



GIABA

INTERGOVERNMENTAL ACTION GROUP
AGAINST MONEY LAUNDERING
IN WEST AFRICA



2011 Annual Report



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Dr. Abdullahi Shehu, Director General of GIABA, delivering the GIABA 2010 Annual Report during the interactive session for Media Officials in West Africa, held on 7th April 2011 in Dakar, Senegal





ACKNOWLEDGEMENT

Two thousand and eleven (2011) has been another eventful year for GIABA from all perspectives – institution building, compliance, technical assistance, research, partnership and international cooperation. The successes recorded as contained in this report were achieved as a result of the positive contributions of GIABA's stakeholders. It is therefore appropriate to acknowledge these contributions.

The Authority of Heads of State and Government and the Council of Ministers of ECOWAS have continued to provide GIABA with the enabling environment to carry out its functions with the independence it requires and the guidance it needs from them. This has always been the bedrock supporting our actions.

The GIABA Ministerial Committee has become more active in decision-making and this has helped to provide the required policy direction and environment to achieve results. The Technical Commission/Plenary has become more decisive and member States have demonstrated a better understanding of the issues and commitment to the fight against ML/TF. This has helped to ease the Secretariat's task of follow-up actions. The national correspondents, who are the heads of the financial intelligence units (FIUs) in their respective countries, have become more involved in GIABA activities and are beginning to drive more vigorously the implementation of programs and projects in their respective countries. This is facilitating ownership and optimization of resources.

The various national and regional stakeholders have become more responsive to our partnership quest. We are now into alliances that work for the region and are generating local commitments to AML/CFT issues that will be sustainable over time. Our international partners – countries and organizations – who have participated in our programs have made meaningful contributions that have improved our processes and delivery during the past years.

The FATF network remains our shield in compliance. Members of the FATF who participate in GIABA activities and the FATF Secretariat have provided guidance and contributed meaningfully to ensuring that we are fully in line with the required procedures in our deliberations and implementation of international standards.

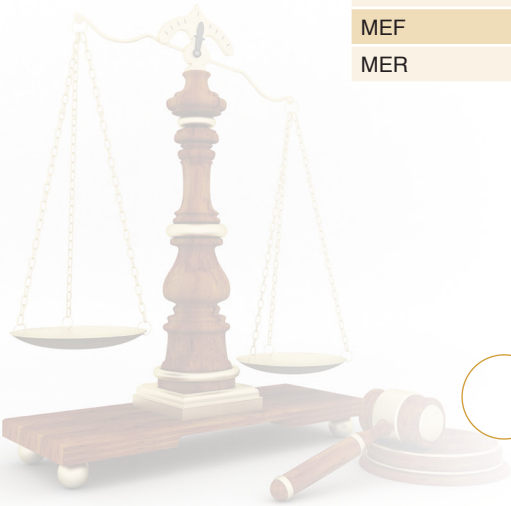
To all, we express our deep appreciation for supporting us through another year of achievements. We look forward to continuing to earn your trust, confidence and support in the years to come.

**GIABA Secretariat,
Dakar, Senegal**



ACRONYMS

AfDB	Africa Development Bank
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
AMLA	Anti-Money Laundering Act
ATA	Anti-Terrorism Act
AU	African Union
BCEAO	Banque Centrale des États de l'Afrique de l'Ouest
BOAD	Banque Ouest Africaine de Développement
CBL	Central Bank of Liberia
CBN	Central Bank of Nigeria
CDD	Customer Due Diligence
CENTIF	Cellule Nationale de Traitement des Informations Financières (French for FIU)
CIMA	Inter-African Conference of the Franc Zone Insurance Markets
CPI	Corruption Perception Index
CTED	Counter Terrorism Executive Directorate (UN)
CTR	Cash Transaction Report
DDG	Deputy Director General
DG	Director General
DNFBP	Designated Non-Financial Businesses and Professions
ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crimes Commission
ERG	Evaluation Review Group
FATF	Financial Action Task Force
FCFA	Franc Communauté Financière Africaine
FIC	Financial Intelligence Centre
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Body
GIABA	Groupe Inter-Gouvernemental d'Action contre le Blanchiment d'Argent en Afrique de l'Ouest (Inter-Governmental Action Group against Money Laundering in West Africa)
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
ICRG	International Cooperation Review Group (FATF)
IMF	International Monetary Fund
INTERPOL	International Criminal Police Organization
IT	Information Technology
KYC	Know Your Customer
LEA	Law Enforcement Agency
MEF	Ministry of the Economy and Finance
MER	Mutual Evaluation Report





MFI	Micro-Finance Institution
ML	Money Laundering
MLPA	Money Laundering (Prohibition) Act 2004 (Nigeria)
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NIA	National Intelligence Agency
NPO	Non-Profit Organization
OTA	Office for Technical Assistance (US Treasury)
PNDCL	Provisional National Defense Council Law
PPP	Purchasing Power Parity
RRG	Regional Review Group (ICRG/FATF)
SALW	Small Arms and Light Weapons
SIP	Strategic Implementation Planning
STR	Suspicious Transaction Report
TOC	Transnational Organized Crime
UEMOA	Union Économique et Monétaire Ouest-Africaine
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNODC	United Nations Office on Drugs and Crime
UNSC(R)	United Nations Security Council (Resolution)
USA	United States of America
WAEMU	West African Economic and Monetary Union
WGMEI	Working Group on Mutual Evaluation and Implementation



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FOREWORD

The 2011 Annual Report is the last but one I am signing off before the end of my tenure as GIABA's Director General in 2013. This is the fifth comprehensive Annual Report whose production I have supervised since my appointment as the head of GIABA in 2006. I believe that where we are going is determined by our past. I have therefore pioneered the evolution of these reports and I am satisfied that they are sufficient in giving a substantial account of my tenure.

Money laundering is a derivative crime. It is a migratory and transborder crime which requires very close collaboration between countries to checkmate the criminals involved. GIABA was born out of necessity to fill a gap that existed in the coordination of the regional efforts and actions against money laundering in West Africa. As a child of necessity, GIABA has striven to carve a niche for itself by ensuring that its interventions aim not only to support concerted actions, but also to create apostles in our stakeholders and beneficiaries of our technical assistance programs who will relish these programs, take ownership, and proselytize for the organization and the ECOWAS Community at large.

In 2011, GIABA commenced the implementation of its 2011-2014 Strategic Plan. The plan, which has been reduced to an action plan from where the annual work plan is derived, has had the consensus of all stakeholders. The 2011 Work Plan implementation rate was 99.48%, the highest among Community Institutions in the ECOWAS. This is in every way a tremendous achievement, considering the challenging environment in which we operate. However, this success did not come easily. It came as a result of strategic planning, careful and efficient delivery, optimization in the use of resources and the effective mobilization of stakeholders. The outputs measured showed that there is significant change in the direction of set objectives. Beneficiaries of the programs and projects gave positive feedback, which is an indication of their satisfaction. Beyond outputs, GIABA seeks to make lasting impact on the anti-money laundering and counter financing of terrorism (AML/CFT) regimes of its member States by supporting them to address the various deficiencies identified and provide an impenetrable shield against money launderers, and by extension, assist them to curb the crimes that generate the illicit proceeds.

It is important to recognize that the AML/CFT needs of GIABA member States still overwhelm their capacity and resources. GIABA by itself cannot meet all the technical assistance requirements of the region. We are, therefore, very appreciative of the support of all the partners who have been working at bilateral, multilateral and institutional levels to strengthen AML/CFT compliance and other measures in the region. Together we can make tremendous impact and stem the tide of acquisitive crime, particularly if we continue to work in a coordinated fashion.

I am personally grateful to our member States, especially the members of GIABA Ministerial Committee, members of the Technical Commission and the national correspondents for their untiring efforts towards ensuring that we collectively succeed in the implementation of our programs and projects.

The knowledge gap on ML/TF is fast narrowing in the region and expertise is growing at an astronomical rate. This is setting the stage for collective ownership of the AML/CFT compliance process. Beyond compliance, the growing expertise is creating an environment for innovative actions to deal with the various manifestations of the ML/TF threats and vulnerabilities. The mobilization of the civil society must remain a key action in this process. We are glad that most of the member States have considered developing a national AML/CFT strategy a priority and have identified clear roles for the civil society in the process. After all, the effects of ML/TF are felt directly by the civil society and any response that excludes their contribution may not last.

Finally, let me reiterate that the road is still rough and the tides are still high in the AML/CFT arena in the region. Some member States need to double their actions to meet minimum requirements; those making progress should avoid slacking. There is no alternative to fighting criminality and ill-gotten wealth; we cannot afford a defeat or surrender. I trust that you would find this report, as the previous ones, very informative and pleasant reading.

Abdullahi Shehu, PhD
Director General

CHAPTER I

Introduction

- 1 The year 2011 marked a watershed in the regional efforts to combat money laundering and terrorist financing in West Africa with the commencement of the implementation of the GIABA 2011 – 2014 Strategic Plan. This Strategic Plan, which was developed taking into account the challenges encountered in the implementation of its 2007 –2009 predecessor, represents a paradigm shift in the execution of the institution's mandate and aims at enhancing regional anti-money laundering and counter financing of terrorism (AML/CFT) compliance efforts.
- 2 The report of the independent evaluation of the implementation of the GIABA 2007 – 2009 Strategic Plan revealed that GIABA member States have demonstrated commitment to the implementation of acceptable international AML/CFT standards in spite of the formidable challenges being faced by the region. As at the end of the year 2010, great strides were recorded not only in raising awareness of the deleterious effects of money laundering and terrorist financing (ML/TF), but also in providing a strong framework for combating these scourges in member States.
- 3 To date, member States have enacted and/or revised AML/CFT laws, and shown a strong commitment to the Mutual Evaluation process (with 13 of the 15 member States undergoing the Mutual Evaluation process using the Financial Action Task Force [FATF] methodology). Thirteen Financial Intelligence Units (FIUs) have also been established, while member States are being supported to develop action plans to rectify deficiencies identified in their Mutual Evaluation Reports.
- 4 In spite of these giant strides, the regional efforts at promoting the implementation of robust AML/CFT regimes is faced with challenges as identified in the independent evaluation report of the implementation of the GIABA 2007 – 2009 Strategic Plan. These challenges have prompted the current paradigm shift towards supporting more national programs and greater advocacy efforts to garner greater political commitment in the years ahead.

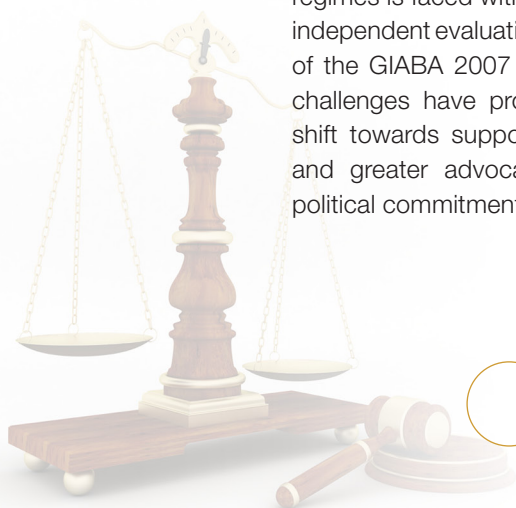
Mandate

- 5 The Intergovernmental Action Group against Money Laundering in West Africa (GIABA) was established by the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS) to protect the economies of member States from abuse/misuse for the purpose of laundering the proceeds of crime. Specifically, GIABA is mandated to:
 - Ensure the adoption of standards against ML/TF in accordance with acceptable international standards and practices, including the FATF 40 + 9 Recommendations;
 - Facilitate the adoption and implementation by member States of measures against ML/TF, taking into account specific regional peculiarities and conditions;
 - Function as a forum where members can discuss matters of regional interest and share experiences;
 - Organise self-evaluations and mutual evaluations to determine the efficacy of measures adopted, including their conformity to acceptable international standards; and
 - Co-ordinate and provide support to member States to establish and implement AML/CFT regimes including the implementation of laws against the proceeds of crime through mutual legal assistance, and also in the establishment and maintenance of financial intelligence units.

Membership of GIABA

- 6 GIABA's membership consists of Member States of the ECOWAS: Republic of Benin, Burkina Faso, Republic of Côte d'Ivoire, Republic of Cape Verde, Republic of the Gambia, Republic of Ghana, Republic of Guinea, Republic of Guinea Bissau, Republic of Liberia, Republic of Mali, Republic of Niger, the Federal Republic of Nigeria, Republic of Senegal, Republic of Sierra Leone and the Togolese Republic.
- 7 Admission of Sao Tome and Principe into GIABA: A major criterion for membership of GIABA is that the country should participate in self-assessment and mutual evaluation (MEQ)¹ processes. These processes are conducted, using the FATF

¹ The completed MEQ is part of the initial assessment (self-evaluation) by STP to ascertain by itself its level of compliance. It should be noted that ratings were not assigned to the Recommendations.



Recommendations, the FATF Methodology, GIABA Mutual Evaluation Process and Procedure, and other agreed ME templates and documentation. These documents are used for the purpose of assessing compliance with international AML/CFT standards applicable at the time of the evaluation. Having fulfilled the above conditions, in addition to other criteria, the Republic of Sao Tome and Principe was formally admitted as a member of GIABA in November 2011. Sao Tome and Principe completed the Mutual Evaluation Questionnaire (MEQ) as part of self-evaluation. The country has committed to mutual evaluation to assess the compliance of its AML/CFT system in line with international standards. The country has also agreed to undergo the first mutual evaluation exercise before the end of June 2012.

- 8 Observer status within GIABA is granted to African and non-African States, as well as inter-governmental organizations that support the objectives and actions of GIABA and which apply for Observer Status.
- 9 The following organizations have Observer status within GIABA: the Central Banks of member States, the regional Securities and Exchange commissions, the West African Economic and Monetary Union (WAEMU), the West African Development Bank (BOAD), the French Zone Anti-Money Laundering Liaison Committee, Conseil Régional de l'Épargne Publique et de Marchés Financiers, the African Development Bank (AfDB), the United Nations Office on Drugs and Crime (UNODC), the World Bank, the International Monetary Fund (IMF), the FATF, Interpol, the WCO, the Commonwealth Secretariat and the Egmont Group. All FATF member States also have observer status in GIABA.

Main organs of GIABA

- 10 GIABA operates through the following four main organs:
 - A Ministerial Committee consisting of the three ministers responsible for Finance, Justice and Interior/Security of each Member State;
 - The Secretariat, which is located in Dakar, Republic of Senegal;
 - The Technical Commission, which consists of experts drawn from the above mentioned ministries of Member States; and
 - A network of national correspondents
 The functions of each organ are clearly stated in the GIABA Statute.

Commencement of the implementation of GIABA Strategic Plan 2011–2014

- 11 In order to ensure that the implementation of the 2011-2014 Strategic Plan is adequately monitored, a Monitoring and Evaluation Division has been established under the office of the Director General. An expert has been recruited who has the task of developing a Monitoring and Evaluation Logframe for the component action plans drawn from the Strategy.

Priorities for 2012

- 12 The following have been identified as priorities for each of the Strategic Goals under the Strategy: Goal 1, Institutional development support: With regard to member States, GIABA will increase its support to technical institutions of member States in order to strengthen their capacity to provide the required AML/CFT supervision and enforce the relevant laws. With regard to the Secretariat, the overall principle is premised on quality outputs and the leadership direction is that the reward for success is more work. In other words, the bar is raised higher with every success to sustain momentum and quality assurance. Consequently, the emphasis will be on strengthening the institutional belief systems and core values; developing management boundary systems by empowering the staff members to be more innovative and improving processes; and providing interactive control systems between the Secretariat and the membership. These key principles are consistent with GIABA's overall vision to be a leader in forging strategic alliances against transnational organized crime. Goal 2, Compliance monitoring: The priority is to conclude the first round of mutual evaluations and support member States to follow up on the recommendations contained in their ME report (MERs) in order to address the weaknesses identified in their AML/CFT regimes. This will be achieved through the development of implementable action plans. Goal 3, Research and typologies: GIABA will, through its typologies and research programs, continue to identify key money laundering (ML) and terrorist financing (TF) threats to the region, globally and in different sectors, and seek strong partnership with academia, research institutions, NGOs and other civil society groups in carrying out studies on ML/TF in the region. Goal 4, Technical support to member States: Strengthening

of FIUs, supervisory agencies, Designated Non-Financial Businesses and Professions (DNFBPs) and the judiciary in key functional areas to make them more effective in the discharge of their core functions within their countries. Goal 5, Partnerships: Attract funding to develop and implement AML/CFT programs with key partners in the public and private sectors. GIABA will continue to welcome collaboration with development partner countries and private organizations that support our efforts at promoting the implementation of internationally acceptable AML/CFT standards in the region. Goal 6, Regional and international cooperation: GIABA will continue to promote closer cooperation and engagement with international actors to learn and share experiences. In particular, collaboration with other members of the FATF Network will be intensified. Similarly, GIABA's programs will be tailored to complement the overall programs of regional integration under the framework of the ECOWAS. Goal 7, Cross-cutting issue – coordination: More efforts will be made to promote and sustain coordination in program and project design, planning and implementation at the regional and Member States' level in order to increase efficiency and predictability of outcomes.

Summary

- 13 2011 was the first full year of the implementation of GIABA's Strategic Action Plan for 2011 – 2014, building on the achievements of the GIABA 2007 – 2009 Strategic Action Plan. This report provides an overview of the regional AML/CFT situation in the 15 Member States of GIABA in Chapter 2, noting the progress so far recorded in developing a robust AML/CFT architecture, the difficulties and limitations encountered, as well as prospects for the future. Chapter 3 provides an overview of actions taken within the year under review on implementing a regional AML/CFT mutual evaluation program, including the number of on-site visits, mutual evaluations and follow-up reports produced, adopted and published; and the constraints and challenges in undertaking this exercise.
- 14 Regional typologies activities, including studies and projects, are reviewed in Chapter 4; while Technical Assistance to Member States, support to professional bodies and civil society organizations, as well as advocacy and public awareness programs undertaken in 2011, are reported in Chapter 5. Regional integration and international cooperation activities are reported in Chapter 6; while Chapter 7 deals with administration and support services. Finally, Chapter 8 presents the efforts of GIABA in instituting effective monitoring and evaluation of its programs and projects.





