Inter-Governmental Action Group against Money Laundering in West Africa

2019 ANNUAL REPORT

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<td>ACCOBIN</td>
<td>Association of Chief Compliance Officers of Banks in Nigeria</td>
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<tr>
<td>ACSRT</td>
<td>Algiers based African Union Centre for Study and Research on Terrorism</td>
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<tr>
<td>ACWG</td>
<td>Anti-Corruption Working Group</td>
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<tr>
<td>AFC</td>
<td>Administration and Finance Committee</td>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AFI</td>
<td>Alliance for Financial Inclusion</td>
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<tr>
<td>AIC</td>
<td>Abidjan Information Centre</td>
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<td>AIR</td>
<td>African Institute for Remittance</td>
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<tr>
<td>AITE</td>
<td>Association for Transparency and Ethics</td>
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<td>ALSF</td>
<td>African Legal Support Facility</td>
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<td>AML/CFT</td>
<td>Anti-Money Laundering / Counter-Financing Terrorism</td>
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<td>ANCY</td>
<td>National Agency for Cyber-Security</td>
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<td>APG</td>
<td>Asia Pacific Group</td>
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<td>AQIM</td>
<td>Al-Qaeda in the Islamic Maghreb</td>
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<td>ARINWA</td>
<td>Assets Recovery Inter-Agency Network in West Africa</td>
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<tr>
<td>BCEAO</td>
<td>Central Bank of West African States</td>
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<tr>
<td>BO</td>
<td>Beneficial Ownership</td>
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<td>CBG</td>
<td>Central Bank of The Gambia</td>
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<td>CBL</td>
<td>Central Bank of Liberia</td>
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<td>CBM</td>
<td>Central Bank of Mauritania</td>
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<td>CB-STP</td>
<td>Central Bank of Sao-Tome and Principe</td>
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<td>CCGA</td>
<td>Consultative Committee on Administrative Freezing</td>
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<td>CDD</td>
<td>Customer Due Diligence</td>
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<td>Country Data Officers</td>
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<td>CFATF</td>
<td>Caribbean Financial Action Task Force</td>
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<td>CIMA</td>
<td>Inter-African Conference on Insurance Markets</td>
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<td>CIPELV</td>
<td>Inter-Ministerial Committee for the Prevention and Fight against Violent Extremism</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>CPI</td>
<td>Corruption Perception Index</td>
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<td>CREPMF</td>
<td>Regional Council for Public Savings and Financial Markets</td>
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<td>CRIET</td>
<td>Specialized Court for the Prosecution of Economic Crimes and Terrorism in Benin</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>CTED</td>
<td>Counter-Terrorism Executive Directorate</td>
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<td>CTR</td>
<td>Currency Transaction Report</td>
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<td>DFS</td>
<td>Digital Financial Services</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>DNFBP</td>
<td>Designated Non-Financial Businesses and Professions</td>
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<td>Evaluation and Compliance Group</td>
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<td>ECOFEL</td>
<td>Egmont Centre of FIU Excellence and Leadership</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>European Development Funds</td>
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<td>Economic and Financial Crimes Commission of Nigeria</td>
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<td>ECOWAS Gender Development Center</td>
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<td>EMI</td>
<td>Electronic Money Institution</td>
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<td>EPA</td>
<td>Economic Partnership Agreement</td>
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<td>ESAAMLG</td>
<td>Eastern and Southern Africa Anti-Money Laundering Group</td>
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<td>Financial Action Task Force</td>
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<td>FATF-Style Regional Body</td>
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<td>FUR</td>
<td>Follow-Up Report</td>
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<td>GABAC</td>
<td>Task Force against Money Laundering and Terrorist Financing in Central Africa</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIABA</td>
<td>Inter-Governmental Action Group against Money Laundering in West Africa</td>
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<td>GIZ</td>
<td>German Corporation for International Cooperation</td>
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<td>GIABA Ministerial Committee</td>
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<td>GMD</td>
<td>Gambian Dalasi</td>
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<td>Global Network Coordination Group</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>Center for Not-for-Profit Law</td>
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<td>ICRG</td>
<td>International Cooperation Review Group</td>
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<td>Immediate Outcome</td>
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<td>Islamic State in West Africa Province</td>
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<td>LDC</td>
<td>Least Developed Countries</td>
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<td>LEA</td>
<td>Law Enforcement Agency</td>
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<td>Lagos Information Centre</td>
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<td>Maritime Security Program</td>
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<td>Middle East and North Africa Financial Action Task Force</td>
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<td>Mutual Evaluation Report</td>
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<td>MFI</td>
<td>Micro-Finance Institutions</td>
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<td>MONEYVAL</td>
<td>Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NC</td>
<td>National Correspondent</td>
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<td>NDP</td>
<td>National Development Plan of Togo</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>NERGP</td>
<td>National Economic Recovery and Growth Plan of Nigeria</td>
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<td>NFIU</td>
<td>Nigeria Financial Intelligence Unit</td>
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<td>Non-Profit Organizations</td>
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<td>NRA</td>
<td>National Risks Assessment</td>
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<td>NSE</td>
<td>Nigerian Stock Exchange</td>
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<td>OCWAR-M</td>
<td>Organized Crimes West Africa Responses – Money laundering</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>ORDEFF</td>
<td>Office for the Suppression of Economic and Financial Crimes</td>
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<td>PDG</td>
<td>Policy Development Group</td>
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<td>PNDES</td>
<td>National Economic and Social Development Plan of Burkina Faso</td>
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<td>Regulatory Technology</td>
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<td>REN-LAC</td>
<td>Anti-Corruption National Network</td>
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<td>RTMG</td>
<td>Risks, Trend and Methods Group</td>
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<td>SAMWA</td>
<td>Strengthening Anti-Money Laundering in West Africa</td>
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<tr>
<td>SAP</td>
<td>Systems, Applications and Products for data processing</td>
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<tr>
<td>SEC</td>
<td>Security Exchange Committee</td>
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<td>SNDS</td>
<td>National Strategy for the Development of Statistics</td>
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<td>SRF</td>
<td>Financial Intelligence Service of The Comoros</td>
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<td>SSP</td>
<td>Strategic Surveillance Program</td>
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<td>STP</td>
<td>Sao-Tome and Principe</td>
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<td>STR</td>
<td>Suspicious Transaction Reports</td>
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<td>SYDEF</td>
<td>Cash Declaration System at Borders</td>
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<td>Technical Assistance</td>
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<td>GIABA Technical Commission</td>
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<td>Technical Compliance</td>
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<td>TFS</td>
<td>Targeted Financial Sanctions</td>
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<td>TRACFIN</td>
<td>Intelligence processing and action against clandestine financial circuits</td>
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<td>UEMOA</td>
<td>West African Economic and Monetary Union</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crimes</td>
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<td>UNSCR</td>
<td>United Nations Security Council Resolutions</td>
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<td>UNTOC</td>
<td>United Nations Convention against Transnational Organized Crime</td>
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<td>VA/VASP</td>
<td>Virtual Assets/Virtual Assets Service Providers</td>
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<td>WACSI</td>
<td>West Africa Civil Society Institute</td>
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<td>WAIFEM</td>
<td>West African Institute for Financial and Economic Management</td>
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VIII. GIABA would like to, first and foremost, express its sincere appreciation the heads of the Financial Intelligence Units of member States, who also serve as the GIABA National Correspondents for their countries, and whose exceptional collaboration led to the attainment of the results achieved on the ground. This is the place for the Institution to underscore the remarkable work they do on a daily basis, to collect information and other essential data for GIABA and its partners, thus enabling it to actively participate in international cooperation and information exchange at the global AML/CFT network level, under the coordination of the FATF.

IX. GIABA would also like to reiterate its gratitude to the ECOWAS governing authorities, particularly the Administration and Finance Committee (AFC) and Council of Ministers, for the constant and positive consideration of its operational budget, which demonstrates their commitment to AML/CFT issues.

X. Furthermore, GIABA would like to express its profound appreciation to its technical and financial partners for the support and fruitful collaboration and cooperation, which allowed us to deepen and widen the support it provides to member States in order to strengthen their AML/CFT regimes. At a time when the budget resources of its member States are becoming scarcer, GIABA would like to count even more on their financial contributions, which will enable it implement its work plans and eventually accomplish the objectives set out in the Strategic Plan.

XI. xi. Finally, GIABA’s special acknowledgement is reserved to the staff of the Secretariat, who work daily, beyond the call of official duty to plan, deliver, monitor and account for the results of the work GIABA does. Regardless of the numerous challenges confronting the institution, the staff always rise up to the occasion. The staff of the Directorate of Policy & Research, who coordinated the drafting and finalization of this report also deserve our appreciation. We thank all those who made it happen again in 2019. We are sincerely grateful to all of you.

GIABA Secretariat
Dakar, Senegal
I. The year 2019 was marked by the renewed commitment of the ECOWAS Heads of State and Government to the fight against terrorism and its financing. An Extraordinary Summit of the Authority was held on 14th September in Ouagadougou (Burkina-Faso), in a bid to find ways and means of stemming the disquieting spread of terrorism in the ECOWAS region. GIABA is quite pleased with this timely initiative, which culminated in the adoption of eight (08) priority areas that formed the backbone of a five-year Action Plan covering the period spanning 2020-2024, with one of the priority actions devoted to the fight against terrorism financing.

II. After a few years of disruption due to budgetary constraints, GIABA was able to resume the information sharing session with the ECOWAS Ambassadors accredited to Senegal and the representatives of technical and financial partners based in Dakar. This is in keeping with the decision of the ECOWAS Authority of Heads of State and Government, which instructed the community institutions to regularly update the Ambassadors of ECOWAS member States accredited to their host countries on their activities.

III. On one of GIABA’s core mandates relating to mutual evaluations, four (04) member States, namely Benin, Mali, Nigeria and Sierra Leone, were evaluated under second round of evaluations, which enabled the generation of invaluable information that could help determine the respective levels of compliance of the countries with the FATF AML/CFT standard and effectiveness of their AML/CFT regimes.

IV. Regarding typologies and other research studies, the report on money laundering and terrorism financing linked to the extractive and mining sectors in West Africa was finalized and published in October 2019. In addition, preliminary reports on the status of some other studies were carried out, including: (i) Assessing company beneficial ownership information and asset recovery frameworks in GIABA member States; (ii) Assessing GIABA member States’ capacity to counter the financing of terrorism in countries most affected by terrorism (Burkina Faso, Côte d’Ivoire, Mali, Niger and Nigeria); (iii) Typologies exercise on money laundering and terrorist financing arising from informal and illegal foreign exchange services in West Africa; (iv) Assessing the challenges of investigation, prosecution and adjudication of ML/TF cases in West Africa; (v) Assessing the deployment of Financial Technologies (Fin-Tech) and related
ML/TF risks in GIABA member States; (vi) Vulnerabilities of Non-Profit Organizations (NPOs) to ML/TF in GIABA member States; and (vii) Developing a Best Practice Guide for the Supervision of Designated Non-Financial Businesses and Professions (DNFBPs) for GIABA member States.

V. Furthermore, and with admittedly much delay, the implementation of the current Strategic Plan, scheduled to be completed in 2020, was subjected to an independent mid-term evaluation, in order to assess the results obtained so far in its implementation. The goal has been to provide all GIABA stakeholders with information on progress made and the adjustments required to achieve the greatest impact.

VI. Finally, Year 2019 also recorded the admission of two (02) new technical partners, GIZ and AFI, as observers in GIABA. This will further broaden the global alliance and allow for a more effective fight against economic and financial crimes, including ML/TF in our region.

VII. I hope you will find the report valuable. Thank you for your constant support.


CHAPTER I

GENERAL INTRODUCTION

1. The Decision to establish GIABA was taken by the ECOWAS Authority of Heads of State and Government at their meeting held on 10th December 1999, followed by the adoption of its Statutes on 16 December 2000, which enabled the institution to start operations in 2003. GIABA’s mandate is to support its member States to develop national legislation and strategies that are consistent with acceptable international AML/CFT standards; to strengthen institutional capacity, including support for the establishment of financial intelligence units responsible for providing financial intelligence to the other competent authorities; and to support and assist in the creation of effective partnerships to combat money laundering and terrorism financing.

2. GIABA is an intergovernmental institution with a dual mandate: it is both a specialized institution of ECOWAS and a FATF-Style Regional Body (FSRB). It is a group of 17 member States with a permanent secretariat saddled with the responsibility of managing and coordinating the implementation of AML/CFT actions and decisions; provide technical assistance and monitor compliance; conduct researches and other assessments to understand the risks, trends and methods of ML/TF so that member states can take appropriate counter-measures. It is an Associate Member of the FATF and the global AML/CFT network coordinated by the FATF.

3. GIABA recognizes that AML/CFT measures are always implemented in an environment of competing priorities, with limited resources available to authorities. Therefore, the mobilization of resources combined with the efficient use of these resources is essential. In this regard, the 2016-2020 Strategic Plan aims to contribute to the AML/CFT efforts of the Member States throughout the region, and to deepen the involvement of Non-State actors and other critical sectors whose roles are important for the effective implementation of AML/CFT measures. These actors include professional bodies, organized private sector, civil society organizations and the media. To this end, GIABA Secretariat ensures that its intervention programs reflect the emerging AML/CFT risks, strengthen its own capacity and revitalize its internal program and project management processes and procedures, while improving the competence and professionalism of its staff.

4. In order to strengthen its leadership in the implementation of robust AML/CFT systems in its member States, GIABA needs to consolidate its work and focus on best ways to achieve results that truly have a positive and tangible impact on its operational environment. This includes reflecting about how to shape and instill a positive and supportive work culture that is informed by progressive values and practices. Such orientation entails ensuring that GIABA’s interventions are based on solid evidence, reliable data and information.

5. Admittedly, efforts are made and relentlessly renewed by AML/CFT stakeholders and national political authorities, but a number of challenges remain and require to be overcome in order to make the AML/CFT mechanisms more effective. GIABA reiterates its commitment to support its member States in overcoming these challenges, which are essentially: (i) inadequate technical staff at the Secretariat to constantly ensure seamless execution of programs, particularly the coordination and preparation of Mutual Evaluation Reports (MER); (ii) a limited...
understanding of the new FATF Methodology by the Expert Assessors selected and trained by GIABA to conduct Mutual Evaluation exercises; (iii) the availability, in insufficient numbers, of translators with the necessary technical know-how and command of AML/CFT terminology; (iv) the lack of financial autonomy and operational independence of certain Financial Intelligence Units (FIUs); (v) the insufficiency/lack of technical capacity of the competent authorities to identify suspicious transactions related to the financing of terrorism; and (vi) the insufficient cooperation both at regional and international level, in particular in terms of information sharing (difficulty to obtain feedback from some FIUs in the advanced countries, and in some Gulf countries, on the funding of certain NPOs).

6. In collaboration with its technical and financial partners, GIABA focuses its interventions on activities that can address the aforementioned shortcomings. Also, the imminent start of the European Union’s OCWAR-M project under the 11th EDF will hopefully contribute more in providing appropriate solutions.

7. During the past financial year, GIABA’s action consisted in pursuing activities outlined in its 2016-2020 Strategic Plan: (i) continued provision of technical assistance to the member States with a view to consolidating their AML/CFT regimes; (ii) strengthening regional and international cooperation; (iv) furthering various typologies and other research studies; (v) the continuation of mutual evaluation activities of the member States; (vi) conducting of National Risk Assessments (NRA) of member States, as part of continuing the second cycle of mutual evaluations, with site visits to two member States; (vii) capacity building of regional and Secretariat staff and assessors, through their participation in a training workshop held in March 2019.

8. The GIABA Secretariat hopes it has provided, through this report, comprehensive information to the various AML/CFT stakeholders, so as to enable them make their own assessment and understand the constraints that have impacted GIABA’s overall performance, as well as the deficiencies of Member States’ AML/CFT regimes in implementing FATF standards.
CHAPTER II

OVERVIEW OF AML/CFT SITUATION IN GIABA MEMBER STATES

9. The year 2019 presented many opportunities as well as challenges to the effective implementation of anti-money laundering (AML) and counter financing of terrorism (CFT) policies and measures in GIABA member States. The dire economic context of the previous years continued to ease slowly, as some of the national economies in the region indicated improved performance. Real GDP growth rose to a projected 3.6% from 3.3% in the previous year. The regions’ powerhouse, oil-exporting Nigeria, continued on the steady path of recovery since late 2017. The non-oil-exporting countries of Côte d’Ivoire and Senegal accelerated their growth rate throughout the year with GDP growth estimated at 7.4% and 7.2%, respectively. Coupled with political stability, it is hoped that this positive economic outlook would support the strengthening of governance in reforms, including stronger commitment to national AML/CFT implementation.

10. As reported in the previous year, the region is witnessing increasing political stability, permitting more predictability in the policy-making environment, which is sine qua non to sustained AML/CFT implementation. Apart from Mali where parliamentary elections were postponed for security reasons, elections held in Nigeria, Senegal, Benin and Guinea Bissau under peaceful conditions.

11. However, the year underscored the urgency of accelerating efforts to counter terrorist financing in West Africa, which witnessed resurgent terrorist attacks across the region, particularly against military targets. It appeared that the gains made against the bastions of terrorism in the previous years were being reversed. Since the later part of 2018, terrorist groups such as Boko Haram, the Islamic State in West Africa Province (ISWAP), Al Qaeda in the Islamic Maghreb (AQIM) and affiliated groups mounted several deadly attacks on military bases in Burkina Faso, Mali, Niger and Nigeria, killing scores of government soldiers. While ongoing national and regional military efforts are vital to the success of counter terrorism (CT) in the region, the deadly resurgence and expansion of terrorist attacks calls for a deeper knowledge and understanding of how these groups raise, move and utilize funds and other assets, which enabled them to sustain and even increase their terrorists operations in the region. Understanding the financing mechanisms of these terrorist groups is indispensable if the authorities in the region are to successfully disrupt their operations.

12. On a regional scale, several factors militated against the effective combating of money laundering (ML) and terrorist financing (TF) in West Africa in 2019. Prominent among these factors are the traditional context of informal and cash transactions, which hamper financial investigations and tracing of criminal assets; porosity of borders; absence of publicly available and verifiable company beneficial ownership information; non-availability of national criminal database; inadequate AML/CFT legal frameworks;
weak national identification procedures; and limited capacity of the criminal justice system to pursue financial crime investigation, prosecution, secure conviction and order asset forfeiture.

13. The regional context is very important. However, while countering the combined problems of ML/TF in a regional economic community (ECOWAS) requires a regional approach, while the specificity of national contexts and national policies for tackling these problems will continue to be extremely crucial. The remaining part of this chapter, therefore, is focused on the national political, social and economic contexts in each GIABA Member State in relation to the national level implementation of AML/CFT measures, considering the peculiar challenges that confront each country.

**BENIN**

**Political situation**

14. Benin is a fortress of pluralist democracy in West Africa, and has remained stable since the early 1990s. The year 2019, however, was marked by a tense socio-political crisis generated by the legislative elections of 28 April, following the implementation of the new political parties’ charter and the electoral code. While this situation did not call into question the country’s democratic foundations, let alone its republican edifice, it nonetheless made it possible to successfully test the role of dialogue in building a democracy based on respect for minorities.

15. Thanks to the political dialogue convened on 10 August, President Patrice TALON, succeeded in easing the socio-political situation by creating the conditions for revising the Constitution in November 2019. The relative peace, security and social stability, permitted GIABA to undertake the on-site visit for the second mutual evaluation of the country between February and March 2019.

**Economic and financial situation**

16. Benin’s growth has accelerated significantly since 2017. The GDP growth rose from 5.7% to 6.7% in 2018, a figure that served as the basis for growth in the coming years. However, the trade dispute with Nigeria, which led to the closure of the border on 20 August 2019, is likely to weigh on GDP growth projection. A figure of 6.4% is expected in 2019, down 0.3 points from the initial target.

17. Benin has a low human development index (0.52). The country occupied 163rd position out of 189 countries in 2018 and 2019. The business climate can still be improved, even though Benin improved four steps upwards in the Doing Business 2020 survey (149th/190 from 153rd the previous).

18. The economic prospects, although mixed, provide an opportunity for the country to address the deficiencies identified in its AML/CFT system as contained in its mutual evaluation report. Safeguarding the economic gains and preserving the integrity of the financial system are fundamentally linked to peace, security and development in the country.

**Prevalence of Predicate Crimes**

19. Benin’s National Risk Assessment (NRA) published in 2018 identified corruption, breach of trust, tax fraud, cybercrime, smuggling of goods (cigarettes, wildlife and forest products), trafficking in persons (including organ theft), and drug trafficking as the main ML/TF predicate offences in the country. Benin is still on the Tier 2 of the US State Department Trafficking in Persons
Watch List, but has made significant efforts to reduce trafficking in persons in 2019.

**AML/CFT Situation**

20. Benin continued to make progress in strengthening its AML/CFT regime. Apart from strengthening its AML/CFT legislative frameworks, the country is a member of the Egmont Group, and now has a specialized court with a broad mandate covering drug, terrorism and financial crimes. Some of the notable progress include the exiting of the GIABA follow-up process and commencement of the second round of mutual evaluations in February/March 2019. Outcomes of the evaluation and the details of the country’s performance, including the progress made and the outstanding deficiencies, are contained in Chapter 3. The report of the evaluation of Benin could not be adopted in November 2019 and will be resubmitted to the GIABA May 2020 Plenary for consideration and adoption.

**Technical assistance**

21. In its report to GIABA in the last quarter of 2018, Benin expressed its needs for technical assistance in the following areas: (i) setting up of a secure information system; (ii) strengthening its analytical capacity; (iii) training of investigative and prosecuting authorities, particularly the judges of CRIET (the new specialized court for the prosecution of economic crimes and terrorism); (iv) building the capacity of CENTIF on financial investigations.

**Conclusion**

22. Overall, the country’s risk profile with regard to money laundering and terrorist financing remained the same as in the previous year. Even if the establishment of a new specialized court for the suppression of economic crimes and terrorism (CRIET) justifiably gives reason to hope for an increase in the rate of prosecution and convictions for money laundering and terrorist financing, Benin should prioritize the implementation of the Action Plan that will developed from the second Mutual Evaluation Report (MER) in order to enhance its AML/CFT system.

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**BURKINA FASO**

**Political situation**

23. Like a few other countries in the region, Burkina Faso is experiencing an increasingly difficult security situation. The country has seen the intensification of deadly terrorist attacks, especially in the north of the country, near the border with Mali and Niger. Strengthening security is, therefore, a major priority for the Government. Recent attacks now target military facilities and government troops, particularly in the Sahel provinces. To date, more than 700 suspected terrorists are being held awaiting trial.

24. Given the precarious security environment, the Burkinabe authorities would need to double efforts to address key issues linked to growing terrorism, such as human trafficking, migrant smuggling, money laundering, and terrorist financing. These measures are priorities for curtailing violent extremism and ensuring the security of populations in the border areas with Niger and Mali, particularly and in view of the presidential elections scheduled for 2020.

**Economic and financial situation**

25. In Burkina Faso, the difficult security situation hinders effective tax revenue mobilization. Despite this difficult context, growth is expected to be sustained, thanks to the efforts of the government, as well as the vitality of the agricultural and mining sectors.

26. Since 2016, the government of Burkina Faso has been pursuing a policy of massive investment under the National Economic and Social Development Plan (PNDES 2016-2020), which is aimed at reducing the poverty rate to 35% by 2020. Nevertheless, economic recovery is slow to take hold and the situation remains fragile. The government needs to fast-track the implementation of the PNDES and other measures to address the expectations of the population affected by poverty, unemployment and corruption.

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2 Regional Economic Outlook 2019 : Sub-Saharan Africa, IMF (Page 13)
27. The economic outlook remains favourable in the medium term, with GDP growth expected to stabilize at around 6% over the period 2019-2021, supported by services and the mining sector, as well as exports. Inflation is expected to remain below the 3 per cent target set by the West African Economic and Monetary Union (UEMOA). However, this outlook is subject to significant internal and external risks, such as the terrorist threat and fluctuations in gold and cotton prices, as well as rising international oil prices. In this context, fighting against money laundering and the financing of terrorism and crafting adequate mechanisms for the repatriation of its stolen, would considerably strengthen the country’s resilience.

Prevalence of Predicate Crimes

28. Burkina Faso conducted its national BC/FT risk assessment in April 2018. This exercise noted that even though the country has a coherent and comprehensive legislative framework to combat ML/TF, the threats are still very serious due to the high prevalence of certain predicate crimes such as embezzlement of public funds, illicit drug trafficking, wildlife offences, tax and customs fraud, illicit currency trafficking, illicit enrichment and gold trafficking. According to the NRA report, the proceeds of these offences are generally laundered through cross-border money movements, real estate transactions, banking transactions, microfinance institutions and the DNFBP sector.

29. In terms of corruption, Burkina Faso, like all the countries of the West African Economic and Monetary Union (UEMOA), is in the red zone. In 2019, the country lost one point compared to the 2018 CPI with a score of 40%, according to the Transparency International.

AML/CFT Situation

30. Burkina Faso’s AML/CFT system was evaluated in 2018 under the 2nd round. In May 2019, the evaluation report was adopted by the GIABA Plenary. Following the adoption of its mutual evaluation report, the country is placed on the Enhanced Follow-Up process and it is to submit its First Follow-Up Report to Plenary in 2020. It is hoped that the country will put in place a national AML/CFT strategy based on the lessons learned from its mutual evaluation.

Technical assistance

31. In view of the significant challenges that remain to be addressed to enhance the effectiveness of its AML/CFT system, Burkina Faso indicated in its last country report to GIABA a number of needs for technical assistance. They include the following: (i) specialized training and equipment for the judiciary and law enforcement agencies; (ii) capacity building on good practices in the investigation and prosecution of ML/TF cases; (iii) strengthening the security of property, data and persons; (iv) training on the development of guidelines for DNFBPs on AML/CFT.

Conclusion

32. In Burkina Faso, the security situation continues to deteriorate. Since 2015, the country has experienced very frequent deadly attacks, in the northern and eastern regions but also in the capital Ouagadougou. In addition to security emergencies, there are growing demands for economic survival, requiring a coherent and harmonious political response. In this context, AML/CFT should be strengthened to ensure drastic improvement in security and development.

CABO VERDE

Political Situation

33. As reported in previous years, Cabo Verde retains its reputation as a beacon of good governance, liberal democracy, political stability, economic growth, and human development in West Africa. On the perception of corruption, Cape Verde continued on the improvement of its score from 55% as in 2017, to 57% 2018, and 58% in 2019. Consequently, the country’s position improved from 48th, 45th and 41st, for the respective years in reference.
34. The strong performance on overall governance is encouraging, which provides 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).

Economic and Financial Situation

35. Cabo Verde’s post-recession economy has continued on the path of gradual recovery from 4.0% in 2017 to 4.5% in 2018 and 5.6% 2019, achieving more than the projected 4.1%. This performance is largely driven by sustained recovery in the tourism sector, remittance inflows, manufacturing and increased public investment in infrastructure. Inflation has steadily picked up to 1.1% in 2018 and 1.2% in 2019, indicating a rise in domestic demand. Cabo Verde would need to implement sustained reforms to accelerate the growth of the economy.

Prevalence of Predicate Crimes

36. Cabo Verde reported the following prevalent predicate crimes for ML: drug trafficking, corruption, and tax fraud. Previous reports have consistently showed that it is an important transit country for illicit drugs from South America headed for Europe. Cabo Verde has also been grouped among countries in the Tier 2 category of the US State Department Trafficking in Persons Report (2019). The common channels for laundering the proceeds of these crimes, as reported by the country, include cross-border cash movements, real estate transactions, banks and misuse of DNFBPs.

AML/CFT Situation

37. Since its Second Round of Mutual Evaluation conducted in late 2017, Cabo Verde has made significant progress in strengthening its AML/CFT system. Areas of notable progress include strengthening national coordination, enhanced supervision of financial institutions and DNFBPs, and prosecution. Cabo Verde needs to sustain efforts to address all the deficiencies in its AML/CFT regime as identified in the report of the mutual evaluation. The details of the country’s performance are elaborated in Chapter 3.

Technical Assistance

38. To comprehensively address the deficiencies identified in its AML/CFT system, the country needs the continued support of GIABA and development partners. In its Country Report, Cabo Verde identified training for the FIU as its main technical assistance need.

Conclusion

39. The impressive governance environment in Cabo Verde is encouraging and favourable to robust implementation of AML/CFT measures in the country. However, the country continues to face an arduous challenge of revamping the economy and accelerating growth, as an enabling condition for effective AML/CFT implementation. GIABA will strive to harness the favourable governance and political context to support the country’s AML/CFT implementation efforts. In doing this, GIABA will seek to galvanise the support of its development partners to encourage the country to fortify its AML/CFT system.

THE UNION OF THE COMOROS

Political situation

40. Since independence, the Union of the Comoros has experienced some 20 coups and attempted coups and several political crises. In July 2018, a new Constitution was adopted through a referendum, which modified, inter alia, the five-year period of rotating presidencies among the three islands. This constitutional review allowed Grande Comore, which held the presidency (Azali Assoumani’s five-year term began in 2016), to represent a candidate in early presidential elections in 2019 and 2024. Consequently, presidential and local elections were held successfully in 2019 without any major crises.

41. Despite the many political upheavals and uncertainties that have long weakened its economic structure, the Union of the Comoros nevertheless recorded the strongest performance on the African continent in terms of human development. According to the
latest UNDP HDI ranking, Comoros moved from 165th place in the world to 156th (23rd in Africa). This performance provides reassuring prospects for the country’s reconstruction even if major efforts will have to be made to effectively combat corruption. Comoros lost 9 points in one year and is in 153rd place (the same as in 2016) with a score of 25%. In 2018, Transparency International ranked Comoros 144th, with a score of 27%. It should also be noted that the country ranked 136th in 2015.

Economic and financial situation

42. The Union of the Comoros suffers from structural fragility and the economic situation remains precarious. The Union of the Comoros is in the category of the least developed countries (LDCs), with 42.4% of the population living below the poverty line (World Bank, 2014). Per capita income remains low at USD 1,445 in 2019.

43. The archipelago’s economy is very poorly diversified and is based on a few sectors of activity, with insularity and a lack of infrastructure severely limiting its ability to diversify. The impact of cyclone KENNETH was severe on the economic situation, including damaged roads, and electricity networks, as well as major damage to cash and food crops.

Prevalence of predicate crimes

44. In its country report submitted to GIABA, Comoros indicated, as in the previous year, a prevalence of corruption, drug trafficking, counterfeiting, piracy, theft, human trafficking and sexual exploitation in the country in 2019. The U.S. Department of State’s 2019 Trafficking in Persons Report identified Comoros as one of the Tier 3 countries that have not made significant progress in combating trafficking in persons.

45. The methods and techniques most frequently used to launder the proceeds of crime identified by the country range from the cross-border movement of cash to insurance companies, banking transactions and microfinance.

AML/CFT Situation

46. The Union of the Comoros continues to improve its policy and operational framework for combating money laundering and terrorist financing. In 2019, the country’s Central Bank issued a communiqué to financial institutions and the international community on the ban on offshore banking operations.

47. However, when considering its 4th follow-up report in November 2019, the GIABA Plenary noted a number of remaining gaps in the country’s AML/CFT regime, including the non-criminalization of trafficking in persons, smuggling of migrants, piracy, insider trading and market manipulation, the financing of an individual terrorist or terrorist organization for any purpose, and the attempt to commit a terrorist financing offence.

