT issues.
391. GIABA organized the Second Edition of the Annual Public Lecture on AML/CFT Regimes in West Africa, at the University of Benin, Benin City, Nigeria on Monday April 24, 2017. The objective of the Annual Public Lecture was to sensitize members of the academic community on issues of anti-money laundering, counter-terrorism financing and financing in proliferation of weapons of mass destruction (AML/CFT & P), by engaging their minds on different themes that include the good governance and development deficit consequent upon economic and financial crimes.

392. The Public Lecture also encouraged the members of the academic community to serve as advocates by helping to propagate AML/CFT messages to peers and policy makers thereby becoming influencers of good policies.

393. One hundred and sixty (160) members of the academic community, consisting of students of three institutions of higher learning, professors and members of the University Management, and the press corps attended the Public Lecture.

394. Presentations were delivered by GIABA faculty and the GIABA National Correspondent, Professor Mike Obadan of the Department of Economics and Statistics of the University of Benin, and Professor Eugene Aleigba of the Department of Political Science of the Nasarawa State University on the following topics: An Overview of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Framework in West Africa; The Role of GIABA as a Regional Initiative; Challenges of Development in West Africa: A Case of Corruption and Money Laundering; and The Impact of Sound Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Regimes on Good Governance in West Africa.

395. At the end of the programme, there emerged a pool of highly motivated youths with in-depth knowledge on the deleterious effects of ML/FT and full understanding of GIABA mandate emerged, and the zeal to collaborate in all
efforts at the national level to combat ML/TF and their predicate offenses. Also a major outcome of the Public Lecture was a deep and articulated coverage in the local and national media.

**Regional Sensitization Workshop on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Requirements for Civil Society Organizations, Banjul – July 24-26, 2017**


397. The main objective of the workshop was to sensitize Civil Society Organizations on the serious dangers and consequences of ML/TF in the sub region and develop the capacities of Civil Society Organizations to join hands in combating ML/TF. In effect, the Workshop aimed at the (i) education of CSOs in order to carry out awareness campaigns to influence an effective implementation of AML/CFT measures; (ii) utilization of CSOs’ platform for the dissemination, publication and sharing of GIABA information to the citizens of West Africa; and (iii) effective engagement of the civil society organisations in the fight against money laundering and terrorist financing.

398. The workshop also served as a window to strengthen the already established West African Civil Society network committed to propagating effective implementation of AML/CFT regimes in the region. Fifty-three (53) participants from Civil Society Organizations from all ECOWAS member States attended the workshop.

399. Among the outcomes of the workshop was the strengthening and reinforcing of the capacities of regional CSOs for them to take up their roles in advocacies and mobilization in their communities against ML/TF. CSOs were also sensitized on general issues relating to GIABA’s mandate and AML/CFT while they and GIABA pledged renewed commitment to work together and to fight ML/TF. The Regional Network of CSO on ALM/CFT was reinvigorated through the inclusion of new members, with a view to ensure their participation in the network.
Brainstorming Session with CHINA Delegation and BOCIDASS on Anti-Money Laundering and Counter-Terrorism in West Africa, Lagos, Nigeria, May 17, 2017

400. The GIABA Information Centre Lagos participated in a Brainstorming Session on Money Laundering and Counter-Terrorism in West Africa organised by Bolytag Centre for International Diplomacy and Strategic Studies (BOCIDASS) in Lagos, Nigeria on Wednesday May 17 2017, as part of its continuing collaboration with different organisations, institutions and academic think-tanks to sensitize people from different walks of life on anti-money laundering and countering the financing of terrorism (AML/CFT) efforts in West Africa.

401. The Information Manager of the Centre, Mr. Timothy Melaye delivered a paper on the topic “Challenges of Money Laundering and Counter-Terrorism in West Africa”, on behalf of the Director General of GIABA.

402. The Brainstorming Session was part of activities lined up for the visit of the China Association of Friends to Nigeria. The Brainstorming Session was attended by 50 participants consisting of Professors of Security and Strategic Studies, Ambassadors and members of the diplomatic corps as well as former military intelligence officers, and the press corps.

403. The Information Centre further hosted officials of the China Association of Friends and Bolytag Centre for International Diplomacy and Strategic Studies (BOCIDASS) at its office in Lagos. During the courtesy visit, the Information Manager further talked on the mandate of GIABA, its activities and achievements, as well as used the opportunity to present GIABA literature to the guests.

404. At the end of the programme emerged a pool of highly informed people with fair knowledge of GIABA activities including the deleterious effects of ML/FT. There also emerged the zeal to collaborate in efforts that would foster good relationship between China and Nigeria and the ECOWAS community at large to combat ML/TF and their predicate offenses.

405. Under the theme «The role of religious leaders in the fight against money laundering and terrorism financing», the meeting, which was attended by 41 representatives of religious organizations, aimed to educate religious leaders on their role in the fight against Money Laundering (BC) and Terrorism Financing (TF), forge a strong partnership with Faith-Based Organizations (FBOs), promote a thorough understanding of GIABA’s mandate and agree on a strategy for synergy of action to curb violent extremism and promote social cohesion.

406. On the occasion of this national seminar, the Director General stressed the need to broaden GIABA’s scope by making optimal use of the strong influence of religious leaders in the struggle. He urged religious leaders to spare no effort or sacrifice to sustain unity, national solidarity and peace and enable the country accomplish its economic and social development target.

407. At the end of the seminar, participants made the following recommendations:
- Promote the employability of young Arabic speakers who could be potential targets for money laundering and terrorist financing activities;
- Put in place a prudential system within associations for the traceability of funds they receive;
- Provide financial support to religious associations in mobilizing and sensitizing the populace on AML/CFT;
- Increase sensitization and training meetings for religious leaders;
- Initiate a reflection on Islamic finance with the aim of strengthening financial inclusion and banking culture of national economies in the ECOWAS region;
- Publicize the FIU’s activities and missions to religious leaders;
- Establish a national network of religious leaders engaged in AML/CFT;
- Regulate sermons delivery;
- Contemplate on the incorporating religious education in schools;
- Adapt youth education to the realities of the labour market;
- Train and accompany religious NGOs to avoid tarnishing their image in the name of the fight against terrorism financing;
- Develop an AML/CFT strategy and action plan involving religious leaders;
- Strengthen civic and moral education in schools and train the trainers to sustain the gains recorded in AML/CFT.
408. As part of its mandate to protect the economies and financial systems of the region’s Member States against crime, GIABA conducts awareness-raising activities from various sectors of society, including civil society organizations, the media and the academia. The public lecture and inter-varsity competition held in Abidjan from 22nd to 23rd May, respectively, formed part and parcel of these dynamics.

409. These activities, attended by 78 people for the Public Lecture and 183 for the Inter-varsity Public Speaking Contest, aimed to explore the enormous capacity and strength of youths and encourage greater involvement of academics in the implementation of AML/CFT regimes designed to promote economic development.

410. Three themes were developed during the Public Lecture, viz:
- Money Laundering and Terrorism Financing in West Africa: current status;
- Overview of AML/CFT regimes;
- Contribution of the Academia to AML/CFT.

411. The public speaking contest brought together 7 candidates from French-speaking ECOWAS countries (Niger was not represented). The candidates delivered oral presentations on the theme “The Power of Youths and Contribution to the Fight against Money Laundering and Terrorism Financing in West Africa” to an audience of students, academics and executives from both the public and private sectors, and a panel of national and regional AML/CFT experts.
Regional Training Workshop on Investigative Reporting on Economic and Financial Crimes for Journalists, Saly, Senegal, December 18-20, 2017

412. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) organised a Regional Training Workshop on Investigative Reporting on Economic and Financial Crimes for Journalists at the Hotel Royal, Saly, Republic of Senegal from 18 to 20 December 2017.