CHAPTER II

Overview of the AML/CFT Situation In West Africa Introduction

15. West Africa has a population of over 300 million people, half of which is made up of young people below the age of 40 years. The size and youthful character of its population is a great opportunity if properly harnessed. While much progress has been made in the area of conflict resolution and economic growth regardless of some episodic flashes of conflicts, the challenges faced by the region are enormous, ranging from economic to social and political. While there has been steady economic growth averaging 5% in the last six years, this growth has not provided employment to the same degree, as the public sector remains the largest employer of labor in the region. The private sector is largely dependent on the public sector for patronage and there is very keen competition among the players to win this priced patronage – always with the possibility of corruption influencing decisions in the management of state funds and other assets. With limited economic opportunities and a high rate of unemployment, acquisitive crime and the readiness to inflict violence on what is considered to be the source of agony – broadly the State – become readily available options.
16. The major predicate crimes that generate funds for laundering in the region as reported by the authorities across the region are corruption, frauds (general/advance fee/tax /bank), abuse of trust using forged documents, drug trafficking; smuggling of precious metals/stones; capital market-related crimes and cyber crimes. The sector that features as most used for ML is real estate, followed by the misuse of banks and the movement of cash across borders. Others are the abuse of designated non-financial businesses and professions (DNFBPs), misuse of the insurance and microfinance sectors, the stocks and securities market, casinos and other gambling/games sectors. The facilitating factors are the vulnerabilities of the States rather than the size of the threats. These include 'low capacity of competent authorities', 'inadequate supervision', 'inadequate political commitment' and 'weak enforcement'. All these factors appear related to each other. With regard to weak enforcement, it appears that the existing competence has not been properly harnessed and, in cases where there is proper deployment, this has not been done in a sustainable manner.
17. With regard to terrorism and terrorist financing, in 2011, the region has had to contend with a number of challenges. These include the ubiquitous presence of al Qaeda in the Islamic Maghreb (AQIM), the fallouts of the Libyan conflict in terms of the flow of weapons, fighters, and possibly cross-border movement of sizeable returnee mercenaries who have considerable fighting experience. The Boko Haram phenomenon in Nigeria has been a baffling menace, particularly with the increasing sophistication of their attacks and the growing confidence and ease with which such attacks were conducted.
18. Despite the considerable efforts to deal with ML/TF in the region at the national, regional and the international levels, these efforts have been inhibited by several challenges, notably:
- Legal and constitutional challenges;
 - Lack of proper autonomy of some regulatory and enforcement institutions, along with budgetary constraints;
 - Equipment and logistics problems;
 - Absence of robust national AML/CFT strategies; where they exist, they are yet to be approved and/or implemented;
 - Non functional inter-ministerial committees to coordinate efforts at the national level and ensure synergy; and
 - Weak strategic and operational cooperation at the regional and international levels.
19. In the face of these challenges, GIABA has redirected its attention to making member States more responsive in program ownership with regard to design, planning and implementation. In the end, competencies need to be developed at three levels: operational, tactical and strategic. Above all, a clear political direction that creates a favourable atmosphere for dealing with ML/TF must be provided for any meaningful action to be carried out by operational stakeholders. AML/CFT compliance remains very much a work in progress in the region and the efforts reported below and the gaps identified should be seen in this context.
20. In this chapter, the state of development of the AML/CFT regime in each of the 15 member States as at 2011 is presented. The chapter gives a brief update on the political as well as economic and financial background of each country, highlights the dominant predicate crimes which generate proceeds for ML/TF, examines the AML/CFT efforts made in the year, and identifies the existing areas of weaknesses that require immediate technical support.



Benin

Political Environment

21. Formerly known as Dahomey, Benin has a population of about 8.9 million people (2009 estimates), half of which are under 20 years of age.
22. Benin has sustained the democratic momentum it began in 1990 with the establishment of a presidential system and a political system characterized by competitive participation (there are about 100 political parties), respect for institutions of the Republic and freedom of the press. Presidential election was held in March 2011, extending the Administration of President Boni Yayi for another term of five years. The election also gave the ruling party a majority in the National Assembly, thus creating a political environment conducive to reforms.
23. Moreover, justifying its support to Benin through seven key projects related to governance, the United Nations Development Program (UNDP)² stresses the need to establish a permanent computerized list of voters. However, more generally, the UNDP emphasizes the myriad challenges that impede governance in Benin, namely: «the low efficiency of election management, as well as organizational, communication and leadership related difficulties in political parties with a consequent low ownership of the rules of democracy, and low capacity of some institutions charged with control of government action such as Parliament».
24. In 2010 the government was reportedly accused of corruption, involving the so-called «ICC Services» scam which led to financial loss of savings of thousands of Beninese (including several public figures)³ by a credit agency through the Ponzi scheme. This scandal was a major subject of the political debate during the last election.

Economic and Financial Situation

25. The political situation in 2010 ahead of the March 2011 elections, as well as the floods in the country generated crises that negatively impacted on GDP growth rate, which declined to 2.6% as against 2.7% in 2009. Reports, however, show a growth rate of 3.8% in 2011 (UEMOA⁴ and IMF⁵). This renewed growth is justified by the contributions of the primary and services sectors by 32% and 47%, respectively, reflecting an increase in public investment as well as increased production and growth in neighbouring Nigeria. The average annual inflation rate, which stood at 2.2% in 2009 and 2.1% in 2010, remained below 3% at the end of 2011.

26. The financial expenditure of the state was pegged at 1.6% of GDP in 2010 as against 4.9% in 2009, reflecting an improvement in the overall budget deficit. The forecast for 2011 appear to be confirmed at 1.9% of GDP, although the increase in domestic credit remained weak in the first quarter of 2011.
27. The IMF report shows mixed results with respect to indicators of the financial sector, despite the strengthening of banks' capitalization in 2011 (9.4% of deposits). It further stressed in particular that 10 of the 13 commercial banks in Benin now comply with the new UEMOA equity requirements. However, it noted that many banks granted loans of which 19% were unproductive. Similarly, the indicators are inconsistent with respect to the other prudential regulations in force in Benin.
28. The Doing Business report published by the World Bank ranks Benin⁶ at 172th place in 2011, as against the 170th in 2010, out of the 183 economies examined. This ranks the country 12th out of the 15 ECOWAS Member States, ahead of Niger, Guinea Bissau and Guinea, thus emphasizing the efforts made to implement the necessary reforms towards improving business practices in Benin.
29. Nearly 35% of Benin's population is estimated to be poor, particularly those living in rural areas where the poverty rate rose to 35% as against 30% in urban areas⁸. The global report⁹ on human development published by UNDP ranks Benin 167th of 187 countries evaluated, placing it at the 10th place of the countries with the lowest human development index in 2011, unlike the classification of the 2010 where it occupied the 134th place. Similarly, the country was ranked low on governance in the year. With a score of 3.0 out of 10.0 on the Transparency International (TI)'s Corruption Perception Index (CPI), Benin took a low position of 100 out 183 countries assessed⁹. This is a drop from the 96th position it occupied in 2010.
30. In this context, Benin authorities are making efforts to implement an economic policy within the framework defined by the «Benin Alafia 2025» Vision, which sets the strategic directions of development and the Millennium Development Goals. In particular, the Growth Strategy for Poverty Reduction (GPRS 2011 – 2015), adopted by all the actors and stakeholders, the public administration, economic operators and civil society, has been set as the road map to follow in the fight against poverty in Benin.

² http://www.bj.undp.org/fr/boe_gov.html

³ Op cit : diplomatie française

⁴ Rapport semestriel d'exécution de la surveillance multilatérale publié par l'UEMOA en juin 2011 : http://www.uemoa.int/Documents/Publications/Surv_Multilaterale/2011/RSM_juin%202011.pdf

⁵ Deuxième revue de l'accord triennal au titre de la facilité élargie de crédit et demande de dérogation pour non-respect d'un critère de réalisation continu concernant le Bénin, publié par le FMI en septembre 2011 : <http://www.imf.org/external/french/pubs/ft/scr/2011/cr11243f.pdf>

⁶ http://www.ebeninois.com/Classement-Doing-Business-2011-Le-Benin-fait-presque-du-surplace_a4429.html

⁷ Rapport n° 11/307 du FMI: Document de stratégie pour la réduction de la pauvreté au Bénin, de mars 2011, <http://www.imf.org/external/french/pubs/ft/scr/2011/cr11307f.pdf>

⁸ Rapport sur le développement humain 2011

⁹ See the Corruption Perception Index of Transparency International, at [www. http://cpi.transparency.org/cpi2011/results/](http://cpi.transparency.org/cpi2011/results/)

31. On its external debt, Benin has benefited from significant reductions resulting from the initiative for heavily indebted poor countries (HIPC) in 2003 and from the multilateral debt relief initiative (MDRI) in 2006. This was equivalent to 19% of GDP with a total of \$1.3 billion at the end of 2010. As for domestic debt, it represented about 20% of total public debt at the end of 2010, which is equivalent to 19% of GDP. The country's debt is not projected to reach a critical situation, given the commitments vis-à-vis the IMF under the Technical Memorandum of Understanding signed by the Beninese authorities on 16 August 2011¹⁰.

Prevalence of predicate Crimes

32. There were no significant changes in relation to the criminal environment of Benin compared to the previous year. A significant proportion of business in the country still relied on the re-exportation of stolen vehicles and the importation of several products of smuggling from Nigeria (fuel, consumer goods, medicines, vegetable oil)¹¹.
33. Cybercrime is growing, involving fraud through the use of bank cards and other means of payment, as evidenced by the 56 cyber criminals processed by the justice system this year. The extent of this problem hosting in Benin of a regional seminar on cybercrime in November 2011¹², organized by the Internal Service of the Embassy of France and the Central Office for the fight against ITC related crime. The aim was to endow all the countries participating in the seminar, including Benin, with a special unit dedicated to the fight against cybercrime, and also to transmit the skills and tools necessary for effective control.
34. Benin is alleged to be a transit point for cocaine and heroin from Latin America to Europe¹³. Indeed, each year hundreds of kilograms of drugs are seized. In June 2011, the Office for Suppression of Illicit Drug Trafficking in Benin, reported the seizure¹⁴ of a large quantity of cocaine at the Port of Cotonou. Some 405kg of drugs coming from Brazil were alleged to belong to a wealthy Nigerian businessman. It was also reported that the Colombian authorities had seized, in the port of Cartagena, a container with a cargo of agricultural fertilizers which concealed 495kg of drugs destined for Cotonou. The trafficking network was alleged to involve Benin nationals as well as foreigners, and it is primarily facilitated by payment of bribes to customs officers at the port of

Cotonou, thus making the use of containers one of the easiest and cheapest ways to transport drugs.

35. Trafficking of human beings and corruption still remain matters of concern, although there is no report to substantiate any change in 2011. Similarly, there is no indication that informal markets are financed by revenues from narcotics. From the general opinion in Benin, however, it is reported that money laundering takes place through the banking system but mainly through the purchase of assets, such as real estate, shipping of used vehicles for re-sale, and the creation of companies.

AML/CFT Situation

36. Following the wide dissemination of the Bangkok Resolution on Organised Crime among the parliamentarians, there has been an improvement in budget allocation in line with national policies to fight against organized crime, drug trafficking and arms trafficking in the vote of the General State Budget for 2011.
37. In its first progress report submitted to the GIABA Plenary in May 2011, Benin authorities highlighted the efforts the country undertook in the framework of implementing the recommended actions for compliance with its AML/CFT mechanism, mainly the 16 core and key FATF Recommendations. However the analysis of this country's follow-up report pointed out that little progress in this direction has been made.
38. In November 2011, Benin submitted a new action plan for the implementation of the recommendations made in its mutual evaluation report. Most of the actions are planned to run between 2012 and 2013, subject to the revision of the AML law by the BCEAO in relation to compliance required for some recommendations.
39. In 2011, the FIU organised a forum with the correspondents of the Police, Gendarmerie, Customs, Treasury, and Justice to raise awareness on their expected role and assistance in gathering information and maintaining statistics on ML/TF. The correspondents were appointed in consideration of their strategic position in the collection of information. Annual reports on the implementation of the AML/CFT mechanism are transmitted to the BCEAO, with copies sometimes supplied to the FIU. Training has been provided to all the declaring parties to help them complete their model Suspicious Transaction Reports (STRs). By the end of October 2011, the FIU reported that it had received a total of

10 IMF Report, September 2011

11 <http://www.state.gov/p/in/rls/nrcrpt/>

12 <http://levenementprecis.com/?p=9438>

13 <http://afriqueetdrogue.blogspot.fr/article/2011/01/19/le-nigeria-reste-un-point-nevralgique-pour-le-traffic-de-drogue>

14 See http://www.sonangnon.org/index.php?option=com_content&view=article&id=2518:trafic-de-stupefiantsbenin- plaque-tournante-de-la-drogue-&catid=1:actualite





123 STRs. Similarly, cooperation agreements were signed by the FIU with TRACFIN and Belgium's CTIF, while negotiations are underway with the FIUs of Mauritius and Lebanon to sign cooperation agreements. Actual implementation of cooperation agreements related to information exchange has started with TRACFIN.

40. Moreover, a draft penal code presented to the National Assembly, containing provisions for combating cybercrime and related offences.
41. Besides the banks, insurance companies have also set up AML / CFT mechanisms and appointed anti- money laundering (AML) officers. The names of these were forwarded to the FIU and to the Insurance Department for clearance and follow-up. The FIU has conducted training seminars for the AML officers and other employees of banks, micro-finance and insurance companies.
42. Benin has appointed a special judge in charge of financial crimes to the Court of First Instance. To strengthen human resource capacity, the FIU has hired two computer analysts from 1 February 2011. The FIU has conducted training for the benefit of its employees with the support of GIABA, United Nations Office on Drugs and Crime (UNODC) and SCTIP.

Technical Assistance

43. Given the risks and vulnerabilities of the environment in Benin, and on the basis of needs expressed by the AML/CFT authorities, the required technical assistance should focus on the following:
 - The creation of a central office to fight against terrorism and its financing, and the training of experts and provision of equipment for this purpose;
 - Training for border patrol and security investigative techniques ;
 - Better regulation / setting up of an appropriate mechanism for the control of alternative currency transfer systems to ensure that they are not used for terrorist financing;
 - Capacity-building in the fight against cybercrime;
 - Capacity-building of the prosecution and law enforcement authorities;
 - Establishment of an adequate control mechanism for charity or non-profit organizations to ensure that they and the funds provided to them are not used for terrorist financing.

Conclusion

44. In 2011, Benin made appreciable efforts to strengthen its AML/CFT regime, as indicated above. Yet, some important gaps need to be addressed. The country is required to submit its follow-up

report by May 2012, showing real progress made in the implementation of the recommendations in the mutual evaluation report. The main focus should be on effectiveness of implementation of the AML law, but also on provision of relevant data for measuring the effectiveness of the mechanism. Similarly, the draft law on the financing of terrorism slated for review by the National Assembly on 7 November 2011 should be urgently passed into law.

45. The absence of such a law hinders the effectiveness of the AML / CFT mechanism in Benin, as well as that of regional and international cooperation required in this area. This is also true for the national AML / CFT strategy document whose adoption by the government has been dragging since October 2010.
46. Finally, it seems clear that with the support of political authorities and perseverance of AML/ CFT stakeholders, namely the FIU, Benin will be able to further the beneficial momentum towards compliance with AML / CFT international standards.

Burkina Faso

Political Environment

47. The political and social situation in Burkina Faso in early 2011 was dominated by the results of the presidential elections of 21 November 2010, in which incumbent President Blaise Compaore was re-elected. The electoral campaign and elections were organized in a peaceful atmosphere.
48. During the year under review, social peace in Burkina Faso was put to the test with general protests and mutinies which ended up in lootings, violence and attacks against state structures. In effect, since mid-February 2011, the social atmosphere had been plunged into turmoil in the aftermath of the death of a student following a police blunder¹⁵. As a mark of solidarity, the movement of protesters from schools and universities was joined by the populace and the upheavals left several wounded and considerable material damage. The escalating violence reached its peak in April when the military mutinied because of unpaid allowances. Those involved went on a looting spree, causing panic, as well as wreaking havoc on civilians and disrupting economic activities¹⁶.
49. The upheavals stemming from the social crisis quickly transformed into a political crisis, involving intimidation and bickering among the Burkinabe political class. To calm the social tension, the President had to take radical measures, including ordering a curfew, replacing military officers and appointing a new government on 21 April 2011.

¹⁵ <http://www.lefaso.net/spip.php?article40869>

¹⁶ <http://www.lefaso.net/spip.php?article41668&rubrique315>

50. Burkina Faso gradually consolidated the democratic process, through the institution of dialogue between political party stakeholders and civil society, as well as the observance of freedom of expression. A good illustration of this is the national conference held on 7 – 9 December 2011 with close to 1510 participants who sat for three days to develop policy reform proposals. The number of registered political parties also increased from 38 in 2000 to 129 in 2007.

Economic and Financial Situation

51. With a 5.2% real GDP growth rate¹⁷, the economic situation of Burkina Faso in 2011 recorded impressive trends, in spite of the external shocks, particularly the high inflationary trends recorded in the prices of petroleum products and foodstuffs, as well as the domestic social upheavals that disrupted the country's economic activity during the first half. This situation revealed a slowdown when compared to the economic performance recorded in 2010 during which, according to the same MSR of June 2011, GDP growth stood at 7.9% in 2009, with the primary, secondary and tertiary sectors accounting for 2.2 points, 4.1 points and 1.6 points, respectively. With such figures, it is clear that economic activity in the preceding year was mainly propelled by the primary and secondary sectors, which recorded an improvement of 19.1% and 7.8% respectively of their value added as against 3.7% for the tertiary sector.

52. This impressive situation was attributable to the dynamism of the extractive industries and cotton processing for the secondary sector as well as a buoyant cereal and cotton harvest for the primary sector. For the year 2011, economic growth was expected to be propelled by improvements in the primary, secondary and tertiary sectors with growth rates of 3.8%, 5.4% and 6% respectively.

53. On the budgetary front, the overall deficit stood at 5.6% of GDP in 2010 and dwindled to 10.1% excluding grants, as a result of total expenditure and net lending, which increased by 17.1% or 25.7% of GDP in 2010 as against 24.4% in 2009. This improvement revealed an increase in investments, particularly those made from domestic resources which increased by 37.3%, and current expenditure which increased by 6.4%, marked by an increase of almost 7.6% for wage bills. In terms of resources, fiscal receipts reached 15.6% of GDP

(2010) as against 13.7% of GDP (2009). In 2011, they dropped to around 14.1% of GDP.

54. In 2010, trade with the outside world revealed a deficit in the current account of about 8.8% as a ratio of GDP as against 10.9% in 2009. This moderate relief was mainly due to the improvement in the trade balance, with exports growth exceeding that of imports as a result of the attractive world prices of gold and cotton, which are the country's major export commodities.