48. Taking these gaps into account, the Plenary kept the country under the enhanced follow-up regime, urging it to work with the Secretariat to adopt an action plan with a specific time-frame to address the gaps identified in its operative provisions. The country will present its 5th follow-up report to the Plenary in May 2020.

Technical assistance

49. The Union of The Comoros indicated in its country report submitted to the Secretariat, a weak political will to prioritize AML/CFT issues, a lack of adequate technological infrastructure to effectively combat these scourges, insufficient human, material and financial resources, and poor cooperation from the judicial authorities.

50. In terms of technical assistance needs, the country points to the urgent need to build the capacity of the FIU in strategic and operational analysis and the use of specialized tools. It also requests technical support for the development of legal texts and procedures for the freezing, seizure and confiscation of assets. The training of judges, prosecutors and judicial police officers on financial investigation and asset recovery is also cited by the country as part of its key needs.
Conclusion

51. Economic recovery and reconstruction of the country remain at the centre of priorities. The country continues to intensify its efforts to ensure that its people have good access to education and basic social services. With regard to AML/CFT, the allocation of premises for the Financial Intelligence Service (SRF) is a major achievement for 2019. Proof of the existence of political will, this effort should be accompanied by a stronger commitment from the highest authorities to strengthen the operations of the FIU.

COTE D’IVOIRE

Political situation

52. Ahead of the presidential elections scheduled for October 2020, the political environment in Côte d’Ivoire has been particularly turbulent during 2019. Between the opposition questioning of the legitimacy of the Independent Electoral Commission, the international arrest warrant against the former President of the National Assembly, Guillaume Soro, and the highly controversial constitutional reform, the political landscape was laced with tension throughout the year.

53. In spite of the heightened political tension, the Government of Côte d’Ivoire showed determination to maintain a social climate of peace and stability. In addition, the threat of terrorist attack appear abated as there has been no incident since the Grand Bassam beach resort fatal attack of 2016.

Economic and financial situation

54. Despite the sluggish global economic performance, the Ivorian economy has shown resilience. Good economic performance was recorded in 2019, with inflation remaining low, well below the UEMOA norm of 3%. For the 7th consecutive year, GDP growth exceeded 7%, rising to 6.9% in 2019 but below the projected figure of 7.5%.

55. Côte d’Ivoire’s financial resilience depends on its ability to rebuild fiscal space, notably by improving fiscal mobilization. Although slowly improving, the tax ratio remains below the UEMOA target of 20% of GDP (15.6% in 2018 and projected at 16% in 2019). The orderly conduct of elections in the autumn of 2020 could strengthen the favourable political and business climate and help to sustain the current economic growth.

Prevalence of Predicate Crimes

56. Côte d’Ivoire conducted its national risk assessment in 2019. The exercise gave it a comprehensive understanding of ML/TF risks and the country’s capacity to manage them effectively. As a result, it identified the underlying criminal activities that are most prevalent in the country. These include drug trafficking, corruption, fraud, tax evasion, smuggling of goods, human trafficking, theft, counterfeiting and piracy, among others.

57. Proceeds from these various offences are generally laundered through banks, real estate, insurance, micro-finance, casinos and other gambling, banks, DNFBPs and also through the stock market. Weak capacity of competent authorities and inadequate supervision of reporting entities are cited by the country in its latest country report submitted to the GIABA Secretariat, as factors hampering AML/CFT efforts.

AML/CFT Situation

58. The GIABA Plenary approved the exit of Côte d’Ivoire from the first round monitoring process, in order to enable the country to prepare adequately for its second round of mutual evaluation. In preparation for this exercise, scheduled for February 2021, the country made significant progress in 2019 in addressing the gaps identified in its AML/CFT framework.

59. Among the country’s weaknesses are the non-criminalization of insider trading and market manipulation, non-criminalization of the financing of a terrorist organization for any purpose, inadequate supervision of reporting entities, the failure to apply effective, proportionate and dissuasive sanctions for non-compliance with AML/CFT requirements.

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4 Rapport mondial, Human Rights Watch (2020)

and the non-implementation of UN Security Council Resolutions 1267 and 1373.

Technical assistance

60. Côte d’Ivoire expressed a number of needs in its last country report to GIABA, including: the training of a newly recruited financial analyst and a strategic analyst at the FIU, in order to make them more operational and enable the efficient processing of suspicious transaction reports; the establishment of a common database with the banking sector with a view to making the exchange of information between FIU and the banking sector more secure and: (iii) training of new FIU members (Secretary-General, Divisional Police Commissioner and Senior Police Commissioner) on AML/CFT.

Conclusion

61. All in all, despite its vulnerability to external shocks and political uncertainties in the run-up to the 2020 presidential elections, Côte d’Ivoire’s economic growth momentum was maintained at 7.5% at the end of 2019. This positive performance will need to be accompanied by a strengthened political commitment to more vigorous AML/CFT implementation, taking into account the deficiencies identified in its system, in order to ensure the country good performance in the second mutual evaluation.

The GAMBIA

Political Situation

62. The Gambia has continued on the path of democratic stability since the departure of its former President, Yahya Jammeh, in early 2017. The Truth and Reconciliation Commission was launched by the government in the year, with the goal of engendering national healing from the alleged atrocities of the Jammeh era as a major priority. Another Commission of Inquiry into the financial dealings of former president Yahya Jammeh and his close associates, set up in 2018, submitted its report in 2019. The report, which showed the former president and his associates stole nearly $1 billion from the country, has served as a basis for a cabinet white paper. The government appears set to implement the recommendations of the white paper. The success of the commissions in addressing the accumulated grievances of the past and in fostering genuine national reconciliation will go a long way to stabilize the policy environment for a future built on good governance.

63. In spite of the early progress made on national reconciliation, there are still daunting governance challenges inherited from the past decades that need to be confronted. Most crucially, the past tradition of low-level public accountability and transparency of government business would require considerable political will to dismantle. Fortunately, the country’s score of perceived corruption has improved steadily from 26% in 2016 to 30% in 2017, and hovered on 37% in 2018 and 2019. Consequently the country improved from the 96th position to the 93rd in 2018, on the Transparency International’s index.

Economic and Financial Situation

64. The economy of The Gambia’s maintained its recovery trajectory since 2017 through 2019. GDP growth rebounded from 2.2% in 2016 to 5.1% in 2017, stabilizing at projected 5.4% in 2018 and 2019. In addition, the inflationary rate continued to contract form 8.0% in 2017 to 6.2% in 2018.7 As reported in the previous year, accelerating growth and ensuring that the growth is inclusive in order to considerably enhance the living conditions of the citizenry is still a challenge facing The Gambia. The country has consistently ranked low in the UNDP Human Development Index, occupying the 174th position out of 189 countries in the world.8 Given the context above, combating financial crimes such corruption, tax evasion and money laundering would be a major priority for plugging financial leakages and shoring up domestic revenue to address the myriads of human development challenges.

Prevalence of Predicate Crimes

65. In the Country Report submitted to GIABA for 2018, drug trafficking and corruption were the most prevalent ML predicate offences.

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6 Inquiry Into Gambia’s ex-President submits findings report: https://apnews.com/9aa5bc8e0d944c03a740108874f9a4edd
identified. The Gambia is also a source and destination for women and children subjected to forced labor and sex trafficking. While contributing significantly to the economy, the tourism industry also attracts migrants, sometimes associated with human trafficking. In 2019, the country was downgraded from the Tier 2 to the Tier 3 Watch List of the US State Department Trafficking in Persons’.

AML/CFT Situation

As detailed in Chapter 3, the Gambia made commendable progress in strengthening its AML/CFT regime in 2019. The adopted its National ML/TF Risk Assessment (NRA) report in the year. Other areas of progress recorded by the country include supervision of financial institutions, national coordination and collaboration, international cooperation, ML prosecution, capacity building for the FIU effectiveness and training for stakeholder institutions. The Gambia exited the follow-up process of the 1st Round of GIABA Mutual Evaluations to enable the country focus on the preparation for the 2nd Round.

However, in spite of the progress made, there are still outstanding deficiencies in the country’s AML/CFT regime. Some of the gaps include the low capacity of law enforcement agencies for ML/TF investigation and prosecution, weak/lacking of supervision of DNFBPs, and non-passage of some critical outstanding draft Bills into law.

Technical Assistance

The Gambia expressed its technical assistance needs as contained in its Country Report as: training for the FIU; training for law enforcement agencies; training for DNFBPs; training for civil society organization and the media; and training for regulatory and supervisory agencies.

Conclusion

In spite of the progress made by The Gambia in strengthening its AML/CFT regime in 2019, the remaining deficiencies need to be addressed in order to bring the country’s AML/CFT regime into full compliance with international standards. The improved political, economic and governance indicators provide a favourable context for robust AML/CFT implementation.

GHANA

Political Situation

The political environment in Ghana remained stable through 2019, retaining the reputation of good democratic governance, by regional standards. Political mobilization for 2020’s general election has been seamless and devoid of turmoil or crisis associated with the pre-election year in similar contexts. The country’s score on the Transparency International’s CPI worsened slightly from the score of the previous year, moving slightly to 41% from 40% in 2017. The country dropped 2 points from the 78th position globally to its 2017 80th position.

Economic and Financial Situation

The recovery of Ghana’s economy since 2017 has been sustained into 2019, boosted the oil sector. The GDP growth accelerated from 3.3% in 2016 to 6.2% in 2018 and is projected to accelerate to 7.3% in 2019. The 2016 hyperinflation of 19.2%, which has largely fueled by a weakening currency, has contracted gradually to a single digit of 9.8%. However, the economy is projected to recover at a slower pace of 5.4% due to volatility in the performance of the increased petroleum sector. Furthermore, Ghana is one of two countries in the region with medium human development index. This performance is indicative of good economic governance, which would further be reinforced by robust AML/CFT implementation.

Prevalence of Predicate Crimes

Ghana reported nearly all the main money laundering predicate crimes as prevalent - drug trafficking, corruption, counterfeiting, tax fraud/evasion, smuggling of goods, human trafficking and theft. The proceeds of these crimes are laundered in various forms in Ghana. The methods mostly used are real estate transactions, cross-border
cash movement, banks, DNFBPs, and microfinance. In addition, Ghana is still on the Tier 2 Watch List of the US State Department Trafficking in Persons, but has made significant efforts to eliminate trafficking in persons in 2019.

AML/CFT Situation

73. Ghana was evaluated in 2017, the first under the GIABA 2nd round of mutual evaluations. Being the first member State to be evaluated in the 2nd round, Ghana has demonstrated leadership and the relative strength of its AML/CFT regime, as well as the political commitment of the country to AML/CFT implementation. Among the notable gaps in the countries system, is the challenge in the effective supervision of the NPO and DNFBP sectors.

74. Following the evaluation, Ghana was placed under the enhanced follow-up process to enable the country address the deficiencies identified in its AML/CFT regime. 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

75. Specific technical assistance needs expressed by the country include training and research/typologies capacity building for the FIU; and training for supervisory and regulatory agencies, law enforcement agencies, the judiciary, financial institutions and DNFBPs. GIABA and its partners will continue support the country in order to further strengthen its AML/CFT regime.

Conclusion

76. Ghana’s political stability remains a huge asset to the country, and has significantly contributed to the continuous improvement of its AML/CFT system, reinforced by improvement in performance on overall governance. Also, the projected economic recovery is expected to provide the country with more resources to implement AML/CFT measures in order to comprehensively resolve the deficiencies identified in its regime in the 2nd mutual evaluation report.

GUINEA

Political situation

77. Political tensions intensified during the year with regard to the stakes in the elections scheduled for 2020, giving rise to several civil demonstrations against the envisaged constitutional reform. Guinea’s political authorities have been able to prevent the situation from spiraling out of control in a context where growing terrorism benefits from political disorder to recruit and radicalize new fighters.

78. In terms of good governance, Guinea’s performance continues to fall short of expectations in the fight against corruption. In the latest (2019) ranking by Transparency International, the country gained just one point, scoring 29%, making it 130th/180th in the world.

Economic and financial situation

79. As in 2019, growth is projected to remain strong in 2020, supported by public and private investment. The public sector will be driven mainly by investment in transport and energy infrastructure and agricultural development under the National Economic and Social Development Plan (PNDES). However, investors may delay their decisions in view of concerns about political uncertainties in 2020.

80. Thus, the upward trend in foreign exchange reserves (less than 3.5 months of import cover) and the stabilization of the Guinean franc could continue, but will remain vulnerable to an external shock. The country should then take further measures to strengthen its economic resilience and foster a more suitable environment for the implementation of international AML/CFT standards.

Prevalence of predicate offences

10 Transparency International has been the global civil society organization at the forefront of the fight against corruption for 25 years.
81. The predicate crimes prevailing in Guinea in 2019 are the same as in the previous year. They include: drug trafficking, corruption, counterfeiting, tax fraud/evasion, theft, trafficking in persons, trafficking in goods, sexual exploitation and piracy. Pressure on criminals should therefore be more deterrent overall in order to reduce the prevalence of these various crimes in the country, with a strong emphasis on confiscation and recovery of related assets.

AML/CFT Situation

82. Following its Tenth Follow-Up Report, the GIABA Plenary recognized the progress made by Guinea in implementing the FATF Recommendations. These achievements are supported by the adoption of the Law on the Prevention, Detection and Repression of Corruption and Related Offences, which established the National Agency for the Fight against Corruption and the Promotion of Good Governance; the adoption of the Law on Financial Governance; and the adoption of the Law on the creation of the Single Treasury Account.

83. Other areas of progress include the setting up and operationalization of the Court of Auditors; the application of the general regulations on budgetary management and public accounting; the implementation of legal provisions relating to the declaration of assets by public officials and elected representatives.

Technical assistance

84. The technical assistance needs expressed by Guinea in 2019 include: training and supply of computer equipment for the FIU, training for the benefit of the DNFBPs, civil society organizations and the media.

Conclusion

85. Guinea is at crossroads. The country must both maintain the course of macroeconomic and fiscal reforms and ensure social and political stability. In view of the country’s risk profile, the Guinean authorities are urged to strengthen the operations of the FIU in order to give a more vigorous impetus to the country’s response against financial crimes.

GUINEA-BISSAU

Political Situation

86. Protracted political instability and constitutional crises in Guinea Bissau had undermined governance and government’s commitment to effective AML/CFT implementation in the country for a number of years. Although parliamentary elections were held in March of 2019, hostility among the political class and political uncertainty characterized the most part of the year. However, with the sustained political engagement of ECOWAS and other partners, the country succeeded in electing a new president in December. It is hoped that this success will help enable the full implementation of the Conakry Accord and bring the country to the path of constitutional order and political stability, which is required for engendering political commitment to effective AML/CFT implementation.

87. The atmosphere of political volatility has had negative impact on overall governance in Guinea Bissau, although the peaceful parliamentary and presidential elections in the year raised the hope of greater government stability and improvement in governance over the coming years. The country’s performance on public perception of corruption remains very poor, although the score improved marginally from 16% in the previous year to 18%. As reported in the previous year, the new political authorities in Guinea Bissau need to crack down on corruption, strengthen governance and effectively confront the scourge of financial crimes, including ML/TF.

Economic and Financial Situation

88. Guinea Bissau’s economic revival since 2015 seems to have slightly slowed down over the last few years. The real GDP grew at an estimated 5.9% in 2017 and slowed down to 3.8% in 2018, while maintaining the trend in 2019 at 4.6%\textsuperscript{12}. Sharply increased revenues from cashew export and impressive food crops harvest are the main factors for the economic recovery. However, unending

\textsuperscript{12} World Bank data – https://data.worldbank.org/indicator/NY.GDP.KP.TP.KD.ZG?locations=GW
political crisis has stalled growth potentials of the economy, which should have fared better. Inflation was kept subdued at an estimated 2.2% in 2019, still within the 3% threshold of the UEMOA zone. Guinea Bissau has some of the lowest Human Development Indices, and has continued to rank among countries in the Lowest Human Development band.

Prevalence of Predicate Crimes

89. The main ML predicate crimes reported by the country include, drug trafficking, corruption, tax fraud/evasion, trafficking in persons, theft, and piracy. As reported in the past years, the country has been used as a transit route for Europe-bound cocaine coming from Latin America. In addition, Guinea Bissau is reported as a source country for children subjected to forced labor and sex trafficking. While significant efforts towards curbing human trafficking have been made, Guinea Bissau remained a Tier 2 country as contained in the US State Department Trafficking in Persons Report 2019.

90. The methods and vehicles used for laundering the proceeds of crimes, as reported by the country, are cross-border transportation of cash and bearer instruments, real estate transactions, banking transactions, microfinance and DNFBPs.

AML/CFT Situation

91. Guinea Bissau’s progress in resolving the strategic deficiencies identified in its AML/CFT regime has been persistently slow. Those strategic deficiencies are laid out in detail in Chapter 3 of this report. Guinea Bissau exited the follow-up process of the 1st round GIABA mutual evaluations in 2019, in preparation for the 2nd round of mutual evaluations slated for late 2020. Guinea Bissau has obligation to address the outstanding strategic deficiencies as it prepares for the mutual evaluation.

Technical Assistance

92. GIABA and development partners have continued to support the efforts of the government in strengthening the country’s AML/CFT regime. GIABA will continue to engage the country to address its strategic deficiencies. The technical assistance needed, as reported by the country are: training, mentoring, provision of equipment/logistics and building of the strategic analysis capacity of the FIU; and training for supervisory and regulatory institutions.

Conclusion

93. As reported in the previous year, the lingering political crisis in Guinea Bissau has remained a burden on governance and development in the country. The new authorities need to urgently resolve the political crisis, and demonstrate greater and high-level political commitment to resolving the outstanding strategic deficiencies in the country’s AML/CFT regime especially as the country braises up for its second mutual evaluation.

LIBERIA

Political Situation

94. The popular victory of the government of George Weah in late 2017 provided Liberia with an opportunity to consolidate its post-war recovery, national reconciliation and political stability. The government was voted into power on huge popular expectations to strengthen public institutions, combat corruption and considerably improve governance and human development. Corruption, in particular, was one of the main issues in that election and remains a major indicator of governance for the population. In 2019, the perception of corruption in the country saw much deterioration. The country’s score on the Transparency International Corruption Perception Index dropped from 32% in the previous year to 28%, falling from the 120th position in the world to the 137th. While the political climate has considerably stabilized, raising the level of governance to popular expectation and waging a successful war against corruption remains the crucial challenge the country still grapples with.

Economic and Financial Situation

95. The post-Ebola recovery of Liberia’s economy has proceeded gradually. Real GDP, which was projected to grow at 4.7% in 2019,
dipped by -2.3% as against 1.2% in 2018 and 2.5% in 2017. The expected performance in agriculture and fisheries did meet the growth projection. In addition, the Ebola-induced inflation, which rose sharply to 12.5% in 2016, and was forecast to decline to 10.5%, rose to 23.6% in 2018\textsuperscript{14}. The economic outlook is less positive and a new impetus for implementing policies that promote human development is required, given the enormous challenges the country faces, including the need to address social exclusion, particularly for the youth.

### Prevalence of Predicate Crimes

96. The most prevalent ML/TF predicate crimes as reported by Liberia to GIABA are drug trafficking, corruption, counterfeiting, and tax fraud/evasion. This has been consistent with the country’s reporting in the previous years. According to the Trafficking in Persons Report of 2019, Liberia is a Tier 2 country and is making significant efforts to counter trafficking in persons. These predicate crimes generate substantial amount of illicit proceeds that are being laundered through cross-border movement of cash and bearer instruments, through the banks, DNFBPs and casinos/gambling.

### AML/CFT Situation

97. Liberia made some progress in addressing the outstanding deficiencies in its AML/CFT regime 2019, but deficiencies remain. The country has not enacted key legislation to enhance its compliance with some of the FATF AML/CFT Recommendations, as detailed in Chapter 3. In addition, the country’s Financial Intelligence Unit (FIU) is embarrassingly under-funded and lacks the capacity to collect, analyze and disseminate financial intelligence. Furthermore, relevant agencies have not produced actionable financial intelligence, conducted parallel investigations, or recorded ML/TF convictions\textsuperscript{15}. The conditions, in the context of growing perceived corruption, extremely heighten the risk factors for money laundering and terrorist financing in the country.

### Technical Assistance

98. The November 2019 GIABA Plenary directed the Secretariat to pay a high-level advocacy visit to Liberia and engage the country’s political authorities on the need to urgently prioritise effective AML/CFT implementation. The priority areas to focus the engagement on include enhancing the capacity of the FIU, awareness-raising and training for law enforcement agencies; training and mentoring for supervisory/regulatory agencies; and training and mentoring for DNFBPs.

### Conclusion

99. It is hoped that the GIABA Secretariat will embark on the advocacy visit, as directed by Plenary, as a matter of urgency. The government has been in power just slightly over two years and needs to be adequately sensitised at the highest level of decision making. GIABA is to enlist the support of development partners in order to sustain engagement with Liberia so as to ensure that the country is fully committed to fulfilling its international AML/CFT obligations.

### Mali

#### Political situation

100. Since the military coup of 2012 and the occupation of the northern part of the country by armed groups, Mali has been going through a period of instability and conflict. At the political level, during the period under review, difficulties were noted in\textsuperscript{16} the implementation of the 2015 Algiers Agreement, which established a framework for political and institutional reforms in the country, including mechanisms for addressing the concerns of those who feel excluded from the political and economic life of the country. Nevertheless, significant progress has been made, such as the inclusive national dialogue concluded in Bamako on 22nd December, 2019.

101. In addition, the Government of Mali has intensified its efforts to implement a comprehensive strategy focusing on political

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\textsuperscript{14} African Economic Outlook; World Bank data - https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=GW


\textsuperscript{16} Situation in Mali», Report of the UN Secretary-General, 30 December 2019.
aspects and aimed at protecting civilians, reducing inter-community violence and restoring state authority and presence across the country and provision of basic social services\textsuperscript{17}.

102. In terms of governance, the 2019 United Nations Human Development Index ranks Mali 182nd out of 188 countries. Exacerbated by drought and war, the incidence of poverty is much lower in urban areas, with 90% of the poor concentrated in rural areas in the south of the country, where population density is highest. The 2019 Transparency International’s Corruption Perceptions Index ranking involving 180 countries, Mali fell by 10 points to 130th place from 120th in 2018.

Economic and financial situation

103. Despite the security crisis, the Malian economy has shown resilience. In 2019, Mali recorded 5% growth (driven by improved gold and cotton production), a budget deficit of 3.1% of GDP and inflation of 0.4%. Public debt stood at 35.5% of GDP at the end of 2018\textsuperscript{18}.

104. Economic growth slowed for the second consecutive year to 3.04% in 2018 and 2.5% in 2019 from 3.3% in 2017, largely due to the spread of insecurity in the central regions. Uncertainty surrounding the presidential election also played a role. The highest GDP growth ever recorded by the country was in 1964 (6.7%) and 1973 (6.5%)\textsuperscript{19}.

105. In 2019, Mali adopted a strategic framework for economic recovery and sustainable development (2019-2023) and is working to implement the Public Financial Management Reform Plan (2017-2021). To promote the private sector, the Malian government has also launched a CFAF5.5 trillion «economic infrastructure programme» which is aimed at building 8,700 km of roads and six bridges by 2023.

Prevalence of Predicate crimes

106. Mali conducted its national risk assessment as a prelude to its mutual evaluation in 2019. The exercise, which covered the period 2014-2018, noted the prevalence of various crimes that generate proceeds, including fraud, drug and cigarette trafficking, smuggling of migrants and related offences, corruption, and customs and tax offences. Certain sectors within the DNFBPs, notably the real estate and precious minerals sectors, have been identified as posing considerable money-laundering risks.

107. In its last report to the GIABA Secretariat, the country reported the same predicate offences, as well as prostitution, piracy, counterfeiting and corruption. This reveals not only the value of effectively implementing the required mitigation measures, as well as the recommendations contained in the EMN report, but more importantly, the need for GIABA and its technical partners to provide more targeted technical assistance to the country.

AML/CFT Situation

108. Mali underwent its 2nd round mutual evaluation to assess the compliance of its AML/CFT system and the report was adopted by the GIABA Plenary in November 2019. The evaluation revealed a number of shortcomings in the country’s AML/CFT system, including the lack of understanding of risks by NPOs, the lack of adequate supervision of the sector, difficulties in accessing information on beneficial owners, the lack of dynamism in the investigation and prosecution of ML/TF offences, the inadequate use of international cooperation instruments, and the poor maintenance of statistics at all levels of the AML/CFT chain.

109. In accordance with GIABA mutual evaluation processes and procedures, the Plenary placed Mali in an enhanced monitoring process, to submit its first monitoring report in November 2020.

110. The Malian authorities have demonstrated their political commitment to the fight against financial crimes by providing a bigger office building and financing, to the tune of more than FCFA 800 million, to the FIU. This would

\textsuperscript{17} Ibid
\textsuperscript{18} African Economic Outlook 2020, African Development Bank Group
\textsuperscript{19}https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG
strengthen the operational capacity of the FIU to better combating ML/TF in the country.

Technical assistance

111. Among the major challenges indicated by Mali in its country report to GIABA are the lack of internal coordination between the structures involved in AML/CFT and the lack of financial resources to ensure the optimal functioning of the inter-ministerial committee. In this regard, technical assistance needs, as expressed, include capacity building of AML/CFT actors on financial investigation.

Conclusion

112. The year 2019 saw significant efforts by Mali in the fight against money laundering and terrorist financing. All of the measures taken, including the adoption of a strategic framework for economic recovery, created a favourable context for the promotion of economic and financial health of the country and the implementation of relevant measures to combat financial crimes.

NIGER

Political situation

113. In recent years, Niger has become a host country for people fleeing conflict. It currently hosts 246,000 refugees and 186,000 displaced persons, mainly in Diffa and Tillabéri, and more recently in Maradi, which constitute a further burden on the country.20

114. The security situation has deteriorated in recent years, particularly in the border areas with Nigeria, Burkina Faso and Mali, where armed groups have established bases and perpetrate repeated attacks against security forces and civilians. The government declared a state of emergency in the regions of Diffa, Tahoua and Tillabéri.

115. In order to address these threats, Niger has reinforced the defence and security forces with substantial material and human resources. The Government has also developed national strategies and contributed to the development and implementation of regional and international strategies to combat terrorism.

Prevalence of Predicate Crimes

116. With regard to the predicate offences committed in Niger, the following categories of offences are considered to be the most significant in terms of their frequency: (i) trafficking in drugs and psychotropic substances; (ii) illicit trafficking in and possession of firearms; (iii) tax fraud; (iv) corruption, embezzlement of public funds; (v) smuggling of migrants and trafficking in persons; (vi) terrorism, including its financing; fencing and swindling.

117. Despite its significant efforts to eliminate trafficking in persons, Niger is noted to be non-compliant with minimum standards according to the United States 2019 Trafficking in Persons Report. As a result, the country was placed in the top category, category 2, and called upon to intensify investigations, prosecutions and convictions of traffickers, including those involved in traditional forms of hereditary slavery and caste-based servitude, by training more law enforcement officials and actors in the implementation of the Anti-Human Trafficking Act of 2010 and the Anti-Slavery Act of 2003.

Economic and financial situation

118. At the macroeconomic level, the real growth rate, which was projected at 6.3% in 2019 barely got to 2.5% compared to 3.04% in 2018. The forecast acceleration of economic growth due to the expansion of economic activity observed in all sectors did not materialize.

119. Over the past decade, Niger has made significant progress in reducing poverty. However, the level of extreme poverty is still very high, with an estimated 41.5 per cent of the population in 2019, amounting to more than 9 million people.

120. With regard to governance, corruption is still a challenge in Niger. According to the latest 2019 report by Transparency International,
Niger’s score on the Corruption Perception Index (CPI) 2019 is 32% and it is ranked 120th out of 180 countries. The country thus ranks as the 59th most corrupt country in the world out of the 180 ranked. In the 2018 report, the country scored 34 out of 100 and ranked 114th out of 180 countries. This means that the perception of corruption has increased in Niger during the period under review.

AML/CFT Status

121. The year 2019 saw the initial phase of Niger’s mutual evaluation under the second round. The country has been actively preparing to receive the on-site visit of assessors in January 2020 for the second round.

122. Within the same framework, the ML/TF National Risk Assessment Report was adopted by Decree No. 2019-401/PRN/MF at the Council of Ministers session of 26 July 2019. Consequently, the country developed an action plan to mitigate the risks identified in the NRA report. The implementation of the action plan has begun and should accelerate during the year 2020.

Technical assistance

123. Among the priority areas requiring technical assistance, as expressed Niger, are the following: (i) Support for the implementation of the NRA action plan; (ii) Support for the provision of computer equipment to the FIU; (iii) Support for the validation of the draft evaluation report of the National AML/CFT Strategy 2013-2015 and the National AML/CFT Strategy 2020-2022 document.

124. In its last report submitted to GIABA, the country also expressed training needs for the FIU members in the form of study tours, exchange of information and best practices with major financial intelligence units around the world.

Conclusion

125. The implementation of AML/CFT in Niger deepened in 2019, thanks to an increasingly strong political will. Achievements during the reporting period ranged from the implementation of national strategies to building the capacity of the defence and security forces and addressing ML/TF risk understanding and mitigation requirements. In the context of the preparation of its mutual evaluation, and for greater effectiveness, the Nigerien authorities are strongly urged to take adequate measures to systematize parallel investigations of money laundering and terrorist financing in order to achieve greater results.

Nigeria

Political Situation

126. Nigeria held a peaceful general, multiparty, elections in early 2019, signaling the consolidation of political stability and democratic governance in Africa’s largest democracy. The political mobilization for the 2019 general elections was peaceful, but boisterous, demonstrating the entrenchment of multiparty politics in the country. However, as reported in the previous year, the security situation remained dismal through 2019. The enduring violent conflict between herders and farmers continued in many of the central and southern states of the country, threatening to reawaken ethnic, religious and regional tensions and conflict fault lines. In addition, violent banditry and kidnapping for ransom raged in the northwestern states for the most part of the year, complicated by the resurgence of terrorist attacks on military targets in the northeastern states, especially Borno State.

127. The country has continued to demonstrate firm commitment to good governance in 2019, as reported in the previous year. The country also recorded an impressive number of high-profile money laundering convictions, including the jailing of 2 former State Governors and other politically exposed persons. The country also secured a number of non-conviction based forfeiture of large proceeds of corruption, fraud and money laundering during the year. However, Nigeria dropped 1 point from 27% in 2018 to 26% on TI’s Corruption Perception Index. The authorities need to sustain the momentum against endemic corruption and other financial crimes, and demonstrate effectiveness in the implementation of AML/CFT measures.
Economic and Financial Situation

128. The gradual recovery of the Nigerian economy from recession continued throughout the year. Real GDP growth fluctuated from 3.3% in 2017 and 3.0% in 2018 to 2.5% in 2019, as the implementation of the National Economic Recovery and Growth Plan (NERGP) 2017-2020 deepens. Recovery in mining and manufacturing as well as improved performance in agriculture provide a positive outlook. In addition the Power Sector Reform Programme, which targets 19 gigawatts of capacity by 2020, is expected to attract vital investment. However, the sluggish performance of the oil sector due to price volatility is a potentially strong headwind against the growth forecast. Inflation is still above 10% though declining marginally. Nigeria needs to ensure effective implementation of the NERGP to drive faster and more inclusive growth, sustain its fight against insecurity, corruption, money laundering, terrorist financing and terrorism in general.