413. The objectives of the Training Workshop were to: (i) train competent and experienced journalists who will have a general knowledge of ML/FT framework; (ii) to assist participants to produce reports and articles/features of quality on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) issues; and (iii) improve the network of journalists who will disseminate truthful information on the AML/CFT systems.

414. A total of 40 participants from the 15 member States of ECOWAS, from newspapers, radio and television, online media, and both public and private-owned media organisations participated in the training workshop.

415. The broad themes of the seminar include: Implementing Effective AML/CFT Regime in West Africa: The Role of Stakeholders; Understanding the Roles, Mandate and Mission of GIABA as a Regional Initiative; The Role of the Media in Combating Economic and Financial Crimes in West Africa; Methods & Strategies of Investigative Reporting; Effective Ways of Reporting Crimes: Predicate Offences of Money Laundering; Practical Guides in Writing Investigative Features; Dealing with sources in Investigative Journalism: Building Trust and Cooperation; Forensic reporting: Working with Economic and Financial Crimes Investigators; Language Use in Investigative Writing: Avoiding Libel; The Role of the Media in holding «those who are supposed to be protecting us into account»; Use of New Technologies in Investigative Journalism: In-
ternational and Regional Perspectives; Establishing and Running of Effective AML/CFT Reporting Networks; and Understanding the Usage and management of «New Media» for Effective Crime Reporting and Awareness Raising.

416. The sessions were moderated by experts from the ECOWAS region and GIABA faculty through a combination of methods including discussions, role-play, group work, and sharing practical experiences.

417. At the end of the programme, participants had new and improved insights on how to conduct investigative journalism relating to economic and financial crimes, particularly money laundering and terrorist financing; how to write investigative features, and how to navigate the risks involved in investigative journalism. GIABA was further able to sensitize journalists on the deleterious effects of money laundering and terrorist financing and organized crimes, and how they (journalists) can support the AML/CFT framework in the region.

418. In view of the engagement with the media group in particular, the media group remained a veritable tool for mass mobilization and awareness creation. GIABA therefore, has outlined, key strategic partnership engagements with the media, both for medium and long term purposes. It is very important to enumerate these set of outlined activities here; for the overall outlook of the expected result of these engagements and specifically, for the benefit of the fight against money laundering and terrorist financing in the region.

419. In the Immediate and Medium Term, the remodeled engagement with the media group will see deeper collaboration, in which the trained journalists will develop articles and be guest columnist in GIABA periodic newsletters:
- Develop and deploy articles and features on AML/CFT on their platforms and share same with GIABA;
- Promote and broadcast GIABA’s Press Releases and Press Statements on their platforms.

Media Engagement
420. Long-term engagement strategy with the group has been laid out as well, here a strong and sustainable relationship has been established, as shown in the following paragraphs, this partnership has been strengthened with the established network of journalists in all member states. The networks will work as independent body, but in collaboration with GIABA to increase awareness and visibility for all AML/CFT related issues on a continuous basis. In the long run, this network will train other journalists on similar trainings carried out by GIABA and the awareness raising will work on a sustainable basis with continuous strengthening of the network. The working relationship with the network is the future pattern of engagement which will be more impactful, more engaging and far reaching as the network expands. This is also targeting inclusion of the non-mainstream media, such as bloggers, online platforms and the use of social media. To maximize these, already WhatsApp group has been created on both National and Regional level for ease of sharing information and networking among the members of the network. In the coming year, this will deepened and engagement will expand on a larger scale.

**Partnership Building**

421. GIABA expanded its partnership with the stakeholders in the year 2017, in the margin of the regional sensitization training for the Civil Society Organizations (CSOs) and the Regional Investigative Reporting training for journalists in the region, GIABA rekindled the network of professionals in both fields and reiterated her commitment in working with these networks as strong partners in driving awareness and mobilization of the public as well as advocacy in all aspect of AML/CFT in the region.

422. In the past 5 years GIABA has been working with several partners across the AML/CFT stakeholders in the region, it has established network of CSOs and journalists in member states and at the regional level. GIABA is also working with the youths and students.
groups and the women groups are not also left behind. These efforts and partnerships are to ensure that no group is left behind and that the entire society is not only informed but also mobilized to support the fight against ML/TF.

**Social Media Outreaches**

423. The world has gone more digital than it has ever been, the online and social platforms today formed a veritable tool of mass communication, GIABA as an upward thinking institution has driven a comprehensive social media engagements in line with her Communication Strategy.

424. The Social Media platforms have more reach and share to higher number of contacts, The Facebook and Twitter accounts have remained active all through the year, more contacts and networks are linked in the year under review, the platforms have shared programmes and activities, not only through press releases but instant sharing of updates and display of both picture and videos of GIABA activities and programmes.

**Awareness Raising under the SAMWA Project**

425. The 2nd year of the full implementation of the Strengthening of Anti-Money Laundering Capacities in West Africa (SAMWA) has gone bye with several activates implemented. During the year under review, GIABA published press release and created a good platform for the implementation of the Communication plan of the project. In view of this, Project website was developed and launched to provide global access to the project and its immediate output. www.eusamwa.net

426. The Communication team has overall produced relevant mass awareness materials to increase visibility of the SAMWA project in particular and raise AML mass awareness in general, some of the publicity materials produced included: Branded visible banners at the location of events, note pads, branded biros and pens, branded USB keys, branded items identifiers for project procure equipment and posting of events on websites and social media. This has greatly increase public awareness and created the needed visibility for the project amongst stakeholders.

**Conclusion**

427. Promoting partnerships and citizens’ mobilization is the heart of the ECOWAS Vision 2020 of turning ECOWAS to the ECOWAS of the people, rather than ECOWAS of States. In line with this, the continuous engagement of the populace, empowering different community groups and promoting awareness that encourages citizens’ engagement is the core of this chapter of the report. We are glad to report that in 2017, GIABA successfully engaged all sectors of the ECOWAS Community; from youths and students to women groups, to the Journalists and media groups. Also, specific engagement of the Civil Society organizations to massive awareness of the policy makers and legislators. We therefore look forward to doing more in the coming year with the networks that were established and strengthened in the year 2017.
CHAPTER 7

REGIONAL, INTERNATIONAL COOPERATION AND PARTNERSHIP

428. Within the framework of Regional and International Cooperation, GIABA is seeking strategic, technical and financial partnerships with a view to improve its effectiveness and enhance the technical assistance provided to Member States. The activities undertaken at regional and international levels are as follows:

Regional Level

a) GIABA Statutory Meetings

429. As mandated, GIABA successfully conducted its Statutory Meetings. The 27th and 28th Technical Commission / Plenary met in May and November 2017 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 draft mutual evaluation report of the Republic of Ghana, Follow-up Reports of nine (09) MS to ascertain levels of progress and compliance with Financial Action Task Force (FATF) standards, as well as reports of GIABA research/typologies studies and made appropriate recommendations. Similarly, the 17th GIABA Ministerial Committee (GMC) meetings was held in May 2017 to ratify decisions of the 27th Technical Commission / Plenary meetings and also deliberated on other critical issues. Details and outcomes of the meetings of the 26th and 27th Plenary meeting and the 16th GMC meeting are highlighted below.

The 27th Technical Commission (TC) / Plenary Meetings. May 07 – 12, 2017, Monrovia, Liberia

430. The 27th Technical Commission/Plenary Meetings held from 07 to 12 May 2017 at the Monrovia City Hall, Monrovia, Liberia. 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.