55. The monetary situation recorded an improvement of 84.0 billion CFA Francs between 2009 and 2010 to 647.5 billion CFA Francs as at end June 2010. For the same year, the volume of domestic credits posted 787.3 billion CFA Francs with 16.7 billion as government's net position and 770.6 billion as credit to the economy in the form of bank lending to mining and cotton companies, among others. For the mining companies, it should be noted that Burkina Faso commissioned a new gold mining site in addition to the five existing ones, which shot up gold production from 12.1 tonnes in 2009 to 23.1 tonnes in 2010.

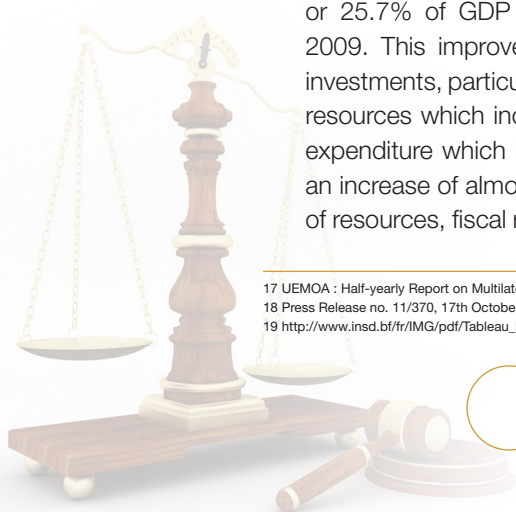
56. The IMF, which supports Burkina Faso's economic and financial program under the Expanded Credit Facility (ECF), dispatched a mission to the country from 29 September to 14 October 2011, within the framework of the third review exercise. The mission concluded that there were bright medium term economic prospects resulting from the Authorities' commitment to improving growth quality and alleviating poverty using the new economic growth strategy. In this regard, the Authorities agreed with the mission on the need to (i) pursue efforts at consolidating public finance, including measures for the improvement of fiscal receipts as well as prudent public expenditure policy; (ii) enhance structural reforms in order to sustain economic growth, particularly those contributing to improved access to financial services for small and medium scale enterprises and: (iii) improve the business environment.¹⁸

57. On the social front, the majority of the active Burkinabe population (84.7% in 2005)¹⁹ are engaged in agro-forestry-pastoral activities, followed by trade and arts and craft (6.7% in 2005). The level of adult literacy is still low with a rate of 28.3% (2003). Burkina Faso occupies the 181st position out of 187 countries, in the last batch of the low human development category of countries, with a HDI of 0.331. More than half of

¹⁷ UEMOA : Half-yearly Report on Multilateral Surveillance Implementation, MSR-June 2011

¹⁸ Press Release no. 11/370, 17th October, 2011

¹⁹ http://www.insd.bf/fr/IMG/pdf/Tableau_bord_social_2008.pdf



the population are living below the international poverty threshold of US\$1.25 a day (PPP). Furthermore, the information provided by the GINI index on the national wealth distribution which stood at 39.6, indicated an unequal distribution of the national wealth.

58. Corruption is a phenomenon which is heavily criticized by the Burkinabe social stakeholders, including the civil society in the front line, through the National Anti-Corruption Network (REN-LAC), a very dynamic surveillance body. The REN-LAC denounces impunity for financial malpractices and non transparency in public procurement²⁰. According to the last publication of Transparency International on the Perception of Corruption Index (2011), Burkina Faso ranked 100th out of 182 countries with a score of 3.0.

Prevalence of Predicate Crimes

59. With regard to the predicate offences that underlie economic and financial crimes, 2011 was marked by cases of rampant financial malpractice in the public sector. Indeed, the Supreme Audit Authority of State (ASCE), the body responsible for fighting corruption, during a press conference held on 15 June 2010, reported 44 cases of financial and economic mismanagement. The report highlighted cases of misappropriation of funds, poor bookkeeping, non-accountability of expenditure, corruption and many other irregularities and shortcomings in the management of 15 state structures. A major case of corruption alleged by the ASCE was customs fraud orchestrated by the NGO International Space Colin Powell, based Dori (Sahel) to the tune of 344 million FCFA. As a result, public suspicion mounted to a level where RENLAC, took the decision in November 2011 to establish two parliamentary commissions of Inquiry.
60. In effect, the two parliamentary commissions were expected to shed light on public procurements on one hand, and on the other to clarify the question of subsidies allocated to the health sector.
61. Meanwhile, the CENTIF has launched investigations following the DOS received for the period between January 1 and September 30, 2011. It appears from these investigations that the underlying offenses relate to corruption, tax evasion, embezzlement of public funds and gold trafficking.

AML/CFT Situation

62. During the last two years, the Burkinabe AML/CFT regime was strengthened considerably in terms of legal and regulatory instruments, as well as institutional structures. By the end of 2010 and early 2011, Burkina passed a host of laws defining the requirements for the operation of casinos and for the organization and monitoring of gambling games. In fact, some important decrees were issued on 31 December 2010. They include Decree 2010-829/PRES/PM/MEF/SECU/MATD/MTSS, which defines the conditions of operation of casinos in Burkina Faso, and Decree No. 2010-822/PRES/PM/MEF/SECU, which vests the powers to control gambling on the National Lottery of Burkina Faso (LONAB). Decree 2011-274/PRES/PM/MEF/SECU/MATD, which stipulates the organization and control of lotteries was enacted on May 10, 2011.
63. For year 2011, emphasis was laid on the continued training of stakeholders. The CENTIF, in collaboration with UNODC, organized two sensitization and capacity-building sessions, held from 30 May to 1 June 2011, and then on 3 – 4 June 2011 for magistrates, investigating officers, lawyers, notaries and chartered accountants. On 12 – 14 July 2011, the CENTIF organized a sensitization and training seminar for the DNFBP category of compliance officers and particularly travel agencies, non-profit organizations (NPOs), estate agents, gold dealers and gambling companies, on the fight against ML/TF. Added to these was the participation of the various FIU officials in international meetings on AML/CFT, including the FATF Plenary (Paris), the training of evaluators in the CEMAC zone (Douala), the workshop on the recovery of stolen assets (UNODC, Vienna), etc.
64. The CENTIF gainfully embarked on the training of students in universities, the national police and customs schools who, as part of their theses or dissertations, were working on topics dealing with the issue of ML/TF. Consistent with its strategic function, the CENTIF contracted experts to conduct a study on the magnitude of the phenomenon of ML/TF in Burkina Faso, which will be made public in 2012.
65. Within the framework of expanding its network of collaborators beyond the UEMOA zone, the CENTIF signed partnership agreements with TRACFIN (France), CTIF (Belgium) and Financial Intelligence Centre (FIC) (Ghana) for the exchange of information in strict observance of the principle of confidentiality and reciprocity. Such exchanges of information are a crucial added advantage in the conduct on the CENTIF's investigations.
66. However, these positive and highly appreciable developments did not increase the efficiency of the

²⁰ <http://www.renlac.org/>

AML/CFT regime. The Inter-Ministerial Committee, already instituted since 22 June 2009, is still lethargic and has still not been able to organize any meeting during the year under review, in spite of the appointment of representatives of its component structures. However, the hope of revamping the structure could be rekindled after the official designation of the CENTIF as GIABA's National Correspondent, by Decree no. 2011-0314/MEF/CAB issued on 26 September 2011 by the supervising Ministry. The level of efficacy of the AML/CFT regime raises a serious concern, considering the number of STRs received from compliance officers (as at 30 September 2011, the CENTIF received 77 and 5 requests for information from FIUs of two countries.) However, the STRs have never been processed at all by the FIU. Also, from the legal perspective, the first investigation reports submitted by the CENTIF are yet to be considered. The explanation is no more the lack of competent human resources at the CENTIF than the lack of support from the authorities, who have failed to provide the resources necessary for the mission to be accomplished. Besides, the members of the CENTIF have not been paid their agreed allowances, even though they were appointed on secondment from other institutions. This protracted period of waiting for the allowance could be a source of de-motivation..

67. Finally, Burkina Faso has a draft national AML/CFT strategy paper that is still not finalized and submitted for approval to the competent authorities. This delay could impact negatively on the timely drafting of an Action Plan based on its priorities and which could enjoy support from technical and financial partners. The AML/CFT regime of Burkina should be strengthened, particularly in terms of legislation, in compliance with the recommendations of the MER. Within this framework, and under FATF Recommendation 1, the criminalization of predicate offences such as insider trading and market manipulation should be implemented.

Technical Assistance

68. The anti-money laundering unit has enjoyed considerable support from strategic partners, including GIABA and UNODC in terms of sensitization and training. With regard to logistics, GIABA has offered the CENTIF some financial support amounting to over 19,000,000 CFA Francs for the procurement of computer equipment and hardware.
69. In terms of technical assistance, Burkina Faso, through the AMLunit, has solicited and obtained

the consent of the World Bank to help the country implement the recommendations emanating from the Mutual Evaluation Report and which could largely form the basis of the national AML/CFT strategy paper.

70. In terms of assistance needs, the CENTIF has specifically identified the areas of intervention mentioned in the table 1 below.

Conclusion

71. In the light of the second follow-up report on the implementation of the recommendations of the MER submitted by Burkina Faso during the last GIABA Plenary, it can be concluded that performance has been mixed. Extra efforts are expected from the key stakeholders responsible for the functioning of the AML/CFT regime in Burkina Faso in order to achieve the desired level of performance. The CENTIF should strive to fully understand how to deal with cases received in order to maintain the confidence of the compliance officers by returning information, as well as to produce quality reports for the attention of the judiciary. Furthermore, for an effective implementation of the recommendations of the MER, Burkina Faso, under the aegis of the Inter-Ministerial Committee and with the commitment of the political authorities should finalize its AML/CFT national strategy paper. This will serve as a framework for the consistent intervention of all partners. Finally, continued efforts must be made on the operation of the FIU, including its effectiveness in the treatment of DOS and the effective management of information requests and support of counterpart FIUs.

Cape Verde Political Environment

72. Cape Verde has been enjoying socio-political stability for over 20 years. It is a model of political governance in view of the performance it has recorded in this regard. This status has been confirmed by the governance observatory in Africa, the Mo Ibrahim Index for Governance in Africa (IIGA), which placed the country in the 4th position in 2010 and 2nd in 2011 after Mauritius, with 79 points out of 100. Considering the items making up the index, Cape Verde in 2010 topped the ranking in terms of "participation and human rights". On "Security and sovereignty of the rule of law", as well as "Sustainable social development", it occupied the 3rd position.
73. Since the country opened up to multiparty democracy in the early 1990s, the political process has been stable because regime succession

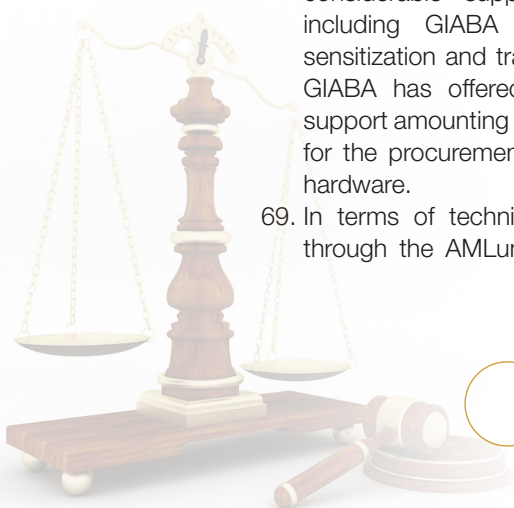


Table 1: Technical Assistance requirements

Area of Technical Assistance	Specific Assistance Required	Expected Impact on AML/CFT Regime
Computer equipment	Establishment of information system including a computerized data base and appropriate soft ware for the processing of information forwarded to the CENTIF	Improve on the operations of the CENTIF
Training	Expert support for high level training on AML/CFT issues	Enhance compliance officers' and law enforcement departments' knowledge of AML/CFT
Study trips	Working visit : to SICCFIN in Monaco and CTIF-Belge in Belgium who have already given their consent	Improve efficacy of CENTIF staff
Security	Strengthen physical security by securing a video surveillance system and a fireproof safes	Increased efficacy and serenity in handling cases

Source: Country Report for Plenary, November, 2011

occurs in a peaceful social atmosphere. In 2011, the country organized two sets of elections. First, the parliamentary elections were won by the PAIGC with 38 seats, followed by the MPD with 32 seats and the UICD with two seats. The presidential election came next on 7 and 21 August 2011, and was won in the second round by the main opposition MPD candidate, with 54.09% of the votes.

74. This “maturity demonstrated by the political stakeholders and citizens” as stated by the elections observer mission of the African Union, guaranteed the country a democratic environment conducive to progress and foreign investor confidence.

Economic and Financial Situation

75. With a real GDP growth rate of 7% on average for the period 2004 – 2007 (World Bank), the growth of the Cape Verdean economy was among the best performing recorded in the African continent, before declining in 2009 (3.6%) due to the ripple effects of the world crisis. The crisis revealed the vulnerability of Cape Verde to external shocks, by severely affecting the tourist sector which is the driving force of its economy. Foreign direct investments (FDIs) allocated to this sector dropped drastically between 2008 and 2009 from 143 million to 86 million Euros respectively.
76. The economic recovery recorded in 2010 resulted from the successful implementation of a recovery policy, conducted by the Government with the support of the various technical and financial partners including the IMF through its Economic Policy Support Instrument (EPSI) and the World Bank which, in August 2009 approved 23 projects for an overall amount of US\$ 271 million, US\$ 269 million of which has been disbursed already.

77. The Government, with support from the World Bank, fast-tracked the implementation of its public investment program (PIP) which targeted the implementation of projects. Public investments reached 18.9% of GDP in 2010 as against 14% of GDP on average for 2008 and 2009. The country recorded a growth recovery rate of 5.4% in 2010 and is expected to stretch to 5.6% in 2012, according to IMF projections²¹.

78. However, this expansionist budgetary policy worsened the budget deficit (excluding grants) to 17% of GDP in 2010 as against 11.8% (2009) and 6.9% (2008). Public debt as at end 2010 rose to 66.4% as a proportion of nominal GDP in the same year, but did not compromise its viability, considering that debt servicing represented 4.6% of export earnings.

79. In terms of prospects, Cape Verde will continue to enjoy the support of its multiple partners for the implementation of its economic program. With the World Bank, a partnership program for the period spanning 2009 –2012 has been concluded and should help to: (i) promote good governance and enhance public sector capacity; (ii) improve the competitiveness and investment-friendly climate to trigger private sector-led growth; and (iii) strengthen human capital and social integration. With the African Development Bank, a loan agreement for 25 million Euros has been concluded for the period spanning December 2011 to December 2012, as part of the Public Finance Management and Private Sector Recovery Support Program (PAGFP-RSP).

80. With regard to social conditions, the UNDP's 2011 human development report placed Cape Verde in the 133rd position with a score of 0.568. The trend in the score observed over the period 1980 – 2011 revealed an annual average improvement of 0.75%. The income per capita (GNI/capita)

²¹ http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Cap_Vert/

expressed in terms of the purchasing power parity (\$PPP constant 2005) posted US\$3402, ahead of many oil exporting countries. The 50.4 level in the GINI index is a testimony of the fairly unequal distribution of the country's wealth. The activity rate of the active population measured in 2009 indicated 53.5% for women as against 81.3% for men. Cape Verde's classification in the category of middle-income countries (MIC) since 2007 resulted, among other things, from the appreciable level of the criteria mentioned earlier.

Prevalence of Predicate Crimes

81. The country report submitted in November indicates that predicate offences were limited to drug trafficking, tax fraud and prostitution. According to the report, all the cases prosecuted as recorded in the national data bases were 98% linked to drug trafficking.
82. Cape Verde is alleged to be a hub for international drug trafficking. Its geostrategic position makes it a buffer linking producing countries in Latin America and recipient countries in Europe via some transiting countries located on the west coast of the African continent. The frequent seizure of drugs occurs at airports, conveyed in commercial airlines coming particularly from Brazil. In December 2010 an aircraft on transit in Cape Verde was intercepted in Barcelona with 900 kilos of cocaine on board.
83. The marine wing is another front through which criminals invade the country to disembark cargoes of drugs. On 8 October 2011, a record seizure was carried on board a boat on the Santiago Island. The police laid hands on 1.5 tonnes of raw cocaine with an estimated commercial value of US\$ 100 million, with five luxury vehicles and weapons, and arrested individuals of Cape Verdean nationality. According to statements by the local police, 'the drugs were disembarked overnight during the last weekend on a beach on the Santiago Island by a speed boat, "go fast marine", from a "parent" boat anchored in the high seas'. However, according to the regional representative of UNODC, 'the drug was first transited through The Gambia where it was reconditioned before being channelled to Cape Verde'²².
84. It should be noted that Cape Verde has identified the fight against drug trafficking as one of its major concerns. In 2010, the country had the support of the United States, thanks to the establishment of the maritime security monitoring centre on Santiago Island, mainly designed to fight the trafficking of narcotics. The tourist boom in Cape Verde brings in

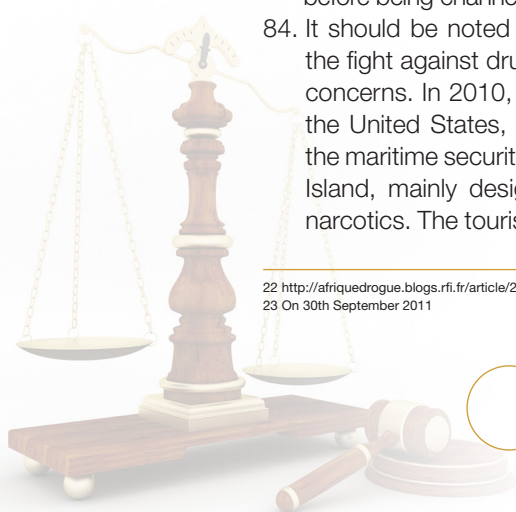
its wake the development of sex crimes and drug trafficking. Investment in estate development is one of the main avenues used by Cape Verdean traffickers and their foreign partners to recycle proceeds from illicit drug trafficking.

85. The 2011 Index on the perception of corruption published by Transparency International, gave Cape Verde the highest score among the African countries (5.5) and placed it in the 41st position worldwide. This was an excellent performance criterion for the country.