Prevalence of Predicate Crimes

129. The Country Report of Nigeria to GIABA shows that most of the ML/TF predicate crimes in the region are prevalent in the country. They include drug trafficking, corruption, counterfeiting, tax fraud/evasion, human trafficking, and goods smuggling. According to the US Department of State Trafficking in Persons report 2019, Nigeria was maintained in the Tier 2 Watch List in the year, having made significant progress to tackle human trafficking. The INCSR 2019 categorized Nigeria as a major drug trans-shipment point and a significant centre for financial crime and cybercrimes.

AML/CFT Situation

130. Nigeria continued to sustain the progress of previous years towards strengthening its AML/CFT regime. The Nigerian Financial Intelligence Unit (NFIU) has become autonomous, while its membership of the Egmont Group has been restored. During the year, the country’s Economic and Financial Crimes Commission (EFCC) secured several high-profile money laundering convictions and high-value asset forfeiture, with many of the cases involving politically exposed persons. Other areas of progress include improved ML related convictions, supervision of reporting entities and application of sanctions for non-compliance with AML/CFT obligations, and seizure of proceeds of corruption. Chapter 3 discusses the details of the progress made by Nigeria during the year and the outstanding deficiencies in its AML/CFT regime.

131. The main actors militating against effective implementation of AML/CFT measures in Nigeria include the proliferation of cryptocurrency exchanges, inadequacy of national identification procedures, the lack of company beneficial ownership information, informal transactions, and the lack of a centralized national crime database. These factors have continued to pose challenges to ML/TF investigation and prosecution in the country. Corruption still remains a major impediment in many public endeavours in Nigeria, including law enforcement.

Technical Assistance

132. Nigeria exited the follow-up process of the 1st round GIABA mutual evaluations in 2018, and underwent the 2nd round of mutual evaluations in late 2019. The country is also seeking membership of the Financial Action Task Force (FATF). The country’s performance in the evaluation will play a significant role in determining the success of its bid for the FATF.

Conclusion

134. Nigeria’s complex security predicaments notwithstanding, the economy is on the recovery path, though slowly. The country needs to resolutely confront the new security threats posed by kidnapping, banditry and the herders/farmers conflict and speed up the restructuring of the economy in order to
accelerate growth. These measures will give impetus to the country’s counter-terrorism and anti-money laundering drives, which are already yielding impressive results.

**SÃO TOMÉ AND PRÍNCIPE**

**Political Situation**

135. São Tomé and Príncipe (STP) remained one of the region’s most stable and democratic countries. The country is not a Member State of ECOWAS, but STP was admitted into GIABA in 2013. In terms of governance, Săo Tomé and Príncipe has consistently remained one of the high performers in West Africa. However, the country dropped by a point on its 2016 and 2017 position of 11th in Africa on overall governance to 12th. Correspondingly, the country’s score fell from 61% in 2017 to 59.2% in 2018. On the perception of corruption, however, STP maintained the 64th position, which is the same for the last two years. The country has the requisite stability and governance credentials to prioritize the fight against financial crimes and strengthen its AML/CFT system.

**Economic and Financial Situation**

136. Săo Tome and Príncipe (STP) has recorded economic growth in the previous years through 2019. GDP growth remained positive year-on-year from 3.9% in 2017 to 2.7% in 2018 and 3.9% in 2019. Inflation has remain low and stable at 3.9% in 2017, 2.5% in 2018 and 2.3% in 2019. This positive outlook is driven by strong performance in construction, services and agriculture. Increased public investment in infrastructure also plays a key role. As reported in the previous years, the country’s cash-based economy, the emergence of oil extraction, and the country’s location on the Gulf of Guinea, where organized crime has been on the rise, all combine to heighten ML/TF risks.

**Prevalence of Predicate Crimes**

137. In its Country Report to GIABA, Săo Tomé and Príncipe reported the following predicate crimes to be prevalent in the country - drug trafficking, corruption, fraud/tax evasion, goods smuggling, human trafficking, sexual exploitation, theft, counterfeiting and piracy. The proceeds from these crimes are laundered through cross-border cash movements, banks, insurance companies, DNFBPs, and micro-finance.

**AML/CFT Situation**

138. Săo Tomé and Príncipe (STP) made progress in strengthening its AML/CFT regime in 2019. Notably, the country enacted some vital laws, which are expected to reinforce existing measures and assist the country in address some of its outstanding AML/CFT deficiencies. Other areas of progress include improved regulation and supervision of financial institutions; money laundering investigation and prosecution; freezing and seizure of proceeds of crime, ritualualities, and contraband; receipt and analysis of suspicious transaction reports (STRs); dissemination of intelligence; international cooperation; and capacity building for personnel of competent authorities. Chapter 3 contain the details of the progress made by STP during the year and the outstanding deficiencies in the country’s AML/CFT regime. STP is on the Expedited Regular Follow-Up process of the 1st round of GIABA mutual evaluations.

**Technical Assistance**

139. GIABA has continued to mentor STP in order to strengthen its fledgling AML/CFT regime, by enhancing the capacity of the country to implement the required AML/CFT measures. To this end, STP identified the following technical assistance needs for support: ICT equipment and logistics and training for the FIU and the judiciary.

**Conclusion**

140. The political stability of STP, its record of good governance and its positive economic outlook provide a good opportunity for the country to prioritize the implementation of AML/CFT measures. As an island in the Gulf of Guinea, STP is particularly vulnerable to a host of criminal activities. The menace of international organized crime, especially smuggling, oil theft and piracy in the Gulf of Guinea has been rampant, and the country is encouraged to continue to strengthen good
governance and strengthen its commitment to the full implementation of acceptable international AML/CFT standards in order to protect its financial system.

SENEGAL

Political situation

141. Senegal held presidential elections in February 2019 with a high voter turnout (66.23%). The re-election of President Macky SALL in the first round, with 58.27% of the votes, paved the way for a policy stability, with the post of Prime Minister and Head of Government abolished to reduce government bureaucracy and cost. The elections were adjudged free and fair by the various observer missions, including the European Union and ECOWAS.

142. With regard to internal security, Senegal is facing a perceived intensification of the terrorist threat due to instability in the Sahel-Saharan zone. Aware of this risk, Senegal is strengthening its capacities to deal with the threats by giving more attention to ML/TF cases. In addition, since 2014, Senegal has been organizing an annual International Forum on Peace and Security in Africa, in collaboration with France and other partners.

143. On governance, Senegal remains in the red zone with a score of 45% according to Transparency International’s 2019 report. It therefore maintains its score for the year 2018, with a world rank of 66/180, and 8th in Africa. In addition, the UNDP HDI ranking places Senegal in the category of low-income poor countries. Losing two points from the previous year. It moves from 164th to 166th place in the world ranking and occupies the 33rd position in Africa.

Economic and financial situation

144. Real annual GDP growth has remained above 6% since 2015 under the impetus of the Plan Sénégal Emergent 2014-2018. GDP growth slipped from 6.4% in 2018 to 5.3% in 2019. Public investment in infrastructure, agriculture and energy kept the budget deficit at 3.8% of GDP in 2018 and 2019, which was above the UEMOA convergence threshold of 3%. Given the low tax burden (15% of GDP) and low domestic savings, this deficit was partly financed by external borrowing, which raised the public debt to 54.7% of GDP in 2018 from 47.7% in 2017. Inflation in 2019 remained very low, at 0.5% in 2019.

Prevalence of Predicate Crimes

145. Real GDP growth is projected to reach 6.3% in 2020 and 6.8% in 2021 but the outbreak and spread of the Corona virus (Covid-19) in December and early in 2020 may tamper with the growth expectations. The Second Plan for an Emerging Senegal 2019-2023 calls for the implementation of reforms aimed at stabilizing the macroeconomic framework, stimulating private investment and accelerating the structural transformation of the economy. The risk of debt overhang is low according to the IMF.

146. In its most recent country report GIABA, Senegal reported the prevalence of the following categories of predicate offences: (i) Drug trafficking; (ii) Fraud; (iii) Theft; (iv) Human trafficking; (v) Prostitution; (vi) Tax evasion and; (vii) Internet fraud.

147. According to the US State Department’s 2019 report on human trafficking, Senegal has intensified all its efforts to comply with the minimum standards during the period under review. The country has been placed in the higher category, Tier 2, and urged to get law enforcement and judicial officials to significantly increase their efforts to investigate and prosecute trafficking in persons offences in accordance with due process of law, including against those who exploit children for forced begging, and to punish convicted traffickers with heavy prison sentences as provided for in the 2005 Anti-Trafficking Act.

AML/CFT Situation

148. Senegal’s first follow-up report under the Second Round of Mutual Evaluations was presented but not considered at the GIABA Plenary in November 2019 in Saly Portudal, Senegal. The Plenary commended the efforts made by Senegal and in particular for having

25 Perspectives Economiques au Sénégal, www.afdb.org
26 Ibid.
transposed the UEMOA Uniform AML/CFT Law on 23 February 2018. Based on the results of its mutual evaluation, the country has met the threshold of targeted monitoring by the FATF’s International Cooperation Review Group (ICRG), and is therefore subject to a one-year observation period until February 2020. During this period Senegal will work with the FATF and GIABA to address the significant AML/CFT deficiencies identified during the evaluation.

149. Senegal adopted its 2019-2024 AML/CFT National Strategy document in May 2019. The implementation of the operational action plan began with the stakeholder mobilization and the implementation of training activities for reporting entities as well as supervisory and monitoring authorities. To ensure effective implementation of the strategy, a governance mechanism and a monitoring-evaluation mechanism have also been mapped out as action points in the action plan.

Technical assistance

150. Senegal requested support from GIABA and its partners for the implementation of the operational action plan through financial and technical support in terms of training, as well as awareness raising activities relating either to the operational plan of the national strategy or to the FIU strategic plan.

151. The country has also expressed specific training needs for the financial and non-financial sector supervisory and control authorities, as well as for actors in the AML/CFT criminal justice chain. The need for technical support for the drafting of implementing legislation for the Proliferation Financing component was also identified by the country.

Conclusion

152. Senegal continues to make significant progress and to remain among the leading UEMOA countries in the fight against money laundering and terrorist financing. The adoption of its national AML/CFT strategy and the start of implementation of the action plan will undoubtedly enable the country to implement the required actions against ML/TF offences and increase the effectiveness of its AML/CFT regime.

SIERRA LEONE

Political Situation

153. The peaceful general elections and smooth transition of power in 2018 signaled another milestone in the consolidation of peace and democratic governance in Sierra Leone, nearly two decades after the end of the devastating ten-year civil war. As the country’s political system evolves, governance has become central since the build up to the election, which saw the defeat of the ruling party by the opposition on the strength of a vigorous anti-corruption campaign. The country has continued to improve on governance in 2019. The country’s score on the Transparency International’s CPI rose by 3 points from 30% over the previous 3 consecutive years to 33% in 2019, while its ranking improved vastly to 119th from 129th in the previous year. This notable improvement shows that government is on the path of delivering its campaign promises to enhance governance and combat corruption in the country.

Economic and Financial Situation

154. Sierra Leone’s post-Ebola rapid economic recovery slowed down in 2018 and picked up in 2019. The real GDP growth rate of 4.2% in 2017 declined to 3.4% in 2018, it rose to 5.1% in 2019. Investments in agriculture and mining are projected to drive growth, as the business environment is being reformed. Inflation, though declining, remained very high amidst exchange rate depreciation of over 30%. The country faces the tough tasks of sustaining economic growth and vastly improving livelihood in a country that has not fared very well on the global human development index.

Prevalence of Predicate Crimes

155. In its Country Report submitted to GIABA, Sierra Leone identified corruption, drug trafficking, tax fraud/evasion, goods smuggling, and human trafficking as the prevalent ML/TF predicate crimes in the country. The country

27 Transparency International CPI 2019, p. 3
retained its 2018 classification as Tier 2 in the 2019 Human Trafficking Report of the US State Department. The methods and vehicles used for laundering the proceeds of these crimes include, cross-border cash movement, real estate transactions, banks, micro-finance institutions and DNFBPs.

AML/CFT Situation

156. Sierra Leone continued to make steady progress in strengthening its AML/CFT regime. The country has undergone the 2nd round of GIABA mutual evaluations but the report is undergoing formal consideration and review by relevant bodies. Chapter 3 of this report provides details of the evaluation process as well as the next steps in the process.

Technical Assistance

157. In its Country Report to GIABA, Sierra Leone identified the following areas for technical assistance: training for the FIU and for supervisory and regulatory agencies. GIABA will continue to support Sierra Leone through the mutual evaluation process and support the country to address the deficiencies identified in its AML/CFT regime.

Conclusion

158. Sierra Leone has demonstrated political and social stability, and is witnessing impressive economic recovery. In spite of this positive outlook, more reforms are required to sustain improvement in governance and ensure that economic growth is inclusive. 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.

TOGO

Political situation

159. For the first time in 32 years, Togo held local elections in June 2019 to elect municipal councilors. The elections were marked by socio-political upheavals that slowed down economic activities in the country.

The country’s next presidential elections is scheduled for second half of 2020. In March, Togo launched the National Development Plan (NDP), a five-year strategic document covering the period 2018-2022, aimed at structurally transforming the economy.

160. The NDP makes AML/CFT a national priority. One of the major thrusts of the NDP is devoted to the good governance of economic and security issues. This component gives a strategic priority to countering crime in all its forms, and against financial crime in particular, in line with international standards.

161. In terms of governance, Togo is doing less well than in 2018, albeit within the African average. According to Transparency International’s latest country ranking, the country is in 130th place with a score of 29%, one point lower than the previous year.

Economic and financial situation

162. As part of a macroeconomic programme (2017-2019) aimed at reducing the debt ratio to below 70% of GDP in 2020, state capital expenditure has been reduced by more than 40%. Despite this, growth has resumed, with the real GDP rising from 4.4% in 2017 to 4.9% in 2018 and 5.3% in 2019, largely due to the initiation of reforms to widen fiscal space, improve the business climate, and support energy, agro-industrial, logistics and digital industries. In 2019, the poverty rate was 21.8%, while the poverty intensity was 51.6%. Togo ranks 165th out of 188 countries in the Human Development Index.

163. The economic outlook is encouraging, with growth expected to reach 5.3% in 2020 and 5.5% in 2021, due to prudent monetary management and good performance in agriculture. The debt ratio is expected to remain below 70 per cent of GDP in 2020, with an average budget deficit of 2.1% of GDP. The current account deficit is projected to reach 5.2% of GDP in 2020 and 5% in 2021. To be more dynamic, this outlook will need to be accompanied by a strengthening of the national AML/CFT system based on financial transparency, inclusion and integrity.

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28 Economic Outlook for Togo, www.afdb.org
29 Ibid.
Prevalence of Predicate crimes

164. In its latest country report to GIABA, Togo indicated the following crimes as prevalent: theft, breach of trust, fraud, swindles, including cybercrimes, armed robbery and kidnapping. The various forms of trafficking (drug smuggling, smuggling of migrants, trafficking in persons, smuggling of petroleum products, etc.) were also cited among the frequently committed predicate crimes in the country in 2019.

165. With regard to terrorism and its financing, the country noted that the threat has moved closer to the country’s northern border because of the upsurge in terrorist attacks and the activities of terrorist groups on Burkinabé territory.

AML/CFT Situation

166. Togo will undergo its second round mutual evaluation in the second half of the year 2020. For the purpose of the exercise, important steps have been taken by the country to strengthen its national AML/CFT system. These include: (i) the establishment of the Inter-Ministerial Committee for the Prevention and Fight against Violent Extremism (CIPLEV); (ii) the adoption of the decree on the powers, organization and functioning of the National Agency for Cyber-security (ANCY); (iii) the law on internal security; and (iv) the law establishing the conditions for declaring the property and assets of high-ranking officials, senior civil servants and other public officials professionally exposed to the risk of corruption and similar offences.

167. During the period under review, Togo also finalized its national risk assessment in consideration to the FATF Recommendation 1. The report enabled the country to develop an action plan and to implement mitigation measures in order to enhance, not only the technical compliance of its AML/CFT regime, but also, more importantly, to enhance its effectiveness in addressing the 11 immediate outcomes set out in the FATF Evaluation Methodology.

Technical assistance

168. With regard to technical assistance, Togo expressed the following needs: (i) high-level advocacy visit to facilitate the adoption of pending legislations; (ii) financial and technical support for training of stakeholders and conducting typologies and other ML/TF research work; (iii) training of three members of the FIU, four analysts and two computer specialists on FATF standards, financial investigation techniques and data management; (iv) technical support to implement the online suspicious transaction reporting tool, automated bank statement management and operational schemes; (v) technical and financial support to the judiciary for the investigation of cases related to ML/TF and predicate offences; and (vi) technical and financial support for the organization of various seminars and workshops for regulated entities.

Conclusion

169. The conduct of the National Risk Assessment but the Togolese authorities was an important milestone during the period under review in the country’s move towards a more vigorous and targeted response against ML/TF. In addition to the challenges of the mutual evaluation to which the country will be subjected to in 2020, the continuous improvement of the AML/CFT system will ensure that Togo, within the framework of its National Development Plan, will have significant financial resources available through more effective suppression of money laundering offences and subsequent recovery of criminal assets.
CHAPTER III

COUNTRY ASSESSMENT

Introduction

170. The assessment of the AML/CFT regimes of GIABA member States is central to the mandate of GIABA. This assessment is undertaken through mutual evaluation, a multilateral peer review exercise that assesses a country’s technical compliance with the FATF 40 Recommendations and the level of effectiveness of its AML/CFT regime against the 11 Immediate Outcomes (IOs) as set out in the FATF standards. The mutual evaluation assesses how well a country’s AML/CFT system works and aims to: (a) ascertain the level of compliance with the FATF Recommendations, in particular, whether the legislative and institutional framework meet the technical requirements of the FATF Standards; (b) identify the extent to which the country’s AML/CFT system is achieving the objectives encapsulated in the FATF standards, including identifying systemic weaknesses; and (c) enable the assessed country to prioritize measures to improve their system.

171. The GIABA Technical Commission/Plenary Meeting discusses each mutual evaluation report (MER) which includes proposed ratings on the Immediate Outcomes and Technical Compliance (TC) and recommended actions. There are also four possible levels of technical compliance: Compliant (C), Largely Compliant (LC), Partially Compliant (PC), and Non-Compliant (NC). Similarly, there are four possible levels of effectiveness: Low Effectiveness (LE), Moderate Effectiveness (ME), Substantial Effectiveness (SE), and High Effectiveness (HE). Following discussion on an MER, the Plenary of the Technical Commission adopts the report and presents it to the GIABA Ministerial Committee (GMC) for endorsement. After adoption and endorsement, the MER undergoes a quality and consistency review (Q&C) by the AML/CFT Global Network. The quality and consistency review ensures that all mutual evaluations conducted within the global network are of a consistently high quality. The MER is published after the quality and consistency review. However, if a review of the MER reveals inconsistencies, then the report is referred back to the assessing body. In 2019, GIABA adopted and published the MERs of Burkina Faso, Cabo Verde and Senegal following the quality and consistency review of their MERs by the Global Network. GIABA also considered and adopted the MER of Mali, and subsequently circulated the MER to the Global Network for Q&C.

FOLLOW-UP PROCESS UNDER THE FIRST ROUND OF MUTUAL EVALUATIONS

172. Following a mutual evaluation, an assessed member State is placed in a robust follow-up process (regular, enhanced), which is aimed at encouraging the member State to strengthen its AML/CFT system without delay. An assessed member State is guided by the MER as the report provides the Member State with clear recommendations on the actions it must take to address the weaknesses identified in its AML/CFT system. The completion of a mutual evaluation is therefore a starting point for a country to further strengthen its efforts against ML/TF/PF. Thus, the follow-up process requires an assessed member State to report back to the GIABA Plenary on the steps it has taken to strengthen its AML/CFT system, based on the recommendations and priority actions outlined in its MER.
173. GIABA is currently running two follow-up processes, which stem from the first and second rounds of mutual evaluations. During the period under review, GIABA considered the follow-up reports (FURs) of Cote d’Ivoire, The Comoros, The Gambia, Guinea, Liberia and Sao Tome and Principe in respect of the follow-up process under the first round of mutual evaluations, and Ghana under the second round. Similar to the mutual evaluation reports, FURs under the second round are equally subjected to Q&C review in order to clear any inconsistencies with reports adopted by the FATF and other assessment bodies. The first FUR of Senegal was circulated at the November 2019 Plenary for information only.

Exit from GIABA First Round Follow-up process

174. Under the GIABA Mutual Evaluation Process and Procedures for the First Round, an assessed country is expected to exit from GIABA follow-up process for the first round a year prior to the date of the second-round ME on-site visit. Exit from the first round of ME will allow the country to adequately prepare for the second round. In 2019, the Plenary approved the exit of The Gambia, Guinea Bissau and Cote d’Ivoire from the follow-up process.

Follow Up Reports (FURs) under the First Round

175. The GIABA 31st Technical Commission/Plenary meeting held from 12th to 17th May 2019, considered and adopted the Second FUR of The Comoros; the Fifteenth FUR of Guinea Bissau and Sixth FUR of Sao Tome. The 32nd Technical Commission/Plenary Meeting held in Saly Portudal, Senegal from 10th to 16th November, 2019, considered and adopted the Seventh FUR of Côte d’Ivoire; the Tenth FUR of Liberia; the Fourteenth FUR of The Gambia; and the Tenth FUR of Guinea.

i) Third and Fourth FURs of The Union of The Comoros

176. The third FUR did not demonstrate significant progress following the adoption of the second FUR in November 2018. The following deficiencies were highlighted with respect to the AML/CFT system of the Union of The Comoros:

- The non-criminalization of human trafficking, migrants smuggling, piracy, market manipulation and insider trading, the financing of an individual terrorist and a terrorist organization for any purpose, and the attempt to commit terrorist financing offence;
- The non-accession to the Protocols Supplementing the United Nations Convention against Transnational Organized Crime (UNTOC/Palermo Convention) viz: the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (Human Trafficking Protocol); (b) the Protocol against the Smuggling of Migrants by Land, Air and Sea (Migrant Smuggling Protocol); and (c) Protocol against Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition (Arms and Ammunitions Protocol);
- An absence of measures or mechanisms to effectively implement UNSCRs 1267 and 1373 and successor resolutions;
- The lack of international cooperation between LEAs and foreign counterparts.

177. In view of these outstanding strategic deficiencies in the AML/CFT regime of the country, the Plenary directed the Secretariat to undertake a high-level visit to the Comoros and engage with the national authorities on the need to sufficiently implement the FATF Recommendations. The Plenary further maintained the Comoros on the Enhanced Follow-up process and requested the country to submit its fourth FUR to the Plenary in November 2019.

178. The fourth FUR of the Union of The Comoros revealed that the Bank of The Comoros (BCC) conducted a follow-up inspection on a bank that was sanctioned for non-compliance with AML/CFT requirements and ordered to take remedial actions. The BCC also issued a press release in May 2019 to warn citizens about illegal offshore banking operations in the country and advise the citizenry about
licensed banks, as well as the supervisory arrangements for FIs in the country.

179. The FIU of the Union of The Comoros commenced operations in a suitable accommodation allocated to it by the BCC in 2014. The Common Market for Eastern and Southern Africa (COMESA) is in the process of procuring hardware and software for the FIU under the Maritime Security (MASE) Program. The FIU gave no reason for not taking action in respect of this STR. The Comoros did not provide any reason why the FIU did not take action on the STR. Staff of the FIU nevertheless received training on strategic analysis. In May 2019, the FIU, with financial support from COMESA, organized a workshop for 40 representatives from accredited micro-finance institutions to sensitize them on their reporting obligations. These entities have not filed STRs in the last 5 years. The FIU also drafted and submitted a draft Ministerial Order on a new STR Template to the Minister of Finance and Budget for approval. The FIU received one information request from TRACFIN but did not respond to it. The country has not demonstrated that the FIU is operating optimally.

180. The Union of The Comoros reported that it is making efforts to establish an AML/CFT Technical Committee comprising representatives of the national police, gendarmerie, customs and law departments in order to facilitate cooperation, coordination, exchange of information and feedback on AML/CFT matters among national competent authorities.

181. The country launched its national ML/TF risk assessment exercise at a workshop held from 2 to 4 October 2019, with the support of the World Bank and GIABA. The FIU had earlier organized a meeting on 17th July 2019, for several senior public service officials to inform them about the launching of the NRA exercise, raise their awareness on the AML/CFT situation of the country and enlist their collaboration in establishing an AML/CFT Technical Committee.

182. It was observed that the Union of The Comoros had not criminalized the full range of predicate offences of ML. The country is yet to accede to the Supplementary Protocols to the Palermo Convention, and adopt measures, mechanisms or procedures to implement UNSCRs 1267 and 1373.

183. In view of the significant deficiencies in the AML/CFT system of the Comoros, the Plenary maintained the country on the Enhanced Follow-up process and directed the Comoros to submit its fifth FUR to the Plenary in May 2020. The Plenary also directed the Comoros to work with the GIABA Secretariat to adopt an Action Plan with a specific timeline to address the deficiencies in its AML/CFT system. In addition, the Plenary directed the Secretariat to undertake a high-level visit to The Union of The Comoros to engage the authorities on the AML/CFT situation of the country with regard to effective implementation of the FATF standards.

184. Guinea Bissau gazetted its Anti-money Laundering and Counter Financing of Terrorism Law nº 3/2018 of 6th August 2018. The FIU strengthened engagement with some key stakeholders including Directors General of FIs, Customs, Imports and Tax and the Minister of Justice, on AML/CFT issues, while training sessions were provided for reporting entities under the SAMWA project.

185. Guinea Bissau did not address the strategic deficiencies highlighted by the 27th GIABA Technical Commission/Plenary Meeting, which the 30th Plenary directed the country to resolve. These related to criminalisation of the full range of categories of designated predicate offences of ML in Recommendation 1, especially migrant smuggling, piracy, insider trading and market manipulations; lack of supervision of reporting entities, especially DNFBPs for AML/CFT purposes; low level of suspicious transaction reporting by reporting entities; lack of international cooperation among competent authorities, other than the FIU, and their foreign counterparts; and lack of effective implementation of UNSCRs 1267 and 1373 and successor resolutions.

186. In line with the directives of the 30th Plenary meeting, the Secretariat undertook a high level advocacy visit to the authorities of Guinea-Bissau and also worked with the country to develop an Action Plan for resolving the
observed strategic deficiencies during the review period. However, the implementation of the Action Plan is yet to commence.

187. In view of the slow pace of progress, including the non-resolution of the strategic deficiencies noted by the 27th Technical Commission/Plenary Meeting by Guinea-Bissau, the latter directed the country to submit an update to the Plenary in November 2019 on the status of the implementation of the Action Plan and actions taken to address other identified gaps in its AML/CFT regime. This would enable the country exit the follow-up process in preparation for its mutual evaluation scheduled for July/August 2020. The Plenary also maintained the Public Statement on Guinea Bissau in order to monitor progress in the implementation of the Action Plan and directed the Secretariat to work with technical partners on how to provide appropriate technical assistance to Guinea Bissau. At the November 2019 Plenary, Guinea Bissau provided an update on the progress the country had made, including the enactment of some laws and the preparations the country was making towards the second-round mutual evaluation, including on-going work on the NRA. The Plenary formally approved the exit of Guinea Bissau from the follow-up process.

iii) Sixth Follow-Up Report of Sao Tomé and Principe

188. Sao Tomé and Principe (STP) strengthened its AML/CFT legal framework through the enactment of the Criminal Investigations Act 1/2018; the Anti-Terrorism and Terrorist Financing Act, 3/2018 (March 2018) to criminalise terrorist financing, including the financing of an individual terrorist; the Intellectual Property Act, Decree 15/2018 of 26 September 2018; and Decree Law 2/2018 (19 Feb. 2018) to provide a firm legal basis for effective investigation of ML/TF as well as implementation of UNSCRs 1267, 1373 and successor resolutions. The country has criminalised counterfeiting and piracy of products and strengthened maritime surveillance and information networks.

189. STP indicted four individuals for offences relating to ML, abuse of trust and tax fraud. The authorities of STP froze 2,028,532.00 (EUR 2,000,000.00 (based on a request for MLA by Italy) and EUR 28,532) in relation to cross-border declaration of currency and bearer negotiable instruments, and seized and destroyed 60 kilograms of counterfeit medicines, 12,119 grams of Marijuana, 9,700 grams of cocaine and 4,200 grams of heroin.

190. The FIU received 10 suspicious transaction reports (STRs) (7 from financial institutions and 3 from customs authorities) and forwarded 4 intelligence reports to the Attorney General for further action. It also received and executed two requests for information from Italy and The Gambia, and signed MOUs with the FIUs of Brazil, Mozambique, Timor-Leste and Liberia for the purpose of exchange of information.

191. The Central Bank of STP (CB-STP) issued Regulations aimed at assisting financial institutions in implementing relevant AML/CFT requirements, including risk assessment, identification of risks of ML/TF, suspicious transactions, CDD, as well as measures to promote financial inclusion. It also conducted on-site examination of one bank and issued a warning to another bank for non-compliance with CDD requirements on some transactions.

192. Staff of competent authorities (FIU, magistrates, investigators) participated in relevant national and international training on combating ML/TF organised by competent authorities, the FIU and international partners, including GIABA, AfDB and the UNODC.

193. It was noted that STP had not criminalised the financing of an individual or terrorist organisation for any purpose.

194. As a result of the progress made by STP, the Plenary maintained STP on the regular follow-up process and requested the country to submit its seventh FUR to Plenary in May, 2020.

iv) Seventh FUR of Côte d’Ivoire

ML and predicate offences and imposed terms of imprisonment ranging from 5 to 20 years and fines (ranging from 500,000 FCFA to 10,279,932,320 FCFA). The authorities also seized and confiscated proceeds and instrumentalities of crime (a hotel, 2 residential buildings, a piece of land and a vehicle) and some firearms and ammunitions). The relevant sector authorities (for decentralized financial systems and capital market operators) issued directives for the sectors under their purview. The country also appointed 5 members to the FIU. The FIU received 500 STRs and disseminated 46 intelligence reports to LEAs. Cote d’Ivoire established a specialized office for investigating ML cases; commenced the implementation of a Cash Declaration System at Borders (SYDEF); conducted on-site examination of financial institution and adopted a National Strategy for the Development of Statistics (SNDS), 2017-2021, on 12th December, 2018 to improve the collection and management of statistical data, including AML/CFT statistics. The Council of Ministers adopted a Bill on the legal regime for gambling activities with the aim to establish a regulatory body with adequate powers to monitor the sector. Cote d’Ivoire received 306 requests for information and mutual legal assistance from foreign counterparts and executed 301 of the requests. The country also commenced its national ML/TF risk assessment.

196. The Plenary observed that Cote d’Ivoire had made significant progress in addressing the deficiencies in its AML/CFT system. However, Cote d’Ivoire needs to criminalize insider trading and market manipulation; the financing of a terrorist organization for any purpose; improve the supervision of reporting entities for AML/CFT compliance, and apply effective, proportionate and dissuasive sanctions for non-compliance with AML/CFT requirements; and effectively implement UNSCRs 1267 and 1373.