431. 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 reports considered were Guinea, Liberia, Togo, Benin, Nigeria, Cabo Verde, Guinea Bissau, Sao Tome and Principe, and Sierra Leone. Upon analyzing and adopting the reports the 27th Plenary specifically retained Sao Tome and Principe, Benin and Sierra Leone on the Expedited Regular Follow-Up Process and directed them to submit their next FURs in May 2018. Similarly, Guinea, Guinea Bissau, Liberia and Togo were placed on Enhanced Follow-Up Process and directed to submit their FURs to the Plenary in November 2017. The Plenary decided that Nigeria should provide its tenth follow up report in May 2018 and Cabo Verde 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.

432. Following the preliminary meetings and presented reports by the Secretariat to the Plenary, the plenary deliberated on the reports of the 27th TC/Plenary of GIABA. The followings were the outcomes of the meetings:

i) Adoption of DG’s summary activity report;
ii) Adoption with directives of the status reports on Côte d’Ivoire and Burkina Faso;
iii) Adoption of status report on on-site visit to Nigeria on membership of FATF;
iv) Adoption of the draft MER of Ghana;
v) Adoption of the report of the co-chairs of the Evaluation and Compliance Group (ECG);
vi) Adoption of the report of the co-chairs of the Risks, Trends and Methods Group (RTMG);

433. The other preliminary meetings the 9th 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 27th TC/Plenary meeting. Major highlights of the meetings included:

i) Appointment of the members of the Forum’s Bureau;
ii) Côte d’Ivoire was elected as the new chairman of the Forum;
iii) Update on the activities and finances of the Forum and membership of the Egmont Group.

The 17th GIABA Ministerial Committee Meetings. May 13, 2017, Monrovia, Liberia

434. The 17th GIABA Ministerial Committee Meeting held on the 13th of May 2017 at the Central Bank of Liberia, Monrovia, Liberia. The meeting was preceded by the GIABA 27th Technical Commission / Plenary meeting. The followings were the outcomes of the meetings:

a) Approval of the DG’s summary activity report;
b) Approval of the MER of Ghana;
c) Approval of the 26th & 27th GIABA Technical Commission/Plenary Reports.

The 28th Technical Commission/Plenary Meetings held from 13 to 17 November 2017 at the Sheraton Abuja Hotel, Abuja, Federal Republic of Nigeria. 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.


437. 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 Burkina Faso ;
- Status Update Report on Nigeria membership to FATF ;
- Adoption of the ECG Report;
- Adoption of the RTMG Report;
- Brief on outcomes of FATF June and October 2017 Plenary and Working Group meetings;
- Brief on outcomes of 2017 Egmont Group July Plenary and Working Group meetings ;
- Presentation on Beneficial Ownership : Issues and Challenges by FATF Secretariat ;
- Adoption of the report of the 28th GIABA Technical Commission/Plenary.
The 18th GIABA Ministerial Committee Meetings, November 18, 2017, Abuja, Nigeria

438. The 18th GIABA Ministerial Committee Meeting held on the 18th of November 2017 at the Sheraton Abuja Hotel, Abuja, Nigeria. The meeting was preceded by the GIABA 28th Technical Commission / Plenary meeting. The followings were the outcomes of the meetings:

i) Approval of the DG’s summary activity report;
ii) Approval of the 28th GIABA Technical Commission/Plenary Reports;
iii) Status of implementation of the 2nd Round of Mutual Evaluations Calendar;
iv) Presentation on Mutual Evaluations: Requirement and Roles of GMC by GIABA Secretariat;
v) Approval of the Status Report on the GIABA Membership of Comoros;
vii) Adoption of the Report of the 18th GMC Meetings.

b) Regional Symposium on Radicalization and Violent Extremism, Nouakchott, Mauritania, 17th – 19th May 2017

439. Within the framework of cooperation with regional stakeholders, GIABA co-facilitated a regional symposium on radicalization and violent extremism organized by the United Nations Mission in Mali and the Sahel (MI-SAHEL). This meeting, which was attended by several regional and international organizations, was designed to gather recommendations and proffer solutions that are relevant to the threat posed by the phenomena of radicalization and violent extremism, which have become emerging global security issues. More specifically, the aim of the symposium was to contribute to the development of a working document for countries and partners in the process of developing their strategies for preventing and combating these phenomena.
440. GIABA’s presentation focused on “The financial aspects of radicalization and violent extremism in the Sahel” and captured strong public’s attention.

441. The discussions were accompanied by recommendations aimed at strengthening good governance and the rule of law in the G5 Sahel countries, as well as raising awareness on these phenomena.

c) Training seminar on WARI’s digital AML/CFT platform for public and private stakeholders, Dakar, Senegal, on 19th May 2017

442. Within the framework of cooperation with the regional AML/CFT stakeholders, GIABA took part on 18th May 2017, in a seminar on WARI’s Compliance, AML and its digital platform in Dakar. Organized in collaboration with the International Finance Corporation (IFC) of the World Bank, the US Embassy, VOLO and the Senegal-FIU, this meeting brought together several public and private AML/CFT stakeholders, including the Ministry of Finance, Economy, Finance and Planning, Senegal’s National Computer Agency, the Central Bank of West African States (BCEAO), the Professional Association of Bankers and Financial Institutions (APBEF) of Senegal, the Association of Certified Compliance Professionals in Africa (APCCCA), the research section of the National Gendarmerie, Banks and Micro-credit institutions of Senegal. The Seminar aimed to introduce participants to WARI’s new service platform and its AML/CFT system.

d) WAIFEM Regional Session on Financial and Economic Issues in the Regional Integration Process, Accra, Ghana, from 26th June to 4th July 2017; & WAIFEM Regional Session on Combating ML and Other Financial Crimes, Abuja, Nigeria, from 10th – 14th July 2017

443. In order to contribute to the capacity building of AML/CFT stakeholders at regional level, GIABA provides technical assistance to regional training organizations. The Secretariat’s participation in the sessions of the West African Institute for Financial and Economic Management (WAIFEM) from 26th June to 4th July and from 10th to 14th July 2017 respectively, in Accra and Abuja, were part of this framework.

e) Meetings of the Working Groups and Plenary of the Technical Commission of the Action Group against Money Laundering in Central Africa (GABAC), Brazzaville, Congo, from 28th August to 1st September 2017
444. Since 2014, GIABA has been strengthening its cooperation with GABAC to provide support for this Group in its efforts to become a FATF-Style Regional Body. GIABA has established privileged relationships with this Group in the interest of both parties. In this regard, we note the mutual participation of experts from both FSRBs in their respective meetings and the conduct of joint studies and research on themes of common interest.

445. This meeting aimed to exchange experiences on the topics of ML, seizure, freezing, confiscation and management of criminal assets resulted in (i) the formulation of recommendations for the promotion of mutual legal assistance; (ii) advocacy for the establishment of criminal asset recovery agencies; (iii) advocacy for statistics relating to investigations, prosecution and conviction.

f) Joint Plenary of the West African Network of Central Authorities and Prosecutors (WACAP) and the Inter-Agency Network for Asset Recovery in West Africa (ARINWA), Saly, Senegal, from 24th to 26th October 2017

446. This meeting focused on mutual evaluation in FATF Member States and FATF-Style Regional Bodies (FSRBs) as well as the risks, trends and methods used for the commission of financial crimes. It also considered the low level of collaboration of certain jurisdictions with FATF under the International Cooperation Review Group (ICRG) process.