AML/CFT Situation

86. The activities that are supposed to facilitate the development of the AML/CFT regime in Cape Verde have long been on hold. The legal framework has remained unchanged since the report of the Ad hoc Committee set up in 2008 was delivered by the state functionaries and a team of IMF experts to sanitize the existing legislation and create space for more AML/CFT-adapted laws. Since then, only the AML has been enacted (No. 38/VII/2009). The second draft text on the financing of terrorism is still on the table of the House of Parliament waiting to be passed.
87. This situation, apart from demonstrating a lack of commitment, deals a death blow to the State in general and to the Cape Verde FIU in particular, which cannot enter into any form of cooperation on AML-related issues. The Inter-ministerial Committee has been redundant for long and could not take up the finalization of the national AML/CFT strategy which is still in the pipeline.
88. With regard to the FIU, apart from the Coordinator, all the other appointed members are still in their original offices instead of working on secondment in the unit. The Coordinator of the FIU has recruited some support personnel comprising one Financial Analyst and one Information Systems Officer. The unit still has no data base and no computer network of its own, which is supposed to happen so that it can be detached from the Central Bank's network and made autonomous. According to information received, the FIU has obtained some material support from UNODC in the form of two servers that are yet to be functional. Some form of technical support would be required for the installation of these pieces of equipment.
89. Based on the STR form prepared by the FIU, compliance officers do submit suspicious transactions reports. In this regard, the FIU received 21 STRs in 2009, 37 in 2010 and 13 in 2011²³. To date, it has submitted a total of 21 investigation reports to the judiciary.

²² <http://afriqueetdrogue.blogs.rfi.fr/article/2011/10/10/saisie-record-de-cocaine-au-cap-vert>
²³ On 30th September 2011





90. Within the framework of the cooperation program, the FIU has already exchanged information with its counterparts in Portugal and Senegal. In 2010, the FIU received and processed four information requests from counterpart FIUs. However, it has not yet been empowered to receive STRs concerning the financing of terrorism or to exchange information in that area because the law on CFT is yet to be passed in Cape Verde. According to the latest information, the FIU is likely to move from the Central Bank very soon to occupy its own premises within the Ministry of Justice, in order to guarantee its autonomy.

Technical Assistance

91. Cape Verde has expressed the need to be assisted in the following major areas in order to considerably enhance the efficacy of its national AML/CFT regime:
- a. Providing the CENTIF with technological, information system and legal resources to quickly and efficiently meet the challenge of fighting against ML/TF;
 - b. Enhancing the level of surveillance for funds entering and leaving the country;
 - c. Effectively regulating and supervising the non-financial sectors;
 - d. Continuous training for senior officials of crime investigation institutions, magistrates, senior financial and non-financial entities in order to improve their knowledge and their level of efficient action;
 - e. Sensitizing magistrates on the essence of confiscating (seizing), on behalf of the State, assets obtained through the perpetration of organized crime.
92. More specifically, the actions listed in Table 2 should be undertaken as a matter of priority.

Conclusion

93. Apart from a few aspects, the current situation is similar to that of 2010. The incomplete AML/CFT framework has not witnessed any significant progress. It is necessary for the country to pass the anti-terrorist financing law to be able to open up to international cooperation and benefit from mutual legal assistance on this issue. It should also be noted that the absence of such a law will always be a stumbling block for the FIU's aspiration to join the Egmont Group.
94. Sound visibility and structured targeting of the activities of participants involved in the building of an AML/CFT regime have been incorporated into a national strategy paper. This document should, without any further delay, be approved by the authorities to serve as a framework for the intervention of partners ready to help the country establish a robust AML/CFT regime. The judicial apparatus should demonstrate some degree of diligence in processing reports submitted by the FIU so that the level of efficacy of the Cape Verdean regime can be statistically measured in relation to concrete cases.

Côte d'Ivoire Political Environment

95. The Republic of Côte d'Ivoire is bound to the north by Mali and Burkina Faso, to the west by Liberia and Guinea, to the east by Ghana and to the south by the Atlantic Ocean. Its population is estimated at 21,058,798 inhabitants in 2010 with an average population growth of 1.9%²⁴. Ivory Coast's political and administrative capital is Yamoussoukro (Abidjan remains the commercial capital) and French is its official language.
96. The country enjoyed relative political stability from independence until the late 1980s, making it a beacon in the sub-region of West Africa. From the early 1990s, however, the country began to experience crises, culminating in debilitating social and political upheavals from the end of the 1990s up to the end of 2010, when the first election in a decade was held.
97. The post-election armed conflict that broke out from the end of 2010 and lasted through the first quarter of 2011 saw widespread killings and serious human rights violations in and around Abidjan. These developments created major setbacks for the country in terms of economic production and macro-economic growth as well as infrastructural and social development. However, the eventual ascension to power in April 2011 of current President Ouattara, the winner of the contested election, saw the gradual restoration of social order and stability to the country from the second half of 2011.

Economic and financial situation

98. According to the West African Economic and Monetary Union (WAEMU) June 2011 interim report on multilateral surveillance implementation, the economy of Côte d'Ivoire recorded, a growth rate of 2.4% in 2010, against 3.8% in 2009, due to difficulties in electricity supply and declines in the major export agriculture and mining productions, as well as to the political crisis in late 2010. The economic activity took place in a context of low inflation, at 1.8%, against 1.0% in 2009. For 2011, the Ivorian economy is marked by the post-election crisis that escalated into armed conflict early in the year. The growth rate was 6.3% according to the WAEMU, against a forecast of 5.8% by the IMF.²⁵
99. In 2010, the economy grew by 2.4%, against 3.8% in 2009. It was driven mainly by the strong performance of construction and the food industry. The primary sector grew by 0.5% against 6.4% in 2009, with declines in the level of cash crop farming. Conversely, the production of the food crops sector increased by 3.3% as result of development activities of food products, including investments in rice production.

²⁴ Fiche pays : Côte d'Ivoire sur www.rfi.fr

²⁵ <http://www.koaci.com/articles-7131>

Table 2: Technical Assistance requirements

Area of Technical Assistance	Specific Assistance Required	Expected Impact on AML/CFT Regime
National open-days for the sensitization of opinion leaders (entrepreneurs in the tourism sector, senior civil servants, public and private community heads, employers, etc...	Logistics (movement of trainers to major urban centers in the country). Learning aids and audio-visual materials	Decision makers and leaders are sensitized and informed on the issue of Money Laundering and Terrorist Financing.
Organize sensitization seminars for magistrates on the importance of confiscating assets derived from criminal activity	Logistics and support for trainers	Sensitization on the impact of loss of assets on organized crime
Training for FIU technical team	Trainers and movement logistics	FIU capacity-building.
Continuous training for senior officials of criminal investigation institutions, magistrates, senior officials of financial and non financial entities.	Logistics for inter-island movement of trainers.	Domestic capacity-building to enhance their knowledge and efficient action
Security vv	Strengthen physical security by securing a video surveillance system and a fireproof safes	Increased efficacy and serenity in handling cases

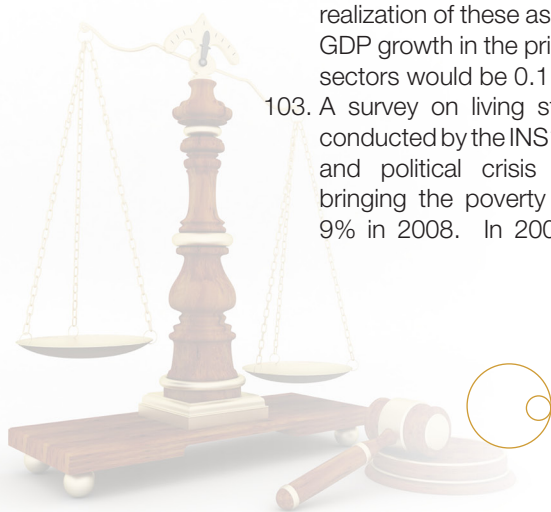
Source: Country Report for Plenary, November 2011

100. Mining has declined overall by 17.6% and crude oil production declined by 21.5% due to the cessation of operation of certain wells associated with maintenance work. Similarly, gold production fell by 28.0%, mainly due to protest activities by the residents of operation areas. In contrast, natural gas production increased by 8.2%, as result of investment and strong domestic demand to meet the needs of electricity generation.
101. The added value of the industry sector rose 4.7% against a fall of 1.5% in 2009, due mainly to the increase of 27.2% of the construction branch. The service sector grew by 2.7%, driven by the dynamism found at all branches, including trade, which grew by 2.6% as well as telecommunications and transport, which grew by 5.5% and 0.8% respectively. Ultimately, the primary, secondary and tertiary sectors contributed to GDP growth by 0.2 points, 1.0 points and 1.2 points respectively.
102. Assuming a final normalization of the socio-political situation and reaching completion point under the Heavily Indebted Poor Countries (HIPC) initiative, the growth rate of the economy was projected at 4.0% for 2011. The political crisis has hindered the realization of these assumptions. Contributions to GDP growth in the primary, secondary and tertiary sectors would be 0.1, 1.8 and 4.4, respectively.
103. A survey on living standards 2008 (ENV 2008) conducted by the INS19 reports that the economic and political crisis has exacerbated poverty, bringing the poverty rate from 10% in 1985 to 9% in 2008. In 2008, Côte d'Ivoire developed

a Support Program for Poverty Reduction and for achieving the MDG (PARP-MDGs) under the sponsorship of the UNDP, planned for deployment from 2009 to 2013 and meant to bring down the poverty rate from 49% to 17%. However, the figures could not be updated following the socio-political events experienced by the country during 2011. The human development index is 0.400,20 putting the country at the 168th place in world ranking of 185 countries assessed.

Prevalence of Predicate Crimes

- 104 Corruption remains a big challenge for the country. According to the index of perceived corruption published on 1 December 2011 by the Ivorian NGO Transparency SOS18 echoing data from its global partner Transparency International, Côte d'Ivoire is ranked 154th out of 183 countries, with an index of 2.2, making it the 21st most corrupt country in the world. The Mo Ibrahim Index, which appears to be the leading governance barometer in Africa, ranks Côte d'Ivoire 46th out of 53 African countries evaluated in 2011. However, with the end of the military and political crisis and the measures taken by government, it is hoped that the country will make significant progress in the 2012 rankings.
105. Drug trafficking, cybercrime and fraud are crimes that are generating illicit proceeds in the country. One other source of illicit proceeds is the diaspora and the large size of some foreign populations engaged in illicit businesses especially those related to tax fraud.





106. The post-election political crisis led to disruption and did not allow updating of information on offences related to ML/TF. In 2010, the FIU received 56 STRsas against 81 in 2009, marking a decrease of 30.8%. As of 31 December, 2010, the total number of files (STRs and information requests) received by the FIU was 182.

The AML/CFT Situation

107. The year 2010 has enabled the Financial Intelligence Unit of Côte d'Ivoire (FIU-CI) to widen the circle of its partners in the fight, by initiating cooperation with the designated non financial businesses and professions (DNFBP), including lawyers and notaries, while strengthening ties with the banking sector. The significant decrease in the number of suspicious transaction reports recorded in the period from 2009 (around 30%) was due to general slowdown in economic activity in the last quarter of 2010 in Côte d'Ivoire, coinciding with the election period.
108. At the international level, the FIU-CI was admitted to the Egmont Group of FIUs in June 2010. Since then, there has been a substantial increase in requests for information recorded by the FIU compared to 2009. The FIU-CI received 56 STRs in 2010, as against 81 in 2009 thus corresponding to a decrease of 30.8%. Requests for information have increased by 250% compared to 2009, from 4 to 14.
109. The year 2011 was difficult in terms of actions conducted to improve the AML/CFT situation in the country, given the context of armed conflict experienced by the country. However, the recent GIABA-sponsored seminar on the development of the national AML/CFT strategy held in late 2011 marked a new start for the country in the synergy of the fight and coordination of actions at all stakeholders' level. The rapid adoption of this strategy will certainly make for significant progress.

Technical Assistance

110. After the ransacking of its offices in the political turbulence of 2011, the FIU has been in need of permanent headquarters. A new building has already been identified and steps are being taken for its acquisition. The FIU also plans to develop an information system by creating a database containing all relevant information on suspicious transaction reports.
111. An equally important project is the strengthening of the legal and institutional framework through the development of dedicated draft texts for certain declaring entities and sectors and the undertaking of studies on new typologies. The FIU also intends not only to continue to strengthen

its cooperation with the banking sector, but also to have this cooperation extended to the other declaring entities as well as to the control and supervisory bodies.

112. Under the training component, a program is intended for judges and judiciary police officers. Members of the FIU will be party to it and will need to have their capacities strengthened.

Conclusion

113. The most remarkable advances in 2011 were the resolution of the decade-long armed conflict and the new prospects of restarting all the AML/CFT processes in 2012. Admission of the country's FIU into the Egmont Group of FIUs provides a stimulus for revamping all the AML/CFT relevant structures that were paralysed by the conflict of the previous months.

The Gambia Political Environment

114. The Gambia is a coastal country with a long history of peace and political stability in West Africa. In 1994, the country witnessed its only successful military coup, which ended the 30 years of President Dawda Jawara's Administration and ushered in the military government of Yahya Jammeh. A new constitution and presidential elections in 1996, followed by parliamentary balloting in 1997, completed a nominal return to civilian rule. Since then, Mr. Yahya A.J. Jammeh has been elected president in all subsequent elections including most recently in November 2011.

Economic and Financial Situation

115. The Gambia is a low income economy with three-quarters of the country's population depending on agriculture for their livelihood, though the sector contributes only a third of the GDP. Agriculture is largely at a subsistence level with peanut farming being the dominant activity, followed by rice production. There is a small-scale manufacturing processing of mainly peanuts, fish and hides which contribute only 5 percent of GDP. The services sector accounts for over 50 percent of GDP, reflecting the importance of re-exports trade and tourism, couple with the rapidly growing banking industry.
116. The financial sector, though still rudimentary, is largely regulated. With the informal component constituting about 5%, the financial sector consists of 14 commercial banks mostly foreign owned, 11 insurance companies, 66 microfinance institutions and 54 registered foreign exchange bureaus.

- The commercial banks, however, dominate this industry controlling over 90 percent²⁶.
117. Amidst the prolonged global economic crises, the Gambian economy, achieved robust growth. The 2008 – 2010 average GDP grew by around 6.5 percent but posited a declining trend on a yearly basis. Growth was mainly driven by agriculture. Tourism and remittances, however, slowed down due to the global crises. GDP in 2011 grew by about 5.5 percent with tourism showing some signs of recovery. The inflation rate has dipped to about 4 percent in recent months and was projected to remain below 5 percent for 2011 as a whole. Gross international reserves remained at a comfortable level at just under 5 months of imports²⁷.
 118. The Gambia, however, continues to face a number of challenges, notably a heavy debt burden. In particular, large fiscal deficits in recent years led to a surge in domestic debt, most of which consists of short-term Treasury Bills that must be regularly re-financed. Interest on domestic debt is on the rise and now consumes 18.5 percent of government revenues, including obligations on external debt, interest consumes 22.5 percent of government revenues. To address the high cost and risks of this debt, the government has taken bold actions to curb new domestic borrowing. The government aims to continue making progress on easing its debt burden by gradually reducing new domestic borrowing to about 0.5 percent of GDP by 2014. It will also restrict external borrowing to concessional loans with soft terms.
 119. Falling tax revenues are a major concern. Tax revenues (relative to GDP) have fallen steadily since 2007, and are down to less than 12.5 percent of GDP in 2011 (3.5 percentage points of GDP below their peak in 2007). At the same time, the tax base has eroded substantially, while the remaining taxpayers face high tax rates. To improve this situation and restore revenues, the government is said to be considering the introduction of a comprehensive tax reform over the next few years, building upon the planned introduction of a value-added tax (VAT). Simplification would facilitate tax compliance, and major improvements in tax administration by The Gambia Revenue Authority would be essential.
 120. After easing through much of the first half of 2011, global financial conditions became more volatile from late May 2011, reflecting market concerns about sovereign risks related to developments in the Euro area and the recent softening in activity and persistent housing market weakness

observed in the United States. For emerging and developing economies, the financial environment remains quite accommodative, although with greater variation across countries. Capital inflows have been fickle, reflecting increased downside risks to the global economy and domestic policy concerns such as inflation.

121. The Gambia is making progress in its fight against poverty, particularly in the areas of education and health. Progress on reducing income poverty is also anticipated from the strong growth of agriculture in recent years. The government plans to build on this progress with the launching in the coming months of the Program for Accelerated Growth and Employment (PAGE) 2012 – 2015. However, given the government's heavy debt burden and falling tax revenues, financing the PAGE faces some major challenges.
122. The GDP per capita in PPP terms (constant 2005) of the Gambia in 2009 stood at US \$1,285, while the country was rated 168 out of 187 countries in the UNDP Human Development Index in 2011. The country also dropped one step back from 23 to 24 out of 53 countries rated by the Mo Ibrahim index showing overall governance in African countries.

Prevalence of Predicate Crimes

123. The Gambia is a regional re-export centre where goods freely and legally traded are exposed to smuggling. The Gambia has limited capacity to fully monitor its porous borders. The lack of resources hinders law enforcement's ability to combat possible smuggling, even though there is the political will to do so. Customs officials are, however, cooperating with their Senegalese counterparts to combat smuggling along their common border. Although the Gambia is not a known money laundering hub in the region, the extent to which the prevalent predicate narcotic offences are related to ML is not clear.
124. In the Gambia, proceeds of crime are mainly derived from drug trafficking, bribery and corruption, the tourism industry, foreign exchange transactions, and other related acquisitive crimes. The magnitude or severity of these crimes is difficult to determine. The porous borders, weak controls, prevailing poverty, dominance of cash transactions, poor Know Your Customer compliance culture, massive inflows of tourists and anecdotal evidence of increasing drug-related and other criminal activities are all factors contributing to an increase in the ML risk environment in the country. Official

²⁶ <http://www.cbg.gm/>

²⁷ <http://www.imf.org/external/np/sec/pr/2011/pr11387.htm>



corruption remains a serious problem, although President Jammeh's recent focus on economic development policies has led to increased anti-corruption efforts, including the establishment of an Anti-Corruption Commission. Separately, a special judiciary commission in late 2009 began investigating allegations that several High Court judges were involved in misappropriations of state funds, as well as illicit real estate deals. The Gambia was ranked 106 out of 180 countries surveyed in Transparency International's 2009 Corruption Perceptions Index, but it improved its rating from 91 in 2010 to 77 in 2011 out of 182 countries worldwide.