197. The Plenary approved the exit of Cote d’Ivoire from the follow-up process of the first round of mutual evaluations to permit the country to adequately prepare for its second mutual ME scheduled for February 2021. The Plenary also directed Cote d’Ivoire to submit a written update to the GIABA Secretariat regarding the progress it has made in addressing the outstanding deficiencies, as well as on its state of preparedness for the second round ME.

v) Tenth FUR of Liberia

198. The Central Bank of Liberia (CBL) conducted risk-based on-site supervision of FIs (6 high-risk banks) and the FIU conducted risk-based on-site supervision of a Digital Financial Services (DFS) institution, an Electronic Money Institution (EMI) and a mobile money company. With the support of the IMF, the country revised the AML/CFT examination manual and off-site monitoring tools for FIs; and developed: tools for off-site surveillance and monitoring of the insurance sector. It has also produced a Supervision Manual for DNFBPs and Risk Assessment Tools and Compliance Questionnaires for dealers in precious metals and stones, real estate agents, lawyers and accountants. Liberia also issued an AML/CFT Circular requiring NPOs to maintain appropriate records of domestic and international transactions and prepared a draft text on sanctions to be applied for breaches of AML/CFT obligations within the financial sector.

199. Liberia operationalized the Electronic Reporting System for STRs and CTRs for Reporting Entities, which was developed by the FIU. The system is currently being used by all commercial banks. The Nigerian FIU agreed to sponsor Liberia’s Egmont Group membership process and planned an on-site visit to conduct an assessment of the FIU. The AML/CFT Unit and the Supervisory Working Group (SWG) of the CBL participated in two four-day workshops organized by the IMF on conducting AML/CFT risk-based on-site inspections.

200. It was observed that the Circular issued to NPOs did not address most of the requirements of SR VIII or more importantly, Recommendation 8 of the revised standards. Also, Liberia is yet to criminalize illicit trafficking in “other goods”; enact the Financial Intelligence Agency Bill, the Money Laundering, Terrorist Financing, Preventive Measures and Proceeds of Crime Bill, and the issue the Draft Regulations on TFS to improve compliance with the FATF standards,
and guide reporting entities on implementing targeted financial sanctions relating to TF. The country should also provide the FIU with adequate resources to enable it to effectively perform its core functions, including the completing of the NRA exercise.

201. On the basis of the highlighted deficiencies, the Plenary placed Liberia on the Enhanced Regular Follow-up process and directed the country to submit its 11th FUR to the Plenary in May 2020. The Plenary also directed the Secretariat to undertake an advocacy visit to Liberia to encourage the political authorities to give priority to AML/CFT issues and make them aware of the implications for insufficiently implementing the FATF standards. The Secretariat is to submit the report on the advocacy mission to the Plenary in May 2020.

vi) Tenth FUR of Guinea

202. Guinea reported progress in relation to: the designation of the Consultative Committee on Administrative Freezing (CCGA) as the competent authority in charge of administrative freezing, pursuant to UNSCRs 1267 and 1373; the indictment of an individual for trial for ML; the receipt of 92 STRs (45 from banking institutions and 2 from micro-finance Institutions (MFIs)) and dissemination of 4 intelligence reports to the State Prosecutor.

203. Additionally, in relation to the FIU, Guinea reported the signing of an MOU with the Office for the Suppression of Economic and Financial Crimes (ORDEEF) as well as the FIU of The Gambia. The Guinea-FIU received three (3) information requests from its foreign counterparts and executed 2 from foreign counterparts. The country received technical assistance from the IMF for training on operational analysis, intelligence gathering and strategic analysis, and management tools, including the drafting of the FIU’s Manual of Operational Procedures and preparation of intelligence report to the Prosecutor. The FIU commissioned a computer software for the management of investigation data; and has enhanced security at the premises by installing video surveillance and stationing an armed Gendarmerie guard at the premises.

204. One hundred and thirty-seven (137) officials of reporting entities (FI and DNFBPs) participated in four (4) capacity building workshops on the implementation of AML/CFT preventive measures, which were held in December 2018 and April 2019. These workshops were organized within the framework of the SAMWA Project (10th EDF). The authorities disseminated the print and electronic copies of AML/CFT laws, guidelines and regulations to participants at these workshops. The UNODC in its technical support to Guinea, trained 12 officials from criminal investigation and prosecution authorities on financial investigations, and developed a manual on financial investigation for the national police, gendarmerie and law schools.

205. Guinea launched its NRA exercise in February 2019, under the coordination of the National Technical Committee, with the support from the World Bank and GIABA. The exercise is expected to end in November, 2019.

206. Guinea has drafted an AML/CFT Law with the assistance of the IMF. The draft law seeks to consolidate the AML Law (Law L/2006/010/AN) and the CFT Law (Law L/2014/010/AN). It takes into account the revised FATF standards and aims to improve the country’s technical compliance with the FATF Recommendations and effective implementation of AML/CFT measures.

207. The Plenary observed that Guinea needs to: enact legislation to require reporting entities to obtain information on the purpose and intended nature of the business relationship (R. 5-CDD); designate AML/CFT supervisory authorities for the various categories of DNFBPs and ensure effective supervision and application of effective, proportionate and dissuasive sanctions for non-compliance with AML/CFT requirements; ensure effective implementation of AML/CFT measures, particularly targeted financial sanctions related to TF; and finalize the NRA report, disseminate it to the various stakeholders, inform them of the risks identified and coordinate activities to mitigate the risks. The Plenary maintained Guinea on the Expedited Regular Follow-Up process and directed the country to submit its eleventh FUR to the Plenary in November 2020.
vii) Fourteenth FUR of The Gambia

208. The Gambian authorities prosecuted several predicate offences, including illicit trafficking in drugs; secured 124 convictions on drug related offences and seized some illicit drugs, including cannabis, cocaine and heroin. Investigation by LEAs on the intelligence disseminated by the FIU resulted in two prosecutions with no conviction. The Commission of Inquiry, which was established to investigate the financial dealings of the previous administration recovered funds GMD 100,617,442 and US$ 498,481 and identified 281 properties for possible confiscation.

209. The FIU recruited three additional staff (Manager, Research and Analysis; Senior Intelligence Officer and Procurement Clerk), trained some of its staff and organized six trainings sessions for FIs to enhance their capacity to effectively implement their AML/CFT obligations. In addition, the FIU received and analyzed 31 STRs, disseminated 20 intelligence reports to LEAs and also shared information with relevant domestic competent authorities and foreign counterparts.

210. The Central Bank of the Gambia (GBG) conducted on-site AML/CFT examinations on eight (8) commercial banks jointly with the FIU. The CBG and the NGO Affairs Agency also conducted prudential inspections of entities under their supervision. However, no sanction was applied for non-compliance following the examinations conducted.

211. In relation to national coordination and international cooperation, the AML/CFT Inter-Ministerial Committee (National Coordination Committee) met five times to discuss pertinent national AML/CFT issues, including adoption of an Action Plan to address issues arising from GIABA’s Secretariat Analysis of the 13th FUR of The Gambia. The FIU signed MoUs with the FIUs of Benin, Guinea Conakry, Liberia, Niger, Nigeria and Senegal for exchange of information and made two (2) requests for information to its foreign counterparts. The Gambia also made one (1) request to the Netherlands in relation to an investigation into the financial activities of the previous administration. The FIU is yet to become a member of the Egmont Group.

212. The Gambia concluded its National Risk Assessment during the review period. The validation workshop was held in September 2019.

213. The Gambia needs to ensure effective supervision of DNFBPs for AML/CFT compliance; enact the AML/CFT (Amendment) Bill, 2017, the Mutual Legal Assistance in Criminal Matters Bill, 2017, the Capital Market Bill, 2017, and the Extradition Bill, and criminalize market manipulation in order to address the deficiencies in the country’s AML/CFT legal framework.

214. The Plenary urged The Gambia to intensify its efforts to address the deficiencies in its AML/CFT system and approved the exit of The Gambia from the follow-up process of the first round of ME to enable the country to focus on preparations for its second ME. The Plenary also directed The Gambia to submit a written update to the GIABA Secretariat, and provide an oral update to the May 2020 Plenary on the actions it has taken to address the deficiencies in its AML/CFT system and its state of preparations for the mutual evaluation.

FOLLOW UP PROCESS UNDER THE SECOND ROUND OF MUTUAL EVALUATIONS

Second Enhanced FUR of Ghana

215. The second FUR of Ghana with a request for re-rating was circulated at the 31st Technical Commission/Plenary meeting for information purpose only since Ghana did not meet the timeline for submission (six months prior to the date of discussion at Plenary). The country made a brief presentation on the steps it has taken to improve its AML/CFT regime, including the development of its national strategy on AML/CFT and issuance of banking regulations.

First Enhanced FUR of Senegal

216. The GIABA Secretariat presented the first FUR of Senegal for information at the 32nd Technical Commission/Plenary meeting. The Plenary considered the fact that Senegal was under observation by the International
Cooperation Review Group (ICRG) of the FATF due to the structural deficiencies in the country’s AML/CFT system, and as such approved for the discussion of the 2nd FUR of Senegal at the May 2020 Plenary ahead of the FATF June 2020 Plenary, to enable Senegal to inform the ICRG about the progress it has made following the adoption of the country’s MER in November 2018.

OUTCOMES ON THE SECOND ROUND OF MUTUAL EVALUATIONS


217. GIABA conducted the on-site mutual evaluation of Cabo Verde from 27th November 2017 to 13th December, 2017. The GIABA 31st Technical Commission/Plenary Meeting held in Conakry, Guinea, from 12th to 17th May 2019 considered and adopted the MER of Cabo Verde. With regard to TC, Cabo Verde was rated on the 40 Recommendations as follows: C on 9 Recommendations; LC on 15 Recommendations; and PC on 16 Recommendations. As regards the Effectiveness of its AML/CFT system, Cabo Verde was rated as having LE on all 11 I.Os.

218. The key priority actions that the country needs to take to improve its AML/CFT regime as outlined in the MER are as follows: enhance the methodology for assessment of the DNFBPs sector to provide a more comprehensive view of ML/TF risks in the country; designate an authority responsible for coordinating AML/CFT policies; develop a comprehensive AML/CFT program which focuses on higher risk areas and better understanding of ML/TF risks by supervisory authorities and reporting entities; provide supervisory and regulatory authorities of DNFBPs with the necessary human and technical resources to implement their AML/CFT obligations, especially the requirement to report STRs; adopt a CFT strategy to address issues relating to the geographical proximity of the country with high risk zones and the absence of any national focus in this area; create effective mechanisms that enable supervisors of FIs and DNFBPs to conduct risk-based AML/CFT supervision.

219. In line with the GIABA Mutual Evaluation Process and Procedures, the Plenary placed Cabo Verde on the Enhanced Follow-Up process and directed the country to submit its First FUR to the first Plenary in 2020.


220. GIABA conducted the on-site mutual evaluation of Burkina Faso from 23rd July 2018 to 3rd August 2018. The 31st GIABA Technical Commission/Plenary Meeting held in Conakry, Guinea, from 12th to 17th May 2019 considered and adopted the MER of Burkina Faso. With regard to TC, Burkina Faso was rated on the 40 Recommendations as follows: C on 9 Recommendations, LC on 17 Recommendations, PC on 13 Recommendations, and NC on 1 Recommendation. With regard to the Effectiveness of its AML/CFT system, Burkina was rated as having an ME on IOs 2 and 6, and LE on IOs 1, 3, 4, 5, 7, 8, 9, 10 & 11.

221. The key priority actions that the country should take to improve its AML/CFT regime as outlined in the MER are as follows: disseminate the NRA report to all relevant stakeholders; develop a national AML/CFT policy and conduct a more comprehensive assessment of NPOs; strengthen national coordination on AML/CFT; ensure that non-bank FI and DNFBP sectors and their respective supervisory authorities have a better understanding of ML/TF risks in their sectors; sensitize revenue and customs administrations, non-bank FIs and DNFBPs on the indicators for and the obligation to report suspicious transactions; strengthen the capacities of magistrates, prosecutors and Law Enforcement Authorities (LEAs) on financial investigations, to enable them to conduct parallel investigations systematically; provide LEAs with appropriate resources and training to enable them to adequately locate, freeze, seize and confiscate proceeds and instrumentalities of crime; strengthen the capacities of judicial officers and other competent officers dealing with terrorism and TF cases and fast-track the prosecution of all pending TF cases; strengthen the mechanism for implementing Targeted Financial Sanctions (TFS) pursuant to the
relevant UNSCRs by ensuring that the CCGA is fully operational and provide specialized training to the private sector to enhance the understanding of TF risks and indicators as well as the obligation to implement TFS related to TF and PF and ensure monitoring and supervision of FIs and DNFBPs to ensure compliance; ensure that reporting entities other than large FIs and DFIs comply with AML/CFT obligations, including conducting risk mapping exercises and implementing risk-mitigating measures; designate an authority to monitor and supervise DNFBPs and ensure that regulators impose proportionate and dissuasive sanctions for non-compliance with AML/CFT obligations; increase the frequency of on-site supervision of reporting entities for AML/CFT purposes and apply appropriate sanctions for non-compliance with AML/CFT requirements; and implement measures, including oversight measures and enforcement action, to ensure that basic and beneficial ownership information are available, adequate, accurate, current and accessible without delay.

222. In line with the GIABA Mutual Evaluation Process and Procedures, the Plenary placed Burkina Faso on the Enhanced Follow-up process and directed the country to submit its First FUR to the first Plenary in 2020. Burkina is currently on the FATF ICRG process.

Validation of the Mutual Evaluation Report of the Republic of Senegal

223. The 31st Technical Commission/Plenary meeting held in Conakry, Guinea, from 12th to 17th May 2019 considered the post-plenary amendments to the MER of Senegal to ensure that the amendments are of an acceptable level of quality and consistency. The Plenary discussed issues pertaining to IOs 1 and 6 and Recommendation 8, which were raised in the November 2018 for improvement of the quality of the report. Following acceptance by concerned delegates that these issues had been addressed, the Plenary adopted the new texts and validated the MER of Senegal subject to the amendments of the relevant parts of the MER. With regard to TC, Senegal was rated on the 40 Recommendations as: C on 5 Recommendations, LC on 9 Recommendations, PC on 19 Recommendations, and NC on 7 Recommendations. With regard to the Effectiveness of its AML/CFT system, Senegal was rated as having an ME on IO. 6 and an LE on IOs 1, 2, 3, 4, 5, 7, 8, 9, 10 & 11.

224. The key priority actions that the country should take to improve its AML/CFT regime as outlined in the MER are as follows: adopt a national AML/CFT strategy and disseminate findings to the relevant sectors; increase awareness-raising programs for AML/CFT stakeholders; monitor and supervise DNFBPs and impose sanctions for non-compliance with AML/CFT obligations; increase the frequency of on-site supervision of financial institutions for AML/CFT purposes and apply appropriate sanctions for non-compliance with AML/CFT requirements; strengthen the capacity of judicial authorities and ML/TF investigators to conduct parallel financial investigations and ensure that Magistrates and investigators of specialized anti-terrorist units are involved in AML/CFT programmes. Senegal is currently on the FATF ICRG process.

Second Mutual Evaluation Report of the Republic of Benin

225. The on-site mutual evaluation of the Republic of Benin was conducted in Cotonou, Benin, from 24 February to 13 March 2019. The Evaluation and Compliance Group (ECG) meeting held in Saly Portudal on 10 to 16 November 2019 discussed the draft MER of Benin based on the Key Issues Document and made recommendations to the GIABA 32nd Technical Commission/Plenary meeting for consideration and adoption. However, the Plenary deferred the adoption of the draft MER to May 2020 upon request from Benin that the country had not had time to review the changes made to the draft report, including the priority actions, after the discussion by the ECG.

Second Mutual Evaluation Report of the Republic of Mali

226. The on-site mutual evaluation of Mali was conducted in Bamako, Mali from 4 to 15 March 2019. The 32nd GIABA Technical Commission/Plenary Meeting held in Saly Portudal, Senegal, considered
and adopted the MER of Mali. Mali was rated on the 40 Recommendations as follows: C on 6 Recommendations, LC on 15 Recommendations, PC on 16 Recommendations, and NC on 3 Recommendations. With regard to the Effectiveness of its AML/CFT system, Mali was rated as having an ME on IO. 2 and an LE on IOs 1, 3, 4, 5, 6, 7, 8, 9, 10 & 11.

The key priority actions that the country should take to improve its AML/CFT regime as outlined in the MER are as follows: Adopt the NRA and disseminate to public and private sector stakeholders to foster a common understanding of the ML/FT risks in Mali; develop an AML/CFT strategic plan and an effective national coordination mechanism; provide the FIU with more human, material, technical and financial resources, provide on-going training for FIU staff in operational and strategic analysis; and strengthen cooperation between FIU and other competent authorities; strengthen the capacity of judicial authorities and ML/TF investigators on the use of financial intelligence and on financial investigation, including parallel financial investigations; ensure that magistrates and investigators of specialized anti-terrorist units are trained; incorporate the need to pursue confiscation of property into the AML/CFT strategy and conduct asset tracing training for the investigation units; conduct a comprehensive assessment of the NPO sector and provide guidance, targeted outreaches and supervision to the sector; improve implementation of TFS by ensuring timely dissemination of TF and PF sanction lists to all reporting entities and operationalize the National Commission on freezing; conduct training and awareness-raising programmes on PF and provide guidance on TFS related to PF to reporting entities and competent authorities and monitor compliance; monitor and supervise DNFBPs and impose sanctions for non-compliance with AML/CFT obligations; strengthen the capacities and resources of the supervisory/regulatory bodies; increase the frequency of on-site supervision of financial institutions for AML/CFT purposes and apply appropriate sanctions for non-compliance with AML/CFT requirements; assess the ML/TF risk posed to legal persons established in the country and ensure that the basic and beneficial information is accurate, up-to-date and easily accessible; strengthen the capacity of investigators and magistrates in the area of international cooperation to facilitate the use of mutual legal assistance.

In line with GIABA Mutual Evaluation Process and Procedures, the Plenary placed Mali on the Enhanced Follow-up process and directed the country to submit its First FUR in November 2020. The MER of Mali will be subjected to quality and consistency review by the Global Network and published on the GIABA website.

Figure 3.1 below provides a summary of the ratings of compliance with the IOs and 40 Recommendations in respect of Senegal, Cabo Verde, Burkina Faso and Mali, while the main Key Findings and Priority Actions (remedial actions that Member States should implement to improve their AML/CFT system) are indicated in the Executive Summaries of the MERs, and can be accessed at the GIABA website: www.giaba.org.
### Table 3.1 Summary of the ratings of compliance with IOs and Recommendations for Senegal, Cabo Verde, Burkina Faso and Mali

#### Level of effectiveness

<table>
<thead>
<tr>
<th>I.O/Rec.</th>
<th>Description</th>
<th>MS/DATE OF ADOPTION/VALIDATION OF MER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Risk, Policy and co-ordination - ML and TF risks are understood and where appropriate, actions coordinated domestically to combat ML and TF</td>
<td>Senegal (May)</td>
</tr>
<tr>
<td>2.</td>
<td>International co-operation - International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets</td>
<td>Low</td>
</tr>
<tr>
<td>6.</td>
<td>Financial intelligence - Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations</td>
<td>Moderate</td>
</tr>
<tr>
<td>7.</td>
<td>Money laundering investigation and prosecution - Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions</td>
<td>Low</td>
</tr>
<tr>
<td>8.</td>
<td>Confiscation - Proceeds and instrumentalities of crime are confiscated</td>
<td>Low</td>
</tr>
<tr>
<td>9.</td>
<td>Terrorist financing investigation and prosecution - Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions.</td>
<td>Low</td>
</tr>
<tr>
<td>10.</td>
<td>Terrorist financing preventive measures &amp; financial sanctions - Terrorists, terrorist organizations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the non-profit sector</td>
<td>Low</td>
</tr>
<tr>
<td>11.</td>
<td>Proliferation financing financial sanctions - Terrorists, terrorist organizations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the non-profit sector</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Level of Technical Compliance</td>
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<tr>
<td>---</td>
<td>---------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Assessing risks &amp; applying a risk-based approach</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>National cooperation and coordination</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Money laundering offence</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Confiscation and provisional measures</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Financial institution secrecy laws</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Customer due diligence</td>
<td></td>
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<tr>
<td>11.</td>
<td>Record keeping</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Politically exposed persons</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Correspondent banking</td>
<td></td>
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<tr>
<td>14.</td>
<td>Money or value transfer services</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>New technologies</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Wire transfers</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Reliance on third parties</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Internal controls and foreign branches and subsidiaries</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Higher-risk countries</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Reporting of suspicious transactions</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>Tipping-off and confidentiality</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>DNFBPs: Customer due diligence</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>DNFBPs: Other measures</td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td>Transparency and beneficial ownership of legal persons</td>
<td></td>
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<tr>
<td>25.</td>
<td>Transparency and beneficial ownership of legal arrangements</td>
<td></td>
</tr>
<tr>
<td>26.</td>
<td>Regulation and supervision of financial institutions</td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td>Powers of supervisors</td>
<td></td>
</tr>
<tr>
<td>28.</td>
<td>Regulation and supervision of DNFBPs</td>
<td></td>
</tr>
<tr>
<td>29.</td>
<td>Financial intelligence units</td>
<td></td>
</tr>
<tr>
<td>30.</td>
<td>Responsibilities of law enforcement and investigative authorities</td>
<td></td>
</tr>
<tr>
<td>31.</td>
<td>Powers of law enforcement and investigative authorities</td>
<td></td>
</tr>
<tr>
<td>32.</td>
<td>Cash couriers</td>
<td></td>
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<tr>
<td>33.</td>
<td>Statistics</td>
<td></td>
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<tr>
<td>34.</td>
<td>Guidance and feedback</td>
<td></td>
</tr>
<tr>
<td>35.</td>
<td>Sanctions</td>
<td></td>
</tr>
<tr>
<td>36.</td>
<td>International instruments</td>
<td></td>
</tr>
</tbody>
</table>
General observations on outcomes of MEs under the 2nd Round

230. As indicated in the table above, with respect to effectiveness, none of GIABA member states was assessed as having a substantial or high level of effectiveness on the IOs and only few moderate ratings are achieved; this means that fundamental improvements are need in member states. A review of all four MERs indicate that there are some key shortcomings that are common to all assessed member countries. These are summarized as follows: Under IO 1, it was observed that member countries had not developed AML/CFT policies and national cooperation was limited. Under IO 2, it was observed that there was limited international cooperation particularly, mutual legal assistance in relation to investigations on ML/TF or predicates that are transnational in nature. Under IO3, the deficiencies generally related to the absence of an authority or authorities responsible for monitoring implementation of AML/CFT requirements among DNFBPs; the lack of enforcement of regulations requiring DNFBPs to implement AML/CFT measures as well as limited inspections and sanctions by supervisory authorities for FIs. Under IO4, the lack of risk assessment by financial institution other large banks, limited training and sensitization of these entities and limited implementation of AML/CFT measures among smaller FIs and DNFBPs were the main deficiencies. In particular, there was limited awareness and implementation of the obligation to report suspicious transactions to the FIU by non-bank financial institutions and DNFBPs. Under IO5, limited measures for adequate, accurate, current basic information on legal persons and timely access to the information and limited beneficial ownership information accounted for the low rating. Under IO6, the limited use of financial intelligence by competent authorities was a key deficiency. Under IO7 the limited capacities of magistrates, particularly the prosecutors, and LEAs, including the judicial police and the gendarmerie to conduct financial investigations, particularly AML-related investigation and the lack of systematic parallel investigation. Under IO8, the lack of policy/lack of implementation of a policy on confiscation as well as limited resources and training to enable LEAs adequately locate, freeze, seize and confiscate proceeds and instrumentalities of crime was identified in member states. Under I.O.9, the deficiencies identified include limited capacity to conduct terrorist financing investigation; and limited integration of TF into the counter-terrorism strategy. Under I.O.s 10 and 11, the weak mechanism for implementing targeted financial sanctions pursuant to the UNSCRs and lack of awareness on the obligation to implement targeted financial sanctions related to TF and PF, and lack of monitoring and supervision of financial institutions and DNFBPs to ensure compliance with TFS requirements, are the key deficiencies identified.

231. On the technical compliance assessment, even though the assessed member states have enhanced their AML/CFT legal and institutional frameworks, some weaknesses remain. Thus, some deficiencies were identified in relation to criminalization of TF, in particular, the lack of criminalization of TF for any purpose. The legal and institutional framework for implementation of targeted financial sanctions was assessed as inadequate. There were some shortcomings in respect of the legal and institutional framework relating to preventive measures including requirements for wire transfers for FIs and customer due diligence and other obligations for DNFBPs. There was also inadequate institutional framework as regards regulation and supervision of DNFBPs. In particular, there were no designated authorities to supervise some DNFBPs. It was also observed that there was inadequate legal and institutional framework for (i) implementation of a declaration system

<table>
<thead>
<tr>
<th></th>
<th>Mutual legal assistance</th>
<th>C</th>
<th>C</th>
<th>LC</th>
<th>LC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mutual legal assistance: freezing and confiscation</td>
<td>PC</td>
<td>LC</td>
<td>LC</td>
<td>PC</td>
</tr>
<tr>
<td></td>
<td>Extradition</td>
<td>LC</td>
<td>C</td>
<td>LC</td>
<td>PC</td>
</tr>
<tr>
<td></td>
<td>Other forms of international cooperation</td>
<td>LC</td>
<td>LC</td>
<td>LC</td>
<td>LC</td>
</tr>
</tbody>
</table>
or a disclosure system and (ii) transparency of legal persons in three of the four countries evaluated.

**232.** Overall, the level of implementation of AML/CFT measures in the region requires considerable improvement. GIABA will focus on strategic deficiencies that are cross cutting, including supporting members to develop an AML/CFT strategy, provide capacity training on ML/TF investigation enact relevant laws and regulations and enhance capacity of stakeholders within the financial sector.

**Status of Mutual Evaluations and Challenges encountered**

**233.** GIABA has concluded the Mutual Evaluations of Ghana, Cabo Verde, Burkina Faso and Senegal. The MER of Mali was adopted at the November 2019 Plenary and subjected to a quality and consistency review. The MEs of Benin, Nigeria, Sierra Leone and Niger (on-site visit-January 2020) are ongoing. The Table below provides the status of GIABA MEs.

<table>
<thead>
<tr>
<th>Member State</th>
<th>Date of On-site</th>
<th>Date of Plenary Discussion</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHANA</td>
<td>September 2016</td>
<td>May 2017</td>
<td>Concluded, MER published</td>
</tr>
<tr>
<td>SENEGAL</td>
<td>September 2017</td>
<td>November 2018</td>
<td>Concluded, MER published</td>
</tr>
<tr>
<td>CABO VERDE</td>
<td>December 2017</td>
<td>November 2018</td>
<td>Concluded, MER published</td>
</tr>
<tr>
<td>BURKINA FASO</td>
<td>July/August 2018</td>
<td>May 2019</td>
<td>Concluded, MER published</td>
</tr>
<tr>
<td>MALI</td>
<td>January 2019</td>
<td>November 2019</td>
<td>Discussed at the 32nd Plenary. Quality and consistency review on course</td>
</tr>
<tr>
<td>BENIN</td>
<td>February 2019</td>
<td>November 2019</td>
<td>Adoption of the MER postponed to the 33rd Plenary meeting in May 2020</td>
</tr>
<tr>
<td>SIERRA LEONE</td>
<td>July 2019</td>
<td>May 2020</td>
<td>MER is scheduled to be discussed during the 33rd Plenary meeting in May 2020</td>
</tr>
<tr>
<td>NIGERIA</td>
<td>September/October 2019</td>
<td>May 2020</td>
<td>MER is scheduled to be discussed during the 33rd Plenary meeting in May 2020</td>
</tr>
<tr>
<td>NIGER</td>
<td>January 2020</td>
<td>November 2020</td>
<td>Commenced desk-review</td>
</tr>
<tr>
<td>TOGO</td>
<td>August 2020</td>
<td>May 2021</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>GUINEA BISSAU</td>
<td>October 2020</td>
<td>May 2021</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>THE GAMBIA</td>
<td>February 2021</td>
<td>November 2021</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>COTE D’IVOIRE</td>
<td>February 2021</td>
<td>November 2021</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>LIBERIA</td>
<td>September 2021</td>
<td>May 2022</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>GUINEA</td>
<td>January 2022</td>
<td>November 2022</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>SAO TOME AND PRINCIPE</td>
<td>March 2022</td>
<td>November 2022</td>
<td>Yet to Commence</td>
</tr>
<tr>
<td>COMOROS</td>
<td>September 2022</td>
<td>May 2023</td>
<td>Yet to Commence</td>
</tr>
</tbody>
</table>
234. The mutual evaluation exercise has not been without its challenges. There are a number of reasons that account for the challenge faced. The limited understanding of some of the assessors and reviewers, as well as the limited human resources at the Secretariat impacted on the quality and timely finalization of the MERs. In addition, the timeline did not adequately take account of the need for translation of documents into the other two official languages. The quality of translation can sometimes have a negative impact on timely finalization of the reports.

235. In order to address the limited capacity of assessment teams, GIABA has started drawing on experts from its member States and the global network to join the Assessment Team for the conduct of Mutual Evaluations. The Secretariat is also making plans to start an assessment earlier than usual where translation is required. In addition, the Secretariat is considering adjusting the calendar to space out the Mutual Evaluations of the remaining member States to ensure that staff have sufficient time for each mutual evaluation.

236. GIABA plays its role within the Global FATF AML/CFT framework by participating in the Global Network Coordination Group (GNCG), Evaluation Compliance Group (ECG), International Cooperation Review Group (ICRG) and Policy Development Group (PDG). Most of the key decisions made at these groups are adopted by the Plenary. Thus, GIABA’s participation at these meetings is important given that the decisions of these Groups impact on the work of FSRBs, including GIABA. GIABA is required to meet FATF expectations, which are oftentimes derived from the decisions of the FATF Plenary, particularly when they relate specifically to the work of the FSRBs. The GNCG meeting is particularly important because it allows GIABA to discuss the challenges it faces in conducting ME and highlights the areas where assistance is required. The FATF is committed to ensuring that FSRBs that face challenges receive support from the Global Network.

237. Overall, it is envisaged that the Secretariat will recruit adequate number of staff to conduct the mutual evaluation of its members as well as make other necessary adjustments in the coming year to ensure that GIABA produces objective and accurate MERs of a high standard in a timely way, in keeping with the mutual evaluation process and procedures.
CHAPTER IV

TYPOLOGIES AND OTHER RESEARCH STUDIES

Introduction

238. The conduct of typologies and other ML/TF related research studies is fundamental to the identification and understanding of ML/TF risks as provided for in Goal 2 of the GIABA 2016 – 2020 Strategy Plan. As provided for in the GIABA Statutes, one of the primary functions of an FATF-Style Regional Body (FSRB), GIABA, has as one of its core mandate and as enshrined in its statutes, to build the AML/CFT regimes of member States that are based on pertinent, current and emerging risks. Realizing this goal must be primarily informed by the outcomes and findings of typologies and other research studies on money laundering and terrorist financing conducted in the West African region.

239. Understanding the criminal environment is a prerequisite to compliance with international AML/CFT standards. Conducting typologies is also key to the identification of risk indicators and red-flags for ML/TF emanating from systems and institutional vulnerabilities or the threats against them. It is therefore 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 need for the assessment, understanding, prioritization and mitigation of ML/TF risks by all countries.

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

CONDUCT OF NATIONAL RISKS ASSESSMENT

241. Since the revision of the FATF standards of 2012 and 2013, GIABA has made the conduct of NRA an obligation for all its members considering that risks mitigation is now central to the FATF compliance assessment. Since then, GIABA has prioritized the provision of both technical and financial support to its ECOWAS members, who effectively provide its finances, for the conduct of their NRAs.