International level

a) FATF Working Group and Plenary meetings in Valencia, Spain, from 18th to 23rd June 2017, and in Buenos Aires, Argentina, from 29th October to 3rd November 2017

447. With regard to GIABA Member States, and following the adoption by Plenary of new eligibility criteria for the ICRG process, the FATF June 2017 Plenary eventually placed them under observation for a period of one year, before being actually placed under the ICRG monitoring process. This decision places GIABA Member States under threat of Public Statement that would consider them as non-cooperative AML/CFT jurisdictions.

448. These meetings also reviewed the calendar for the FATF President’s high-level visit to Nigeria as part of the country’s process of joining this prestigious institution following the closure of the Nnamdi Azikiwe airport in Abuja for refurbishing.

449. The new dates chosen for this visit were 20th to 21st November, 2017.

b) Egmont Group Meetings held in Macaco, China, from 2nd to 7th July 2017

450. A team from the GIABA Secretariat participated in these meetings which focused on International Cooperation, the establishment of reliable databases and the exchange of information, the optimal use of investigative and modern communication tools as well as the ECOFEL project.

451. The major decision of this meeting for our region was the suspension of the Nigerian FIU from participating in all Egmont Group meetings for reasons related to a lack of autonomy of the FIU as well as the confidentiality of information processed.

452. The GIABA Secretariat, in order to assist the country both in the FATF Membership process and its reintegration to the Egmont Group, undertook an advocacy visit to the Nigerian authorities to ensure that appropriate measures are taken.

c) FATF Standards Training Session, Busan, South Korea, from 24th to 28th July 2017

453. Within the framework of GIABA’s cooperation with its technical partners, the Secretariat participated in a training session organized from 24 to 28 July 2017 by the FATF Training and Research Institute (GAFI TREIN) based in Busan (South Korea). This session briefly
recalled the mandate of FATF, the correlation between AML/CFT policies and operations, and developments in the concepts of the risk-based and effectiveness approach.

454. In particular, it addressed supervisory issues, beneficial ownership, including requirements for the implementation of beneficial ownership measures, as well as international cooperation and confiscation of assets, measures to combat the Financing of Terrorism and Proliferation in relation to Non-Profit Organizations (NPOs) and targeted financial sanctions.

d) Mid-year Statutory Meetings of the West African Monetary Agency (WAMA), Monrovia, Liberia, from 27th July to 3rd August 2017

455. GIABA participated in WAMA’s mid-year statutory meetings held from 27th July to 3rd August 2017, where it made a presentation on “the FATF ICRG process: issues and challenges for ECOWAS Member States».

456. During this presentation, GIABA informed the participants that within the framework of developments in the monitoring eligibility criteria of the FATF International Cooperation Review Group (ICRG), some GIABA Member States were placed under observation for a period of one year, at the end of which public statements would be issued against them for non-cooperation with AML/CFT, if no progress is recorded in their respective AML/ CFT regimes.

457. It would be recalled that during the 24th meeting of WAMA Supervisors Committee held in Freetown, Sierra Leone, in February 2017, the Director General of GIABA stressed the need to strengthen collaboration among institutions not only to provide greater support for AML/CFT in a more security demanding environment, but also to meet the requirements of the second round of GIABA Member States’ Mutual Evaluation exercise, which requires enormous human and financial resources. On that occasion, he launched a solemn appeal for the establishment, within a period of five (5) years, of an Integrated Community Emergency AML/CFT Programme (ICEP-AML/ CFT), with a view to establishing a new, closer and more dynamic partnership between the College and the GIABA Secretariat.

e) Training seminar on AML/CFT in the financial context of ECOWAS, Kunming, China, 10 to 24 August 2017

458. Within the framework of international cooperation, GIABA participated in a training seminar on AML/CFT in Kunming, China, organized by the Chinese Government through the International Technical Exchange Center of Yunan Province (YICETE). This meeting was attended by 19 delegates from FIUs, Ministries from 13 GIABA Member States and 4 ECOWAS institutions (Commission, GIABA, Parliament, Court of Justice). The aim of this seminar was to bring AML/CFT regimes closer to China and GIABA to enable participants better understand the specifics of China’s AML/CFT regime and those of GIABA Member States.

459. This seminar provided an opportunity for the GIABA delegation to make a presentation on GIABA’s mandate, its achievements and emerging challenges, and enabled all participants to understand that the effectiveness of the AML/CFT depends not only on a sound knowledge of the economic system of the country concerned, but also on the application of dissuasive and proportionate sanctions.

460. With regard to the Chinese model, the AML/CFT used to be a mandate of the Ministry of Interior. It is now being entrusted with the People’s Bank of China (the Central Bank), which in 2004 created a National AML Coordination Unit. It then set up another technical unit called Financial Intelligence Agency whose function is to collect Suspicious Transaction Reports (STRs), analyze and monitor them, and then provide the financial information thus obtained to the Public Security entities, which may refer same to the judiciary if necessary.

f) Joint GIABA/EGDC Regional Workshop on Gender and Youth in Cross-border Criminality in West Africa, held in Accra, Ghana, from 28th to 30th August 2017
Within the framework of inter-institutional cooperation within ECOWAS, GIABA and the ECOWAS Gender Development Centre (EGDC) jointly organized a regional workshop in Accra on «The gender and youth dimensions of cross-border criminality in West Africa».

The overall objective of the workshop was to bring together key stakeholders in gender and youth management from ECOWAS Member States to share knowledge, experiences and best practices, with a view to mapping out a regional framework for the fight against transnational crime and related problems. It specifically designed to: i) mainstream gender and youth into policies, strategies and programmes to combat financial crime and related crimes; (ii) to mutually agree on defining the key strategic and operational issues and mechanisms related to gender and youth dimensions and to combat financial crime and related crimes; (iii) to adopt a regional AML/CFT action plan geared towards gender and youth dimensions; iv) to establish a framework for sustainable regional partnership on gender, youth and AML/CFT in West Africa.

The Anti-Money Laundering Liaison Committee of the Franc Zone, held in Paris, France, on 3rd October 2017

The Anti-Money Laundering Liaison Committee is now an important platform for collaboration and cooperation between countries sharing the CFA Franc and France. It periodically reviews the status of implementation of economic and financial convergence policies and the fight against ML/TF. GIABA participates in this Committee’s meetings with GABAC, and presents at each session, the legislative and regulatory developments of the AML/CFT regimes of its Member States, as well as the levels of performance recorded in AML/CFT over the period.

35th Cambridge International Symposium, in Cambridge, United Kingdom, from 3rd to 10th September 2017

In a bid to strengthen the coordination capacity of national AML/CFT policies and for a better understanding of ML/TF issues at the international level, a GIABA delegation co-facilitated the 35th International Cambridge Symposium in the UK. This Forum, which has grown to become one of the largest international meetings on AML/CFT, was attended by Ministers, legislators, senior managers, an intelligence and security officers, bankers, Compliance and Risk Officers from many countries around the world.

GIABA facilitated a workshop on «The fight against terrorism from a West African perspective» and made a presentation during the plenary session on «The role of FIUs in the fight against international crime: practical issues».

Meeting of Experts and Ministers of Finance, Governors of Central Banks and Chief Executives of Regional Institutions of the Franc Zone, Paris, France, on 5th October 2017

These periodic meetings, held twice a year, are intended not only to provide an update on the criteria for economic and financial convergence and the performance achieved by countries sharing the CFA Franc, but also to deal with security issues in the region, including terrorism and its financing and transnational organized crime (TOC).

The Paris meeting noted the economic performance achieved during the periodic under review, the control of inflation, and especially the worsening budget deficits related to public investments. The meeting strongly recommended that Member States implement rigorous and sustainable economic policies to restore fiscal balances, with emphasis on domestic resource mobilization and inflation control.