125. The Gambia continues to be vulnerable to the activities of organized crime and drug trafficking. In June 2010, the NDEA successfully made one of the biggest drug seizures in The Gambia's history in their quest to make the country a drug-free environment. Twelve suspects were arrested. The suspects were said to have been involved in trafficking over 2 tonnes, 340kg and 500g of cocaine worth over US\$1 billion which was stored in a warehouse in Bonto and at the Baobab Island in Kuloro, Kombo East, and at the Western Region. Eight of the suspects were sentenced to 50 years imprisonment each. Among the eight convicts, all of whom were foreigners, four Venezuelans, two Dutch, a Nigerian and a Mexican. In November 2011, six Gambians were also indicted for being in possession of 59 kg of Cannabis sativa. Women and children are routinely subject to trafficking for sexual exploitation and domestic servitude, and The Gambia does not fully comply with the minimum standards for the elimination of trafficking. However, the revised anti-trafficking laws in October 2010 included the death penalty as punishment.
126. The following financial inter-mediation and services are also vulnerable to money laundering: banking; foreign exchange transactions; trading in money market instruments such as cheques, bills, certificates of deposits, and commercial papers for oneself or for the account of customers; trading in transferable or negotiable instruments; the tourism industry; and the real estate business.

The AML/CFT Situation

127. The Mutual Evaluation Report of the Gambia was adopted in 2008. The review team found in place some pieces of legislation appropriate to the pursuance of the FATF recommendations

and the UN instruments in combating money laundering and terrorism financing. In particular, the enactment of the Anti-Money Laundering Act 2003 and the Anti-Terrorism Act 2002, combined with the Government's ratification of key UN Conventions Against Corruption, have gone a long way towards establishing rudimentary measures against these menaces.

128. The Gambia enacted the Anti-Money Laundering Act (MLA) in 2003 in which only 13 offences were designated as predicate offences for money laundering. This falls short of the minimum 20 designated categories under the FATF Recommendations. The Act criminalises offences such as narcotics trafficking as well as blackmail, counterfeiting, extortion, false accounting, forgery, fraud, illegal deposit taking, robbery, terrorism, theft and insider trading as predicate offences. The Anti-Terrorism Act 2002 provides for measures to combat terrorism and criminalizes terrorist financing.
129. Following the enactment of the ML Act, the Central Bank (CBG) was appointed as the Supervisory Authority in 2006 with the responsibility to implement the Act. The CBG is responsible for supervising the insurance companies, microfinance institutions, finance companies, etc. The location of the Gambian FIU within the Central Bank is designed to take advantage of the trust and cordial relationship that already exists between regulated institutions and to ensure that the integrity and security of STRs received from reporting entities are maintained.
130. In 2007, the CBG distributed Customer Due Diligence manuals to the banks to increase awareness of suspicious transactions. It also created a standard reporting format for large cash transaction reports, and pegged the reporting threshold for cash transactions at \$10,000. The MLA empowers the government to identify and freeze assets of a person suspected of committing a money laundering offence. The Customs Department is tasked with investigating the sources of money exceeding \$10,000 that are brought into the country. However, Customs officials have not been properly trained on the MLA, and only banks are currently subject to its requirements.
131. The CBG circulates lists of terrorists and terrorist entities designated by the US Government under Executive Order 13224 among Gambian banks and other financial institutions, including insurance companies.

132. The banks have commenced the reporting of suspicious transactions to the FIU. Their reports were analysed, and where appropriate, were forwarded to the police for further investigation. In 2011, only 3 STRs were received, of which 2 were forwarded to the police for investigations. This marks a drop from 2010 when 16 STRs were forwarded for investigations, and which resulted in three prosecutions and two convictions.
133. An Inter-Ministerial Committee was set up in 2008 to coordinate the AML/CFT efforts in The Gambia. The Committee comprises the Department of State for Finance, Department of State for Interior, Department of State for Justice, the Drug Enforcement Agency and the Central Bank. There are plans to expand it to include the police, Customs, Foreign Affairs, the National Intelligence Agency (NIA), and the Registrar General's office. The Inter-Ministerial Committee works closely with the FIU.
134. In April 2010, the Committee of Chief Compliance Officers of Banks in the Gambia was established. Among other things, it serves as a forum for information-sharing on compliance issues between banks. The committee also seeks to network with similar bodies outside The Gambia. This is in line with the FATF recommendations that all banks are required to appoint compliance officers at management level.
135. The Gambian Government has taken steps to prevent its financial system from being misused as a conduit for the transfer and retention of illicit funds, but the various agencies involved in AML activities have not been allocated adequate resources. The CBG and the FIU lack the required technical and operational personnel to supervise and monitor financial institutions' compliance with the MLA. Additionally, the Financial Supervision Department is understaffed and is not likely to function effectively as the FIU because its primary role of supervising financial institutions and non-bank financial institutions for prudential purposes is considered a priority at the moment. With 23 staff members, the Department is barely meeting its primary obligation to supervise the financial institutions (FIs) effectively.
136. The Gambia has ratified 11 of the 13 UN Conventions against Terrorism; the Convention for the Suppression of the Financing of Terrorism is yet to be ratified. The Anti-Terrorism Act 2002 provides for the measures to combat terrorism and for other related matters. Terrorist financing is criminalized under Sections 6, 11(a) and 11(2)

(b), 12, 13, 14, 16, 18 and 21. The provisions of the Act extend to both legal and natural persons who are subject to civil and criminal sanctions. The National Intelligence Agency (NIA) and the police are responsible for gathering intelligence on terrorism and terrorist financing, while the Attorney General is responsible for the prosecution of cases of terrorism.

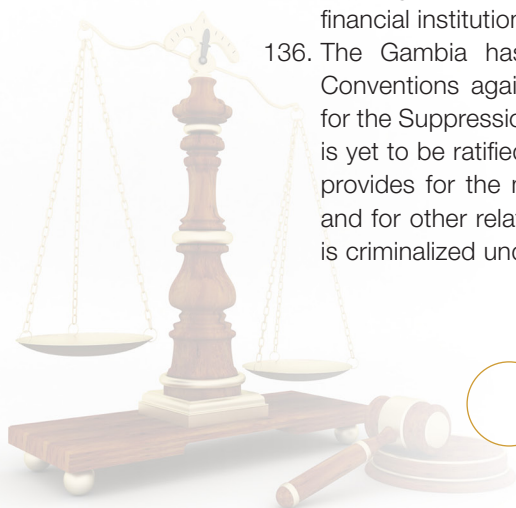
137. There has been no reported incident of terrorism or terrorism financing in the Gambia, though the country is vulnerable because cases of attempted funding of certain religious groups and NPOs were reported in the past, resulting in pre-emptive actions by the NIA to stop the funds from reaching the beneficiaries. The NIA continued to be alert and ready to suppress any case of terrorism or terrorist financing. The NIA and the police cooperate with INTERPOL and other international security agencies in the exchange of intelligence information.

Technical Assistance

138. Despite some positive achievements by the Gambia, the AML/CFT regime continues to face challenges. To date, it is clear that all the support provided has not led to the desired result. The country still requires support to conclude the amendment of its AML law; to develop its National AML/CFT Strategy; to strengthen the capacity of its FIU, including addressing the issue of its autonomy; and to implement the recommendations contained in its MER. Specific areas of intervention for technical assistance include: training, mentoring and information technology infrastructure for the FIU, as well as the Gambian police involved in investigating financial crime; and training for prosecutors and judges in the prosecution of ML cases.

Conclusion

139. The Gambia has made significant progress in its AML/CFT regime and this is a result of efforts and commitment demonstrated by the authorities. Nonetheless, there is a need to prioritize the implementation of the recommendations in its MER, especially by making progress in implementing the key recommendations.
140. On the basis of developments in 2010, GIABA's priorities for the Gambia towards implementing an effective AML/CFT framework include:
- Development of a National AML/CFT Strategy that will drive the entire AML/CFT process;
 - Follow-up on the finalization of draft AML/CFT



legislation;

- Capacity-building for the FIU in the areas of:
Provision of IT infrastructure for analysis of financial intelligence;
Attachment of FIU staff to developed FIUs;
Training on financial intelligence analysis;
Follow-up on Egmont Group membership;
- Training for law enforcement officers on national ML/TF Threat Assessment; and
- A workshop on AML/CFT Compliance Supervision for financial institutions and DNFBPs.

Ghana

Political Environment

141. Ghana suffered a chequered political history in the first two decades of political independence from Britain. From the mid-1960s until the early 1980s, the political landscape was scarred by several military coups which produced a long chain of repressive, inept and corrupt dictatorships. Paradoxically, the violent seizure of power by the military in the early 1980s not only marked the end of military coups, but also pulled the country back from the brink of anarchy and collapse.
142. After more than a decade of political engineering, institution-building and democratic transition under the strong management and supervision of the military administration, the country made a successful bid for democratization with the peaceful general elections of 1992. Since then, Ghana has successfully avoided the path of internal armed conflict which had ravaged most of its West African neighbours from the dawn of the 1990s. Although Ghana suffered over 200 low-level communal and chieftaincy conflicts between 1995 and 2002, it is regarded as one of the most stable countries in West Africa.
143. Furthermore, Ghana's democratic experience has become a shining light and a reference point for ECOWAS member States aspiring to end the history of instability and conflict. Since the elections of 1992, the country has held four peaceful, free and fair elections in which opposition parties were able to displace ruling parties. It is thus, evident that Ghana has been able to develop resilient and impartial institutions of democratic governance, providing a stable political environment for macro-economic development.

Economic and Financial Situation

144. Like most of its neighbours in the region, Ghana is a low income country and relies on the export of primary products for its national income. Traditionally, the country relied mainly on the export of gold and cocoa for its earnings. However, the recent discovery of petroleum oil in commercial

quantities has expanded the revenue base, and the country is set to join the club of oil exporters as more oil deposits are likely to be discovered offshore. In 2011, the Ghana economy sustained the rapid growth recorded in the last decade. The discovery of oil has precipitated an ambitious investment in infrastructure, including railways and deep sea ports which stand out as the largest investment sectors in the region. Much of this investment is supported by large loans from China, rapidly raising the public external debt stock.

145. The cocoa sector boomed in 2011 with phenomenal yields, becoming the highest exporter in the region ahead of the Cote d'Ivoire, which had been the traditional leader but whose export level shrank owing to renewed armed conflict from late 2010 to mid-2011. Exports from the oil and gas sector also began in 2011, while the grocery retail sector saw rapid growth within the year. Remittances from abroad increased from 44 to 128 million US dollars from 2002 to 2008, representing about 190% growth. The remittances, whose sources are not officially captured, are done mostly through informal channels, such as the use of human cash couriers and importation of easily disposable goods, especially used vehicles. Although the outlook is encouraging, the high anticipation from the oil and gas sector met with disappointment as actual production fell far below the projected 120,000 barrels per day at the end of 2011. There are also fears that the increase in utilities tariff and proposed pay rise for workers will push the already rising inflationary rate to double digits. Furthermore, the gradual post-conflict recovery in Cote d'Ivoire is likely to lead to a return to its position as the leading producer of cocoa and precipitate a glut in the global market for this product, which could diminish Ghana's export earnings. On the whole, Ghana's rapid growth has remained impervious to the current global economic crisis and the political crisis in neighbouring Cote d'Ivoire, and is growing faster than any other West African national economy.

146. The basic economic indicators for 2011 promised a positive future. While nominal GDP stood at US\$39.3 billion, real GDP grew at a rate of 14.7% at the end of 2011, as opposed to 7.7% at the end of 2010, with a projected slow-down to 7.7% in 2012. Per capita GDP in Purchasing Power Parity has grown steadily year-on-year, standing

at US\$2,479.5. Data on foreign direct investment (FDI) and remittance inflows are not available for 2011. However, the data for 2009 indicate that net FDI made up 6.4% of GDP and inflow from remittances stood at 0.4%. Yet, aid dependence is relatively high, with foreign aid constituting 11.7% of GDP. Although the total external debt stock is still manageable, it is rising fast, standing at US\$10.6 billion and forming 27.1% of GDP

146. Even though Ghana is making strong macro-economic progress, the country faces a real challenge in terms of human development. Ghana currently occupies the position of 135 out of 187 countries on the UNDP 2011 Human Development Index, with an HDI value of 0.541. A major challenge is how to take advantage of the rapid economic growth to reduce dependence on foreign aid and gradually uplift the 30% of the population living under PPP US\$1.25 a day²⁸. However, it is noteworthy that Ghana is the only ECOWAS member state in the medium human development category as all other member States are within the low human development category.
147. Further, Ghana spends 6.8% of its GDP on health and education. This demonstrates its commitment to alleviating poverty in the country, and is also an indicator of the relatively good quality of governance. According to the 2011 Mo Ibrahim Index of African Governance, Ghana scored 66% and took the high position of 7th out of 53 countries. With most of the indicators of governance standing far above average, Ghana stands a chance of managing its growth efficiently and channelling the gains in support of sustained social progress. Notwithstanding this promise, Ghana is not free of the menace of financial crimes that generate illicit proceeds for ML/TF and are capable of undermining human development efforts.

Prevalence of Predicate Crimes

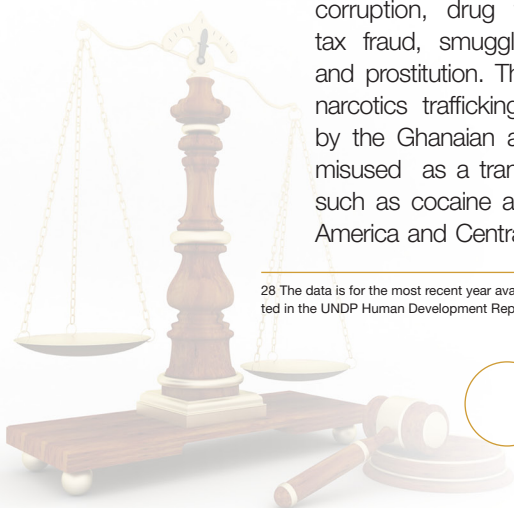
148. As the country develops economically its financial sector is becoming more important regionally and thus more attractive to organized criminals. The most prevalent predicate offences in 2011 include corruption, drug trafficking, counterfeiting/piracy, tax fraud, smuggling, robbery, human trafficking and prostitution. The two most prevalent ones are narcotics trafficking and bank fraud, as reported by the Ghanaian authorities. The country is being misused as a transshipment point for hard drugs, such as cocaine and heroin, transiting from South America and Central Asia to Europe and the United

States. Public corruption is also becoming a major source of money laundering in the country, particularly through the channels of public procurements and the award of licences. In addition, financial crimes such as sakawa (as advance fee fraud is known in the country), stolen credit and debit cards, and cheque cloning have been on the rise. As expected, the rise of these predicate offences has gone hand in hand with ML activities in the country. Ghana's Country Report on AML/CFT for 2011 showed the main channels of ML to include cross-border cash movement and investment in real estate, securities (shares, etc), casinos and other gambling games, banking, insurance, microfinance institutions, and DNFBPs (including NGOs). Information from the Bureau for International Narcotics and Law Enforcement Affairs of the US Department of State also reveals that criminals launder illicit proceeds through investment in automotive imports, general import businesses, and, reportedly, donations to religious institutions.

AML/CFT Situation

149. In response to these growing ML threats, Ghana took the following measures in 2011: submission of a second ME follow-up report to GIABA Plenary; inauguration of the Inter-Ministerial Committee (IMC), which held its first meeting in the year; inauguration of the Technical Committee to the IMC; adoption of its national AML/CFT strategy 2011 – 2014 and Action Plan by the IMC; and continued functioning of the Financial Intelligence Centre (FIC: Ghana's FIU).
150. Also, the AML Regulations were approved in March 2011; the Palermo Convention was submitted to Parliament for domestication; the Criminal Offences (Amendment) Bill was approved by cabinet and forwarded to Parliament; and the Compliance Manual for banks was finalised and ready for launch. In addition, 111 STRs were generated with 43 confirmed cases disseminated to law enforcement agencies, and five ML investigations carried out. Ghana's FIC also entered into MOU with the CENTIFs of Togo and Burkina Faso, while the country expanded international cooperation with Nigeria and the Netherlands on AML/CFT.
151. However, Ghana's AML regime still has a number of deficiencies. Though functional, the FIC is yet to complete the process of its staffing as required under FATF Recommendation 26. The International Cooperation Review Group (ICRG) of the FATF observed that the powers of the FIC should be further clarified and possibly enhanced so that it can access timely information from public authorities. In addition, there were no prosecutions

²⁸ The data is for the most recent year available for the period between 2000 and 2009, as presented in the UNDP Human Development Report 2011





and convictions on ML offences during the year. Furthermore, law enforcement agencies lack financial investigative capacity while prosecutors and judges are unfamiliar with AML/CFT issues. Other areas of deficiencies include establishing and implementing adequate measures for the confiscation of funds related to money laundering (FATF Recommendation 3); and establishing effective CDD measures (FATF Recommendation 5). As a result of these observed deficiencies, Ghana was placed under the enhanced follow-up process of Mutual Evaluation during the last GIABA Plenary in November 2011, and was requested to submit biannual reports rather than annually.

152. Ghana is under the FATF ICRG process. The ICRG considers that Ghana is not making sufficient progress. In particular, it is reported that implementation of the Regulations for the TF provisions are outstanding, and that the missing predicate offences for ML have still not been covered. The review also showed that the Anti-Terrorism Act does not empower the Minister of Justice to issue regulations in respect of UN Security Council Resolutions 1267 and 1373. There has been no progress in the enactment of regulations for the Anti-Terrorism Act, neither is there any time-frame for enacting the regulations.
153. Terrorist activities have not been prominent in Ghana, even though the risks of terrorist financing are present. A major area of risk is the largely informal cash economy which does not account for cash movements that could be used for terrorist financing either in the country or elsewhere within the region. Furthermore, there is no clear understanding and effective enforcement of cross-border currency declaration requirements, nor are there any specific regulations for the 2008 Anti-Terrorism Act. Ghana has also neither established nor implemented adequate procedures for identifying and freezing terrorist assets (Special Recommendation III).
154. A major development in 2011 with possible implications for Ghana's AML/CFT regime was the resurgence of armed conflict in neighbouring Cote d'Ivoire. The resultant shift of cocoa export activities from Cote d'Ivoire to Ghana had the potential of increasing trade-based money laundering in the latter, although export activities are expected to pick up rapidly in the former now that the conflict is over. Also, the movement of armed groups and weapons across the border during the conflict is likely to increase the risk of criminal activities that generate illicit funds for ML/TF.

Technical Assistance

155. Areas in which Ghana's AML/CFT regime requires critical assistance include: human resource capacity-building for the FIC; legal assistance in drafting and enacting regulations for the Anti-Terrorism Act 2008 (Act 762), Mutual Legal Assistance Act 2010 (Act 807) and Economic and Organised Crime Act, 2010 (Act 804); training on financial investigations as well as cross-border currency declaration requirements for law enforcement agencies; training on financial analysis for the FIC; training, logistics and funding required to enhance the capacity for regulation, extradition, asset freezing and recovery and cyber related crimes; training on typologies exercise and research; and deployment of information technology systems at the FIC.