242. The status of GIABA member States’ conduct of NRA is required to ascertain their preparedness for the commencement of their second mutual evaluation (ME). Due to the active engagement of GIABA and other development partners, the region has recorded an increase in the number of countries that have completed their NRAs (13 out of 17). Out of the four (4) countries that are yet to complete, three (3) are currently undergoing the assessment, and are likely to complete the exercise in 2020. Sao Tome & Principe is the only GIABA MS that is yet to start during the review period but is poised to commence in 2020. All the 17 countries of GIABA are to a large extent within a comfortable zone with regard to the schedule of their mutual evaluation as far as the conduct of the NRA is concerned.

243. GIABA secretariat, with the support of partners, will continue to engage the ongoing NRAs to their completion. The Secretariat will continue to urge the only remaining country
that is yet to commence the NRA process to do so in 2020 and preferably to keep to the
calendar. The GIABA Secretariat will continue its engagement with member States that have completed their NRAs on the implementation of their action plans, and where needed support them in the development of their national AML/CFT strategy in order to mobilize all stakeholders, prioritise actions plan and reach out to partners for technical support while making sure the countries authorities commit to full implementation of the plans. Also, GIABA is to engage all the countries in order to fully institutionalize ongoing review of their NRAs as at when due.

244. The conduct and periodic update of the NRA remain very high on GIABA’s agenda and the Secretariat looks forward to strengthening partnerships in this direction.

COMPLETED RESEARCH PROJECTS

Study on Money Laundering and Terrorist Financing arising from the Smuggling of Goods in West Africa

245. The smuggling of goods within and across borders has emerged as a major threat to global economic growth and development. While the phenomenon is not new, it has reached an unprecedented level, in terms of scope and intensity, in recent decades and is threatening to erode much of the growth and developmental progress, particularly in developing and fragile countries. Specifically, goods smuggling undermines and undercuts key institutions, damages the environment, distorts or impedes economic growth, and fuels conflict.

246. In West Africa, cross-border trade has evolved over time mirroring the structures of the region’s economies with both formal and informal trade thriving in tandem. Illicit trade in mostly manufactured goods, including tobacco and, in the last decade, petroleum from Nigeria continues to be the primary driver of smuggling in the region. The large informal sectors driven by cash; ethnic, religious and cultural ties; porous borders; the absence of government and governance

in most of the long border stretch known as smuggling zones; and the proliferation of small organized crime and terrorist cells purporting to providing security for such abandoned areas; have been put forward as the factors that enable the thriving of smuggling. In a more pronounced version, shipments and transshipments through trade hubs not just to landlocked countries but to countries with strict tariff controls have taken the centre stage, resulting in a plethora of methods of smuggling and increasing the cost of control measures, requiring more personnel and logistics to provide border security in official crossing points, leaving the rest porous stretch to random anti-smuggling patrols.

247. In order to understand the legal and administrative arrangements of cross-border trade in West Africa, and how the formal and informal trade structures co mingle to promote smuggling on the one hand, and how they contribute to money laundering and terrorism financing on the other, the following questions guided the study:

(i) How far has cross-border trade evolved considering regional trade before the colonial era?

(ii) What are the customs arrangements with the introduction of the borders (delineation) by the colonialists?

(iii) What are the legal and administrative structures that address WTO arrangements and best practices for trade liberalization and the removal of barriers?

(iv) What are the existing challenges that exacerbate smuggling and fuel conflicts and ML/TF in West Africa?

(v) What role can a common external tariff in a regional market play in combating smuggling and ML and TF? and

(vi) What are the other regional policies that could inhibit smuggling and stop
the proceeds from being laundered or used for terrorist purposes?

248. As the methods and trends of smuggling have evolved, so have customs and other border officials devised new modes of operation to combat the scourge. The control measures before now have been mostly administrative, including seizure and forfeiture, however, with most countries criminalizing smuggling and recognizing the crime as a predicate offence, there are attempts by customs officials to make referrals to specialized AML/CFT agencies to pursue the ML and TF investigation and prosecution of detected smuggling cases.

249. The fight against smuggling has been a tough one, particularly for Nigeria and the trio of landlocked countries (Burkina Faso, Mali and Niger). These countries have long unmanned stretches of borders and, even worse, is the case of countries operating separate custom borders different from the countries territorial borders (particularly so for Mali and Niger). Consequently, the smugglers in these countries employ the services of small terrorist cells and militias to give them safe passage and provide security when necessary.

250. The impact of smuggling is not just limited to the socioeconomic cost to the region but the loss of lives of public officials in the line of duty. In addition, although, it has not been established with a proven case provided here in the report, there are circumstantial evidence of customs officials, particularly the anti-smuggling squad in the Sahel corridor, being attacked by armed militia groups purportedly giving cover to smugglers. There are instances of the military mistaking anti-smuggling squads on covert operations for militias where the latter come under friendly fire leading to loss of lives. In most instances the smugglers are the ones to alert the military, knowing well these are customs officials on covert operations to arrest them.

251. Finally, there are a host of challenges bedeviling the fight against smuggling, including lack of awareness, knowledge on the effect of the scourge, frontline officials not adequately trained and equipped for the job, the public and border communities not well informed on the issues of smuggling and its debilitating consequences, among others.

252. Based on the findings and conclusion of the study, the following recommendations for policy actions have been put forward:

**National Level**

a. Show Political will and provide leadership in the fight against the scourge;

b. Ensure that the legal and regulatory frameworks are appropriate;

c. Organize sensitization sessions, on the smuggling of goods that may result in cases of money laundering, for the population;

d. Establish a consultation framework between the structures in charge of smuggling issues and the implementation of the recommendations that will be formulated during this consultation framework;

e. Enhance the capacity of relevant actors by making available human, material and financial resources to the structures in charge of preventing smuggling;

f. Effectively prosecute offenders by imposing stiffer sanctions on them and their accomplices;

g. Provide modern equipment at the various frontline border agencies to combat smuggling;

h. Create a specialized unit to provide real time information on potential smugglers;

i. Improve on staff strengths and strengthen borders security;

j. Train and sensitize customs officials on the identification of ML/TF offences and the link to smuggling as a predicate offence;

k. Strengthen inland tax control to establish the link between physical stocks of goods and import documents; and

l. Strengthen customs control capabilities through automated systems.
Regional and International

m. Harmonies’ and standardize all tariff lines across the region in line with the ECOWAS common external tariff;

n. Enforce the ECOWAS trade liberalization scheme to promote regional trade and market;

o. Provide a framework upon which intelligence gathering and sharing of intelligence can be improved on;

p. Engage in training and sensitization to ensure that the fight against smuggling is not done in silos, but go in tandem with ML and TF;

q. Establish a framework for collaboration and consultation between the different regional actors in the fight against this scourge; and

r. Establish an interstate customs corridor that effectively tracks the flow of goods across borders.

Typologies Study on Money Laundering and Terrorist Financing arising from Human Trafficking and Migrants’ Smuggling in West Africa

253. Human Trafficking (HT) and Migrants’ Smuggling (MS) have been on the increase in West Africa due to various contextual factors, including security crises and socio-economic circumstances that the region has been experiencing for the past decade. The report concedes that HT and MS are among the most profitable forms of crime in the world, particularly in Africa.

254. Also, although human trafficking is legally separate from migrant smuggling, there is a direct relationship between both crimes in West Africa as their victims sometimes use the same routes, and the causes of their journey are often similar. What differentiates one from the other are the purposes of the trafficckers.

255. GIABA conducted this typologies exercise in order to better understand the phenomenon of ML/TF arising from human trafficking and migrant smuggling in West Africa and its impact on society. The aim is to develop appropriate policies to prevent, detect and punish ML/TF in connection with the HT/MS in the region. In this respect, the methodology consisted in conducting research in each of the 15 ECOWAS Member States. This report is therefore the result of an analysis of the key findings of the country reports, as highlighted below.

256. The issue is addressed by the study within five chapters to assess essentially the following aspects: the magnitude and manifestations of these crimes, the profiles of victims and traffickers, their routes, the vulnerabilities of legal and institutional arrangements, money laundering and terrorist financing techniques and methods, red flags, recommendations to be implemented and prospects.

257. Traffickers have a varied profile. They are often organized into networks of conveyors, carriers and smugglers. In particular, there are West African, European and Middle Eastern nationals who often collude with corrupt public service officials. They usually work as commercial managers (bars, restaurants, nightclubs, travel agencies, used vehicle seller, etc.), transporters, gold site operators, etc. Although not supported by concrete cases of typologies, the link between traffickers and organized criminal and terrorist groups is highly presumed, particularly on routes through controlled areas.

258. From a legal standpoint, it is generally apparent that ECOWAS countries are signatories to the relevant United Nations, African Union and ECOWAS conventions as well as a number of bilateral and multilateral agreements relating to the issue of human trafficking and migrant smuggling. More specifically, the legal and institutional framework includes the adoption of several national laws and the creation and operationalization of adequate coordination services and committees. However, gaps remain in some national systems regarding the criminalization of migrant smuggling.

259. For investigations, prosecutions and adjudications, most of the statistics provided by countries are linked to human trafficking. There have been no convictions for money laundering and terrorist financing in connection with migrant smuggling and
human trafficking. However, there are ongoing legal proceedings involving prosecutions for laundering the proceeds derived from migrant smuggling and human trafficking.

260. Many cases of typologies have been reported by countries, the most relevant of which are included in this report. They reveal that the proceeds of both scourges are used, in particular, by traffickers to commit offences that either increase their income or facilitate the commission of all kinds of offences. In addition, the analysis of the techniques and methods used by trafficking networks and their associates has also made it possible to highlight red flags that are likely to attract the vigilance of the investigation and criminal prosecution authorities. With regard to the challenges, in addition to the contextual factors exacerbating the issue, the main hindrances are: insufficient national coordination and regional cooperation, inadequate resources dedicated to the relevant authorities, insufficient specialized training in financial investigations, and the absence of systematic financial investigations in the course of investigating migrant smuggling and human trafficking cases.

261. In terms of recommendations, the report identified and targeted regional and national actors and stakeholders with the necessary actions to be taken in the short and medium term. These recommendations focus on strengthening the legal and institutional framework, national coordination of control policies and activities, strengthening regional cooperation, information management and sharing, and strengthening the human and material capacities of various actors. Public awareness, particularly of actual and potential victims, was also recommended, while being convinced that political will remains the key enabler that could guarantee success.

262. The study concludes with perspectives to be considered with a view to fostering a better understanding of the issues of money laundering and terrorist financing in relation to human trafficking and migrant smuggling.

**ONGOING RESEARCH PROJECTS**

**Update on the Ongoing Assessment of the Beneficial Ownership Information and Asset Recovery Frameworks for AML/CFT purposes of GIABA Member States**

263. An Assessment of the Beneficial Ownership Information (BOI) and Asset Recovery Frameworks for AML/CFT Purposes in GIABA member States is one of the priority projects for 2018/19. The assessment was scheduled to be completed in November 2019, however, due to delay in the field visit to Cabo Verde, the last of 5 countries visited in August 2019, and for which the project team is yet to receive all the responses (this is not only unique to Cabo Verde). The assessment, including data analysis and report writing, is expected to be completed early in 2020.

264. The objective of the project is to assess the existing legal and regulatory frameworks for collecting beneficial ownership (BO) information for AML/CFT purposes by national competent authorities on companies, trusts and other legal entities and asset recovery framework in five (5) GIABA member States – Cabo Verde, Cote d’Ivoire, Ghana, Nigeria and Senegal. The rationale for the selection of these 5 countries is the fact that they are the largest economies where the risks of misuse of corporate vehicles are supposedly the highest in the region. Cabo Verde has been included in order to understand the Lusophone approach to company transparency.

265. A summary of the preliminary findings from the analysis of responses received so far are as follows:

- There are existing laws in all the member States on the registration of legal persons and arrangements, and there are national registries mandated to carry out that function. The registries are however, not extended to trust and trust-like corporate vehicles in Cote d’Ivoire and Senegal. Even in the case of Ghana and Nigeria, until recently with the revision of the laws, the company registration laws were not clear on trusts and trust-like vehicles.

- All the member States are now either working towards operationalizing mandatory beneficial ownership information disclosure or currently revising their company registration act to provide for such disclosure.
Where the existing act provides for BOI disclosure, there is no penalty for false or non-disclosure.

The current registers are being migrated to computer-based files from the paper-based files they were, however, none is yet fully automated or web-based data platform.

The registers are neither up-to-date, nor comprehensive, nor accessible by competent authorities without delay. What appears in some of the websites of the registries as information for the public is very basic and mundane.

Where there are measures in place to enforce compliance of legal persons and arrangements in updating their information with the register, the fines are not dissuasive.

There is no asset or property register in member States, therefore making it difficult to link any natural person or legal person to any asset or property.

266. There are several challenges highlighted in the attempt to address BOI issues and having an effective asset management framework in place. Some of the challenges are as follows:

- Most member States lack the resources and capacity to put in place an automated or web-based register (database) that houses comprehensive and up-to-date information on the ultimate BO of legal persons and arrangements that is accessible to all competent authorities and, to some extent, the public.

- The use of trusts and shell companies to own/manage assets poses a challenge to law enforcement.

- The registries and banks are not undertaking full BOI disclosure during on-boarding legal persons and arrangements.

- There is no comprehensive legislation on the management of recovered assets.

- There is inadequate capacity to trace and recover certain types of assets.

- There is a lack of expertise in the management of certain types of assets.

- The cost of managing assets is a significant burden.

- Inter-agency rivalry or lack of cooperation amongst agencies impedes asset recovery.

- Delay in trial contributes to asset recovery ineffectiveness.

267. The next steps for the completion of the assessment are as follows:

- The months of November and December 2019 is to complete the data analysis and report drafting.

- The month of January and February 2020 will be dedicated to the review and translation of the report of the assessment.

- The report will be further reviewed by members of the RTMG and selected experts, including from the FATF Secretariat and the World Bank in March 2020.

- The consolidated report will be circulated to the GIABA RTMG and Plenary delegates in April 2020.

- The final report will be presented at the May 2020 RTMG and Plenary meetings for endorsement before publication.

Update on the Assessment of the Counter Terrorism Financing Capacities of GIABA member States (Burkina Faso, Cote d'Ivoire, Mali, Niger and Nigeria)

268. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) conducted an assessment of the capacity of member States to effectively counter-terrorist financing (TF) in the region in October 2018. The assessment, which is one of the research priorities of GIABA for 2019, was conducted in the five (5) terrorism most affected GIABA member States, namely: Burkina Faso, Côte d'Ivoire, Mali, Niger, and Nigeria.
This exercise was designed to assess the capacity of the designated countries to appropriately and effectively apply international CFT measures. The objectives of the assessment are to:

- Establish the extent to which competent authorities in each of the 5 countries understand the TF risks they face;
- Review the relevant TF legal and regulatory frameworks to ascertain their conformity to international standards and identify gaps/weaknesses;
- Establish the responsiveness of the criminal justice system – investigation, prosecution, and adjudication – with regard to countering TF;
- Review the existing national coordination and inter-agency cooperation mechanisms and identify their strengths and weaknesses;
- Identify the role the private sector is playing in countering TF in the country and the challenges it is facing, including their obligations in enforcing targeted financial sanctions;
- Establish the extent to which countries are engaged in regional and international cooperation to counter TF, both locally and in other jurisdictions, as well as identify the challenges they face;
- Identify common issues among the countries at all levels as enumerated above and carry out an in-depth analysis of the issues; and
- Proffer targeted policy and operational recommendations that could help to address the different issues, both at local and regional levels.

Field visits to the 5 countries was carried out. The report has been drafted and will be validated by the 5 countries and presented to the GIABA plenary before its release.

Given the nature and level of ML/TF vulnerabilities of the West African region, the use of cash payment of any magnitude is a major challenge for national authorities. Border porosity exacerbating illicit cross-border operations, including smuggling and carrying bulk cash amidst weak enforcement, are still on the increase in West Africa. Some member States do not yet have laws against illegal and informal foreign currency exchange operations and/or effective systems of criminal justice. There is also the lack of effective cooperation and collaboration amongst key stakeholders, let alone having a national strategy in the fight against illegal and informal foreign currency exchange operation.

The typology exercise is therefore meant to highlight the vulnerabilities and possible threats of illegal and informal foreign currency exchange operations in West Africa and the impact it has on the region in various forms. The findings will reveal the implications for interventions and relevant recommendations will be made in that regard.

In order to successfully carry out the study, a call for expression of interest (EOI) was launched earlier in 2019 upon receipt of
management approval. The call for EOI was launched through the GIABA website for the recruitment of country researchers and experts from the West Africa member States. The recruitment was finalized and a project team, including the country researchers and the new GIABA RTMG members, was constituted and supported by the GIABA Secretariat. The project involved the review of relevant literature on the subject matter to understand the nature of illegal and informal foreign currency exchange operations in West Africa and the methods/techniques that exist. A questionnaire was developed to gather relevant information from identified sources, including GIABA member States/government institutions. Interviews were conducted with key actors to generate first-hand information that could not be obtained through the use of questionnaires alone. The project is expected to be completed by May 2020 as some work has been undertaken by the outgoing RTMG and the GIABA Secretariat, including some experts from the region during the joint FSRBs experts’ workshop of ESAAMLG, GIABA and MENAFATF in July/August, 2019 in Cairo.

The outcome of the project is expected to provide relevant information on the nature and pattern of illegal and informal foreign currency exchange operations in West Africa and those involved. The report will be useful to governments with regard to policy and operational intervention; to reporting entities with regard to compliance with relevant legal provisions; to regional and international organizations with regard to providing targeted technical assistance; and to the civil society with regard to supporting governments to combat money laundering and terrorist financing in the region.

The next steps for the conduct of the typologies studies on illicit and illegal foreign exchange services are as follows:

- **November 2019**: Finalization of recruitment process of country researchers;
- **Nov. to Dec. 2019**: Conduct of in-country study and drafting of reports by experts;
- **January 2020**: Review of expert’s draft reports by both the GIABA Secretariat and RTMG members;
- **Mid-January 2020**: Organization of a workshop for the validation of the draft country reports by the RTMG and member States representatives;
- **February 2020**: Incorporation of reviews and comments from the workshop and finalization of the draft country reports;
- **End February 2020**: Dissemination of draft report to RTMG members, Member States and GIABA Partners for review and final comments;
- **March 2020**: Incorporation of the amendments and finalization of the report;
- **April 2020**: Translation of the report into three ECOWAS languages;
- **End April 2020**: Dissemination of the final draft report to the participants of GIABA Plenary;
- **May 2020**: Adoption of the report and its publication on the GIABA website after the completion of any amendments.

The study on the assessment of the Challenges of Investigating, Prosecuting and Adjudicating money laundering (ML) and terrorist financing (TF) Cases in West Africa commenced in May 2019. The assessment, which is one of the research priorities of GIABA for 2019/2020, involves all the fifteen (15) ECOWAS member States.

The assessment, which is aimed at exploring policy and operational measures that could be adopted to enhance ML/TF investigation, prosecution, and adjudication, has the following specific objectives:

- To examine the existing practices and situation with regard to investigation, prosecution, and adjudication of ML/TF cases;
- To assess and analyse the different challenges militating against effective investigation, prosecution and adjudication of ML/TF...
cases;

- To assess the adequacy or otherwise of the existing capacity to investigate, prosecute and adjudicate on ML/TF cases.

- To assess the level of national collaboration and cooperation in dealing with ML/TF cases; and

- To offer policy and operational recommendations that could help to address the challenges of associated with ML/TF investigation, prosecution and adjudication as identified by the assessment.

279. The assessment is inspired by the poor performance of GIABA member States on ML/TF investigation, prosecution and conviction in the context of the prevalence of ML, its predicate crimes and terrorist activities across the region. In the low-capacity region of West Africa, the statistics on ML/TF investigation, prosecution and conviction have been very low. To underpin this poor performance, the reports of the mutual evaluations of member States in the First and Second Rounds have consistently show that ML convictions have been very scanty on the average, except for very few countries that have been able to secure ML convictions and succeeded in the forfeiture of assets over the last few years. The paucity of ML convictions in a regional context where most of the predicate crimes are prevalent is indicative of a number of weaknesses, including in the areas of investigations and prosecutions. Worse still, the reports show that convictions and related assets freeze on TF cases are almost non-existent in a region where terrorist activities are prevalent.

280. The assessment was undertaken through the following steps:

- Two external consultants were recruited to conduct the regional assessment, each supported by a staff of the Secretariat. The consultants will work from home and will, therefore, not attract any per diem except for approved travels.

- The consultants signed contracts and submitted Inception Reports to demonstrate their understanding of the assignment.

- Field visits were conducted by the consultants, accompanied by staff of the Secretariat, to all member States for the purpose of data collection.

- During the field visits, the consultants adopted the eclectic approach to data collection, including the use of questionnaires, face-to-face interviews, focus group discussions, personal accounts, etc. All needed logistical support or back-up were provided by the local facilitator and the accompanying GIABA staff.

- The consultants used both qualitative and quantitative data in their analysis.

- The draft report will be shared with stakeholders for their inputs and validation.

- The final report will be submitted to the RTMG for consideration and subsequent endorsement by the Plenary.

281. The next steps for the assessment are as follows:

a. The first draft report of the assessment will be prepared by the consultants before May 2020.

b. A summary of emerging findings will be presented at the RTMG meeting in May, 2020.

c. After the review by RTMG members and the GIABA Secretariat, the draft report will be circulated to MS for their inputs.

d. Upon receipt of inputs from MS, the report will be further reviewed.

e. The report will be translated into the two other ECOWAS official languages in June and July.

f. The final report will be considered at the 2020 RTMG Typologies workshop and will be tabled for approval in November 2020.

**Update on the assessment study of the status of Fin-tech deployment in the GIABA MS and related ML/TF risks**
Technology and digitalization are rapidly transforming the way the financial sector operates. Innovative digital technology applications for financial services, or Fichte, are being used to alter the interface between consumers and service providers and are helping to improve communication with consumers and increase their engagement. The need for financial institutions to have a constructive dialogue with technology companies is high on the FATF agenda. Equally so, lead members of the AML/CFT global network have also commented on the need to embrace new technology to effectively manage money laundering and financial crime risks as prescribed for in the FATF Standard (Recommendation 15). The use of innovation and technology to mitigate money laundering risks, specifically new technologies and innovation can help make compliance processes more efficient and more effective. Therefore, leveraging the latest technologies in financial crime compliance solutions can reduce manual review requirements, minimize the occurrence of false positives and streamline the regulatory reporting process.

While Fichte has great potential for financial inclusion and the expansion of financial services, it also has inherent risks which need to be understood and managed appropriately. Many financial institutions are beginning to innovate and provide services such as non-face-to-face banking services, instant money transfer and mobile financial applications. Financial crime in the cyberspace has the potential to erode confidence in the financial system thereby driving people away from the financial system due to mistrust. While innovation is the key to deepening the financial system, it is important that risks such as ML/TF and financial crimes are actively mitigated in the process.

The study aims to assess the likely ML/TF risks associated with the deployment of financial technology in the financial industry. The study aims to address the existing situation on the deployment of Fichte in West Africa. It also aims to understand the type of technology that is being deployed and for what purpose, and which sector is deploying what type of financial technology.

The exercise is expected to achieve the following:

- Enhanced understanding of the ML/TF risks associated with the deployment of FinTech in the delivery of financial services in ECOWAS member States;
- Bring forward action-oriented recommendations aimed at effective regulation and supervision on FinTech operations;
- A comprehensive report containing the findings and recommendations produced;
- The Final Report is produced and published in English, French, and Portuguese; and
- The report will be considered and approved by the GIABA Plenary with a specific calls to member States to implement the recommendations.

The next steps for the conduct of the assessment are as follows:

- **November 2019:** Finalization of request for information template on the Status of work on FinTech in member States;
- **December 2019:** Collation of response sent by member States experts on the Status of work on FinTech;
- **January 2020:** Review of response and drafting of the report by the GIABA Secretariat;
- **End January 2020:** Organization of a workshop for the discussion of report and further contribution by the RTMG and member States experts representatives;
- **February 2019:** Incorporation of comments and inputs from the workshop and finalization of the draft country reports;
- **End February 2019:** Dissemination of draft report to RTMG members, Member States and GIABA Partners for review and final comments;
March 2020: Incorporation of the amendments and finalization of the report;

April 2020: Translation of the report into three ECOWAS languages;

End April 2020: Dissemination of the final draft report to the participants of GIABA Plenary;

May 2020: Adoption of the report and its publication on the GIABA website after the completion of any amendments.

NEW TYPOLOGIES AND OTHER RESEARCH STUDIES PROPOSALS

Typologies Proposal on Money Laundering and Terrorist Financing linked to corruption in West Africa

287. Apart from its broader debilitating effects on governance, human development and stability, corruption has continued to pose significant problems in the anti-money laundering and combating the financing of terrorism (AML/CFT) agenda. In many jurisdictions, corruption, especially public sector corruption, is a major source of illicit funds and remains a significant predicate crime to money laundering (ML). Studies have equally shown that corruption is not only an ML predicate offence, but also one of the most daunting obstacles to combating ML and terrorist financing (TF) effectively across the globe (FATF, APG, GIABA, ESAAMLG, UNODC, World Bank), which serves as a facilitator of many criminal activities.

288. Consequently, global efforts to tackle ML/TF and related financial crimes have seen increasing attention focused on anti-corruption (AC) and a growing collaboration between the international AML/CFT and AC communities. Most notable of this growing collaboration is the growing number of the Joint Experts Meetings of the G20 Anti-Corruption Working Group (ACWG) and the Financial Action Task Force (FATF). The meetings, held every year since 2011, brings together AML/CFT and AC experts from around the world to discuss concerns of mutual interest, including issues of corporate transparency and beneficial ownership, politically exposed persons, the use of the FATF Recommendations to combat corruption, and specific risks factors in the laundering of the proceeds of corruption, inter alia.

289. Given the fragility of governance in West Africa, the region’s vulnerabilities to corruption, the gradual emergence of professional money launderers, as well as the resilience of financial secrecy and offshore financial centres around the world, combating the laundering of the proceeds of corruption has increasingly become a major challenge for national authorities. Indeed, to effectively safeguard the integrity of the public sector, protect private sector institutions from abuse, increase the transparency of the financial system, facilitate the detection, investigation and prosecution of corruption and money laundering, and bolster the recovery of stolen assets in the region, a comprehensive typologies of the risks, trends and methods of laundering the proceeds of corruption in the region needs to be undertaken.

290. The typologies exercise is meant to highlight the risks of corruption in West Africa and the impact it has on the region in various forms in order facilitate the adoption of appropriate and effective counter-measures. The specific objectives include, to:

a. Produce a case-based analysis of the trends of corruption in the region and the most common methods used to launder the proceeds thereof;

b. Identify the vulnerabilities leading to heightened risks of laundering the proceeds of corruption;

c. Understand the specific risk factors in laundering the proceeds of corruption; and

d. Provide policy and operational recommendations based on the findings of the study.

Strategic Surveillance Programme (SSP)

291. In view of the need to have a constant flow of information on the ML/TF threats in member States and their combating ability, GIABA has integrated risk monitoring in its programs. One of the initiatives put in place to monitor risks is the strategic surveillance program. The program is aimed at providing
a better understanding of the ML/TF situation in the region by deepening understanding of emerging trends that could accelerate or decelerate the twin phenomena and undermine or strengthen AML/CFT measures at national and regional levels. These trends could be political, economic, institutional, legal, or socio-cultural, which could facilitate predicate crimes and ML/TF in the region or negatively influence AML/CFT efforts, including judicial processes and outcomes.

292. In addition to deepening understanding of the ML/TF situation, the Strategic Surveillance program aims to serve as an early warning system on ML/TF developments in the region, thus serving as a tool for monitoring, planning and acting against ML/TF by relevant stakeholders in member States and by regional actors. The specific objectives of the program are to:

i. Collect data and information on predicate crimes, in terms of frequency, scale, manifestations, actors involved, proceeds generated and manifested negative impact;

ii. Collect data and information on the investigation, prosecution, and adjudication of ML/TF cases, with particular attention to instances of corruption, compromise, collusion, and neglect within criminal justice systems. Special attention is paid to criminal justice systems, not least because they constitute an integral part of AML/CFT efforts;

iii. Identify and analyze the general environment (context) - political, institutional, legal, economic, geographic, or socio-cultural, that have implications for regional and national AML/CFT efforts;

iv. Feed into the GIABA Annual Report and other strategic products; assist the conduct of regional ML/TF threat assessments and contribute to national risk assessments, and

v. Assist GIABA in better prioritizing its programmatic interventions and determining areas worthy of further research.

293. In furtherance of the programme, pilot-phase field visits were conducted in Cote d’Ivoire, The Gambia, Ghana and Togo, from August to September 2019. Amendments were made to the platform with the input provided from the different competent authorities visited in the member States. The final preparation to the commencement of official data collection and uploading on the platform has been completed.

294. The next steps into the implementation of the SSP are as follows:

a. Going forward, Country Data Officers are expected to upload data to the platform on a quarterly basis, while there will be a surveillance team from the Secretariat visiting member States once a year to engage with the data providers/competent authorities for data validation purposes. The engagement will include, making revision to provisional data, where necessary, or providing confirmed data as the case may be.

b. A consultant will be further engaged to make improvement and add new visualization/analytics to the platform from January to March 2020

Conclusion

295. The conduct of typologies and other research studies on ML/TF continues to be a critical component of GIABA 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 risk, methods, and trends.
CHAPTER V

TECHNICAL ASSISTANCE AND TRAINING

Introduction

296. GIABA recognizes the added value of providing technical assistance (TA) to its member States. These provisions are tailored to deal with pertinent AML/CFT gaps and assist towards building effective AML/CFT regimes by its member States. The GIABA Technical Assistance program over the years has been expanded to include all relevant stakeholders both public and private institutions. Basically, the Technical Assistance work of the Secretariat covers all sections of a country because money laundering and terrorist financing crimes, if left unchecked permeate all areas of a country’s economy (formal and informal), with devastating economic impact. These impacts are seen through endemic corruption, collapse of public institutions, low access to international financial investments, insecurity, high levels of crime and violence, amongst others.

297. In 2019, GIABA further enhanced its efforts in the delivery of TA to its member States to strengthen their abilities in dealing with ML/TF&PF. In particular, with the current low-level performance of the assessed member States in the current round of Mutual Evaluation, GIABA focused a significant amount of assistance and resources in the preparation of member States scheduled to undertake the on-site Mutual Evaluation in 2019 and 2020. Significant progress has been made in most countries, although some member States have registered slow improvements in addressing deficiencies highlighted in their first Mutual Evaluation Report.

298. The technical assistance training provided has had positive impact across the board in the member States – from the increase in suspicious transaction reporting (STRs) by reporting entities to the FIU; to increase in coordination amongst relevant stakeholders in effective investigation and prosecution of economic and financial crimes; and in country/sector understanding of their ML/TF/PF risks, to name a few. While, most of the key stakeholders are aware of their responsibilities in the implementation of robust AML/CFT measures, there is still much work to do to enhance the effectiveness of actions.

299. In 2019, GIABA provided the following technical assistance to its member States at both national and regional levels:

REGIONAL LEVEL

Regional Workshop on the Effective Implementation of AML/CFT Requirements - Dakar, Senegal, 1st - 3rd April 2019

300. Following the Assessors’ training, GIABA organized a regional workshop on the effective implementation of AML/CFT requirements from 1st to 3rd April 2019 in Dakar, Senegal.