Extractive Industries Transparency Initiative (EITI) Conference, Jakarta, Indonesia, from 23rd to 24th October 2017
468. As part of its cooperation with other stakeholders in the international AML/CFT chain, and on the invitation of the Extractive Industries Transparency Initiative (EITI), GIABA participated in a conference jointly organized by the Institution and the Indonesian Government in Jakarta, from 23rd to 24th October 2017.

469. This event, attended by Ministers and senior executives from Indonesia and elsewhere, as well as many delegates from various countries and international organizations, was designed to discuss the theme of beneficial ownership in the oil, gas and mines sectors in 52 countries.

470. The discussions focused on the sources and destinations of financial flows in the sector in order to better appreciate their link with the ML/TF phenomena.

k) Training on Security Intelligence System (CSCS) of the Committee on Intelligence and Security Services in Africa (CISSA), Addis Ababa, Ethiopia, from 18th – 21st June 2017

471. As part of its cooperation with CISSA during the latter’s launch of its new Secure Communication System, GIABA participated in a training on the administration of this new system, which aimed to strengthen participants’ capacity to ensure the security and confidentiality of computer data through the encryption and decryption of information.

l) UEMOA Regional Congress for Accountants, Abidjan, Cote d’Ivoire from 26th to 27th October 2017

472. At the 1st UEMOA Regional Congress for Accountants in Abidjan, from 26th to 27th October 2017, GIABA through its Information Center in Abidjan (AIC), hosted a booth where it explained to participants its mandate as a specialized institution of ECOWAS as defined by the Authority of Heads of State and Government of the Community, namely, to protect the economies and financial systems of Member States of the Region against money laundering and their use for terrorist purposes, by providing technical assistance to its Member States for the establishment of AML/CFT regimes, in compliance with the FATF Recommendations.

m) 12th Annual ECOWAS/Development Partnerships Coordination Meeting, Abuja, Nigeria, from 8th – 9th November 2017

473. GIABA participated in the 12th Annual ECOWAS/Development Partners Coordination Meeting, held in Abuja from 8th to 9th November, 2017. This meeting, which constitutes the framework mapped out by the ECOWAS authorities and Development Partners not only to provide an update on current funding in the region but also to bring Community financing needs closer to partners’ financing intentions, reviewed the main developments in the regional integration process through the reforms undertaken to improve the institutional performance of the ECOWAS Commission. It also serves as a platform to engage in constructive discussions and reaffirm their commitments in their areas of cooperation.

n) Study Tour for High Court Judges (Court of Appeal and Supreme Court) of the Francophone Member States of GIABA on the fight against money laundering, economic and financial crime, seizure and confiscation of criminal assets at the National School of Magistrates (ENM) in Paris

474. From Monday 18th December to Friday 22nd December 2017, a training workshop for High Court Judges (Court of Appeal and Supreme Court) from the Francophone Member States of GIABA was held at the National School of Magistracy (ENM) in Paris on the fight against money laundering, economic and financial crime, seizure and confiscation of criminal assets. This training, requested by GIABA and accepted by the ENM, aimed to strengthen the capacities of the Judicial Authorities of its Member States.
CHAPTER 8

ADMINISTRATIVE AND SUPPORT SERVICES, MONITORING AND EVALUATION

Introduction

475. During the year under review, two important factors guided administrative and financial activities. These are the annual work plan and the continuation of institutional reform process launched by ECOWAS.

476. In 2017, GIABA consolidated its administrative and financial reforms with the implementation of SAP Human Capital Management and Travel Management in line with all other ECOWAS Institutions and the capacity building of all staff for successful implementation with the benefits of accountability and transparency.

477. Within the framework of the reforms initiated by the Council of Ministers in ECOWAS Institutions, GIABA continues to modify and reposition its secretariat to a model and modern institution within ECOWAS and within the FSRBs networks.

ADMINISTRATIVE AND SUPPORT SERVICES

Human Resource Management

a) Staff General Assembly

478. As part of effort to promote a cordial relationship between management and staff, General Assembly was will be held in December 2017. This provided an avenue for oneness and constructive dialogue between management and staff members. Accordingly, the town hall meeting to provide room for feedbacks on personnel management issues. This is a part of the internal communication mechanism set by the Executive Management to discuss issues related to for instance Health Insurance Scheme, Staff Assessment processes, and general staff relationship. Usually, Management addresses issues raised instantly or make promises to critically look into these issues thereafter.

479. During the event, staff were able to express their concerns on staff assessment, on promotions and other staff matters. Then the Director General responded to all inquiries and took the opportunity to thank staff while urging them to keep working with each other and communicate respectfully and cordially.

b) Training

480. GIABA’s annual training plan is always a comprehensive document designed or based on the vision, mission, planned activities with specific bearing on the objectives as defined in the GIABA 2016 – 2020 Strategic Plan and its components are derived from identified priorities. Need assessments, available resources processes, implementation mechanism and monitoring and evaluations the training activities for each operational year.

481. It should further be noted that GIABA is considered with a dual mandate as an FSRB and as a program based specialized ECOWAS Institution. The second mandate justified by the low capacity characteristic of member states requires the existence of well-capacitated human resources that would meet the demand of its large program portfolio.
482. In its 2016 – 2020 Strategic Plan (SP), GIABA has responded to the main recommendations arising from the independent evaluation of the 2011-2014 strategic plan and the renewed vision expressed by its various stakeholders. The goals and program areas outlined in the SP reinforces the need for continuous up-scaling of the theoretical and practical knowledge, the professional behavior and motivation, and mobilization of GIABA human capital within a defined institutional framework compliant with international best practices.

483. To this end, the Management of GIABA has processed information from various sources such as the outcome of each staff member performance assessment, a benchmark of best practices and an analysis of major trends in knowledge, skills and attitude (KSA) that will be needed to support the execution of its mandate. 90% of the 2017 Training Plan was implemented.

Social Activities

a) International Women’s Day

484. This is one of the Millennium Development Goals (MDGs) set aside annually to mark and promote gender equality and Women’s rights. This is also a very key principle area in the ECOWAS regional integration program that is intended to demonstrate management’s commitment to gender balance, as well as the protection and promotion of women’s rights.

485. The International Woman’s Day celebration was held on 8th March 2017 at GIABA Secretariat. The women of GIABA had the honor of sharing a lunch with the Directors and the Deputy Director General and discussed issues relating to the roles of women in society.
b) Assistants and Secretaries Day

486. This day is traditionally celebrated to show the appreciation of the work carried out by the assistants and secretaries, to highlight their importance to GIABA and to enhance their work related skills. The celebrations were held on the 21st April 2017; gifts were distributed to all the assistants and secretaries by the executive management to show appreciations for their contributions in the organization.

c) End of Year Celebration

487. GIABA usually organizes a Christmas tree celebration with presentations of gift items. This year’s celebration will be organized on the 16th December 2017. During this occasion, the Management will present to all the children of the GIABA family Christmas gifts in order to express its appreciation to staff members for their excellent services during the year done with the support of their families. Staff, invitees and their children will enjoy shows and leisure workshops.

Financial Management

488. The consultant for the Institutional Reform Mr Richard Kitchen (Maxwell Stamp) visited GIABA from 20th to 22nd September 2017 to finalize the GIABA STRUCTURE to be recommended to council of minister for approval.