Conclusion

156. Ghana submitted the 2nd follow-up report to its Mutual Evaluation (ME) in November 2011. The follow-up report detailed efforts made in 2011 by the country to address the key and core recommendations made in the ME Report. Nevertheless, the sustained expansion of the economy and increased revenue being currently witnessed in the country provide incentives for predicate crimes as well as ML/TF. This means that, along with fast economic growth, the country makes it needs to take urgent steps to bolster its ANL/CFT regime.
157. In particular, Ghana needs to accelerate its efforts in the areas of law enforcement, financial investigation, prosecution and conviction in relation to ML/TF cases. Establishing robust mechanisms for asset seizures in ML cases as well as for compliance with CDD requirements also require serious attention. The country also needs to show progress in the enactment of regulations for the Anti-Terrorism Act.

Guinea

Political Environment

158. On 21 December 2010, Professor Alpha Conde took the oath of office as the first democratically elected president of Guinea. However, the democratic transition was not easy in coming, but had proceeded through very difficult and painful phases characterised by military repression and state violence. The demise of long-term former leader, Lansana Conte in 2008, the following rule of Colonel Moussa Dadis Camara and the disastrous events of September 2009 involving the massacre of 150 protesters in Conakry, culminated in the eventual termination to military

- politics. The transition signalled the beginning of what promises to be a long painful phase of precarious attempts at political stabilisation.
159. During the year under review, the residence of the incumbent president was attacked with heavy weaponry, leaving one person dead and leading to the arrest of the former Chief of Defence. On the political front, the indefinite postponement of the legislative elections scheduled for 29 December 2011, resulted from the failed dialogue between the political parties. These events clearly indicated that political and social stability remained fragile and that considerable tact would be required by all protagonists to lead the country on the much desired path of democratic stability.

Economic and Financial Situation

160. The Guinean economy felt the impact of the world recession, worsened by the effects of the socio-political upheavals the country had been experiencing since 2008. Throughout the transition period, Guinea was placed under international sanctions and experienced a drastic drop in external financing. This backdrop impacted negatively on the macroeconomic aggregates. In 2009, the economic growth rate stood at 0.3% as against 4.9% in 2008²⁹. During the same year, the widespread hike in consumer prices resulted in an inflation rate of 7.9%. The overall balance excluding grants worsened and posted 8.4% of GDP as against 1.7% in 2008. The debt volume as a percentage of GDP was maintained at considerable proportions: 66.83% and 66.69%, in 2009 and 2010 respectively. Gross foreign exchange reserves dwindled to a mere 1.41 and 0.42 of imports of goods and services in 2009 and 2010 respectively, far from the acceptable benchmark of six months (Stat. BDP/BCRG, 09.09.2011).
161. In terms of prospects, the normalization of the political environment and impressive growth of the agricultural sector was expected to improve GDP by 4% in 2011. According to the IMF mission report, the reduction of inflation was supposed to be the target for the subsequent years. Also, the mining sector which accounts for a substantial share of export earnings (85% in 2009 and 70% in 2010), along with the new mining code, was expected to attract investments in order to secure more revenue for the country. It is, however, advised that the exceptional revenue derived from the mining sector should be managed judiciously.
162. Governance in the Republic of Guinea revealed downward trends over the period 2006 – 2010, according to the 2011 Mo Ibrahim Index report

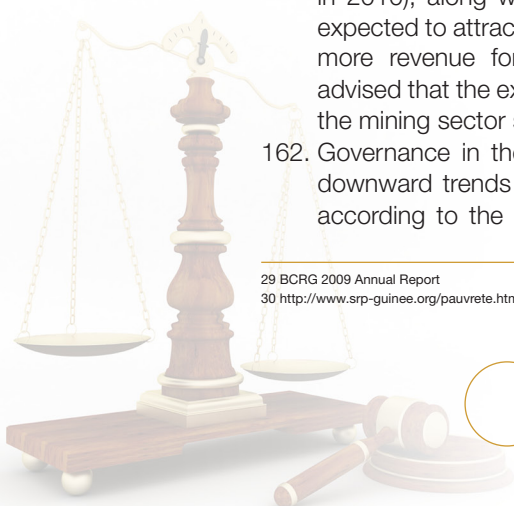
on governance, which placed the country in 43rd position out of 53 countries monitored. Apart from the 'human development' factor, for which the country was rated slightly higher over the period, the other three factors making up the index – sustainable economic development, participation and human rights and safety, and sovereignty of the rule of law – recorded diminishing ratings. The table was practically similar in the UNDP report on human development where Guinea occupied the 178th position out of 187 countries, with an HDI of 0.334. In terms of purchasing power parity, the income per capita stood at US\$863.

163. The incidence of poverty in Guinea stood at 53.6% (2005). This overall rate concealed many disparities between the rural and urban areas, with 60% and 40% respectively. Similarly, the proportion of poor people was unequally distributed among the regions. The Upper Guinea (67.5%) and Midland Guinea (55.4%) are still the poorest regions in the country³⁰.

Prevalence of Predicate Crimes

164. Guinea is a hot spot for organized crime. This is evidenced by the numerous seizures of huge quantities of drugs and the dismantling of networks that sometimes involved highly placed state personalities under the transitional military regime (CNDD). The proceeds of crime have been extensively used in corrupting Politically Exposed Persons (PEPs) to keep them quiet or even secure their support. Very recently, the seizure of a huge quantity of chemical products confirmed the assumption that there is a synthetic drug manufacturing laboratory in Guinea. This vulnerability has been aggravated by the country's openness to the Atlantic Ocean, the permeability of its borders with neighbouring countries, infested with organized transnational crime networks, such as Guinea-Bissau, coupled with the lack of adequate resources to monitor the borders and secure the movement of persons and goods.
165. Corruption is the favourite means used by local business men to secure public contracts or introduce fraudulent foreign investors. The illicit trafficking of gems is virtually killing the mining sector, one of the driving forces of economic development in Guinea. In addition to these major offences, the country report refers to tax fraud, gems trafficking and counterfeiting/piracy as the most glaring predicate offences in the Republic of Guinea. The 2011 report of Transparency International placed Guinea at the 164th position

²⁹ BCRG 2009 Annual Report
³⁰ <http://www.srp-guinee.org/pauvrete.htm>





out of 182 countries with a rating of 2.1. This puts the country at the bottom of the ranking, thereby revealing an endemic state of corruption according to the perception index.

166. Although it does not have the appropriate resources, the Government has declared its determination to eradicate corruption. In this regard, the Executive has set up a special anti-drug brigade attached to the office of the President. This organ needs the support of both the national authorities and foreign technical partners.

AML/CFT Situation

167. Guinea is one of the countries with the weakest AML/CFT regimes in the region. Apart from being incomplete, the determination to establish a solid AML/CFT regime does not seem to be a priority in Guinea. Since the anti-money laundering Act was passed in 2007, with the support of a consultant recruited by GIABA, the country has not made any significant effort to consolidate that achievement. The formal establishment of the Financial Intelligence Unit anchored on the model of those of the UEMOA countries, still awaits the signing of the relevant decree. According to the latest information, the Minister of Economy and Finance had contacted his counterparts in the other departments that should be represented for them to nominate their delegates. While waiting, the Central Bank is acting as FIU (CENTIF) and has received close to eight Suspected Transaction cases from the financial sector under its supervision.

168. Guinea has still not criminalized the financing of terrorism in spite of the availability of the relevant text, drafted since 2008 by a GIABA consultant and drawn from the cardinal AML/CFT Act designed by the regional organization. The Inter-ministerial Committee responsible for the implementation of the regime is in a profound state of lethargy and needs to be formalized and revamped.

169. To date, Guinea and Cote d'Ivoire are the last two countries whose AML/CFT regimes are yet to be evaluated. Finally, Guinea is one of the few countries in the region that have not embarked on preparing any national strategy to fight against ML/TF.

Technical Assistance

170. In tandem with the high-level mission led by the Deputy Director General of GIABA to Guinea from 21 to 23 June 2011, a sensitization workshop on AML/CFT was organized for crime-investigating officers and magistrates. Similarly, a training workshop was organized with members of the Inter-ministerial Committee to educate them on the modalities for mutual evaluation, including the completion of the Mutual Evaluation Questionnaire.

171. Apart from these activities, the only technical assistance opportunities received by the Guinean stakeholders were in the form of training sessions on AML/CFT delivered by the Bank of France and World Bank and attended by senior Central Bank officials. Furthermore, Magistrates participated in the various training programs organized by GIABA during 2011.

172. In order to fill the existing technical assistance gap, the Guinean stakeholders have identified the following needs as presented in Table 3:

Table 3: Technical Assistance Requirements

Area of Technical Assistance	Specific Assistance Required	Expected Impact on AML/CFT Regime
Definition of national AML/CFT strategy	Assist in the establishment of the national AMLCFT strategy	Sensitization of authorities at all levels on their responsibility towards the AML/CFT regime
Training	Training of judiciary staff	Familiarity with the AML/CFT provisions for delivery of better judgments
CENTIF	Establishment of the CENTIF	Coverage of all AML/CFT compliance officers
Mutual evaluation	Assist in preparing mutual evaluation for Guinea	Knowledge of the current level of the AML/CFT regime for improvement
Security	Strengthen physical security by securing a video surveillance system and a fireproof safes	Increased efficacy and serenity in handling cases

Source: Country Report for Plenary, November 2011



Conclusion

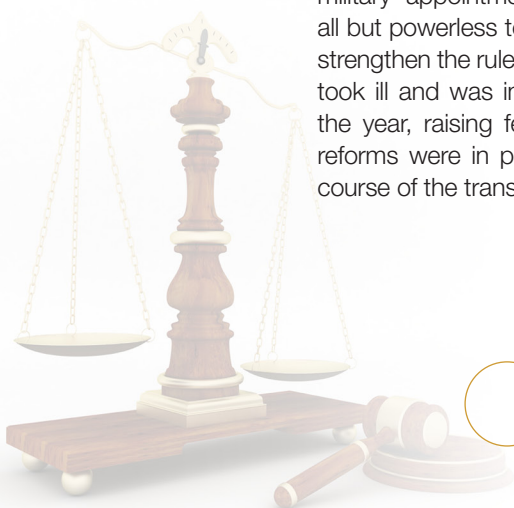
173. In 2011, the post-election environment in Guinea did not make for the early implementation of actions geared towards the enhancement of the AML/CFT regime, which is very weak. The country has huge challenges to grapple with in setting solid barriers against the various forms of organized crimes that have become rampant in the country. It should be acknowledged that the political authorities have taken measures to combat organized crime, but the level of efficiency leaves much to be desired because of the huge gap between the resources needed and the limited resources available. Therefore, Guinea needs some assistance in addition to the requisite political commitment.
174. In 2012, the country is expected to affirm its commitment to subjecting itself to mutual evaluation to help GIABA complete its first round of ME. Furthermore, the country should strive to accomplish crucial assignments, including the establishment of the CENTIF, the passing of the law against ML/TF and the finalization of the new Banking Act which provides for the incorporation of provisions relating to AML/CFT.

Guinea-Bissau Political Environment

175. Guinea-Bissau is a small country recovering from political and institutional instability and currently facing the daunting task of development and governance reform after successfully conducting the parliamentary and presidential elections in 2008 and 2009, respectively. Political parties in Guinea-Bissau are competitive but institutionally weak. They routinely suffer from military interference and shifting personal alliances. Party leaders are often unable or unwilling to fully carry out their constitutional functions and policy agendas, as military factions have repeatedly shown a readiness to maintain or expand their own prerogatives through coups, assassinations, and threats. The illegal arrest of the Prime Minister on 1 April 2010, represented a major blow to the integrity of democratic governance, and the President's subsequent military appointments rendered the government all but powerless to reform the security sector and strengthen the rule of law. Worse still, the President took ill and was incapacitated towards the end of the year, raising fears that whatever governance reforms were in place would be disrupted in the course of the transition.

Economic and Financial situation

176. Guinea-Bissau is an agro-based economy with 70 percent of its workforce depending on agriculture, which accounts for about 60 percent of GDP. The sector is dominated by cashew nut and fish production. The economy is cash-based and the financial sector is underdeveloped with a banking population of less than 5 percent. This huge informal market poses the risk of money laundering and other predicate crimes.
177. The second Poverty Reduction Strategy Paper (PRSP II) provides a detailed assessment of poverty trends, which indicate that poverty has worsened over the past decade. Drawing on data from the 2010 second Light Poverty Assessment Household Survey (ILAP II), the PRSP II notes that the poverty rate evidently increased from 64.7 percent in 2002 to 69.3 percent in 2010, while the rate of extreme poverty rose from 20.8 to 33.0 percent during the same period. This is primarily due to the continuous political instability that characterized the period, coupled with the poor economic policy of previous administrations. Weak income-growth performance was further exacerbated by food and fuel price increases and by the global economic downturn in 2008–2009.
178. The country is currently on the path to recovery. In 2011, the economy realised a surge in cashew nut production and better than expected prices for this as predominant export. This has helped sustain incomes and alleviated fiscal and balance-of-payment pressures. The overall impact on the terms of trade is large and positive, only partly offset by rising prices for imports of food and fuels. As a result, real GDP growth is projected at 5.3 percent in 2011 due to sustained cashew production/exports, and buoyant construction activity, on the back of a return of confidence following the HIPC completion point.
179. On the inflation front, rising prices of imports of food and fuel earlier in the year were feared to push headline inflation up to 4.8 percent, but core inflation is expected to remain subdued, and headline inflation should fall back within the WAEMU's target range of 2 ± 1 percent, as international food and fuel prices stabilise. The current economic trend is expected to continue into 2012, though the economy remains vulnerable. Uncertainties in advanced economies pose risks, and domestically, sustaining growth is evident upon improved security and continued political stability.
180. Guinea-Bissau also continues to face major challenges, especially those stemming from adverse external conditions and exogenous



shocks. In particular, risks derived from a probable worsening of the global economic crisis are substantial and would affect the country's exports and economic growth and the government revenues needed to finance the implementation of its developmental programs and reforms. There is an urgent need to put the emphasis on diversifying production and the export base to decrease vulnerability to external shocks. The over-reliance on donor financing needs or external funding for budgetary support also require mitigation by government increasing efforts to boost domestic financing which would help it to maintain the budget within available resources.

Prevalence of Predicate Crimes

181. Guinea-Bissau remains a fragile State with great vulnerability that has the potential to attract criminals. Drug trafficking by cartels from other parts of the world has been the main identified source of illegal proceeds. Corruption, especially in public institutions, remains a big challenge for the country. Corruption is perceived to be pervasive, driven in large part by the illicit drug trade. With weak institutions and porous borders, Guinea-Bissau has become a major transit point for Latin American drug traffickers moving cocaine to Europe. Powerful sections of the military, police, and government are reportedly complicit in the trade. The 2010 reappointment of Rear Admiral José Américo Bubo Na Tchuto in particular has bolstered claims that the country is fast becoming a "narco-state." Guinea-Bissau ranked 154th out of 178 countries surveyed in Transparency International's 2010 Corruption Perceptions Index; this ranking remain unchanged in 2011.
182. The efforts of the Government at fighting corruption have not yet yielded the desired results. In 2010, the European Union decided to withdraw its support for Guinea-Bissau's security sector reform, a program started in 2008. The EU gave its reason as continued disregard for the rule of law and constitutional order by the authorities³¹. This decision by the EU was due to the appointment of General Antonio Injai as the Chief of the Armed Forces by the Government.
183. Scant resources and endemic corruption also severely challenge judicial independence. The U.S. State Department has reported that there are essentially no resources to conduct criminal investigations and few formal detention facilities³². With support from the UN Office on Drugs and Crime (UNODC), work was completed in late

2010 on the refurbishment of two jails in Mansôa and Bafatá, making them the only secure prisons in the country. However, no prisoners had been transferred there by the end of the year. Judges and magistrates are poorly trained, irregularly paid, and highly susceptible to corruption. A culture of impunity prevails, especially in the military. A 2008 law provides amnesty to persons who have committed political crimes. While investigations into the assassinations of President João Bernardo Vieira and the Chief of the army, Tagme Na Waie, in 2009 were deemed inconclusive, Admiral Na Tchuto was reappointed as head of the navy despite repeated public calls for his arrest due to his suspected complicity in earlier coup plots and in the illicit drug trade.

184. Although reports have indicated a slowdown in the transiting of cocaine through the country, it is difficult to judge whether this is a result of a change of tactics by the criminals, or a drop in detection capacity or efforts made by the country and the support provided by the international community. What is clear, however, is that the country has vulnerabilities that can still be exploited by drug traffickers: there are many uninhabited and unsecure islands; the coastal waters and land borders of the country are very porous; the country does not have sufficient policing resources to detect, investigate and prosecute drug trafficking cases; from past records, the quantity of drugs being imported through the country is very high, which means that the traffickers are willing to bribe their way to safeguard their illicit commodity. The movement of cash and vehicles between the country and its neighbour, Senegal, is a big concern that needs to be addressed by the two countries. No statistics on these crimes, however, were provided by the authorities for 2011
185. The government recognizes the importance of a more forceful and concerted approach to combat the spread of drug trafficking and the illegal arms trade and provides a strong and unequivocal restatement of its commitment to fighting the rise of organized crime. Government's forthright assessment of the situation and its two-tiered strategy of strong national enforcement efforts bolstered by regional and international cooperation received IMF's support.³⁴

The AML/CFT Situation

186. The mutual evaluation report of Guinea-Bissau was adopted in May 2009. Many deficiencies were identified in the country's AML/CFT framework. The country submitted its second follow-up report in November 2011, and there had been no significant

³¹ Ibid.

³² See the Freedom House Report on Guinea Bissau at <http://www.freedomhouse.org/report/freedomworld/2011/guinea-bissau>

³³ See Guinea-Bissau: Joint Staff Advisory Note on the Second Poverty Reduction Strategy Paper <http://www.imf.org/external/pubs/ft/scr/2011/cr11352.pdf>

- change during the reporting period from the previous.
187. The authorities have set up an Inter-Ministerial Committee and the FIU is now fully operational though no report of suspicious transactions has been filed by the FIU. The commitment of the Government to develop its AML/CFT regime remains low, as demonstrated by the minimal support given the implementation of AML/CFT measures by the government. A high-level mission was undertaken by GIABA in 2011 to engage with the authorities in order to generate the required support for the development of the country's AML/CFT regime.

