Remarks by Administrative Secretary of GIABA at AML/CFT Workshop in Sierra Leone

Keynote remarks by Administrative Secretary of GIABA, at the opening of a workshop for AML/CFT Strategy Development, Sierra Leone, 10-13 July 2006

Protocols

It is a great pleasure and honour for me to be here at this workshop. Although crime is as old as the human society itself, the new trends in money laundering activity constitute serious threats to the political stability and economic prosperity of society. Money laundering and terrorism financing are therefore serious issues that command the attention of the international community.

We must however understand at the outset that whilst money laundering and terrorist financing constitute what one might term an ‘axis of evil’, there are factual differences between the two concepts. First, whilst money laundering is derived from a variety of criminal activities, terrorist finance could be derived from both legal and illegal sources. In this regard we can say there is a nexus some how. Second, while on the one hand it could be argued that money laundering is profit driven, terrorism financing on the other hand is often politically motivated. In this context, we see both as serious problems that could undermine the integrity of our systems and seek for urgent ways and means to ameliorate them.

The UN Counter Terrorism Committee has determined that regional cooperation is fundamental in helping countries in the implementation of resolution 1373 in particular and other resolutions and Conventions in a practical way. Accordingly, combating money laundering and terrorism financing, and assisting ECOWAS Member States to enhance their efforts in this direction, have been important aspects of the overall mandate of the Inter-Governmental Action Group against Money Laundering and Terrorism Financing in West Africa (GIABA). I believe this is also the same for the UNODC.

The establishment of GIABA as an FATF-Style Regional Body (FSRB) is a demonstration of the strong political commitment of the ECOWAS Member States to combat money laundering and terrorist financing and to cooperate with other concerned nations and international organizations toward this goal. Within its regional strategic framework (the GIABA Plan of Action), GIABA has the capacity to support its 15 member states to effectively combat these menaces in this region. The establishment of Financial Intelligence Units (FIUs) is one of the key objectives of GIABA and its strategic niche in this direction is to support member states through workshops such as this, to develop their AML/CFT framework.

In this regard, therefore, I consider this gathering, though very small, as an epoch-making event. It is so not only because of the calibre of participants, but also because of the specific objective that the workshop seeks to achieve – and that is to develop a strategic plan of action for a robust Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) in the Republic of Sierra Leone.

For us to achieve this noble goal, we must have a clarity regarding the trends and possible intermediaries of both money laundering and terrorist funding.

The financial system, with its mechanisms and instrumentalities of shrouding transactions in secrecy is often identified as the commonest intermediary.

Our understanding of this should go beyond this obvious vulnerability, to other typologies and vulnerabilities, such as the informal, and perhaps, unregulated sector of the economy, including alternative remittance systems. Other potential causes and or attractions for money laundering and terrorist activities include:

(i) weak or failed government;
Last year, the UNODC issued a report on Crime and Development in Africa which shows inter alia that Africa is a target of criminal gangs that frequently exploit post conflict situations; creating an environment that is also prone to conventional crime and urban violence. Following the Report, a Round Table Meeting, which was attended by... was held in Abuja, Nigeria to determine priorities for technical assistance and implementation modality.

GIABA is closely working with the UNODC and will continue to do so with other integers to promote synergy based on comparative advantage to deal with these problems within this region in a coordinated fashion.

This, being my first official visit to Sierra Leone, and to any member state of GIABA, my mission is to issue a call for action, a reminder that individuals, institutions and governments need to do more than just pronouncing political commitment. We need to take practical measures and adopt dissuasive sanctions against criminals.

According to the UN "World Economic and Social Survey: Diverging Growth and Development (2006), inequality in incomes between rich and poor countries is growing and must be confronted to prevent global destabilization". This growing gap, contradicted conventional wisdom that income disparity would close as the world economy became more integrated. We need to protect our economies and attract direct foreign investment in our region.

Our goal in GIABA is to prevent and contain these scourges in West Africa. In this connection, GIABA is a leader, not only working to ameliorate these menaces, but also in promoting a regional alliance to achieve this goal. GIABA operates through the following four main organs:

- An Ad Hoc Ministerial Committee
- The Administrative Secretariat
- The Technical Commission; and
- A Network of National Correspondents.

Permit me therefore to call on the authorities of our member states to provide adequate support to our National Correspondents in their respective jurisdictions.

Before concluding this remark, let me turn to the all important issue of why a strategic action plan is necessary. Developing a strategic plan of action is a major requirement of an FIU because it provides clarity as to the fundamental objectives and direction of a national AML/CFT framework.

Such a strategy/action plan should therefore be predicated on certain objective criteria, which I like would refer to as SMART.

\[S\] = Simplicity {such plan should be as simple as possible}
\[M\] = Measurable (it should be gauged by certain objective benchmarks)
\[A\] = Achievable
\[R\] = Realistic
\[T\] = Timeliness.

The strategy/action plan should also be premised on an acute awareness of certain fundamental requirements for its success or otherwise.

It must demonstrate clarity of strengths, weaknesses and opportunities that would make the stated goals realistic and achievable within a specific timeframe.

It should also have a clear implementation mechanism, including how the various stakeholders will collaborate in a concerted manner, avoiding duplication and waste of scarce resources.

With these few remarks, distinguished ladies and gentlemen, I would like to end by thanking the UNODC for collaborating with us in GIABA to implement this project of technical assistance in the prevention of money laundering and terrorism financing in West Africa. I equally thank the Government of the Republic of Sierra Leone for demonstrating a strong political commitment by passing the Anti_money Laundering Act and initiating the process of establishing a functional FIU. I thank in particular, the supervisory Ministry (of Finance) for providing
the necessary support to the Central Bank of Sierra Leone to establish a Money Laundering Surveillance Department, which I hope will serve as the FIU of Sierra Leone. I also thank our National Correspondent, in particular, Mr. S. Bangura, for his continued support and for ensuring proper coordination with other stakeholders to make this workshop a huge success. Without the cooperation of you the participants, of course, there would be no workshop. I thank you all for your attention and urge you to take ownership of this process from the outset because you are eventually the implementers of the action plan to be developed. You must therefore contribute constructively in making it as flexible and dynamic as possible, taking into account specific local circumstances.

Finally, perhaps most importantly, I must thank members of the civil society, particularly the forth estate of the realm for their continued cooperation and support. Our efforts would not achieve the desired results without your sustained collaboration. Let us therefore salvage our region together!

Once more, I thank you all and wish you fruitful deliberations.

GIABA Administrative Secretariat
Dakar, Senegal
10 July 2006