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

<table>
<thead>
<tr>
<th>SN</th>
<th>SOURCE OF FUNDS</th>
<th>KEY FUNDING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ECOWAS Community Levy</td>
<td>Staff Salaries, Program, Administrative and Capital Expenditures</td>
</tr>
<tr>
<td>2</td>
<td>European Union</td>
<td>Strengthening Anti Money Laundering Capacities in West Africa</td>
</tr>
<tr>
<td>3</td>
<td>Sao Tome and Principe Contribution</td>
<td>Membership of GIABA</td>
</tr>
</tbody>
</table>

TABLE 5 : Key Funding Activities

Budget Implementation

490. The 77th Ordinary Session of the ECOWAS Council Ministers approved a budget of UA 13,657,326 for the implementation of GIABA’s 2017 activities, representing an increase of 40.5% in funds made available to the institution over the previous year. This budget was expected to be financed at 95% (representing UA 13,009,894) from Community Levy and 5% (representing UA 647,432) from external funds. During the period under review, 45% of the budget provision was implemented.

Audit of Financial Statements

491. The external audit of GIABA’s 2014 -2015 Financial Statements was completed in April 2017 by KPMG Ghana and the final report is due to be submitted for the consideration of the Audit Committee.

492. The 2016 and 2017 audits are due to commence during the first quarter of 2018.

493. 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.

Implementation of SAP Accounting Software for ECOWAS Institutions

494. An ECOWAS Inter-Institutional Project Team was set up to develop a framework for the implementation of SAP in all ECOWAS Institutions including GIABA. The project was implemented by ECOWAS and Deloitte Kenya. The SAP (Named ECOLink) was aimed at strengthening transparency and accountability in ECOWAS Institutions and will serve as a key tool in integrating and harmonising management processes and information, also, the implementation of modules ECM, Business Intelligence and GRC (Governance Risk and Control) has commenced.
With this resource, all business processes in GIABA are being done in a real time with effective checks and balances in place. This has also enabled GIABA to prepare management and external reports in a timely and accurate manner for the consumption of partners and Member States.

Wave 1 of the project which included Finance, Controlling and Material Management (Procurement) was implemented in 2015. Implementation of Wave 2 (Human Capital Management, Travel and Event Management) started in 2016 and all ECOWAS institutions including GIABA went LIVE and started using the system on January 16th 2017. Training of Super Users and End User on ten different modules is on-going for effective utilization of the system.

Implementation of the other part of Wave II also commenced in September 2017. These include Enterprise Content Management, Business Intelligence and Governance, Risk and Control. Blueprints for these modules were developed and it is expected that all institutions will Go Live in March 2018.

Other activities

GIABA participated at the 77th ECOWAS Council of Ministers meeting held in Abuja from 14-15 December where 2016 Budgets were considered and approved.

GIABA participated actively, along with other ECOWAS institutions, in the Financial Management Reform process, including the ongoing implementation of SAP Enterprise Resource Planning platform (ECOLink) and International Public Sector Accounting Standards (IPSAS).

GIABA provided assistance to other ECOWAS Institutions using the SAP/ECOLink in finalizing their financial statements.

Procurement Reporting for 2017

Achievements

GIABA continued to improve the procurement system with transformation of the SAP (ECOLink) system after full deployment of the software at GIABA. In addition, the Procurement Unit established key relationships and support structures with other ECOWAS Institutions such as ECOWAS Gender Centre and ECREE which resulted in improved service levels for the Institutions and established a proactive planning for strategic business projects which resulted in increased efficiencies and commercial value.

The Unit continue to make steady increase in the number of contracts awarded from January to October 2017. The Total contract awarded for the year under review was US$686,747.85 (Six Hundred and Eighty Six Thousand, Seven Hundred and Forty Seven Dollars, Eight Five Cents). A steady and gradual upward trend over the past years has been observed due to contracts signed by the Secretariat during the years.

Much has also been achieved in the effective implementation of the SAP ECOLink application in GIABA. This was evident by a letter of commendation sent to GIABA Management in March 2016 by the then SAP ECOLink Sponsor at the ECOWAS Commission for effective utilization of the Material Management Modules.

A significant milestone was also achieved in the implementation of the Strengthening Anti-Money Laundering Capacities in West Africa (SAMWA) Project. Most of the project components were fully implemented and the targets were achieved with significant outcomes.

Procurement Statistics

The following are key procurement statistics for the period from January 1, 2017 to October 31, 2017.

a) Summary of Contracts approved by the Procurement Committee

As per ECOWAS Procurement Policy, the Procurement Committee is authorized to award contracts up to US$350,000.00. In 2017, the GIABA Procurement Committee initiated the award of three major contracts at an estimated value of US$221,780.00 (Two Hundred and Twenty One Thousand, Seven Hundred and Eighty US Dollars. The following is a summary of the 2017 GIABA approved contracts by the Procurement Committee:
b) Summary of Contracts awarded by the Public Contracting Officer

i) Procurement of Goods and Services
   - Procurement of Goods
   - Procurement of Office Furniture
   - Procurement of Office Equipment
   - Procurement of Office Stationery
   - Procurement of Computers and Accessories
   - Supply and installation of Telephone VOIP System for GIABA Secretariat
   - Supply and Installation of Computer Servers for GIABA Secretariat
   - Procurement of Publicity Materials
   - Procurement of Works
   - Maintenance of Office Equipment
   - Maintenance of GIABA Secretariat

ii) Recruitment of Consultants
   - Typologies on Money Laundering arising from Counterfeiting of Pharmaceutical Products GOODS;
   - Typologies on Money Laundering and Terrorism Financing arising from extractive industry / mining sector in West Africa;
   - Consultancy to conduct Mid-Term evaluation on the SAMWA Project (fully funded by EU);
   - Review of the AML/CFT Analytic Software (Oracle Mantas).

507. A total of 60 (Sixty) contracts were awarded and all contracts are awarded through a competitive bidding process and the competitive award ratio demonstrates that GIABA is successful in achieving on its core procurement objectives of conducting a competitive and open process.

508. A total amount of US$464,967.00 (Four Hundred and Sixty Four Thousand Nine Hundred and Sixty Seven US Dollars) was spent on the procurement of Goods and Services.

General Administration

Insurance Coverage

509. GIABA subscribed to all the insurance packages as provided for in the ECOWAS Staff Regulations.
   - Health Insurance
   - Occupational Insurance (Secretariat)
   - Life Insurance
   - Vehicles Insurance
   - Comprehensive Home Insurance (DG’s Residence)
   - Travel Insurance

Auction

510. Vehicles auction in process.

Inventory of materials

511. The inventory of the equipment of the GIABA offices has been done (GIABA Secretariat, LIC and AIC). Following the approval of the DG, the material purchase procedure is in process.

ECOLINK/SAP Material Management (MM)

512. With the implementation of the MM Module in the SAP system, the processing of purchase requisitions, service requests and payment tracking has been relatively faster.

513. Following the refreshment training, there has been an improvement in the processing of purchase orders.

Management of Conference Halls

514. As part of its cost containment and resource mobilization measures, Management decided in April 2016 to open the Conference Halls at the Secretariat and the Abidjan Information Centre for hire varying rates, depending on the requirements of each hall (Interpretation, video projector facilities, etc.).

Conclusion

515. The correct, efficient and effective application of the ECOWAS Tender Code, Procurement Manual and the ECOLink (SAP) has some challenges. Restructuring the SAP application to accommodate other more complex procurement methods could help to improve the response to new policy challenges. The new procurement policies which were adopted by GIABA in April 2015 have continued the transformation, savings and a shift in culture processes. 2017 continued to mark a significant shift
in GIABA’s procurement practices with the completion of the implementation of the MM Module in the SAP Electronic systems. Procurement activities are flowing through the SAP (ECOLink) systems enabling significant expenditure and standardized systems and controls.