301. The objectives of the workshop were to: (i) assist potential assessors gain a good understanding of the measures that countries must take to have an effective AML/CFT system and to equip them with the required skills for the Assessors’ training workshop; (ii) enhance participants’ understanding of their roles in the mutual evaluation exercise; and
(iii) improve the skills, capacity and understanding of delegates from key stakeholder institutions in charge of implementing AML/CFT measures in their respective institutions.

302. The workshop brought together forty-seven (47) participants from FIUs, Ministries of Justice, Finance, Security/Interior, as well as Central Banks, supervisory authorities/financial regulators, etc.

Workshop on Anti-Money Laundering and Counter Financing of Terrorism for Non-Profit Organization Stakeholders in West Africa - Accra, Ghana, 23rd – 25th April, 2019

303. GIABA participated and co-facilitated the workshop on the Anti-Money Laundering and Counter Financing of Terrorism for Non-profit Organization Stakeholders (NPOs) in West Africa. Held from 23rd March to 5th April 2019 in Accra, Ghana, the workshop was organized by the West Africa Civil Society Institute (WACSI) with the support of the Center for Not-for-Profit Law (ICNL) on the theme: “Anti-Money Laundering and Countering the Financing of Terrorism in West Africa: strengthening the capacities of the civil society to fight against the negative impact on civil life.

304. Twenty-seven (27) participants representing civil society organizations from West Africa’s five (05) Anglophone countries took part in this workshop. The objectives were, among other things, to: sensitize the civil society on the issues, standards and implementation of FATF Recommendation 8; highlight the vulnerabilities of civil society to ML/TF and share effective strategies to counter the misuse of the NPO sector by terrorists; provide civil society with knowledge and information on best practices in the implementation of the FATF standards in the NPO sector; discuss the self-regulatory mechanism of CSOs as an alternative to government repressive policies tending to limit the activities and freedom of civil society, etc.

305. The participants advocated for enhanced and ongoing collaboration with FIUs, GIABA and FATF on AML/CFT issues related to NPOs and the participation of CSOs in relevant AML/CFT programs; the establishment of harmonized databases of NPOs at national and regional levels; the establishment and adoption of a well-defined set of common standards (self-regulation) that will have a positive impact on the accountability and effectiveness of NPOs at national, regional and international levels. At the end of the workshop, it was recommended that GIABA encourage member States to adopt strategies to facilitate the effective implementation of Recommendation 8 and to work with the ICNL to facilitate the development and adoption of legal frameworks for non-profit organizations in the region.

Joint Regional Public/Private sector Meeting on Emerging Money Laundering and Terrorist Financing Issues, Dakar, Senegal, 10th to 12th June 2019

306. GIABA organized a three-day joint regional public/private sector meeting on emerging ML/TF issues in Dakar, Senegal, from 10th to 12th June 2019.

307. The program’s main objective was to provide a forum for participants to share experiences and promote cooperation/partnership for the effective implementation of preventive AML/CFT measures in member States. Specifically, the program was designed to (i) strengthen the capacity of participants on current and emerging ML/TF issues; (ii) sensitize participants on recent changes in the FATF standards; (iii) provide a platform for sharing experiences and best practices in AML/CFT; and (iv) promote cooperation, coordination and commitment among and
between relevant competent authorities and private sector operators on how to effectively implement preventive AML/CFT.

308. One hundred and sixteen (116) AML/CFT supervisory officials in representing regulatory authorities, senior officers from FIUs, and compliance officers from financial institutions (banks, stock market, and insurance operators) and DNFBPs attended the workshop. Themes on virtual currencies (cryptocurrencies), Fin-tech, RegTech, comprehensive ML/TF risk assessment, enhanced customer due diligence, submission of STRs and information sharing were covered.

309. The key aftermath of the workshop included the organization of the first annual meeting of the forum of compliance officers of GIABA Member States, the election of two executive members to fill the two vacant positions within the Forum Executive, and the adoption of the Forum’s by-laws.

310. During the 31st GIABA Plenary held in Conakry (Guinea), the Secretariat announced the introduction of the GIABA online learning platform (e-learning)/computer-assisted training (FAO). The online learning platform, which has been developed by UNODC, is designed to fast-track the acquisition of knowledge on ML/TF and predicate offences in a fast and standard way.

311. In this context, a two-day training session in e-learning/computer-assisted training was organized in Togo, Ghana and The Gambia for the investigative and prosecutorial authorities (three representatives from the police, customs, anti-corruption, anti-financial crime, anti-drugs, prosecution, and judiciary) and reporting entities (financial institutions and DNFBPs).


Regional Training Workshop on Investigative Reporting on Economic and Financial Crimes for Journalists – Monrovia, Liberia, November 26 – 28, 2019

Group photograph of participants at the Regional Training Workshop on Investigative Reporting on Economic and Financial Crimes for Journalists – Monrovia, Liberia, November 26 – 28, 2019
312. The contribution of the media in the fight against ML/TF cannot be over emphasized. The push for the freedom of information and transparency within public and private institutions further enhances citizens’ confidence in these institutions, thereby driving development and an environment where there is no safe haven for criminal elements. In our effort to drive awareness and reporting among economic and financial crimes journalist, GIABA Secretariat organized a Regional Training Workshop on Investigative reporting in Monrovia, Liberia from November 26 – 28, 2019.

313. The training objective were to further strengthen the capacity of journalists operating in the regional on investigative reporting of financial and economic crimes; building strong collaborative alliance between journalists across borders; and to acquaint the media houses on regional and international initiatives against ML/TF.

314. A total of forty-four (44) journalists from the different media houses in GIABA member States attended the workshop, including representatives from the Liberian Ministry of Information and Culture, and the Financial Intelligence Units.

315. The workshop concluded with the release of a communiqué, which the Secretariat would take into consideration in advancing its objectives in increasing AML/CFT awareness within its member States.

316. Beneficial Ownership Requirements have become a key focus area within the FATF and governments since the exposure of schemes used in avoiding tax payments and committing other crimes by criminals. Thus, the Secretariat organized a Regional Workshop on the Implementation of Beneficial Ownership Requirements in Abuja, Nigeria, 3rd -5th December, 2019.

317. The workshop was attended by officials from GIABA member States working in state owned company registries, the FIU, other AML/CFT stakeholders from competent authorities and the private sector. A total of eighty-seven (87) participants, including officials from the GIABA Secretariat and resource persons, attended the workshop.
The main objectives of the workshop were to: sensitize competent authorities on the requirements of the FATF Standards regarding transparency of beneficial ownership of legal persons and legal arrangements; enhance the capacity of regulatory authorities to be able to adopt and effectively implement Beneficial Ownership Information (BOI) requirements in their national laws; and promote the exchange of information and good practices among participants on BOI disclosure.

The GIABA Secretariat considers Beneficial Ownership Requirements as a key focus area in member States and shall continue to further enhance the skills stakeholders and strengthen key institutions in order to ensure the transparency of beneficial ownership.

NATIONAL LEVEL

National Workshop on Risk Assessment for FIs and DNFBPs - Bissau, Guinea-Bissau, 18-20 March 2019

The outcomes of the Secretariat’s analysis of Guinea Bissau’s follow up reports over the years revealed a weak performance of reporting entities in the implementation of AML/CFT measures, including the implementation of a risk-based approach. The compliance situation of the FI and DNFBP sectors in the implementation of AML/CFT standards currently in Guinea Bissau has serious implications for regional efforts against money laundering and terrorism financing. It has therefore become imperative to strengthen the capacities of reporting entities in the country in order to enhance the implementation of the AML/CFT system in Guinea Bissau and, ultimately, to achieve GIABA’s overall objectives.

GIABA has therefore deemed it necessary to focus its attention and TA in Guinea Bissau on strengthening reporting entities’ capacities in ML/TF risk assessment and assist them in determining priority areas, use resources efficiently and implement an AML/CFT system in a targeted and effective manner.

The objectives of the workshop were to: develop a common understanding of the ML/TF risk assessment concept, approach and methodology; strengthen the capacity of a group of experts in financial institutions and DNFBPs capable of conducting a ML/TF risk assessment; develop and adopt a roadmap for conducting ML/TF risk assessment in the FI and DNFBP sectors; and agree on next steps in moving this work forward in the various specific sub-sectors.

Thirty-one (31) participants, all compliance officers from financial institutions and DNFBPs, in charge of AML/CFT and risk assessment in Guinea Bissau, took part in this workshop.

National Workshop on money laundering and terrorist financing risk assessment for financial institutions and designated non-financial institutions, Banjul, The Gambia, from 14th to 16th August 2019

GIABA organized a national workshop on ML/TF risk assessment for financial institutions and designated non-financial institutions in The Gambia in Banjul from 14th to 16th August 2019. The workshop’s objective was to develop a common understanding of the concept of the approach and methodology ML/TF risk assessment and strengthen the capacities of financial institutions and DNFBPs in The Gambia to conduct sound ML/TF risk assessments.

Thirty-two (32) participants, all senior officials in charge of AML/CFT compliance/risk assessment in financial institutions and DNFBPs as well as the FIU and Central Bank of The Gambia, participated in the workshop.

National Sensitization Workshop for Religious Leaders and Religious organizations on AML/CFT - Banjul, The Gambia from 16th to 17th August 2019

In its relentless efforts to ensure the involvement of all stakeholders in the fight against money laundering and terrorist financing in West Africa, GIABA organized a two-day national sensitization seminar for
religious leaders and religious institutions on anti-money laundering and counter financing of terrorism measures in Banjul, from 16th to 17th August 2019.

327. This was the fifth (5th) edition of its kind, and the program fits squarely into the partnership development process with all stakeholders critical to the achievement of GIABA’s main objective. It was designed to raise awareness among religious leaders on their role in the fight against ML/TF and to establish a strong partnership with Faith-Based Organizations on the issue that may trigger action against violent extremism and promote peaceful coexistence in society.

328. A total of 32 religious leaders and representatives of faith-based institutions and organizations across the country participated in the seminar.
Breakdown of the Participation per Program

329. The breakdown of the participation per program is presented below in table 5.1.

Table 5.1 PARTICIPATION BY SECTOR

<table>
<thead>
<tr>
<th>S/N</th>
<th>SECTOR</th>
<th>YEAR 2019</th>
<th>TOTAL</th>
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<td>1</td>
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<td>Financial Intelligence Unit</td>
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</tr>
<tr>
<td>3</td>
<td>Banking Sector/Financial Institutions</td>
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<td>146</td>
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<tr>
<td>4</td>
<td>Other Fin Institutions (DNFBPs)</td>
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<td>35</td>
</tr>
<tr>
<td>5</td>
<td>Government Ministries (Finance, Justice, Interior) &amp; Parastatals</td>
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<tr>
<td>6</td>
<td>Legal (Judges, Prosecutors, Lawyers, etc)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>Law Enforcement Agencies</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>8</td>
<td>ECOWAS Institutions &amp; National Units</td>
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<td>9</td>
<td>Others (Civil Society, Media, NGOs etc)</td>
<td>477</td>
<td>477</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>1,052</td>
<td>1,052</td>
</tr>
</tbody>
</table>

Graph 5.1 : Participation by Sector

Conclusion

330. By GIABA standards and those of ECOWAS Community as a whole, it has been a successful year in the provision of technical assistance to member States. Although the Secretariat experienced the usual anticipated challenges such as delay in receipt of funds, unpreparedness of member States, etc. the Secretariat still trained a total of one thousand and fifty-two (1,052) officials, which is higher than the previous year.
CHAPTER VI

COMMUNICATION, ADVOCACY AND STAKEHOLDER MOBILIZATION

Introduction

331. The fight against Money Laundering, Terrorist Financing and the Financing of Proliferation cannot be successful without a very strong and effective communication, strong partnership among various stakeholders and deep involvement of non-state actors. Over the years, GIABA, has continued to strengthen its communications platforms, increase public engagement, partner with different groups, trained and sensitized stakeholders, and created wider reach and visibility for itself and its work within and outside the region.

332. Within the year under review, GIABA reached out to an array of new and important stakeholders, trained new partners, sensitized various groups and engaged the general populace through various activities and channels. These measures have considerably imparted knowledge of AML/CFT on the public.

333. The Director General, who is the chief advocate of the institution, carried out high-level advocacy missions to national authorities to increase political will and support for the fight against ML/TF at the highest level in the member States. The Communications and advocacy team, similarly, continued to carry out mid-level advocacy activities by engaging stakeholders, state and non-state actors, sensitizing them and increasing visibility for GIABA and its work, while mobilizing public support for the fight against ML/TF.

334. AML/CFT remains a highly technical area of work, the Communication team therefore organized several programmes and training for key stakeholders, to sensitize and empower them to partner in the fight against ML/TF. These categories include media practitioners and institutions, Civil Society Organizations (CSOs), Youths and Students Groups, Religious Leaders and Institutions, Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs).

HIGH AND MEDIUM LEVEL ADVOCACY MISSIONS AND STAKEHOLDERS MOBILIZATION

335. Within the year under review, GIABA Director General, Justice Kimelabalou Aba, undertook the following high-level advocacy visits to some member States.

Director General’s Advocacy Mission to Guinea Bissau to meet with the Authorities on the outcome of the GIABA Plenary and Ministerial Committee Meetings-Bissau, from 30th January to 1st February, 2019

336. In line with the directive of the 30th Plenary, issued at its meeting held in Banjul, The Gambia, from 10 to 16 November 2018, and approved by the GIABA Ministerial Committee (GMC), the Director General undertook a high-level advocacy mission to Bissau from 11 to 13 February 2019. The aim of the mission was to:
a. Formally communicate the decision of the Plenary and the GIABA Ministerial Committee (CMG) to the authorities of Guinea Bissau;

b. Draw the attention of those authorities to the need to urgently address outstanding deficiencies by the end of April 2019, and to report on progress made at the May 2019 Plenary; and

c. Highlight the consequences of not complying with the recommendations of the Plenary and the GMC in the country.

337. In addition to the GIABA Secretariat, the delegation also included three (03) member states, namely: Cabo Verde, Nigeria and Togo. This mission has been a great success, as later highlighted by the country, and their improved work to improve their AML/CFT system.

The Director-General’s Advocacy Missions to the Republic of Benin - February 25-27, 2019, and to the Republic of Mali – 4th – 6th March, 2019

338. On the sidelines of the two countries’ on-site Mutual Evaluation Exercises, the Director General carried out very important advocacy engagements with the high level authorities in the countries. The purpose of the advocacy visits was to formally launch the on-site mutual assessment exercise, and to seek stronger support for the AML/CFT work in the countries and promote their greater involvement and cooperation.

339. In both countries, the DG explained the fundamental difference between the first and second rounds of GIABA mutual evaluations (ME). While the first round focused solely on technical compliance, this second round goes beyond compliance with the legal and regulatory measures to further measure effectiveness in AML/CFT implementation. This new mutual evaluation exercise will therefore enable an update of the overall mapping of the AML/CFT system in order to measure its effectiveness and identify any gaps that remain there and make recommendations on appropriate corrective actions to be implemented by national authorities.

The Director General’s Advocacy Mission to Nigeria from 23rd to 25th September, 2019

340. The visit to Nigeria was to, first, officially launch the on-site Mutual Evaluation Exercise, and second, to engage with national authorities on the country’s effort in building and strengthening her AML/CFT regime. The visit was also to urge the high authorities to greater involvement and cooperation in AML/ CFT implementation.
341. The DG explained the fundamental difference between the first and second rounds of evaluations, with the latter’s emphasis on AML/CFT effectiveness. The DG also explained the processes and procedures of the Mutual Evaluation leading up to the final adoption of the report and the beginning of the follow-up process. He also highlighted the importance of the Mutual Evaluation, the outcomes of which would enable GIABA and development partners determine the type of technical assistance the country would need in order to address identified deficiencies. The DG, in the company of the Director of the Nigerian Financial Intelligence Unit and GIABA National Correspondent for Nigeria, Mal. Modibbo Hamman Tukur, met with line Ministers, the Central Bank of Nigeria and the heads of other relevant agencies.

DG’s Advocacy mission to Niger on the hosting of GIABA’s statutory meetings, Niamey, Niger, from 7th to 8th October, 2019.

342. Following the election of H.E. Mr. Mahamadou ISSOUFOU, President of the Republic of Niger, as Chairman of the Authority of Heads of State and Government of ECOWAS in June 2019, the country will preside over the meetings of all statutory bodies of ECOWAS Community institutions and agencies. It was against this backdrop that the DG visited the Nigerien authorities in Niamey from 7th to 8th October, 2019.

343. The purpose of the visit was to inform the GIABA line Ministers and the GIABA National Correspondent in Niger about the roles of Chairperson, in conducting the meetings GIABA Technical Commission Plenary and the Ministerial Committee. The DG used the opportunity to advocate for more support to the FIU and for greater commitment and political will from the country’s highest authority to AML/CFT implementation. The key stakeholders reiterated their commitment to the AML/CFT agenda of their country.

MEDIUM – LEVEL ADVOCACY MISSIONS

Participation in Sensitization and Outreach Activities on AML/CFT - 2019

344. The Information Centres in Abidjan and Abuja were established to enhance visibility
for GIABA and take the AML/CFT message to the grassroots. In view of this mandate, the Information Centres, over the years have developed communication and sensitization programmes for engaging different target groups across the region. The year 2019 saw increased engagements and outreach activities across the region.

**Partnership with Association of Chief Compliance Officers of Banks in Nigeria (ACCOBIN)**

**345.** The Lagos Information Centre (LIC) has built a strong collaboration with Financial Institutions and the Association of Chiefs Compliance of Officers of Banks in Nigeria (ACCOBIN) on behalf of GIABA management. GIABA through the LIC participates in the Bi-Monthly meeting of the Association. The Centre also use the platform to disseminate information on new developments on AML/CFT to the financial institutions and all other stakeholders that attend the meeting. This is further strengthened through frequent sensitization of board, management and compliance staff of various banks on the role of financial institutions in AML/CFT Compliance. Three (3) banks were sensitized on AML/CFT related issues by the Centre in 2019.

**Outreach and Sensitization of the Capital Market Operators in Nigeria – 2019**

**346.** In the previous year, the LIC reported its advocacy visits to the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE), and a sensitization session held for the capital market operators. This relationship has grown and resulted in regular sensitization of various operators through the Nigerian Capital Market Institute. GIABA carried out 3 different AML/CFT sensitization session for various categories of operators of the capital market in Nigeria in the year under review. The AML/CFT compliance in the capital market is not as developed as in the banking sector, hence the need for continuous sensitization and training of operators to enhance their knowledge of AML/CFT and enable them play their very important role in preventing ML/TF through their sector.

**GIABA AML/CFT CSO Forum - Sensitization/Advocacy to the Entertainment Industry Practitioners in Nigeria, Lagos, September 20, 2019**

**347.** The AML/CFT Civil Society Organization Forum of Nigeria (AML/CFT CSO Forum Nigeria) partnered with GIABA to hold a round table discussion with the Entertainment Industry on the 20th of September 2019. The Event targeted artists and operators of the entertainment industries, (Nollywood movie stars, prominent singers, movie producers and promoters in the industry). The entertainment industry is highly vulnerable to ML and its predicate offenses, hence, the need to sensitize them. The Chairman of AML/CFT CSO Forum Nigeria, Barr. Efe Anaughe, highlighted the vulnerabilities of the industry to ML abuses. A presentation on AML/CFT and the role of the industry was delivered by the LIC. The following actions were proposed at the event in order to continue to improve the knowledge of AML/CFT amongst the targeted audience:

- WhatsApp group to be created immediately to facilitate informal communication
- Theme song to be composed before the next meeting
- Enlistment of more members into the AML/CFT CSO Forum
- A repeat of the Round Table Session with industry stakeholders sometime in 2020
Round-table Session by AML/CFT CSO Forum with Government Agencies held on the 9th August 2019

348. The AML/CFT CSO Forum of Nigeria, in collaboration with the LIC, organized a round table interactive discussion with stakeholders on Friday 9th August 2019, at the ECOWAS Liaison Office, Lagos, Nigeria. GIABA and the forum articulated key relevant AML/CFT issues and highlighted them to the participants and urged them to return back as AML/CFT advocates, and drive the process in their respective organizations in the common drive for a better and safe society.

349. The event was well attended by relevant agencies of government, regulatory, law enforcement agencies, GIABA officials, Civil Society Organizations and the media.

Meeting on the Economic Partnership Agreement (EPA) between Côte d’Ivoire and the European Union (EU) 04/07/2019

350. Following an invitation from the Ministry of African Integration and Ivorians in the Diaspora (MIAIE) to the DG of GIABA, the Abidjan Information Center (AIC) participated in the CI-EU EPA meeting on Monday, November 4, 2019. The purpose of the meeting was to take stock of the activities to be implemented as part of the implementation of the CI-EU EPA in order to improve coordination. The AIC’s participation in the meeting made it possible to contribute GIABA’s perspective to the internal strategy for monitoring the implementation of the EPA, as it relates to the risks of money laundering in Côte d’Ivoire.

Economic Commission for Africa (ECA) data collection mission at the Abidjan Information Centre (CIA) 05/07/2019

351. On Thursday, July 5, 2019, the AIC received a delegation of the United Nations Economic Commission for Africa (UNECA). The UNECA mission was to collect data from countries on national institutions and policies and their role in combating illicit financial flows, thereby exploiting lessons learned from existing institutional mechanisms, frameworks and policies in the region.

352. The meeting with the AIC was meant to discuss GIABA’s actions in the fight against ML/TF) in West Africa. The exchanges allowed the AIC to present the missions,
mandate and achievements of GIABA since its creation in 2000, including the activities undertaken by the AIC in the areas of mobilization, awareness and training of civil society, religious organizations, youths, the media etc.

Conference on «Corruption, the brake on full emergence!» 09/12/2019

353. On 9 December 2019, the AIC took part in the Conference on «Corruption, the brake on full emergence!» organized by the Ivorian Association for Transparency and Ethics (AITE). The aim of the conference was to take stock of the situation in the fight against corruption in the country.

354. The AIC’s participation in this workshop reaffirmed the DG’s support for national initiatives on AML/CFT. It also allowed the Information Centre to interact with participants about GIABA’s missions and its activities. Key recommendations included the need for more documentation on AML/CFT, and to increase the participation of the civil society in GIABA’s activities.

11th Edition of the Open House for Youths on AML/CFT, Dakar, Senegal, January 23, 2019

355. GIABA organized the 11th edition of the Open House for Youths on January 23, 2019 at La Maison de la Presse in Dakar, Senegal. This edition, which brought together about 200 young people, made up of students from universities, institutes, heads of the education and training centres, the public and private sector as well as representatives of civil society and the media, was aimed at raising awareness about GIABA, its mission, mandate and activities; To understand the issues as well as the national, regional and international approach to combating ML/TF; to mobilize and educate young people against ML/TF and related crimes and to encourage them to advocate by helping to spread AML/CFT messages to their peers.

356. The thematic sessions included GIABA and its achievements, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) as well as international, regional and national legal measures. Other themes covered also highlighted the role of youths. The interactive sessions that followed the presentations provided an opportunity for participants to deepen their understanding of the content and, above all, their commitment to make contributions to the prevention and control of ML/TF within their spheres of operation.

4th Inter-University Speech Contest on the impact of Money Laundering and Terrorist Financing in West Africa. 6th August 2019, Enugu – Nigeria

Group photograph of participants at the 4th Inter-University Speech Contest on the impact of Money Laundering and Terrorist Financing in West Africa. 06 August 2019, Enugu – Nigeria
357. GIABA, in collaboration with the Enugu Campus, University of Nigeria, organized the final of the 3rd edition of the Inter-university Speech Contest on the impact of AML/CFT implementation in West Africa, held on Tuesday 06 August 2019 in Enugu, Nigeria. The edition, which was chaired by the representative of the DG of GIABA, Justice Kimelabalou ABA, focused on «fighting money laundering and terrorist financing in West Africa: what next?» The competition was aimed at increasing the awareness of academics of the threat of ML/TF and its predicate crimes in West Africa; strengthen research on ML/TF; and to increase students' interest in ML/TF issues and their role in AML/CFT.

358. The first place of the Oratory Art competition was won by Williams Eku, a law student at Fourah Bay College (FBC) in Sierra Leone; the second place went to Chizoma Joshua of University of Nigeria, Enugu Campus; while the third place went to Christopher Nyumalin of the University of Liberia. The fourth place was won by Yankuba Manneh of the University of The Gambia. In addition to a certificate of participation in the competition, the winners of this edition received the following prizes:

- The winner of the 1st prize received a plaque, a laptop and $1,000
- The winner of the 2nd prize received a plaque, a laptop and $750
- The fourth candidate received a laptop

359. This event is one of the most engaging platforms for young people in the region to deepen their knowledge on ML/TF. It also provoked students' interest in researching into relevant topics around the subject matter. GIABA will therefore continue to engage young people and address the issues around their vulnerability.

The Regional Sensitization Workshop on AML/CFT Requirements for Civil Society Organizations (CSOs) on 25 to 27 September 2019 in Bamako, Mali

360. During the 7th edition of the Sensitization Workshops on the Anti-Money Laundering and Combating Terrorist Financing Requirements for CSOs in West Africa, GIABA trained the CSOs in the Region to enhance their knowledge of AML/CFT. The event brought together about Forty-Five (45) participants from all the ECOWAS member States. The objectives of the workshop were to sensitize CSOs on AML/CFT challenges; facilitate their understanding of the dangers of the phenomena of ML/TF and their adverse effects on economies; network CSOs in order to strengthen their capacities as well as foster the exchange of information between them on the one hand and between them and competent authorities.
A Regional Network of CSO on AML/CFT was established with an initial structure for take-off, while national units of the network were tasked to return and strengthen their structures for impact engagement. The following key recommendations came out of the workshop:

- Laws should be establish to protect whistle blowers, and Freedom of Information Laws be established and enforced;
- GIABA and other bodies should organize more training and capacity building activities to ensure that CSOs are empowered to carry out this tasks;
- CSOs should build credibility, structure and systems to ensure accountability so as to access funding and work creditably;
- GIABA should increase and consolidate its work with other regional and international bodies for more synergy and information sharing;
- GIABA and National CSOs’ Network should develop national sensitization programmes at the national level to reach the wider audience.

GIABA organized a World Press Conference and an Annual Briefing Session for Ambassadors of ECOWAS member States where it unveiled to the public the 2018 GIABA Annual Report and Typologies Report on ML/TF Linked to the Extractive Industry and Mining Sector in West Africa at the King Fahd Hotel, Dakar, Senegal, 2&3 October 2019. The objectives of the events were: (i) to brief the media of the activities and achievements of GIABA; (ii) to sensitize member States’ ambassadors on current ML/TF issues, including decisions taken at GIABA Plenary/Technical Commission meetings, FATF Plenary meetings and ECOWAS meetings and on programmes and activities to be carried out by GIABA in Senegal and other member States; (iii) to enable GIABA render account of its activities to the public as an ECOWAS institution; (iv) to raise awareness on the ills of ML/TF and the need to support the fight against financial crimes; and (v) to provide documentation and research materials to assist the media in its reportage.

A total of 24 journalists from different media houses across West Africa attended the
World Press Conference, while 15 members of the Diplomatic Corps attended the Briefing Session for Ambassadors and Development Partners. A presentation on GIABA and the Role of the Media in the Fight against Money Laundering and Terrorist Financing in West Africa was delivered, whereby members of the media profession were enjoined to perform key roles in stemming the tide of ML/TF in the region. The event also witnessed the public presentation of the 2018 GIABA Annual Report, highlighting specific achievements by GIABA in the year 2018. The Typologies Report on the Extractive Industry and Mining Sector was also presented.

Round-table Discussion on Legislative/Policy Responses to Mitigate Money Laundering in the Real Estate Sector, Abuja, Nigeria, 30 October, 2019

363. As part of its efforts to collaborate with organisations working on AML/CFT, GIABA attended the Round-table Discussion on Legislative and Policy Responses to Mitigate Money Laundering in the Real Estate sector, organised by the Civil Society Legislative Advocacy Centre (CISLAC) in Abuja, Nigeria on 30 October, 2019. The Round-table Discussion was part of the project “Turning Up the Pressure: Tackling Money Laundering Through Multi-Stakeholder Approaches in ECOWAS Countries” supported by the European Union and Transparency International, designed to increase public and political awareness on AML mechanisms in ECOWAS member States.

Regional Training on Investigative Reporting on Economic and Financial Crimes for Journalists, Monrovia, Liberia, 26 - 28 November, 2019

364. The event was attended by representatives of civil society organisations, government anti-corruption institutions and the Nigerian Financial Intelligence Unit. GIABA delivered a Goodwill message, highlighting its role, mandate and activities.
365. GIABA organized a Regional Training on Investigative Reporting on Economic and Financial Crimes for Journalists at the Central Bank of Liberia Auditorium in Monrovia, Liberia, from 26th - 28th November, 2019. The objectives of the Workshop were to: (i) build the capacity of journalists in investigative reporting on economic and financial crimes, and AML/CFT; (ii) build strong alliance with the media in a concerted manner for effective dissemination of AML/CFT issues; (iii) acquaint the media with the GIABA mandate; and (iv) improve the network of journalists that would promote proper information dissemination on AML/CFT regimes.

366. A total of 44 journalists from the 15 member States of ECOWAS - from newspapers, radio and television, online media, and both public and private-owned media organizations - participated in the workshop. The broad themes of the seminar included: Understanding the Roles, Mandate and Mission of GIABA as a Regional Initiative; Understanding the Global Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework; Developing Methods & Strategies of Investigative Reporting, with Consideration of National Peculiarities; Effective Ways of Reporting Crimes: Predicate Offences of Money Laundering; Understanding the AML/CFT National Risk Assessment: Liberian Experience; Practical Guides in Writing Investigative Features; Dealing with sources in Investigative Journalism: Building Trust and Cooperation; Language Use in Investigative Writing: Avoiding Libel; The Role of the Media in holding “leadership at all levels” into account; Use of New Technologies in Investigative Journalism: International and Regional Perspective; 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.

367. The sessions were moderated by experts from the ECOWAS region and GIABA Secretariat through a combination of methods including discussions, role-play, group work, and sharing practical experiences. At the end of the training, the participants became more aware of GIABA’s efforts and were better equipped to support AML/CFT efforts in GIABA member States. There was also increased coverage of GIABA in the news across West African media landscape as a result of the event.

12th Edition of the GIABA AML/CFT Open House Forum for Youths on Transnational Organized Crimes, Freetown, Sierra Leone, 21st November, 2019

368. Towards creating awareness amongst all strata of society, GIABA organized the 12th edition of the AML/CFT Open House Forum for Youths in Freetown, the Republic of Sierra Leone on Thursday, November 21, 2019. The edition was titled “The role of the Youths in Combating Transnational Crimes in the Society” and was aimed at raising awareness and mobilizing the youths, media and civil society to contribute to the fight against ML/TF, especially among youths.

369. A total of one hundred and twenty-nine (129) participants, consisting of students of tertiary institutions, representatives of civil society organizations, other youth groups and the media attended the programme along with top government officials and representatives of regulatory agencies involved in the fight against ML/TF in Sierra Leone. The event was formally declared opened by the Minister of Youths, Hon Mohamed Orman Bangura, Republic of Sierra Leone.