Technical Assistance

188. It is obvious that Guinea-Bissau requires support to strengthen its investigative, prosecutorial and judicial capacities to deal with ML/TF. The FIU requires continued support in order to be able to sustain its operations over time. The AML/CFT supervisory framework needs to be fully elaborated and then to be implemented. The international cooperation framework needs to be developed in order to strengthen cooperation with authorities in the source and destinations countries of cocaine being transited through the country.
189. Specific technical assistance needs identified by the authorities are training in Typologies exercises and research; a logistics and awareness-raising workshop for the legislature, regulators, law enforcement agencies, etc; and the production of information brochures in the three ECOWAS languages.
190. The authorities also plan to engage the National Assembly on the approval of the UEMOA Uniform Law on Counter Financing Terrorism; embark on call-in radio program for the general public; and complete the cycle for the appointment and inauguration of the proposed NC and Head of FIU.

Conclusion

191. Guinea-Bissau is one of the countries in the region that are behind in the development of AML/CFT regimes. Unfortunately, progress has been very slow despite all the support that has been provided by GIABA, UNODC and other stakeholders. There is very weak government commitment to AML/CFT issues and this has impacted negatively on the country. The Government of Guinea-Bissau needs to show political commitment and allocate resources to enable the FIU and other institutions charged with implementing AML/CFT measures to function optimally. The international community will be more encouraged to provide support if the government is able to show that it is committed to tackling the problem of ML/TF, and by implication all the predicate offences for ML/TF.

Liberia

Political Environment

192. Liberia is one of the post-conflict countries in West Africa. The Civil War (1989-2003) and government mismanagement destroyed much of the economy, including the infrastructure in and around the capital, Monrovia. The country is still battling to get over the devastation of the decade-and-half-long civil war. Liberia had its first post war democratic election in 2006 won by Ellen Johnson Sirleaf, the first female president in Africa. President Sirleaf's Nobel Peace Prize award also came four days before the 2011 election that ushered in her second term in office as president of the republic.

Economic and Financial situation

193. Liberia is a low-income country with 64 percent of the population living in poverty, with unequal distribution between rural and urban dwellers. Richly endowed with diverse mineral resources and a climate favourable to agriculture, Liberia had, until the civil war, been a producer and exporter of basic products, primarily raw timber and rubber. There is a small-scale local manufacturing industry, mainly foreign-owned.
194. In 2008, the Government of Liberia launched the Poverty Reduction Strategy, which laid out its strategic medium-term economic and social development agenda. The Strategy was built on the foundation of a broad-based national consultation with the Liberian people. It sets out the Government's agenda and development priorities through 2011. In 2009, the legislature passed the Public Financial Management Law. In January 2010, the Government published Liberia's first Budget Framework Paper, which encapsulates the state of the economy and public finances, and formed the basis of 2011 Budget preparation.
195. The overarching strategy for growth was based on investment in a secured environment, in economic and social infrastructure and in institutions of governance, all aimed at promoting the private sector as the key engine of growth. In response to this strategy, the economy has improved steadily over the last four years, despite difficult and challenging circumstances, such as the global economic slowdown in 2009, which adversely affected Liberia's growth and fiscal performance.
196. Liberia's GDP growth has averaged 7.2% over the period (2005-2009), remaining well above the global and Sub-Saharan Africa regional average of 3.4 and 5.5 percent respectively over the same





period. Growth, however, fell to 4.6 percent in 2009, a decline from the previous year's high of 9.4 percent as the global financial crisis hit the economy. Real GDP in 2011 grew at 5.5 percent while the year-on-year inflation rate averaged 7.3 percent.

197. The agriculture sector continued to be the main engine of growth, with rice and cassava production contributing strongly to growth in recent years. Rubber exports, which were affected by the global recession and the necessary re-planting process that fell 50% in 2009, are showing encouraging signs of recovery and should become robust in a few years with the tapping of matured replanted trees, coupled with global recovery of key economic sectors that demand the import of natural rubber. Other major crops such as palm oil, coffee and cocoa are also expected to make a significant contribution to growth within a few years.
198. A key impact of the global financial crisis on Liberia was exchange rate depreciation, resulting principally from scarcity of US dollars caused by falling exports, a slowdown in remittances due to rising unemployment in the US and the Organisation for Economic Cooperation and Development (OECD) countries, and lack of adequate access to finance for Liberian importers. The Liberian dollar fell 9% in 2009, but has been stable since January 2010, due in part to the Central Bank's dollar auctions and the Government's fiscal actions to promote the increased use of Liberian currency in transactions.

Prevalence of Predicate Crimes

199. In Liberia, money laundering is derived mainly from corruption, tax fraud, drug trafficking, smuggling, robbery, prostitution and forgery. ML activities are conducted through the banks, cross-border cash movement, real estate, casinos and other gambling sites, and insurance companies.
200. Liberia is considered a transshipment point for Asian heroin and South American cocaine for the European and US markets. Corruption, criminal activities, arms-dealing, the overwhelming dominance of the use of the US dollar as an accepted medium of exchange, and the illegal diamond trade and timber logging along the porous borders outside the security cover of the UN Mission in Liberia provided a significant potential for money laundering and the illicit drug trade. Despite the commitment of the government to dealing with corruption, the problem remains pervasive. Liberia's rating in the Transparency International's Corruption Perception Index (CPI)

declined from 87 in 2010 to 91 in 2011. On the actual figures of predicate crimes for 2011, the authorities did not provide any statistics.

The AML/CFT Situation

201. In 2010, the Compliance Committee and Banking Reform Committee sustained the momentum of their efforts to ensure adequate recapitalization of the banks and to improve supervision and regulation of financial institutions. A National Strategy for Financial Inclusion spanning 2008–2012 was completed. The modernization of the payment system got a boost in 2009 following the introduction of SMS and internet banking in 2008. Several stakeholders' meetings were organized to promote public support for the supervisory agencies in its reform process.
202. However, the revision of the 2002 AML law was stalled in 2010 due to changes in the leadership at the Ministry of Justice caused by the removal of the Minister for Economic Affairs and his deputy. These changes brought the preparation of the legal framework to a halt as the new team is still acquainting itself with briefs submitted by the GIABA national correspondent for Liberia.
203. The Inter-Ministerial Committee in 2009 began the process of amending and upgrading the existing AML laws in Liberia to bring them to parity with international standards. During a seminar supported by GIABA to review the 2002 AML law, stakeholders reviewed the initial draft law and made recommendations. That seminar and the subsequent discussion between GIABA and relevant authorities in Liberia on the redrafting of the revised AML laws have created awareness of the need for an adequate legal framework for fighting the ML menace.

Technical Assistance

204. Liberia requires support to strengthen its investigative, prosecutorial and judicial capacities to deal with ML/TF. The rudimentary AML/CFT regime requires continued support in order to address those weaknesses identified during its mutual evaluation process. The AML/CFT supervisory framework needs to be developed.
205. Specific technical assistance needs areas identified by the authorities are: establishing and equipping the FIU, a logistics and awareness-raising workshop as well as training for legislators, regulators, law enforcement agencies, etc; and undertaking typologies study on crimes (proceeds of armed robbery, etc).

Conclusion

206. An evaluation of the AML/CFT system of Liberia was conducted in November 2010 and the report was discussed in May 2011. Liberia is one of the countries that are lagging behind in the implementation of AML/CFT measures in the region. Considering that the country is emerging from conflict, the challenges it faces are enormous. However, it is very clear that the authorities of Liberia have not given AML/CFT implementation the attention it deserves. Considering also that the economy is vulnerable to the high demand for the US dollar; is a cash-based economy; and operates within the fragile Mano River zone; criminals may find the country attractive for laundering their funds into a more valuable currency such as the US dollar. There is need for the authorities to show more interest in AML/CFT to safeguard the economy, especially its financial sector, from abuse by criminals. There is need to expedite action on the revision and redrafting of the AML law to include a wide array of predicate offences, and to provide legal backing for the establishment of an FIU in line with international standards.

Mali

Political Environment

207. Mali is one of the countries of West Africa that has enjoyed political stability over the past 20 years. Indeed, following the introduction of multiparty politics in 1991, the country adopted a draft constitution by referendum establishing political pluralism and a presidential system in January 1992. It is well known in the region as a model of democracy, where freedom of expression and human rights are respected.

208. The high points of the political developments in 2011 include the preparation for the staggered presidential and parliamentary elections to be held between 29 April and 22 July 2012. Civil society organizations, including several NGOs and trade unions are already working hard to encourage and ensure the consolidation of democracy in Mali through the holding of free and transparent elections in 2012.

209. Efforts were deployed to promote women in high decision-making bodies of the State. Since April 2011, and for the first time in history, Mrs. Cisse Mariam Kaïdama Sidibe served as Prime Minister of the Government of Mali. In the same trend towards respect for human rights and equal citizenship, the National Assembly enacted

the new Code for persons and family with amendments improving several provisions on human rights, religious marriage, divorce, natural affiliation and adoption, the minority, guardianship and emancipation and succession.

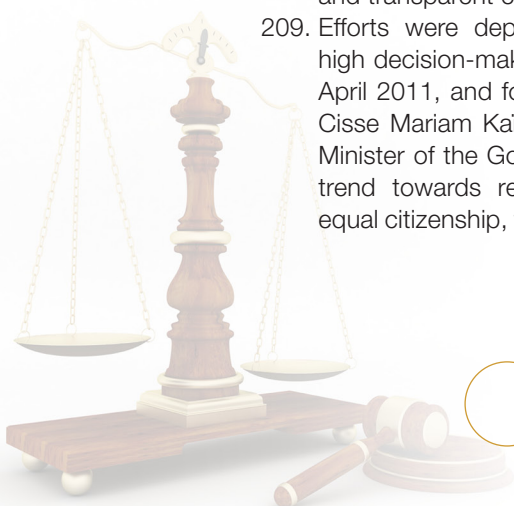
210. In relation to decentralization and the fight against insecurity in the north of Mali, the Malian government has adopted the draft law establishing the regions of Taoudeni and Menaka in the context of a program of territorial redistribution over five years. This is expected to bring the number of administrative regions from 8 to 19. Indeed, the northern region of Mali in recent years has been the scene of violence and kidnappings perpetrated by terrorist operatives linked mainly to Al Qaeda in Islamic Maghreb (AQIM) and groups of armed bandits. This violence is exacerbated by the presence in the regions of Timbuktu, Gao and Kidal of hundreds of heavily armed men coming from Libya since the fall of Colonel Muammar Gaddafi. As a result of these facts, social unrest has recently been observed, with tension flaring in old Tuareg rebel strongholds.

Economic and financial situation

211. The economic performance recorded some positive trends in 2010 despite the decrease in the secondary sector, resulting from the decline in gold production and other manufacturing industries. Indeed, the growth rate of the Malian economy stood at 5.8% in 2010 against 4.5% in 2009. While not anticipating an equal performance, the provisional ratings of the IMF and the WAEMU concerning the country's economic performance in 2011 include a growth rate greater than or equal to 5.3%. This performance is justified by consolidating the gains of the primary (6.4%) and tertiary (4.4%) sectors and the mild recovery expected in the secondary sector (5.4%). The overall deficit which was 2.6% of GDP in 2010 against 2.3% in 2009 amounted to 4.2% of GDP in 2011.

212. The rate of inflation during the first four months of 2011 showed increase over the same period in 2010 (2.6% against 1.3% in 2010 which suggests that the rate of inflation was higher in 2011 than in 2010 when it was 1.2% against 2.2% in 2009. This increase is due to increases in prices of food, housing services and transport.

213. In relation to foreign trade, exports and imports rose by 8.0% and 9.0% respectively. In total, the contribution of consumption, investment and foreign trade to GDP growth was 3.4 points, 1.7 points and 0.2 points respectively.





214. In 2011, public finance was characterized by deterioration of the main budget balances related to the relatively moderate increase in projected revenues. The total budget revenues increased by 3.1% to 16.3% of GDP. This increase resulted from the increased tax revenue by 5.9% and from lower non-tax revenues to 14.1% of GDP. Non-tax revenues fell by 17.9%. Donations increased by 24.8% in 2011 to 3.3% of GDP.
215. External transactions of Mali in 2011 resulted in a deficit of 55.0 billion, a worsening by 34.5 billion from the 2010 level. This change resulted from increase in the current account deficit, despite the improvement in the surplus on capital account and financial transactions.
216. Mali has a sustainable debt situation derived from the benefit of debt reduction initiatives. The update of the debt sustainability analysis carried out with the IMF and the World Bank has led the authorities to change the risk of debt distress from low to moderate, in the face of external shocks and the vulnerability of the debt, which increased in relation to the volatility of gold exports. Moreover, the total domestic debt has been subject to audit and a payment is being negotiated with creditors. In 2011, the outstanding public debt increased to 28.7% against 26.0% at the end of 2010 and 25.0% in 2009.
- 217 Poverty remains a major problem in Mali, with almost half of the population living below the income poverty level in 2009, despite the economic performance recorded by the country during recent years, which was better than the rest of Sub-Saharan Africa and WAEMU countries. Poverty is predominantly rural and regional inequalities remained relatively strong. Similarly, Mali continued to face exogenous constraints: weather, fluctuating prices of export and import products, and international and regional crises. Predictions still remain positive for achieving annual growth rate of per capita GDP at 3.5%. With such a growth rate of GDP capita, the goal of a 35% incidence of income poverty by 2015 could be achieved.
218. Mali has been ranked first in the WAEMU for improving its business climate, according to the Doing Business report published by the World Bank in 2011. Mali has moved up 20 rows in four years, ranking 153rd in 2011, from 166th in 2009, and 156th in 2010. This progress is justified by the reforms carried out to streamline the business environment in the field of entrepreneurship and credit access. On the index of perceived corruption

published annually by Transparency International, Mali has improved its ranking by occupying the 118th position out of 183 countries in the world rankings in 2011, against 116th of 173 countries in 2010. It became the 23rd country in Africa and the 8th in West Africa.

Prevalence of predicate offenses

219. Mali presents a particularly sensitive situation with respect to crime, generally characterized by interactions between drug trafficking, arms trafficking, terrorism (including its financing) and money laundering. Indeed, many reports on crime in Mali point to the existence of terrorist groups along with arms dealers and traffickers in cocaine destined for Europe. Despite the existence of specific legislation relating to all forms of crime, factors associated with porous borders, lack of training, poor equipment, inadequate structures and laws, and information gaps between the stakeholders remain major challenges.
220. Moreover, the FIU emphasizes in its country report the following main offences: fraud in gold buying and selling transactions and forgery of cheques. These offences prevail because of the lack of adequate banking supervision, lax enforcement of legislation and the weak capacity of the authorities concerned.

AML/CFT Situation

221. The PSPSDN and the NIP are two novel approaches that can maximize Mali's chances to eradicate the scourge of terrorism and organized crime in general. The PSPSDN is an adequate response to development issues as a factor that is part and parcel of the fight against terrorism. As for the NIP, it is a structure for building the capacity of all law enforcement structures on the one hand, and on the other for coordination to maximize the synergy between the structures, under the aegis of the Ministry of Justice.
222. The Government of Mali has made efforts to respond to these challenges. Mali has established a number of structures to build capacity in the fight against crime, including the following:
- Economic and financial crimes tribunal;
 - Office of the Auditor General;
 - National Financial Information Processing Unit –the national FIU;
 - National Commission for the Fight against small arms proliferation;
 - Inter-ministerial Anti-Terrorism Coordination Committee;

- Inter-ministerial Civil Aviation Safety Committee;
 - Inter-ministerial Coordination Committee against Drugs and the Anti-Narcotics Central Office;
 - Shared Governance Program for Peace and Security (PGSP)
 - Special Program for Peace, Security and Development in Northern Mali (PSPSDN);
 - National Integrated Program for the Fight against illicit drug trafficking and organized crime (Decree No. 09 - 675/PM-RM of 24 December 24);
 - Central Narcotics Bureau.
223. The actions taken by Mali are evidenced by the establishment of operational structures, the reform of criminal legislation and its adaptation to international standards, international cooperation and finally operations regularly conducted by the defence and security forces. It should also be noted that the creation under the President of the Republic of an Anti-terrorist cell is presently underway.
224. The establishment of these structures is accompanied by the necessary reform of the laws and their adaptation to the international, regional and sub-regional legal environment. To this effect, the Ministry of Justice has set up a Commission for the review of the texts of the criminal law extended to all departments involved in the implementation of the criminal policy.
225. All the structures in place, though «sectoral», are working in conjunction with each other whenever needed; and that is the foundation for one aspect of the Malian government's approach to the fight against terrorism.
226. Security and defence forces regularly inspect the territory, especially in the Sahel through routine patrols, joint patrols with neighbouring countries, and finally, through joint operations if necessary and on the basis of specific agreements for the purpose of an effective fight against terrorism and organized crime in general.
227. The third follow-up report submitted by Mali in November 2011 noted the entry into force of the Uniform Law No. 10-062 of 30 December 2010 against the financing of terrorism. This law defines the legal framework for the fight against terrorist financing. It complements, in particular, the provisions of Law No. 025/PRM of 23 July 2008 criminalizing acts of terrorism in Mali. As such, remarkably, it corrects several deficiencies in the national CFT mechanism as that relate to the nine Special Recommendations of FATF.
228. One immediate consequence of the adoption of this CFT law in Mali is the admission of its FIU in July 2011 as a member of the Egmont Group.

This is an indicator of its compliance with a number of the required criteria, including skills, independence, operational capability, resources and security. The FIU also reported having received for the January – September 2011 period, 21 STRs related to money laundering, of which 20 were investigated and 5 prosecuted. It also reported three cooperation agreements to be signed with foreign FIUs.

Technical assistance

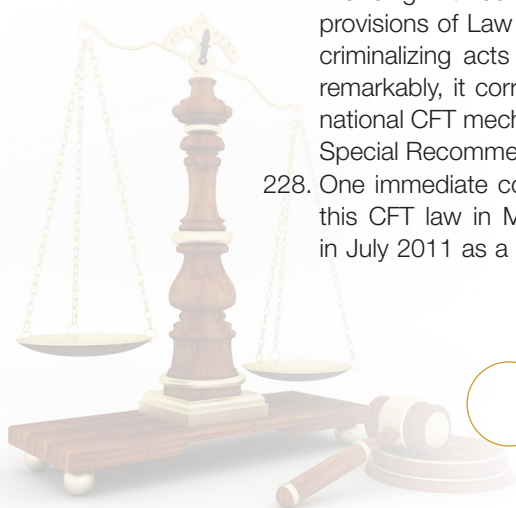
229. The technical assistance needs of Mali are listed below:

- Training of analysts, prosecutors and investigators;
- Review of AML laws;
- Assistance for the establishment of an appropriate mechanism to freeze assets;
- Assistance for the establishment of an appropriate mechanism for detecting terrorist assets;
- Assistance for strengthening border control;
- Technical assistance for research and typology on AML/CFT and related offences.