**MONITORING AND EVALUATION**

**Introduction**

516. GIABA developed and finalized its five-year 2016-2020 Strategic Plan which was approved by the Ministerial Committee (GMC) at its 16th meeting held on 7th May 2016 in Praia, Republic of Cabo Verde. Thus, the 2016-2020 Strategic Plan has officially become the frame of reference for GIABA’s actions during the five years of its life span. The projects and programmes to be implemented will be in line with the objectives set in the Strategic Plan and contribute to the achievement of the targeted development-oriented results. However, it should be noted that the implementation of the 2016-2020 Strategic Plan commenced in 2017, subsequent to its approval in 2016.

517. The following portion provides an update on the planning of projects and activities during year 2017, their implementation as well as the achievements recorded. It also summarizes the development results achieved in Member States. Finally, it highlights some of the findings and recommendations geared towards improving the effectiveness of future actions.

**Annual Budgeted 2017 Work Plan (ABWP) and its implementation**

**a) Analysis of Activity and Project Planning in 2017**

518. The annual Work Plan maps out activities and projects classified in Strategic Programme Areas (SPAs), which constitute the strategies to be implemented in order to achieve the set objectives. The SPAs have been refocused following the management meeting held on 10th March 2017. In total, 8 SPAs have been adopted and each with a number of projects to be implemented for year 2017. Apart from SPA 8, which concentrates the administrative activities and management tasks of the Secretariat and activities related to the SAMWA project, which are taken into account in another framework, there are 74 AML/CFT projects provided for in the 2017 Work Plan. The table below shows the distribution of planned activities/projects by SPA.

<table>
<thead>
<tr>
<th>Strategic Programme Areas (SPAs)</th>
<th>Planned Activities</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ADVOCACY AND AML/CFT STAKEHOLDER MOBILIZATION</td>
<td>16</td>
<td>21.62%</td>
</tr>
<tr>
<td>2 POLICY DEVELOPMENT AND LAWS</td>
<td>2</td>
<td>2.70%</td>
</tr>
<tr>
<td>3 AML/CFT INSTITUTIONAL DEVELOPMENT</td>
<td>14</td>
<td>18.92%</td>
</tr>
<tr>
<td>4 REPORTING ENTITIES AND PRIVATE SECTOR DEVELOPMENT</td>
<td>5</td>
<td>6.76%</td>
</tr>
<tr>
<td>5 AML CFT COMPLIANCE AND MONITORING</td>
<td>7</td>
<td>9.46%</td>
</tr>
<tr>
<td>6 RISK ASSESSMENT, TYPOLOGIES AND OTHER RESEARCH STUDIES</td>
<td>10</td>
<td>13.51%</td>
</tr>
<tr>
<td>7 REGIONAL &amp; INTERNATIONAL COOPERATION AND PARTNERSHIPS</td>
<td>20</td>
<td>27.03%</td>
</tr>
<tr>
<td><strong>Total PTBA- AML/CFT</strong></td>
<td><strong>74</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Table 6 : Breakdown of AML/CFT Projects / Activities by SPA
The data in the table indicate that SPA 7 and SPA 1 are the largest project portfolios in terms of numbers, accounting for 27.03% and 21.62%, respectively. The emphasis on International and Regional Cooperation reflects GIABA’s desire to consolidate its influence in the Global AML/CFT network and to continue building strategic, technical and financial partnerships in order to enhance its effectiveness and render its technical assistance to Member States more dynamic.

With regard to advocacy missions, the essence is to ensure a more effective relay for the popularization of ML/TF issues among the populace by initiating mass awareness-raising campaigns, encouraging intellectual contribution to AML/CFT issues, providing tools for investigative journalists and generating academic research on one hand, and sensitizing the authorities and policy makers on the need for them to be fully committed to adopting the requisite legislative and regulatory measures to strengthen AML/CFT and providing support to domestic institutions in charge of AML/CFT, on the other.

The development of AML/CFT institutions (SPA 3), particularly the operational bodies in charge of investigation and prosecution, occupies the 3rd place in terms of number of planned projects (18.92%), followed by the project portfolio relating to risk assessment and AML/CFT research which accounts for 13.51% of projects under SPA 6.

The table below presents the status of implementation of activities and projects in 2017 according to the Strategic Programme Area. The table reveals an overall implementation rate of 71.62%. An analysis of execution by SPA shows a full implementation of activities/projects under the SPA on «AML/CFT Compliance and Monitoring» and «International and Regional Cooperation». They are followed by the SPAs on «Risk Assessment, Typologies and Research» and then «Advocacy and Stakeholder Mobilization“ which record implementation rates of 70.00% and 68.75% respectively.

<table>
<thead>
<tr>
<th>SPA</th>
<th>Planned Activities</th>
<th>Executed</th>
<th>In progress</th>
<th>Not Executed</th>
<th>Implementation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVOCACY AND AML/CFT STAKEHOLDER MOBILIZATION</td>
<td>16</td>
<td>11</td>
<td>0</td>
<td>5</td>
<td>68.75%</td>
</tr>
<tr>
<td>POLICY DEVELOPMENT AND LAWS</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>50.00%</td>
</tr>
<tr>
<td>AML/CFT INSTITUTIONAL DEVELOPMENT</td>
<td>14</td>
<td>6</td>
<td>0</td>
<td>8</td>
<td>42.86%</td>
</tr>
<tr>
<td>REPORTING ENTITIES AND PRIVATE SECTOR DEVELOPMENT</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>20.00%</td>
</tr>
<tr>
<td>AML/CFT COMPLIANCE AND MONITORING OF</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>RISK ASSESSMENT, TYPOLOGIES AND OTHER RESEARCH STUDIES</td>
<td>10</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>70.00%</td>
</tr>
<tr>
<td>REGIONAL &amp; INTERNATIONAL COOPERATION AND PARTNERSHIPS</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total PTBA- AML/CFT</td>
<td>74</td>
<td>53</td>
<td>3</td>
<td>18</td>
<td>71.62%</td>
</tr>
</tbody>
</table>

Table 7: Status of Implementation of AML/CFT Projects / Activities by SPA
These impressive levels of performance in terms of implementation mask the lowest score of 20% recorded in the SPA on «Reporting entities and private sector development». Under this SPA, unimplemented programmes were to be conducted in Mali, The Gambia and Ghana. They mainly targeted the NGO sector and compliance officers working in the financial sector. The second poorest performance (42.86%) is recorded by the SPA on «AML/CFT Institutional Development». The activities concerned were related to capacity building for officers from operational agencies in charge of investigation and criminal prosecution, with themes focussing on the designation of individuals and entities for sanctions lists, tracing and recovery of criminal assets as well as the risk-based approach in supervision.

c) Budget Implementation Analysis

The analysis on the use of financial resources in the execution of activities/projects reveals a generally high efficiency level in terms of budget implementation rates. Indeed, the budget implementation rate stood at over 80% for most Strategic Programme Areas. Nevertheless, poor performance was noted in the use of the funds relating to the SPA on “Policy and Law Development” with 35.39%. Overall, the budget implementation rate for approved activities/projects stood at 90%.
Outcomes and Impact on Stakeholders and Member States

525. The products and services delivered by GIABA through the activities and programmes it implements contribute to the achievement of the expected outputs, which have already been outlined. The latter, in turn, contribute to the achievement of the objectives set out in the 2016-2020 Strategic Plan currently being implemented. In retrospect, the Strategic Plan has four strategic orientations which contribute to the achievement of an impact. In each axis, a given number of specific outcomes are expected (see diagram below).

![Impact Diagram](image)

**o) Key Operational Outcomes**

**i) Outcomes of Stakeholder Capacity Building Sessions**

526. During year 2017, eighteen (18) programmes were conducted, 12 at regional level and 6 at national level. These programmes contributed to the capacity building of 1,067 stakeholders from various socio-professional sectors as shown in the table below.