370. The highlight of the event was the establishment of AML/CFT Student Clubs (SC) in tertiary institutions. The AML/CFT-SC will be a vanguard of advocacy for attitudinal change and in reducing the rate of financial and economic crimes in the society. The participants were tasked to take up the challenge of championing the course of sharing the information gathered with their peers and be good ambassadors in the society.
MASS COMMUNICATION FRAMEWORK

371. Several communication channels have been engaged on incremental basis over the years. The target is to massively increase awareness on AML/CFT amongst the populace, deepen the knowledge of stakeholders and the general public on basic issues of AML/CFT. Some of the channels engaged in 2019 are:

- Programme-based and periodic highlight of Press Releases to create massive awareness;
- Publication and dissemination of quarterly Newsletters;
- Periodic Press Review, highlighting all relevant AML/CFT related issues in the media for purpose of information and guidance on certain management decision relating to the prevailing public opinion;
- Use of the Social Media tools (Facebook and Twitter) for attracting more attention and reaching out to larger audience.

Conclusion

372. GIABA is increasingly becoming visible within and outside the region, thanks to more engagement with all stakeholders and activities of the Institution and its broad communications’ channels. As we step into the next decade, GIABA will sustain and increase the efforts to reach even wider audience, engage more non-state actors and secure deeper collaboration with partners and stakeholders.

373. The importance of communication and outreach activities cannot be over-emphasized, all of the activities and engagement of GIABA cannot make the desired impact with the public buy- in and ownership, it is this increased engagement and mass awareness raising that can help to engineer social support. In particular, putting the negative consequences of ML/TF out there in a simpler and accessible format will increase visibility, understanding and public ownership of the fight against Money Laundering and Terrorist Financing.
CHAPTER VII

REGIONAL INTEGRATION, INTERNATIONAL COOPERATION AND PARTNERSHIPS

Introduction

374. The year 2019 marked a watershed in GIABA’s strategic cooperation with its development partners at both regional and international levels. GIABA’s engagement with the European Union (EU) under the SAMWA project effectively came to an end in 2019, but led to a new vista of partnership with Expertise France, designated by the EU to implement the 11th European Development Fund under the Organized Crime – West Africa Response to Money Laundering and the Financing of Terrorism (OCWAR-M) Project. Similarly, GIABA strengthened global alliances against ML/TF through the granting of Observer status to the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Alliance for Financial Inclusion (AFI), as well as collaborated with other development partners to enhance technical support to member States for effective implementation of AML/CFT regime in the region. The Secretariat also resuscitated the GIABA Technical Assistance Coordination Forum to enhance TA coordination in regional AML/CFT efforts, minimize duplication in the provision of technical assistance to member States and ensure efficient management of available resources.

375. The summary and outcomes of activities undertaken by the Secretariat to strengthen regional integration and cooperation with its partners in 2019 are presented below:

GIABA STATUTORY MEETINGS

376. The 31st and 32nd GIABA Technical Commission/Plenary Meetings of GIABA were held in May and November 2019, respectively, to discuss progress made by member States in the implementation of AML/CFT measures. The meetings discussed technical reports presented by the GIABA Secretariat, follow-up reports submitted by member States, and GIABA research and typologies studies. The 2nd round MERs of Cabo Verde, Burkina Faso and Mali were discussed and adopted. In addition, the post-plenary quality and consistency review of the 2nd round MER of Senegal was concluded and report validated. Similarly, the 20th and 21st GIABA Ministerial Committee (GMC) meetings were held in May and November 2019, respectively, to consider and approve the Mutual Evaluation Reports of Cabo Verde, Burkina Faso and Mali, the reports of the 31st and 32nd Plenary meetings and other issues presented to it.

377. The summaries of the GIABA 31st and 32nd Technical Commission/Plenary Meetings are highlighted below.

The 31st Technical Commission (TC)/Plenary Meetings, Conakry, Guinea, 12-17 May, 2019

378. The 31st Technical Commission/Plenary Meeting of GIABA was held from 12th to 17th May, 2019, at the Primus Hotel Kaloum, Conakry, Guinea. Meetings of the Evaluation and Compliance Group (ECG), the Risk
Trends and Methods Group (RTMG), as well as the 14th meeting of the Forum of Financial Intelligence Units of GIABA member States, and 7th meeting of SAMWA Steering Committee were held as part of the preliminary meetings leading to the 31st GIABA Technical Commission/Plenary Meeting.

379. The Plenary considered the recommendations of the ECG on the Follow-Up Reports of The Union of The Comoros, Guinea Bissau, Ghana and Sao Tome and Principe in relation to the progress made in addressing the deficiencies identified in their Mutual Evaluation Reports (MERs) and took a number of decisions aimed at enhancing their AML/CFT systems and compliance with international standards. Specifically, the Plenary maintained São Tomé and Príncipe on the Expedited Regular Follow-up process and directed the country to submit its next FUR in May 2020. Similarly, Guinea Bissau and Comoros Island were retained on the Enhanced Follow-up process and directed to submit their reports to the Plenary in November 2019. Ghana was retained on the Enhanced Follow-up process and directed to submit its 2nd FUR to the Plenary in May, 2020.

380. The 31st Technical Commission/Plenary Meeting of GIABA also adopted the 2nd round MERs of Cabo Verde and Burkina Faso. In line with the GIABA Mutual Evaluation Process and procedures, plenary placed both countries on Enhanced Follow Up process and directed the countries to submit their first FURs to the Plenary in May 2020. Similarly, the Plenary considered the post-plenary amendments to the MER of Senegal and validated the final MER of the country. In addition, the Plenary approved the exit of Guinea Bissau from the Follow-up process to allow the country to prepare for its 2nd round of ME scheduled for July/August 2020. Also, the DG’s Summary Activity Report and report of the RTMG were presented to the Plenary and adopted.

381. With regard to the 14th meeting of the Forum of Financial Intelligence Units of GIABA member States, and SAMWA Steering Committee Meetings, the key outcomes of the meetings are highlighted in the later part of this chapter.

The 32nd Technical Commission/Plenary Meetings, Saly-Portudal, Senegal, 10-15 November 2019

382. The 32nd Technical Commission/Plenary Meeting of GIABA was held at the Framissima Palm Beach Hotel, Saly-Portudal, Senegal from 10th to 15th November, 2019. The meeting adopted the 2nd round MER of Mali. In line with the GIABA Mutual Evaluation Process and procedures, plenary placed Mali on Enhanced Follow Up process and directed the country to submit its first FUR to the Plenary in November 2020. Discussions on the MER of Benin was deferred by the Plenary to May 2020, subsequent to request for postponement by the country on grounds that they had no time to review the changes made to the report following the discussions at the ECG. The Plenary also discussed and took decisions on following issues:

a. The ECG report, covering the FURs of The Union of The Comoros; Cote d’Ivoire; Gambia; Guinea; Liberia; and Senegal;

b. DG’s Activity Report;

c. Report of the RTMG;

d. Status Report on Guinea Bissau’s implementation of its Action Plan, and;

e. Summary of member States AML/CFT Country Reports.
383. Other key activities during the GIABA 32nd Technical Commission/Plenary Meeting were the GIABA Technical Assistance Forum and the 15th meeting of the Forum of FIUs of GIABA member States.

GIABA 20th Ministerial Committee Meeting, Primus Hotel Kaloum, Conakry, Guinea, 18 November 2019

384. The 20th GMC Meeting was held on 18th May 2019, at the Primus Hotel Kaloum, Conakry, Guinea. The meeting was preceded by the 31st Technical Commission and Plenary meeting. The GMC approved the reports of the 31st TC/Plenary, the Director General’s Summary Activity Report, and the 2nd round MERs of Cabo Verde, Burkina Faso and Senegal. The GMC granted a request by Togo for rescheduling of its mutual evaluation from February/March 2020 to August 2020 subject to approval by FATF Plenary. In addition, the GMC noted progress made on the revision of the GIABA Statutes and directed the Secretariat to work closely with a Sub-Committee composed of Burkina Faso, Mali, Niger and Nigeria to finalize the amendments or revision for GMC consideration in November, 2019.

GIABA 21st Ministerial Committee Meeting, Banjul, Saly-Portudal, Senegal, 16th November, 2019

385. The 21st GMC Meeting was held at the Rhino Resort and Spa, Saly-Portudal, Senegal on November 16, 2020. The meeting considered and approved the Director General’s Summary Activity Report; application for observer status by GIZ and AFI; and Report of the GIABA 32nd Technical Commission/Plenary Meetings. It also considered and adopted the 2nd round Mutual Evaluation Report of Mali and encouraged the authorities of the country to address the priority and other recommended actions in the report. The Secretariat presented an explanatory Memorandum on the proposed amendments to the GIABA Statutes. The GMC deferred discussions on the proposed amendments to May 2020 to enable the Secretariat and the Sub-Committee finalize the revision.

Regional FIU Forum

386. The 14th and 15th meetings of the Forum of the Financial Intelligence Units of GIABA member States were held on May 15 and November 13, 2019, respectively, as part
of the preliminary meetings leading to the 31st and 32nd GIABA Plenary meetings.

387. The 14th meeting reviewed and adopted the report of its 13th meeting, held in Banjul, The Gambia in November 2018. It also considered updates on the financial contributions of member States to its budget, outstanding issues on its Charter, and application for membership of the Egmont Group by the FIUs of Sierra Leone and The Gambia. The Forum also reviewed the implementation of its existing Action Plan and agreed to develop a revised version for 2019/2020. The Forum appointed Mr Koly MARA, the President of the Financial Intelligence Unit of Guinea as its new Chair for 2019/2020.

388. The Egmont Centre of FIU Excellence and Leadership (ECOFEL) made a presentation on its activities and on the Self-Assessment Checklist for an operationally independent and autonomous FIU. The presentation highlighted the windows of opportunities at ECOFEL that member FIUs could leverage on to enhance their operational capacities. ECOFEL encouraged member FIUs to assess their level of operational independence and autonomy and take the necessary steps to address any shortcomings.

389. MoUs were signed by the FIUs of The Gambia, Benin, Guinea and Senegal.

390. The 15th meeting of the Forum was held on Wednesday November 13, 2019. The Forum reviewed and adopted the report of its 14th meeting held in Conakry, Guinea, and considered updates on the financial contribution of member States to its common budget, and the Egmont Group membership application status of the FIUs of Sierra Leone and The Gambia. The Forum also considered and adopted its 2019/2020 Action Plan.

391. The FIUs of Cote d’Ivoire, Guinea Bissau and Nigeria shared their national experiences on their cooperation with reporting entities. Members noted the important role of the private sector in their work and reiterated the need to strengthen cooperation with reporting entities to enhance the effectiveness of the suspicious transaction reporting regime and, indeed, national AML/CFT regime. In addition, the ECOFEL made a presentation on its support and assistance mechanism, e-learning platform and the Self-Assessment Checklist for Operationally Independent and Autonomous FIU. Members were encouraged to leverage on the window of opportunities at ECOFEL to enhance their operational capacities.

SAMWA STEERING COMMITTEE MEETINGS

392. The 7th meetings of the SAMWA Steering Committee took place on May 15, 2019, as part of the preliminary meetings leading to the 31st GIABA Plenary meetings held at the Primus Hotel Kaloum, Conakry, Guinea.

393. The meeting considered and adopted the 6th Narrative and Financial Report covering October 2018 – March 2019. Being its last meeting (the project formally ended in March 2019), the Committee reflected on the achievements and challenges in the implementation of the SAMWA Project, and commended GIABA for the success recorded despite the challenges encountered. The Secretariat informed the Committee that within the framework of the 11th EDF, the OCWAR-M project would succeed the SAMWA project and would be implemented by Expertise France, in collaboration with the GIABA Secretariat for a 7-year period. For an effective implementation of the new financial support from the European Union, all the stakeholders were called upon to draw lessons from the SAMWA project implementation.

GIABA TECHNICAL ASSISTANCE COORDINATION FORUM

394. The GIABA Technical Assistance Coordination Forum was held on 13th November 2019. GIABA Secretariat provided updates on areas of interventions with regards to technical assistance to member States between January 2018 and November 2019; activities planned for 2020; and how MS can access TA without delay. Development partners also highlighted technical support provided to member States and on-going activities. Member States expressed profound gratitude to the GIABA Secretariat and technical/financial partners for their assistance and
underscored the need to sustain the support in order to assist them to adequately address existing and emerging ML/TF challenges in their countries.

395. The Plenary called on the Secretariat to initiate a similar project on TA Coordination carried out in the Caribbean Financial Action Task Force with the support of the FATF, in order to facilitate the identification of TA needs and priorities for TAs in its member States, assist member States to take full advantage of available TA by providers and other donors; avoid duplication of efforts; and address deficiencies identified in mutual evaluation reports. The Plenary encouraged member States to apprise themselves with the modalities for securing relevant TA and take full ownership of the on-going support to ensure sustainability, identify key priorities for further assistance, and engage development partners without delay and through the appropriate channels.

REGIONAL & INTERNATIONAL COLLABORATIVE PROGRAMMES

FATF/GIABA/GABAC Regional Assessors Training Workshop, Dakar, Senegal, 25-29 March, 2019

396. GIABA collaborated with FATF and GABAC to organized a five (5) day regional Assessors Workshop from March 25-29, 2019, in Dakar, Senegal. The objective of the workshop was to build the capacity of participants to understand their roles as assessors and carry out mutual evaluations of member States, building on the FATF methodology for assessing technical compliance and effectiveness. Participants were drawn from relevant competent authorities involved in the implementation of AML/CFT measures in their respective jurisdictions, including the FIU, the regulatory/supervisory authorities, the criminal investigation and prosecution agencies, and line ministries (Finance, Justice and Interior / Security). A total of forty (40) participants attended the programme from the West and Central African regions.

WAIFEM Regional Training on AML/CFT and Other Financial Crimes - Banjul, The Gambia, 29th April – 3rd May, 2019

397. GIABA supported the delivery of the WAIFEM’s 2019 Regional Training on AML/CFT and Other Financial Crimes, held in Banjul, The Gambia, from 29th April to 3rd May, 2019. Consistent with its objectives, GIABA collaborated with WAIFEM in the delivery of this programme by providing one internal expert and also sponsoring other regional experts as resource persons to facilitate at the programme. This is part of its collaborative efforts to strengthen the capacity of relevant stakeholder institutions to ensure effective implementation of AML/CFT regimes in the region. Discussions at the programme focused on topical AML/CFT issues, including international/regional AML/CFT initiatives, customer due diligence, and ML/TF threats from new financial products.

GIABA/Expertise France Working Sessions on the implementation of the 11th EDF Dakar, Senegal, from 8th to 11th April 2019

398. This session was jointly organized by GIABA and Expertise France (the firm implementing the Organized Crime: OCWAR- M Project) at the GIABA Secretariat from 8th to 11th April 2019. The objective of the meeting was to discuss the OCWAR-M project, including defining the expectations of the European Union and GIABA on the project and to agree on practical arrangements for coordination and implementation between GIABA and Expertise France. To ensure smooth collaboration and coordination, GIABA committed to and provided the Expertise France team an office space at the GIABA Secretariat.

Workshop on Anti-Money Laundering and Counter Financing of Terrorism for Non-Profit Organization Stakeholder in West Africa – Accra, Ghana, 23rd 25th April 2019

399. GIABA participated and co-facilitated at this programme which was organized by the West Africa Civil Society Institute (WACSI) with the support of the Center for Not-for-Profit Law (ICNL). The objectives of the workshop were to: sensitize the civil society on the issues, standards and implementation of FATF Recommendation 8; highlight the vulnerabilities of civil society to ML/TF and share effective strategies to counter the misuse of the NPO sector by terrorists; provide
civil society with knowledge and information on best practices in the implementation of the FATF standards in the NPO sector; and to discuss the self-regulatory mechanism of CSOs as an alternative to government control policies that may limit the activities and freedom of civil society.

400. The workshop was attended by twenty-seven (27) participants from civil society organizations from Angolophone countries of West Africa. Participants advocated for enhanced and ongoing collaboration with FIUs, GIABA and FATF on AML/CFT issues related to NPOs and the participation of CSOs in relevant AML/CFT programmes; the establishment of harmonized databases of NPOs at national and regional levels; the establishment and adoption of a well-defined set of common standards (self-regulation) that will have a positive impact on the accountability and effectiveness of NPOs at national, regional and international levels. It was recommended that GIABA should encourage member States to adopt strategies to facilitate the effective implementation of FATF Recommendation 8, and to work with the ICNL to facilitate the development and adoption of legal frameworks for Non-profit organizations in the region.

Consultative Forum on Strengthening Corporate Governance and Financial Investment through the Promotion of Robust Practices against ML/TF in West Africa - Lomé, Togo, from 26th to 28th June, 2019

403. This Forum was organized by GIABA in collaboration with Meridiam Infrastructure and the Togolese Republic. The key objective was to sensitize stakeholders on the need to strengthen corporate governance and compliance with AML/CFT in order to facilitate investment in the region. Specifically, the Forum’s aims were to: (i) promote AML/CFT in West Africa; (ii) sensitize and mobilize actors and stakeholders for the effective and efficient implementation of international AML/CFT standards, and compliance with transparency and corporate governance rules; (iii) establish a platform for the exchange, sensitization and training of public and private stakeholders on emerging issues in West Africa; (iv) highlight the risks, trends, and vulnerabilities to ML/TF offences; and (v) recommend collaboration actions with governments and private partners in the fight against ML/TF and related offences in West Africa.

Joint AfDB/GIABA Regional Workshop on Illicit Financial Flows from Africa for Lusophone Parliamentarians in Africa - Saly, Senegal, from 27th to 30th May 2019

401. The African Institute for Development of the African Development Bank (AfDB) in collaboration with GIABA, organized a Regional Workshop on Illicit Financial Flows from Africa for Lusophone Parliamentarians in Africa- Saly, Senegal, from 27th to 30th May 2019. The primary objectives of the workshop were to: provide a platform for discussions and experience sharing among parliamentarians, experts and specialists on illicit financial flows; sensitize parliamentarians on governance challenges associated with the problem of illicit financial flows, and solicit their support towards strengthening public accountability in member States.

404. The programme brought together about one hundred participants, including experts, senior executives from the public and private sectors, Heads of Financial Intelligence Units (FIUs), representatives of Central Banks of GIABA member States, commercial banks, representatives of ECOWAS institutions, and the UEMOA Commission.
High-Level Round Table on Resolving Correspondent Banking Relationship Tensions in Central and West Africa, at BCEAO Headquarters in Dakar, Senegal on 27th June 2019

405. On the invitation of BCEAO, GIABA participated in the High-Level Round Table resolving correspondent banking relationship tensions in Central and West Africa, held on 27th June 2019, at the BCEAO headquarters in Dakar, Senegal.

406. Organized by the African Department of the IMF, in collaboration with the BCEAO, the round-table’s objective was to discuss practical and workable solutions to relieve pressure on the Correspondent Banking Relationships (CBRs) and resolve the deficiencies identified in the money transfer sector within the CEMAC and UEMOA member countries. The discussions were mainly held in four (4) plenary sessions, following which a final session was dedicated to the presentation of the first draft of the solution matrix, as well as the level of priority and type of follow-up to be adopted for its implementation.

407. Apart from GIABA, relevant stakeholders from member countries of the West African Economic and Monetary Union (UEMOA) and the Central African Economic and Monetary Community (CEMAC) were also in attendance, including international correspondent banking Directors, regional banks, respondents banks, regulatory and supervisory authorities. On the whole, twenty-seven (27) chief executives participated in this brainstorming.

Regional GIABA/IMF/GIZ Training of Trainers Workshop on Risk-Based Supervision for AML/CFT Compliance, Accra, Ghana, 20th to 23rd August 2019

408. GIABA in collaboration with the IMF and GIZ, organized a regional training of trainers’ workshop on risk-based supervision for AML/CFT compliance for Anglophone GIABA member countries in Accra, Ghana, from 20th to 23rd August, 2019. The primary objective of the workshop was to equip participants with the necessary technical skills to deliver similar training in their respective countries. Specific objectives of the workshop were to: deepen the understanding of participants on the concept, approach and methodology for effective AML/CFT risk-based supervision/monitoring; improve the capacity of supervisory authorities on procedures for AML/CFT inspection; equip supervisory authorities with the requisite skills to address compliance irregularities and to establish proactive risk control measures for the stability of the financial system in the region; and to raise a pool of experts in member States capable of conducting AML/CFT
compliance examination in line with the FATF revised standards.

409. A total of fifty-two (52) participants from the central banks, Securities and Exchange Commissions, National Insurance Commissions, regulatory/supervisory authorities for DNFBPs, and FIUs from Anglophone GIABA member States participated in the workshop.

410. Discussions at the workshop covered a wide range of topics, including the skills required to be able to conduct training; national risk assessment (NRA) and how supervisory practices can be adapted to the findings of the NRA; AML/CFT preventive measures; methodologies for assessing institutions’ inherent ML/TF risk, quality of risk management; net ML/TF risk; and on-site inspections. A key outcome of the Workshop was the need for member States to strengthen cooperation, collaboration and coordination amongst supervisory authorities, especially given that there are different national authorities involved in AML/CFT supervision and also the differences in AML/CFT supervisory models, including supervision by sector regulators; by financial intelligence Unit; and joint supervision.

Meetings of Defence and Security Forces of ECOWAS member States Niamey, Niger, 26th to 29th August 2019

411. This meeting was organized by the ECOWAS Commission and attended by Military Heads, Heads of security and intelligence services of ECOWAS member States as well as participants from GIABA, G5 Sahel, Multinational Joint Task Force of the Lake Chad Basin and ACSRT/CAERT (Algiers based African Union Centre .for Study and Research on Terrorism).

412. The main outcome of the meeting was the identification of eight (8) priority areas to deal with the scourge of terrorism in the region. The priority areas, which were submitted to the Extraordinary Summit of ECOWAS Heads of State and Government for ratification, include the promotion of communication, inter-community dialogue and the prevention of violent extremism; the effective and direct sharing of information and intelligence among security agencies in Member States; counter-financing of terrorism and strengthening of security management and control at land, air, sea and river borders.

GIABA/GIZ Regional Train-The-Trainers Workshop on Risk-Based Supervision for AML/CFT Compliance for Francophone/Lusophone GIABA Member Countries, Saly-Portudal, Senegal, 18th – 22nd November, 2019

413. The five-day programme was organized by GIABA in collaboration with the GIZ for the Francophone and Lusophone GIABA member States. The main objective was to build the capacity of the participants on risk-based AML/CFT supervision and equip them with the necessary training skills to deliver the same type of training in their respective institutions and/or countries.

414. A total of fifty-one (51) officials who attended the event were drawn from the BCEAO, SGCb, CREPMF, CIMA, Central Banks of Cabo Verde, The Union of The Comoros, Guinea, Sao Tome & Principe, and Sierra Leone, FIUs of Benin, Guinea, Guinea Bissau, and Togo, and the authorities in charge of monitoring the DNFBPs responsible for AML/CFT regulation in the participating member States (Benin, Burkina Faso, Cabo Verde, Comoros, Côte d’Ivoire, Guinea, Guinea-Bissau, Mali, Niger, Sao Tome and Principe, Senegal, Sierra Leone and Togo).

415. Major outcomes of the programme include the need for: supervisors to adequately regulate and monitor reporting institutions for effective implementation of the AML/CFT preventive measures; supervisors to understand risk and apply risk-based approach to AML/CFT supervision; information sharing on supervisory activities between community institutions and member States; supervisors to build capacity and establish appropriate framework for the regulation and supervision of virtual assets service providers.

INTERNATIONAL MEETINGS

FATF Policy Development Group Meeting, Paris, France, 14 -15 January, 2019

416. This meeting was organized by the FATF Policy Development Group following the FATF’s directives to the Working Group to advance
rapidly on its work on virtual assets with a view to issuing a revised Interpretive Note on FATF Recommendation 15 and guidance for stakeholders. GIABA participated in this session, to share experience and adequately prepare for assessment of the new elements on VASPs in the methodology and provide the necessary support to member States.

Joint Meetings of Africa/Middle East of the ICRG, Dubai, UAE, January 17-19, 2019; Paris, France, 20th to 21st May 2019; and Tunis, Tunisia, 18th to 19th September 2019.

417. GIABA participated in the three meetings of the Joint Africa/Middle East of the ICRG in 2019. The main objective of the meetings was to review the situation report of Botswana, Tunisia, Ghana, Ethiopia, Yemen and Syria and ensure that progress was made in the actions set out in each country’s action plan. With regard to GIABA, Ghana made presentation outlining the progress made, and affirmed its continued commitment to the implementation of its action plan.

World Conference on Criminal Finance and Cryptocurrencies - The Hague, Netherlands, 6th -7th March 2019

418. The Conference was organized by Europol, the Basel Institute on Governance, and INTERPOL. The main objective of the meeting was to strengthen understanding, knowledge, skills and expertise in cryptocurrencies and to discuss legal, technical and practical developments, latest trends and modus operandi in this area. About 60 participants from financial institutions, digital currency marketers, technology companies, and 40 representatives of FIUs, criminal investigative and prosecutorial agencies, the Egmont Group, FATF, FSRBs, asset recovery networks, etc took part in the conference.

FATF/MONEYVAL Expert Meeting on Typologies and Workshop on Terrorist Finance Prosecutions, Tel Aviv, Israel, 24-27 March 2019

419. This meeting was organized jointly by FATF, MONEYVAL and Israel. The aim was to share knowledge and expertise with a view to improving international cooperation to effectively combat the risks of money laundering and terrorist financing. The meeting discussed critical topics, including TF risk assessment, virtual assets: detection, investigation and confiscation, as well as the current status of cross-border assets recovery based on convictions. A major outcome of the meeting was the need for relevant competent authorities to conduct systematic parallel financial investigations in every terrorism-related case in order to discover the relevant network actors.


420. The objective of the meeting was to discuss issues related to impact measurement and change, opportunities and challenges associated with particular minerals such as diamonds, base metals, cobalt, 3Ts and gold, as well as regulatory and policy updates related to responsible sourcing of minerals.

421. The workshop discussed issues relating to international/national frameworks on precious metals and precious stones regulations; the AML/CFT obligations of dealers in precious metals and gems; the international sanctions regime; law enforcement challenges for risk assessment, improvement of airport controls, sharing and verification of information on import-export documents, reporting of cross-border movements of precious metals and gems, national and international exchange of information, mutual legal assistance and harmonization of regulatory frameworks, etc. GIABA participated and shared regional perspectives, including outcomes of its typologies study on ML/TF through the mining sector/extractive industries.

Franc Zone Finance Ministers’ Meeting, Niamey, Niger, 27-28 March 2019; and Paris, France, 9th to 11th October 2019

422. GIABA participated in the two meetings to provide updates on the implementation of the recommendations in the report on the AML/CFT situation in the Franc Zone, especially as it relate to UEMOA and The Union of the Comoros. Overall, progress has been made in the implementation of the recommendations,
however there are still outstanding actions. GIABA seized the opportunities provided by the meetings to call for the fast-tracking of the implementation of outstanding recommendations.

Workshop on Remittances Market Regulation in Africa - Nouakchott, Mauritania, 24th to 26th April 2019

423. This workshop was organized by the African Institute for Remittances (AIR) in collaboration with the Central Bank of Mauritania (BCM). GIABA participated and provided regional experience on the challenges faced by regulators in complying with international requirements in a rapidly developing remittances market characterized by innovative products, diversified players and channels.

Experimental Training Programme of the FATF Training and Research Institute (FATF-TREIN) on the fight against terrorist financing, Busan, South Korea, 13th to 17th May 2019

424. GIABA participated in this programme along with other FSRBs (APG, CFATF, GAFILAT and MENAFATF). The main objective of the programme was to leverage on the expertise and the experience of participants on the issue of terrorism financing to improve on the training modules being developed by the FATF-TREIN. Discussions focused largely on the relevance of the modules. GIABA provided regional perspectives, including implementation challenges and constraints specific to its region, particularly the low level of involvement of investigative journalists to shed light on the risk indicators, the issue of dual criminality, the uncertainties surrounding the NPOs’ environment, the weak partnership between the public and private sectors in sharing information relating to terrorism and its financing. Contributions made by GIABA and other FSRBs at the programme helped to enrich the TREIN training modules.

FATF Plenaries, 17th to 22nd February in Paris, France; 16th to 21st June in Orlando, Florida (USA); and 13th to 18th October 2019, Paris, France

425. GIABA participated in the three (3) Plenary meetings of FATF held in 2019. These meetings discussed and adopted the MERs of some member States of FATF and FSRBs, as well as Follow-Up Reports of some FATF member States. Other important outcomes of these meetings include adoption of policy documents/typologies reports, and the identification of jurisdictions with significant weaknesses in their AML/CFT measures under the FATF Improving Global AML/CFT Compliance process. In addition, FATF has commenced the strategic assessment to review the experience gained in conducting mutual evaluations to date, which will inform the future of FATF exercises at the end of the current round of mutual evaluations.

426. With respect to GIABA member States, a tripartite FATF/GIABA/Nigeria meeting was held in the margins of the October FATF Plenary. FATF informed GIABA and Nigeria that Nigeria’s membership process was closed due to the launch of the strategic assessment by the FATF. Nigeria was advised to apply in the future after concluding its second round of mutual evaluation. Nigeria was also encouraged to take necessary steps to implement the priority and Recommended actions to facilitate its membership process. Nigeria was requested to provide regular and informal updates informing the FATF Secretariat of the progress being made by the country in strengthening its AML/CFT regime.

427. FATF ongoing work on TF (TF risk assessment, Inter-Agency cooperation on CT/CFT information sharing, and TF disruption strategies) is expected to impact positively on the work of GIABA. The FATF CFT Operational Plan focuses on three strategic issues, including the development of CFT regimes in high-risk countries. In this regard, the FATF Plenary identified GIABA and ESAAMLG as priority FSRBs to be supported on their TF initiatives. In addition, with the adoption of the revised standards/methodology in October 2019, assessment of VASPs is to be taken into consideration in the conduct of MEs by GIABA and indeed, other assessment bodies. The Secretariat will need to build internal capacity, and also prioritize technical support to member States, including specialized training on VA/VASPs supervision, and support in drafting or amendment of legislative frameworks to bridge existing gaps and enhance the
effectiveness of their AML/CFT regime, including their performances in the 2nd round of evaluations.

428. Other important work of the FATF, which is expected to impact on GIABA member States, is the ICRG process, which is likely to see more members going into the process as some of them exit the one year observation period. Impliedly, GIABA will need to be prepared to provide necessary technical support to the countries, especially in the implementation of their action plans.

Egmont Group Meetings, Jakarta, Indonesia, 29th to 31st January, 2019; and The Hague, Netherlands, from 1st to 5th July 2019

429. GIABA participated in the two meetings of Egmont Group of FIUs held in 2019 as part of efforts to strengthen collaboration with the Group in providing the necessary support for GIABA member FIUs.

430. Major outcomes of the two meetings that are relevant to the region include the election of the President of the FIU of Senegal as the Regional Representative for West and Central Africa. Important activities of Egmont, which could impact positively on the operations of GABA member FIUs include the development of the Egmont Glossary of Key Terminology (the glossary will help improve the quality of information exchange among Egmont Group members); and work on exchange of information (an analysis of obstacles to bilateral and multilateral exchanges of information among FIUs).

431. GIABA will continue to work with and prioritize support to member FIUs that are not yet Egmont Group members, especially the FIUs of The Gambia and Sierra Leone, to promote their eligibility for membership. Their admission will strengthen their national AML/CFT efforts and, ultimately, facilitate the achievement of GIABA’s overall objectives.

38th Plenary Meeting of ESAAMLG, Ezulwini, Kingdom of Eswatini, from 1st to 6th September 2019; and 12th GABAC Technical Commission/Plenary meeting, Malabo, Equatorial Guinea, from 23rd to 27th September 2019

432. GIABA participated in the 38th Plenary of ESAAMLG and the 12th Plenary of GABAC held in Ezulwini, Kingdom of Eswatini (ex-Swaziland) from 1st to 6th September, 2019, and in Malabo, Equatorial Guinea from 23rd to 27th September, 2019. GIABA’s participation in these meetings was to strengthen regional alliances and collaboration with the FSRBs and to share experiences and exchange best practices.

On-site visit by the United Nations Counter-Terrorism Executive Directorate (CTED) to Lomé, Togo, from 22nd to 24th July 2019

433. As part of its mission to enhance and coordinate the process of monitoring the implementation of the relevant United Nations Security Council Resolutions, including Resolutions 1373 (2001), 1624 (2005), 2178 (2014), 2242 (2015), 2309 (2016), 2322 (2016), 2341 (2017), 2354 (2017), 2370 (2017), 2395 (2017), 2396 (2017) and 2462 (2019), the Counter-Terrorism Executive Directorate (CTED) led an on-site assessment visit to Togo from 22nd to 24th July, 2019. GIABA was invited to join this mission. It was in recognition of its legitimacy at regional level in respect of its mandate to combat money laundering, the financing of terrorism and proliferation in its member States, that GIABA was invited to participate in this assessment mission.

434. The visit to Togo was aimed at achieving the following objectives: to analyze the status of terrorist threat and challenges facing Togo; to analyze the implementation by Togo of the relevant Security Council Resolutions; to monitor the implementation of the recommendations contained in the previous reports of targeted visit by the CTED on measures that Togo should take to fully implement certain obligations under Resolution 1373 (2001) in the areas of law enforcement, preventive and repressive mechanisms, border control and the right to asylum and refugees; to identify areas in which the country could benefit from technical assistance to enable it fully meet its obligations under these resolutions. At the end of the on-site visit, sharing sessions were organized with the national authorities to present the assessment team’s preliminary conclusions.
CHAPTER VIII

ADMINISTRATIVE AND SUPPORT SERVICES, MONITORING AND EVALUATION

Introduction

435. In 2019, GIABA, like all the other ECOWAS institutions and agencies, consolidated its administrative and financial reforms with the implementation of the SAP Enterprise Content Management, Governance, Risk & Control and Business Intelligence software, and built the capacity of all its staff to improve the use and ownership of this software for promoting accountability as well as sound and transparent management.

436. Within the framework of implementing the reforms decided by the Council of Ministers, GIABA continued to improve the operation of its secretariat to make it a model and modern institution of ECOWAS and one of the prominent FSRBs.

GENERAL ADMINISTRATION

ECOLINK / SAP Materials Management (MM)

437. With the implementation of the MM module in SAP, the processing of purchase requisitions, service requisitions, purchase orders and payment tracking is now relatively fast and smooth.

Insurance coverage

438. GIABA in 2019 took out an insurance package for the secretariat and the Abidjan and Lagos Information Centres in accordance with the ECOWAS staff regulations. The package includes:

- Health insurance,
- Property and casualty insurance (Secretariat),
- Life insurance,
- Car insurance,
- Multi-risk home insurance (DG’s residence),
- Travel insurance.

Auctions

439. Three (3) auctions were organized to sell amortized and outdated equipment at the Secretariat, and two (2) at the Lagos and Abidjan Information Centres.

Inventory of materials

440. The inventory of the furniture and office equipment needs of the Secretariat and the Abidjan and Lagos Information Centres was completed in January 2019. Sixteen new air conditioners and two large photocopiers were purchased after the inventory.

Inventory of equipment

441. The inventory of equipment of GIABA offices (Dakar, Abidjan and Lagos) was completed and the equipment purchase procedure is being drafted and will be finalized in 2020.

ECOLINK/SAP Management Module (Materials Management)

442. With the implementation of the materials management module in SAP, the processing
of purchase requisitions, service requisitions, and payment tracking was relatively faster.

443. In 2019, payments for the following vendor invoices were entered:

- Purchase Requisition (PR),
- Request for Quotation (RFQ),
- Maintain Quotation (MQ),
- Purchase Order (PO).
- Following the refresher training provided to staff, the processing of purchase orders has improved.

Conference room management

444. To improve cost control and resource mobilization, management decided to make the conference rooms of the Secretariat and the Abidjan Information Centre available for renting at variable rates based on the specific characteristics of each room (conference interpreting equipment, video projector, etc.).

Subscription to TV Channels

445. Subscriptions renewed for 2019 to several multi-language TV channels such as:

“Canal Horizon Afrique”, “DSTV”

The maintenance staff regularly maintains the electronic equipment installed in the offices at the Headquarters and the official residence of the Director General.

Security

446. Contracts of security companies that provide security for the GIABA premises were renewed. While GIABA pays for security at the Headquarters, Director General’s residence and the Abidjan Information Centre, security at the Lagos Information Centre is provided the ECOWAS Commission because of the co-location of offices.

Management of material resources (property and services)

447. The inventory of the furniture, office equipment and computer hardware needs of the Secretariat and the Abidjan and Lagos Information Centres was completed in January 2019.

Cleaning and maintenance of premises, green spaces and facilities

- Secretariat

448. The 1st and 2nd floor premises of the Secretariat are maintained by “KHEWEUL ENTREPRISE”, and we periodically check to ensure that the premises are clean. The surroundings of the secretariat are cleaned and maintained by Senegal’s Agence de Gestion du Patrimoine Bâti de l’Etat to which GIABA pays a monthly fee representing condominium charges. Green spaces on the Secretariat premises are regularly renewed and taken care of by a gardener.

- Abidjan Information Centre

449. To streamline finances, the Abidjan Information Centre was moved to the premises hosting the ECOWAS Permanent Representation in the Republic of Côte d’Ivoire, following a directive by the President of the Commission to that effect. To-date, the movement has been completed but some general works are to be finalized soon. The two entities share maintenance costs and there is no rent to be paid.

- Lagos Information Centre

450. The premises of the Secretariat are maintained by “MOHALI VENTURES”, and
we periodically check to ensure that they are clean. The maintenance of common green spaces is paid for by the ECOWAS Commission.

Maintenance and servicing of computer hardware and telephones

451. Computer hardware and telephones are maintained by the Maintenance Assistant, and where there are major repairs, a private company specializing in the required service are contacted to provide the service.

452. Phase II of the replacement of split air conditioners at the Secretariat was completed. Sixteen (16) split air conditioners were installed in 2019. Renovations were also done (partitions, reinforcement of main doors, windows, etc.) The backup system was also installed and the generator serviced.

453. The following is a list of the work done from January to December 2019:

- Installation of new split air conditioners in some offices,
- Printers and photocopiers,
- Electrical installations,
- Plumbing and sanitary facilities,
- Generator maintenance,
- Maintenance of the equipment of the two (2) conference rooms,
- Split air conditioner maintenance,
- Moving and installation of TV channels,
- Green space management,
- Technical assistance when moving some staff members from one office to another.

Internal Management

- Switchboard management,
- Office supplies management (distribution at the request of staff),
- Welcoming and guiding visitors and officials,
- Payment for coffee breaks at meetings and/or during official visits,
- Preparation and monitoring of absence and mission planning,
- Drafting of exemption certificates and monitoring/drafting of requests for exemption to be sent to the Tax Head Office (Direction des Impôts et Domaines),
- Receipt and distribution of incoming mails,
- Management of the binding of large documents,
- Document archiving.

External management

- Management and tracking of express mails,
- Management of certain banking transactions (cheque collection and deposit, deposit of salaries, bank transfers and other banking transactions),
- Forwarding of official documents to various ministries of the Republic of Senegal, and to embassies and institutions based in Senegal.
- Bill payment (power, water, telephone and others)

Transport and vehicle maintenance

454. The transport service coordinates the transportation of GIABA staff and/or ECOWAS Commission staff and/or other officials to various destinations (airport, regions of Senegal). This Unit was reorganized to streamline its expenses. Vehicles are maintained continuously.

IT and networks

455. To improve the monitoring of staff punctuality and attendance, in 2019, a number of IT projects were carried out, including fingerprint enabled reporting system and main entrances. The access control and video surveillance systems installed at the secretariat nine years ago had clearly deteriorated over time with some equipment breaking down regularly. In response, the two (2) systems were completely replaced.

456. In 2017, in the 1st phase of the telephone system migration, the secretariat had migrated to IP telephony. In 2019, in the second phase of the project, the Abidjan and Lagos Information Centres were integrated into the IP telephone system. The secretariat and the
Abidjan and Lagos Information Centres can now communicate with the Secretarial free of telephone charges from their main locations and while on missions.

457. Following the relocation of the Abidjan Information Centre to the premises of the ECOWAS Representation in Abidjan, the IT department coordinated the cabling of IT infrastructure and the installation of computer hardware.

458. As part of project 50 Million African women speak, the ECOWAS Gender Development Centre (EGDC) in partnership with GIABA’s IT Unit, visited Bamako (Mali) and Monrovia (Liberia) to present the 50MAWSP platform and discuss how to prepare a work plan for the next 6 months as part of the launch of the communication and awareness phase on the platform.

Conference, Language and Protocol

459. The conference services contributed in organizing national and regional meetings throughout 2019, including the May and November 2019 plenaries. The Plenaries and ministerial meetings of May and November 2019 were held in Conakry and in Saly, respectively. Each of the Plenaries brought together some 300 participants from the fifteen Member States as well as from partner countries and organizations.

460. Apart from the Plenaries and ministerial meetings, the Conference Services supported the organization of many workshops, trainings, national meetings and meetings on typologies.

At regional level, the conference service contributed to the organization of the following meetings and trainings:

- Workshop on the development of the regional strategy on countering the financing of terrorism held from 19 to 20 December 2019 in partnership with ACSRT/CAERT in Saly, Senegal.
- The training workshop on UN Security Council sanctions on North Korea held in Saly, Senegal, 15th - 16th July, 2019.

461. At the national level, the Conference Services supported staff members at the preparatory meetings for mutual evaluations for example for Benin, Niger, etc.

462. Internally, the Conference Services facilitated several staff missions by making arrangements for their travel tickets and departures.

463. The Language Services, despite the challenges related to inadequate staffing, participated in the Translation and on-site visits of MERs (Mali, Burkina, Benin) and have been very active in providing interpretation and translation services at regional and other meetings.

464. Other Seminars and Workshops supported by the Conference Service in 2019:

- Regional Train-the-Trainers’ Workshop on Risk Based Supervision for AML/CFT Compliance, Accra, Ghana, August 20—23, 2019.
- Regional workshop to raise the awareness of Civil Society Organizations on AML/CFT, Bamako, Mali, 25—27 September 2019.
- GIABA- FATF-GABAC – Training of Assessors, Dakar, Senegal, 25 - 29 March, 2019
- Regional Training Workshop on Investigative Reporting on Economic And Financial Crimes for Journalists, Monrovia, Liberia, 26—28 November 2019
- Pre-Evaluation Training for AML/CFT Stakeholders, Niamey, 27th 30th May 2019, etc.
MONITORING AND EVALUATION

465. 466. GIABA, as a specialized institution of ECOWAS, provides technical assistance to member States in the fight against money laundering and terrorist financing, in line with its mandate. Also, by virtue of its status as a FATF-Style Regional Body, it ensures compliance with the AML/CFT norms and standards by its member States and promotes the adoption of relevant best practices.

466. To execute its mandate, GIABA develops strategic plans, which constitute the frame of reference for its action. The plans identify and define objectives and key results to be achieved, through the implementation of programs, projects and activities, using a Results-Based Management (RBM) approach. The Strategic Plan, which is currently being implemented, covers the period spanning 2016-2020 and has four Strategic Objectives (SOs), with each strategic objective having a corresponding program, namely:

- SO.1 – To build a model Secretariat, with appropriate expertise, using modern tools and processes to deliver services effectively and efficiently;
- SO.2 – To develop AML/CFT regimes based on relevant current and emerging risks;
- SO.3 – To ensure AML/CFT regimes are effective and collaborative; and
- SO.4 – To ensure AML/CFT interventions delivered have a positive impact on governance.

467. The 2016-2020 Strategic Plan is operationalized through the development and implementation of a series of Annual Budgeted Work Plans (ABWPs), which include all planned projects and activities to be implemented during the course of a year. The ABWP is funded through the approved ECOWAS budget and financial support from donors.

Planning and Implementation of Projects/Activities for year 2019

a. Physical Implementation

468. In 2019, GIABA’s annual work plan provided for 74 activities and projects, distributed across the four (4) Strategic Objectives, as follows: SO.1- (11), SO.2- (20) ; SO.3- (17) ; SO.4- (26).

Table 8.1 : Distribution of Projects/Activities according to Strategic Objective

<table>
<thead>
<tr>
<th>Programs / SO</th>
<th>Total</th>
<th>No Projects Implemented</th>
<th>No Projects In progress</th>
<th>No Unimplemented Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prog. 1</td>
<td>11</td>
<td>10</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Prog. 2</td>
<td>20</td>
<td>13</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Prog. 3</td>
<td>17</td>
<td>15</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Prog. 4</td>
<td>26</td>
<td>22</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>60</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

469. At the end of the year, the status of physical implementation of the projects can be summarized as follows:

The overall physical implementation rate of projects/activities stood at 81.1%. The breakdown by program (SO) is as follows: 91%; 65%; 88%; and 85% respectively for strategic objectives 1, 2, 3 and 4.
Table 8.2: Implementation Rates of Projects/Activities

<table>
<thead>
<tr>
<th>Program /SO</th>
<th>Total Planned Projects</th>
<th>Total Implemented Projects</th>
<th>Actual Implementation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>10</td>
<td>91%</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>13</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>15</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>22</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>60</td>
<td>81%</td>
<td></td>
</tr>
</tbody>
</table>

470. It should be noted that program No.4 recorded the highest number of ongoing projects. This is attributable to the nature of its component activities and which are mostly research projects. Indeed, research projects generally last more than a year because of their peculiarity. Generally, the implementation rates of projects/activities by strategic objective are very satisfactory. Among the projects yet to be implemented to date, some of them will be executed during the first quarter of 2020 since the budget will still be available until March, 2020.

Graph 8.2: Implementation of projects/activities according to Strategic Objective (SO)

b. Financial Implementation

471. GIABA’s approved 2019 budget stood at UA 10 660 210 (Units of Accounts), including personnel and administrative costs. It was funded through revenue derived from the ECOWAS Community Levy (94%) and contributions from external partners (6%). With regard to financial implementation, the mobilization of budgetary resources amounted to UA 6,832,338, or 64% of approved budget. The total commitment amounted to UA 6,716,772, representing an implementation rate of 98% of mobilized budget amount.

Table 8.3: Projected Budget for 2019

<table>
<thead>
<tr>
<th>Budget Revenue</th>
<th>Value (UA)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECOWAS</td>
<td>9 984 910</td>
<td>94%</td>
</tr>
<tr>
<td>Partners</td>
<td>675,300</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>10,660,210</td>
<td>100%</td>
</tr>
</tbody>
</table>
An analysis of the program areas indicates that an amount of UA 3,938,671 was expended dedicated to programs, with 100% implementation. The amounts spent by strategic objective are shown in Table 3, below.

Table 8.4: Expenditures by Strategic Objective.

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>Amount spent by strategic objective in (UA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prog.1 (SO-1)</td>
<td>1,550,879</td>
</tr>
<tr>
<td>Prog. 2 (SO-2)</td>
<td>816,771</td>
</tr>
<tr>
<td>Prog.3 (SO-3)</td>
<td>926,662</td>
</tr>
<tr>
<td>Prog.4 (SO-4)</td>
<td>644,359</td>
</tr>
</tbody>
</table>

**Outputs**

**a. Operational Outputs**

During 2019, the operational outputs produced by GIABA’s activities in relation to each strategic objective can be summarized as follows:

<table>
<thead>
<tr>
<th>SO-1:</th>
<th>Building a model Secretariat, with appropriate expertise, using modern tools and processes to provide services effectively and efficiently</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>A new organogram has been adopted by the ECOWAS Council of Ministers and is being implemented with the establishment of the administrative pooling (GIABA and EGDC) already effective;</td>
</tr>
<tr>
<td>✓</td>
<td>The mid-term independent evaluation report of the 2016-2020 Strategic Plan is available;</td>
</tr>
<tr>
<td>✓</td>
<td>About 98% of GIABA staff have been trained in areas related to their functions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SO-2:</th>
<th>Assisting member States in developing AML/CFT mechanisms based on current and emerging risks of money laundering, terrorist financing and proliferation of weapons of mass destruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>63 professionals from the banking and non-banking sectors (in The Gambia 31 and Guinea Bissau-31) were trained on how to assess AML/CFT risks in their respective areas of activity</td>
</tr>
<tr>
<td>✓</td>
<td>37 officers from the financial sector supervisory authorities were trained on the ML/TF risk-based approach to supervision</td>
</tr>
<tr>
<td>✓</td>
<td>A research report on “Money laundering and terrorist financing in the extractive industry sector” has been concluded and published by GIABA. The launch of the publication was attended by the Senegalese authorities, representatives of member States and Ambassadors of ECOWAS countries accredited to Senegal, as well as development partners</td>
</tr>
<tr>
<td>✓</td>
<td>Guidelines for strengthening corporate governance were shared with the private sector.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SO-3:</th>
<th>Ensure Member States AML/CFT regimes are efficient and collaborative</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>38 key players and stakeholders in national AML/CFT systems were trained in understanding international AML/CFT standards to assist them in developing robust AML/CFT regimes;</td>
</tr>
<tr>
<td>✓</td>
<td>GIABA set up its consultative forum and trained 122 participants from the public and private sectors on changes in anti-money laundering standards and shared with them</td>
</tr>
<tr>
<td>✓</td>
<td>Emerging ML/TF issues;</td>
</tr>
<tr>
<td>✓</td>
<td>40 experts from the legal, financial and operational sectors were trained as expert assessors. This new generation...</td>
</tr>
</tbody>
</table>
of assessors will reinforce the existing pool and will be used to assess the AML/CFT systems of Member States in West Africa;

☑ 4 Mutual Evaluation exercises were conducted in 2019 in Benin, Mali, Sierra Leone and Nigeria. Two (2) of these mutual evaluation reports were considered in November 2019

☑ (Benin and Mali) and the other two (2) will be considered in 2020 (Sierra Leone and Nigeria). It should however be noted that the Benin report was not adopted during the planned period and will be represented to the first Plenary meeting in 2020;

☑ 90 officials from the public and private sectors in Niger (45) and Guinea-Bissau (45) were sensitized on issues relating to the mutual evaluation of their national AML/CFT systems and trained in the roles they will have to play during the countries’ evaluation exercises scheduled for January and October 2020, respectively.

● SO-4: Ensure AML/CFT interventions delivered have a positive impact on governance. Each of its strategic objectives has a corresponding program.

☑ GIABA participated in most of the international meetings of the global AML/CFT network where it was involved in deliberations and decision-making. These include FATF meetings where decisions on AML/CFT standards are taken; the Egmont Group, which provides a forum for FIUs for the purpose of exchanging information and strengthening their capacities; the Anti-Money Laundering Liaison Committee (CLAB) of the Franc Zone States where developments in AML/CFT policies in the above-mentioned States are discussed; and finally, participation in major activities of other GIABA partners.

☑ The Annual Press Conference of the Director General of GIABA was held. The DG reported on GIABA’s activities and the progress made as well as the challenges encountered.

☑ 46 Civil society organizations (CSOs) were sensitized on AML/CFT issues. Once sensitized, CSOs would serve as GIABA’s ambassadors at the grassroots to promote the implementation of AML/CFT measures.

☑ 31 Religious and opinion leaders were sensitized on the dangers of abuse of their organizations for money laundering or terrorist financing (ML/TF) purposes, against the backdrop of growing radicalization and violent extremism in the region.

b. Development Outcomes

474. As regards the impact of the programs, the following could be noted -

● SO-1: Building a model Secretariat, with appropriate expertise, using modern tools and processes to deliver services effectively and efficiently

Under this strategic objective, the outcomes below experienced changes during the period under review.

☑ Effect (Outcome) 1.2- Qualified staff more appropriately motivated and working in collaboration:

98% of staff members acquired new knowledge and skills after their annual training for capacity building; which will enable them deliver more effectively in their respective functions.

☑ Effect (Outcome) 1.4 - Operational processes, procedures and systems supporting the Strategic Plan:

Progress in the implementation of the activities can be monitored, report made without delay, as well as the observation on the results achieved. This is now possible with the deployment of a Web based application called: “Programming-Budgeting-and-Monitoring- Tool « developed by the ECOWAS Commission and adopted by GIABA. However, capacity building of focal points is still needed for optimal use.
Effect (Outcome) 1.5: Policies, regulations and management practices underpin the implementation of the Strategic Plan:

The monitoring and evaluation system is one of the main practices designed to manage the implementation of the 2016-2020 Strategic Plan. In this regard, an independent mid-term evaluation report was produced. It was adopted after a validation workshop held with stakeholders, including representatives of the member States. This report enables the Institution’s Management to have a good visibility of GIABA’s performance and challenges, as well as its strengths and weaknesses.

- SO-2: Assisting member States in developing AML/CFT regimes based on current and emerging risks of money laundering, terrorist financing and proliferation of weapons of mass destruction

  ✓ Outcome 2.1: Improved skills in the Member States to detect the risks of ML/TF

  During the period under review, the reporting entities detected and filed 8780 suspicious transactions reports (STRs)

  ✓ Outcome 2.3: Current and emerging ML/T risks in all Member States assessed and prioritized for action

  During the period under review, three (3) additional member States concluded their National Risk Assessment (NRA) exercise. These are: Niger, Côte d’Ivoire and The Gambia. These countries have identified, assessed and prioritized the ML/TF risks to which they are exposed.

  ✓ Effect (Outcome) 2.5: At least three TF trends in West Africa profiled

  Regarding this outcome, a typology report on ML/TF in the extractive industries sector has been published. The report identified ML/TF trends and methods in West Africa.

- SO-3: Ensure Member States’ AML/CFT regimes are efficient and collaborative

  ✓ Outcome 3.3: Increase in the number of Member States that have developed comprehensive and consistent national AML/CFT strategies

  In 2019, Senegal developed its National AML/CFT Strategy

  ✓ Effect (Outcome) 3.3 Increase in the number of Member States that have developed a supervision guide/framework for DNFBPs

  In 2019, the Republic of Guinea developed guidelines for DNFBPs

Key Findings and Recommendations of the 2016-2020 Independent Mid-Term Evaluation Report

475. The independent evaluation report carried out a SWOT analysis in which the following aspects are considered as strength:

- The relevance and effectiveness of capacity-building for players in the national AML/CFT systems;
- The mobilization of GIABA’s institutional expertise as part of the targeted technical assistance;
- The increased effectiveness of advocacy and awareness-raising effort;
- The relevance of the themes covered in terms of research and typologies, and finally
- The development of cooperation at community, regional and international level.

476. With regard to weaknesses, the following were noted:

- The persistent constraints to the full performance of the Secretariat (Human Resources, Finance, internal synergy, etc.);
- The imbalance of interventions to the disadvantage of two strategic targets for an overall effectiveness of the AML/CFT systems (DNFBPs, the judiciary);
- The constraints weighing on the performance of national AML/CFT systems.

The evaluation report proffered nine (9) recommendations as follows:
✓ Recommendation N° 1: GIABA should reinforce the relevance of its intervention and the modalities for actions taken in favor of member States. This involves a more effective on-boarding of the emerging and specific needs of the actors involved in the national AML/CFT systems. It is therefore recommended in the very short term and as a priority, annual work plans incorporating, as far as available resources allow, actions in response to the needs and expectations of member States, be developed. Furthermore, such intervention around the work plan drawn up after the GIABA institutional diagnosis conducted by Price Waterhouse and Coopers & Lybrand (Pwc), sponsored by the European Union through Expertise France, should be prioritized.

✓ Recommendation N° 2: Improve the methods, conditions and areas of training of the various categories of actors involved in national AML/CFT systems.

✓ Recommendation N° 3: Improve communication with more effective mobilization of resources for more effective advocacy and awareness-raising. The implementation of this recommendation requires strengthening the capacity of civil society organizations and the media in AML/CFT advocacy.

✓ Recommendation N° 4: Improve its operational planning and its methods of intervention for its partners (national correspondents, member States).

✓ Recommendation N° 5: Strengthen its cooperation with a view to using the full potential at regional and international level while improving the conditions for learning and innovation.

✓ Recommendation N° 6: Create the conditions for strengthening the determination and political commitment in MS with a view to enlisting a more noticeable impact of AML/CFT on governance.

✓ Recommendation N° 7: Strengthen its technical, financial and material assistance to member States and actors for the development and increased efficiency of national AML/CFT systems.

✓ Recommendation 8: Improve the conditions for taking ownership of research and typologies findings while creating the conditions for their use not only by other departments and services, but also by the stakeholders involved in the implementation of national AML/CFT systems.

✓ Recommendation N° 9: Support, in the very short term, the processes of strengthening and improving the legal and institutional framework in member States, building on the findings of the NRAs and Mutual Evaluations already conducted.

477. In a nutshell, the implementation of the 2019 Work Plan attained very satisfactory physical and financial implementation rates, with completion rates of 81% and 98% respectively. Also, the conclusions of the independent mid-term evaluation of the 2016-2020 Strategic Plan are very encouraging. However, the commitment of the member States and contribution of other stakeholders are still essential to enable GIABA make some readjustments in view of the deficiencies identified by the mid-term evaluation. In the same vein, a synergy must be established between GIABA’s interventions and those of partners working on the same issues bilaterally with member States, with a view to achieving more effective results, especially in the particular context where member States are mostly at risk of being placed under the ICRG process following their evaluation.
CHAPTER IX

ACHIEVEMENTS, CHALLENGES AND OPPORTUNITIES

Introduction

478. The year 2019 started normally largely due to the full adjustment of changes to leadership and predictable financing. Planned activities were executed as planned albeit with minimal disruption. There were many achievements, some challenges and lessons to learn for the immediate future. The change in the leadership that occurred in March 2018 did not impact significantly on the work of the institution as initially feared. The fact that the new Director General was associated with the work of GIABA as a member of the Evaluation and Compliance Group made it easy for him to quickly come to grasp with the different work streams of the organization. Also, funding, although short of budget, was predictable as disbursement was fairly timely.

ACHIEVEMENTS

479. A summary of the main achievements in the year is provided below:

a. About 64% of the approved budget was funded both from the ECOWAS Community and donors, with an implementation rate of the mobilized budget at 98%, amounting to UA 6,716,772. Of this figure, about 60% was expended in the implementation of AML/CFT program related activities, while the balance went to administrative and other costs. The program activity rate was 81% for the year.

b. Capacity building for staff for almost all the staff, which has helped them to acquire new knowledge and skills for effective service delivery.

c. Synergy in planning, budgeting and reporting between GIABA and other ECOWAS institutions and agencies has been improved with the deployment of the web-based “Planning, Budgeting and Monitoring Tool”.

d. An independent mid-term evaluation has been conducted to appraise the implementation of the 2016 - 2020 Strategic Plan. The outcome has provided key insight into the main achievements and the required correction measures.

e. Over 1000 stakeholders have been trained in different areas of AML/CFT mostly in ECOWAS member states of GIABA;

f. Three (3) countries were assessed in addition to the 4 assessments that have been concluded;

g. One research report was published, 2 studies were completed and three were commenced within the year.

h. More member States are reporting high numbers of STRs, including successful investigations and prosecutions even though the conviction rate still remains very low compared to prevalence and counter measures. More assets are being seized by member States.

i. Three (3) additional member States concluded their National Risk Assessment
(NRA) exercise and 2 member states developed their national AML/CFT strategies.

j. A regional strategy for countering terrorism, including terrorist financing, was adopted by the ECOWAS authority.

k. Additional assessors were trained for the Francophone and Lusophone countries;

l. Financial institution supervision, strengthening of DNFBPs compliance capacity and the issue of beneficial ownership were prioritized with substantial results.

m. More civil society stakeholders were reached both through physical events and through other media.

n. More expertise is being developed in member states such that GIABA draws from this expertise pool in the delivery of its activities.

o. The European Union sponsored Organized Crime West Africa response to Money Laundering (OCWAR-M) Project under the 11th EDF has taken off successfully, with a total funding of over six million Euros to be expended within a maximum of 4 years;

### CHALLENGES

#### 480. Notwithstanding the achievements recorded in 2019, there are a number of challenges the institution is still grappling with, some of which are outlined below -

a. The political and security environment in the region is still fragile. Terrorist are still active and causing substantial harm to both local communities and the State. Political transitions are still a big source of tension in many of the member States.

b. AML/CFT institutions are still facing funding challenges in many of member States despite the advocacy missions undertaken by GIABA. Shifting priorities, especially with regard to peace and security, have become the main concern of many governments among the member States.

c. The initial review of the reports of the second round of mutual evaluations is very discouraging. Performance is below global average.

d. Conviction rate remains low in member states but there are encouraging signs in many countries. Synergy among stakeholders is still less optimum in many member States.

e. Corruption remains an impediment to effective action against money laundering and terrorist financing, as public corruption has remained a major source of locally generated illicit proceeds that are being laundered in and out of the region.

f. The GIABA Secretariat is still grossly understaffed. Staff are overworked and this is affecting the quality of work in some cases. Timely delivery is further compounded by the demand for translation of documents into 2 additional languages of ECOWAS community. The demands of the second round of evaluations are overwhelming on both the Secretariat, the member states and assessors. The intermittent revisions of the FATF standards also means that all AML/CFT actors have to struggle to catch up with the changes.

g. The yet to be concluded institutional reform remains a distraction to staff as many of them are still apprehensive of the future of their careers.

### OPPORTUNITIES

#### 481. Challenges often provide opportunities. Looking forward to 2020, we foresee the following opportunities:

a. The take-off of the European Union sponsored OCWAR-M project, for an amount of Eight million Euros, with 6.5 million Euros to be managed by Expertise France (the French Public International Cooperation Agency), will further strengthen AML/CFT regimes of member States.

b. The revised status of GIABA is likely to be adopted in 2020, which will open up
new opportunities for engagement with member states and resource mobilization.

c. The recruitment exercise, which commenced in 2019, is likely to lead to the hiring of additional staff for the institution. This will reduce the stress of existing staff and improve delivery, especially with regard to mutual evaluations and provision of technical assistance.

d. The GIABA institutional diagnosis conducted by Price Waterhouse and Coopers & Lybrand (Pwc), should lead to clear understanding of the strength and weaknesses of the institution so that the funding provided by the European Union for institutional capacity development under the 11th EDF can be effectively utilized to address the weaknesses.

e. The pool of AML/CFT experts is going to expand as more countries pass through their second round of mutual evaluations as part of the learning gains of the exercise.

f. AML/CFT interventions in member states are now, more than ever, likely to be based on risks due to the fact that most of them have concluded their National Risk Assessment. This should lead to more effective AML/CFT systems.

g. The ending of the current strategic cycle will lead to the development of a new strategic plan that should be fully aligned with the ECOWAS new Vision 2050.

h. Improvement in resource mobilization and donor coordination, which will lead to more efficient utilization of donor support.

i. The enhancement of support to FSB Secretariat will assist in the building of staff capacity and effective delivery.

j. The take-off of the implementation of the Regional Action Plan against Terrorism should bring additional resources that will be devoted to countering terrorism financing in the region and to improve synergy among stakeholders.

k. The new focus for intervention by GIABA on DNFBPs, the criminal justice system and financial institution supervision, including availability of reliable beneficial ownership information will facilitate compliance to the FATF standards by member states. This is clearly the areas of low performance in the second round of evaluations as shown by the assessments conducted thus far.