<table>
<thead>
<tr>
<th>NOT</th>
<th>Socio-professional categories</th>
<th>2017 Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regulatory Authorities</td>
<td>66</td>
<td>6.2 %</td>
</tr>
<tr>
<td>2</td>
<td>Financial Intelligence Units</td>
<td>139</td>
<td>13.0 %</td>
</tr>
<tr>
<td>3</td>
<td>Banking Sector/Financial Institutions</td>
<td>45</td>
<td>4.2 %</td>
</tr>
<tr>
<td>4</td>
<td>Other institutions (DNFBPs)</td>
<td>5</td>
<td>0.5 %</td>
</tr>
<tr>
<td>5</td>
<td>Ministries (Finance, Justice, Security)</td>
<td>126</td>
<td>11.8 %</td>
</tr>
<tr>
<td>6</td>
<td>Criminal Prosecution Authorities</td>
<td>66</td>
<td>6.2 %</td>
</tr>
<tr>
<td>7</td>
<td>Law Enforcement Agencies</td>
<td>70</td>
<td>6.6 %</td>
</tr>
<tr>
<td>8</td>
<td>Others (Civil society, Media, NGOs, ECOWAS Offices)</td>
<td>550</td>
<td>51.5 %</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1067</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Table 8: Status of stakeholder capacity building by sector
ii) Conduct of Mutual Evaluation and Mutual Evaluation Reports (MERs)

527. GIABA has commenced the second round of mutual evaluation of its Member States’ AML/CFT regimes. In this regard, we hereby note:
- The discussion and adoption of the MER of Ghana;
- The conduct of mutual evaluation of the AML/CFT regimes of Senegal and Cabo Verde whose reports are being finalized.

528. GIABA’s studies and typology exercises serve as alarm bells calling on stakeholders to be more vigilant of the strategies and techniques used by criminal organizations. The dissemination of research findings and their absorption by stakeholders and the masses, help to prevent the use of the financial circuits and economic systems of our Member States for criminal purposes.

529. In this regard, we hereby note that:
- A Typology report on «Money Laundering and Terrorism Financing Emanating from Illicit Trafficking of Counterfeit Pharmaceuticals in West Africa” has been finalized and approved for publication;
- A Study on «Assessing the Effects of KYC-CDD Implementation on Financial Inclusion” has been finalized.

b) Induced Effects and Impacts

530. Furthermore, a number of research topics are underway and focus on:
- «Money Laundering in the Mining Sector in West Africa»;
- «Money Laundering Emanating from Smuggling of Goods in West Africa».

531. It would be recalled that GIABA has embarked on a Results-Based Management (RBM) approach. In this regard, the actions and processes developed by the institution must result in effects and other changes in the targets that happen to be the GIABA Member States and stakeholders operating therein. Actions continue to focus on the detection, handling and suppression of money laundering and terrorist financing cases including confiscation of funds and other criminal assets.

i) Detection and Suspicious Transaction Reporting

532. The detection of suspicious transactions and their reporting to the Financial Intelligence Units is an obligation incumbent upon the reporting entities. Table 6 below summarizes the STR situation for year 2017 under review.

<table>
<thead>
<tr>
<th>STRs SUBMITTBI BY REPORTING ENTITIES IN 2017</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Banks</td>
<td>3445</td>
<td>93.59%</td>
</tr>
<tr>
<td>2 Microfinance Institutions/Savings &amp; Credit</td>
<td>115</td>
<td>3.12%</td>
</tr>
<tr>
<td>3 Insurance Companies</td>
<td>28</td>
<td>0.76%</td>
</tr>
<tr>
<td>4 Money Transfer Services</td>
<td>24</td>
<td>0.65%</td>
</tr>
<tr>
<td>5 Foreign Exchange Bureaus</td>
<td>1</td>
<td>0.03%</td>
</tr>
<tr>
<td>6 Notaries and Real Estate Agents</td>
<td>5</td>
<td>0.14%</td>
</tr>
<tr>
<td>7 Chartered Accountants-Accountants</td>
<td>1</td>
<td>0.03%</td>
</tr>
<tr>
<td>8 Lawyers</td>
<td>4</td>
<td>0.11%</td>
</tr>
<tr>
<td>9 Casinos</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>10 Governments and State Departments</td>
<td>21</td>
<td>0.57%</td>
</tr>
<tr>
<td>11 Others</td>
<td>37</td>
<td>1.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3681</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 9 : Situation of Suspicious Transactions Reports (STRs) by Accountable Sector
The analysis of the table reveals that suspicious transaction reports are particularly designed for banks, which account for the overwhelming majority (93.59%) of STRs submitted to the FIUs. Other socio-professional sectors, although at risk, do not submit STRs commensurate with their degree of exposure. To help correct this situation, GIABA should further concentrate its interventions on capacity building, particularly on the detection of suspicious transactions, for sectors with low reporting rate as revealed by the table above. This approach will increase the number of STRs provided by the reporting entities in the sectors with low reporting rates.

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### ii) Investigation Reports Filed to Criminal Prosecution Authorities

The analysis of STRs and their processing by the FIUs lead to investigation reports submitted to the prosecution authorities for further action, where proceedings have not been concluded. As at end 2017, a total of 3,681 STRs were submitted to the FIUs by reporting entities. The FIU, in turn, submitted 365 investigation reports to the criminal prosecution authorities. The handling of these case files by the judiciary resulted in 13 convictions for money laundering. With regard to confiscations and recoveries, an amount of 16,864,693 CFAF was recovered and paid to the State Treasury in Mali and 4 cases involving unspecified amounts or values were reported in Ghana.

Given the low conviction rate, more efforts would need to be deployed in terms of capacity building for stakeholders in the law enforcement channels.

Similarly, specific assistance should be provided for the bodies responsible for the execution of court rulings, particularly the recovery of confiscated criminal assets.

### CONCLUSION AND RECOMMENDATIONS

Year 2017 represents the beginning of the implementation of the GIABA 2016-2020 Strategic Plan. The implementation of this first Budgeted Annual Work Plan (BAWP) ended with an implementation rate of 71.62%. The projects implemented have strengthened the capacities of nearly 1,067 stakeholders in the socio-professional categories who play an important role in the AML/CFT regime. The law enforcement channel issued 13 convictions for money laundering. Similarly, some funds and other assets were recovered, including CFAF 16.8 million in favour of the State Treasury in Mali.

These results, though encouraging, are still poor and suggest renewed efforts and a more targeted orientation of interventions towards the aspects that impede the effectiveness of the fight against money laundering and the financing of terrorism. To this end, the following recommendations are hereby proffered:

- Encourage Member States deemed to have weak AML/CFT regimes, by organizing more programmes that would give them the opportunity to enlist more national stakeholders and provide them with more training and sensitization activities;
- Encourage detection capacity building for the categories of reporting entities that submit fewer STRs in order to diversify the origin of STRs and boost their numbers;
- Develop the capacity of investigation agency stakeholders in order to improve the quality of investigation reports filed to the prosecution authorities;
- Improve the skills and expertise of magistrates (prosecutors, presiding magistrates, judges) in order to increase the number of cases of ML/TF-related court rulings;
- Initiate training programmes for authorities responsible for the execution of court rulings, including the recovery of confiscated criminal assets.

Finally, in a bid to design and implement a better monitoring and evaluation mechanism for the 2016-2020 Strategic Plan, the Planning Division should strive to complete the said multi-annual action plan, which should contain all projects and activities to be implemented during its life span. To date, this crucial component is missing in the plan. Also, just like the expected results, the targets to be met in 2020 should be set in advance and constitute the base line. To address these crucial issues, a technical planning workshop should be organized to that effect.
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