Conclusion

230. The analysis of compliance with FATF recommendations, made in the last follow-up report submitted by Mali revealed shortcomings attributable to the Uniform Law No. 10-062 against the financing of terrorism. However, it was noted that Mali was making important progress to in improving its AML/CFT mechanism, as illustrated by the admission of its FIU to the Egmont Group. The country was encouraged to continue its efforts, such as ensuring the effectiveness of implementing provisions of the AML/CF laws. From this perspective, it would be particularly interesting to see, in the follow up report to be submitted by Mali in November 2012, improved performance in the following aspects: awareness and training of national actors, cooperation and coordination of national AML/FT activities, organizing and management of statistics, implementation of the UNSecurity Council's Resolutions 1267 and 1373, and development of mechanisms for freezing assets.

231. In addition to its participation in all the major meetings where issues of terrorism and its financing are discussed, the Government of Mali is currently engaged in institutional reforms, which include judicial and security reforms, underpinned by a regional vision that largely takes into account the challenges related to insecurity in the Sahel. As an illustration, the Ministry of Justice is currently working on a bill to create a specialized court



against large-scale crime, and on coordinating, through Integrated National Program, the collection of criminal data and on the facilitation of information exchange between investigators and judges.

Niger

Political Environment

232. Niger experienced single-party rule until the end of 1990, when multiparty politics was introduced. A new Constitution was adopted in July 1999, establishing the semi-presidential system in which the president is elected by universal suffrage for a term of five years (renewable once). He appoints the head of government with whom he shares the executive power. The new Supreme Council for the Restoration of Democracy (CSRD) was set up following the coup that overthrew the regime of President Mamadou Tandja on 18 February 2010. After free and fair elections recognized by the international community in March and April 2011, Mr. Mahamadou Issoufou was elected and sworn in as the new President of the Republic on 7 April 2011.

Economic and financial situation

233. Niger is one of the poorest countries in the world with a GDP/capita of US\$364 in 2010 and an HDI of 0.295, which puts it at the 184th place out of 185 countries in 2011. It has a poverty rate of 62.1% (65.7% in rural areas) marked by high female poverty (women are ¾ of the poor) resulting from gender inequality in access to inputs and knowledge. Poverty exacerbated due to chronic food shortages in 2011 mostly related to natural disasters. The main MDG indicators are very low: 19.8% of children die before the age of five; the rate of access to safe drinking water is 68.7%; the net school enrolment rate in primary education is 43% and only 28.7% of the adult population is literate. Life expectancy at birth was 54.8 years for women and 52.9 years for men in 2010.

234. The most important natural resources of Niger are gold, iron, coal, uranium and oil. In 2010, the economy recorded a growth rate of real GDP of 8.0% against -0.9% in 2009, as a result of the performance observed in the agricultural and mining sectors. This acceleration occurred against a backdrop of sluggish prices. The average annual inflation rate stood at 0.9% as against 4.3% in 2009. Economic activity recovered from the drought of 2009 and the effects of the military coup of February 2010. Despite the fallout of the Libyan crisis, the growing GDP reached nearly 4% in 2011.

235. As regards public finances, the situation is characterized by an improvement in fiscal deficits, mainly due to higher revenues and lower capital spending. For 2011, it was anticipated to stand at -1.7% of GDP.

236. The economy grew by 17.1% in the primary sector, against a fall of 8.4% in 2009. During the same period, activities related to forestry and fishing grew respectively by 3.3% and 19.4%. However, livestock was strongly affected by lack of fodder and the food crisis, leading to a 4.6% decrease.

237. Growth stood at 6.9% against 5.5% in 2009 in the secondary sector, driven mainly by mining, which grew by 18.3% as result of increased production of the mining company, SOMAIR. Similarly, energy production has improved with a growth rate of 6.5%. Conversely, the construction industry experienced a slowdown in its growth with a rate of 5.5% against 6.1% in 2009 due to the decline in public investment expenditure.

238. For 2011, the rate of economic growth fell to 5.5% mainly due to a slowdown in agricultural and mining production, following the good performance in these areas in 2010. Primary production went up by 5.8% due to an increase of 6.8% in agriculture. At the same time, livestock, forestry and fisheries increased by 4.3%, 3.6% and 3.2% respectively.

239. In the secondary sector, growth was 4.7%, driven mainly by the construction industry, and expected to grow by 5.2%, benefitting from the continuation of major public infrastructure projects. Manufacturing firms also experienced a boost in activity with an increase of 4.5%. Regarding mining, a growth rate of 4.4% was registered.

240. The services sector showed a growth rate of 5.4% mainly due to trade and transport. Post and telecommunications services showed an increase of 6.0%. Similarly, the financial activities industry grew 5.2%. Ultimately, the contributions to GDP growth from the primary, secondary and tertiary sectors were 2.7%, 0.5 and 2.3 points respectively in 2011.

241. Regarding prices, the average annual inflation rate stood at 0.9% in 2010 against 4.3% in 2009. This trend is particularly justified by the effective implementation of the plan of supporting vulnerable populations during food shortages and the effects of good harvest in 2010/2011.

Prevalence of Predicate Crimes

242. Insecurity in Niger remains intricately linked to trafficking and smuggling of all kinds: cigarettes, drugs transiting from Latin America to Europe,

- illegal migration. It is also probably linked to the existence of mineral resources in the country. This insecurity threatens the fragile state, a strategic cross-road between north and south of the continent, rich in mineral and energy resources. Today, by their contagion, local and regional threats are quickly becoming risks of an international dimension. The end of the Libyan crisis, the post-war recovery of the Ivory Coast, and the overthrow of dictators in the region following the Arab Spring justify expectations of more stability in the Sahel. However, the menace of pro-Gaddafi mercenaries returning to their home base in Niger, having received money (in cash) and heavy weapons is a serious security challenge. For Niger, the return of mercenaries is an additional challenge for the military, given their very limited resources and limited ability to deploy through the inhospitable Sahel terrain.
243. Niger had a score of 2.5 out of 10 in 2011, and it is ranked 134th of 183 countries assessed by the Transparency International's Corruption Perception Index.

AML/CFT Situation

244. Niger's mutual evaluation report was adopted in May 2009 and its first follow-up report submitted in December 2010. This report essentially indicated only two areas of progress since the adoption of the MER in 2009: the entry into force of the Uniform Law No. 2010-05 of 21 January, on the fight against terrorist financing, and the Decree 2010-541/PCSRD/MEF of 8 July 2010, on the creation of the Inter-ministerial Committee to coordinate the fight against ML/TF.
245. The creation of the Inter-ministerial Committee for Coordination aims to strengthen the cooperation framework, but the Committee was still not operational because of lack of human resources (no member has been appointed) and finance (there is no budget for its activities).
246. The analysis of the Niger's second Follow-Up Report submitted in November 2011 shows no progress on the implementation of the MER recommendation. The statistics provided by the

FIU indicated that it has not engaged in training or education for two years, and only one STR was received in 2011 (bringing to eight the number received by the FIU since 2005), and no explanation is given for this result.

247. Niger set up a High Authority against Corruption and Related Offences in July 2011. The High Authority's mission is to «centralize and process denouncements and information on facts or acts of corruption.» Previously, the Ministry of Justice had created an email address and a hotline to allow the public to «denounce all acts of corruption,» especially in the judiciary. Members of the High Authority were sworn in October 21, 2011.

Technical assistance

248. Given the low performance level recorded, it remains imperative for Niger to have, in the shortest possible time, a national AML/CFT strategy. Massive actions on awareness-raising and training on behalf of the declaring entities should be conducted by the responsible bodies (including the FIUs), as well as advocacy directed towards the political authorities of the country. It would also be highly desirable to strengthen the financial resources of the bodies in charge of AML/CFT issues, including the FIU.

Conclusion

249. Except for the adoption of the CFT law, the analysis of the first and second follow-up reports reveals a worrying AML/CFT situation in Niger. It depicts a paralysis of the national mechanism, sharply evidenced by the precarious state of operation of the FIU. Similarly, no action is specified in relation to the effectiveness and efficiency of the implementation of AML/CFT laws. Consequently, Niger is now subject to enhanced follow-up, in accordance with GIABA's mutual evaluation processes and procedures. Therefore, the country will submit its next follow-up report to the GIABA Plenary/ Technical Commission meeting of May 2012, to report on progress regarding the implementation of the recommendations in the MER.



Table 4: Summary of STRs received by the FIU since its creation in 2005

Year	2005	2006	2007	2008	2009	2010	2011
Number of STRs	0	1	1	3	0	2	1
Total received: 8							

Table 5: Summary of Training/sensitization workshops held

Training/sensitization workshops held							
Year	2005	2006	2007	2008	2009	2010	2011
Number	0	5	1	1	1	0	0

Number of declaring entities trained/sensitized							
Year	2005	2006	2007	2008	2009	2010	2011
Number	Banks - Fls	-CENTIF - Banks - Fls -Barristers -Baillifs -Notary P -Police Gendarmerie -Judges -Customs	- Banks -Fls -MFI -Insurance	- CENTIF	- Banks - Fls	None	None

Fls : Financial Institutions; MFI: Microfinance Institution

Nigeria
Political Environment

250. A Federation composed of 36 States and a Federal Capital Territory (Abuja), Nigeria is the dominant power in West Africa and the main regional driver of the ECOWAS integration process. In spite of its regional dominance, however, the country’s internal political history has been characterized by instability. Although democratic rule was experimented in the first few years of independence from Britain and from 1979 to 1983, the country has been governed by military dictators for nearly 31 out of its 51 years of self-rule. The central challenge of political governance has been how to forge a unifying national identity among a vastly diverse population who need to benefit equitably from the country’s wealth of resources. The failure to effectively overcome this challenge led to several successful and attempted military overthrow of regimes, most of which were violent. It has also generated violent and recurrent, inter-ethnic, religious and communal conflicts in nearly all parts of the country, some of which escalated into protracted insurgency. The Biafra Civil War of 1967 – 1970 was the highest point of

violent conflict, but other lower-intensity conflicts such, as the Niger Delta insurgency, the Jos conflict, the Boko Haram extremist uprising, and rampant electoral violence are yet to be resolved completely.

251. Military dictatorship ended, with the successful transition to democratic governance in 1999. Yet, the country has continued to witness virulent internal political crises. The issues of power-sharing, rotation of political offices among the various zones and groups, change of leadership, the control of central government, and the credibility of elections have been a source of political violence at every election cycle since 1999. These issues generated divisive political mobilization in the immediate period leading up to the last general elections of April 2011. While the election was widely adjudged as free and fair, the controversies generated by its outcomes precipitated spontaneous violent reactions in the northern states of the Federation. As a result of this, democratic consolidation and governance reforms have proceeded only very cautiously, while the country’s leaders have struggled to avoid a collapse of the state.

Economic and Financial Situation

252. Nigeria is dependent on petroleum oil as its main source of revenue, making it the highest income earner in West Africa. While oil revenues constitute more than 80% of GDP, non-oil sectors that have made significant contributions to economic growth include telecommunications, general commerce, manufacturing, agriculture and services. Propelled by high oil prices throughout 2011, the Nigerian economy has sustained the impressive growth recorded since 2010. This is a reflection of the regional trend in West Africa, where most countries have registered relatively high growth rates over the last decade apart from the period 2008 – 2009 (resulting from the global economic recession). Although a low-income country, Nigeria has set a vision to be one of the 20 largest economies in the world by the year 2020. According to the 2011 report of the Africa Economic Outlook, Nigeria is making progress with economic reforms that are delivering strong economic fundamentals.

253. In pursuit of Vision 2020, the Federal Government is implementing a number of reforms aimed at strengthening financial institutions and transforming the economy structurally. The reform effort, aided by revenue from high oil prices, has led to significantly improved macroeconomic outcomes, including strong GDP growth. The robust growth in 2010, in the aftermath of the global financial and economic crisis, underscored the resilience of the Nigerian economy and, to some extent, the prudence of its economic policies.

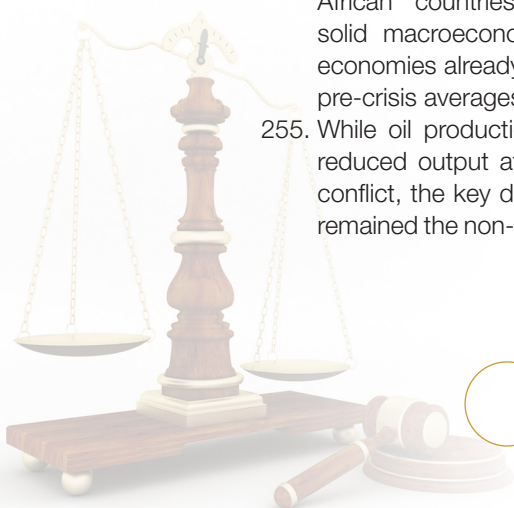
254. The year 2011 witnessed an uncertain and precarious global economic recovery, in which most of the industrialized economies of advanced countries posted very slow or even negative growth. Critical developments in the year that introduced shocks to the global economy included the earthquake and tsunami in Japan, and the lingering debt crisis in the United States and the Euro zone. However, the global economic uncertainties seem not have had any significant impact on the Nigerian economy which registered robust growth. According to the IMF 2011 World Economic Outlook, Sub-Saharan African countries, including Nigeria, showed solid macroeconomic performance, with many economies already growing at rates close to their pre-crisis averages.

255. While oil production began to recover from the reduced output at the height of the Niger Delta conflict, the key driver of the robust GDP growth remained the non-oil sector, including telecommu-

nications, wholesale/retail trade, construction and real estate. The non-oil real GDP grew at 8.3% in the year under review³⁴. Higher oil prices also helped in drastically shrinking the fiscal deficit from 7.7% of GDP in 2010 to 0.2% in 2011. Aid as a proportion of GDP was as low as 0.4%, just as GDP per capita in Purchasing Power Parity was US\$1,127.53. The year 2011 also saw sweeping reforms in the banking sector, including acquisitions, mergers and regulatory reform. The reforms have restored confidence in the sector as most banks posted growing profits and showed signs of robust growth in 2012, indicating an increasingly healthy banking system. Inflation decreased slightly from 11.7% in 2010 to 10.3% in December 2011, in response to the Central Bank of Nigeria (CBN)'s monetary tightening policies to keep the rate below the target of less than 10%. However, there are fears that the recent upward revision of the electricity tariff, coupled with the Government's current plan to borrow more and deregulate the price of petroleum is likely to generate inflationary pressures. Other important fiscal reforms embarked upon by the authorities include improved prioritisation of public expenditure, oil subsidy reform, and improved tax administration. It is hoped that projected savings from these reforms will provide the needed resources to finance social programmes and critical infrastructure.

256. Yet, In spite of these impressive macro-economic indices and the reforms above, real human development remains a central challenge for the country. With a position of 156 out of 187 countries on the UNDP 2011 Human Development Index, Nigeria faces the challenge of using its enormous resources to the advantage of its citizens and translating its macro-economic performance into real social progress for its population. The high degree of social inequality in the country indicated uneven distribution of national wealth and a condition in which the vast majority of the population live below the poverty line. This situation compelled the latest IMF recommendation for the country to evolve policies that will safeguard macro-economic stability, diversify the economy, and make growth more inclusive³⁵. Breaking the poverty trap and lifting this huge segment of the population above the poverty line have met with stiff challenges in the area of governance.

257. Nigeria occupied a low position of 41 out of 53 countries, with a score of 41% on the 2011 Mo Ibrahim Index of African Governance. Slow progress in combating endemic public sector corruption has meant that the impressive year-on-year macro-economic gains are drained away into





the private wealth of a few, without making visible impacts on the social conditions of the general population. With a point of 2.4 on Transparency International's corruption perception index for 2011, Nigeria ranks 143 out of 183 countries assessed. Apart from eroding the opportunity for human development, public sector corruption has become a most prevalent predicate crime for the offence of money laundering in the country. This in turn generates further development predicaments as most of the proceeds of corruption are laundered abroad through a process that involves considerable capital flight. According to the UN Economic Commission for Africa (2011), Nigeria is by far the largest exporter of illicit capital from Africa to the advanced world. In addition to corruption, other predicate offences that have continued to undermine social development in the country are discussed below.

Prevalence of Predicate Crimes

258. During GIABA's 16th Technical Commission/ Plenary Meeting in November 2011, Nigeria reported the following offences as the main sources of ML during the year: corruption, tax fraud, narcotics trafficking and capital market related crimes. Corruption is particularly acute in Nigeria at the public service/elected officials' level. Drug trafficking and financial crimes are prevalent and, regardless of the efforts being made by the authorities, these crimes still generate enormous illicit funds mainly due to corruption by some public officials and lack of enabling environment for the officials to do their work professionally. The frauds uncovered in the banking sector reform recently clearly shows that massive corruption is also in the private sector, which is an indication of poor supervision and enforcement of the relevant laws and governance frameworks.
259. In 2011, the National Drug Law Enforcement Agency seized 195,283.917 kgs of various types of illicit drugs, mostly cannabis. However, the

amount of cocaine seizure is hugely significant with regard to its market value. Using the US street value in the 2011 UN World Drug Report put at US\$2.4/gram, the drug could have fetched over US\$9, 000, 0000, an amount equivalent to over 140 million Nigerian Naira. Cannabis is also generation an enormous amount of illicit proceeds. The money laundering prosecution results do not match the efforts of the country in terms of arrests, seizure and cases won. More need to be done in the area of money laundering prosecution especially with regard to cannabis production and trafficking in the country.

260. The frequency and ferocity of violent attacks by the extreme Boko Haram sect rose sharply in the north-eastern states of Nigeria during the second half of the year 2011, peaking in the deadly suicide bomb attacks on a Christmas service in a crowded church in the suburb of the capital city, Abuja. The chain of violent suicide attacks raised deep anxiety about the increasing entrenchment of terrorism and the thriving of terrorist financing in the country.

AML and CFT Situation

261. The Mutual Evaluation Report on Nigeria indicated that the country has recognized the increasing menace of money laundering and is making efforts to confront the problem. The report shows that ML in Nigeria is being perpetrated by criminals mostly through cross-border movement of cash, the real estate sector, banks, DNFBPs and investment in securities. Important counter-measures that Nigeria has undertaken include: the development of a National AML/CFT Strategy and Action Plan 2011-2015; passage of the ML Prohibition Act (MLPA) 2011; AML/CFT compliance examination/ inspection; registration of DNFI; gazetting of AML/CFT guidelines for the Security Exchange

Table 6: NDLEA Statiticts for 2011 on drug seizures, arrests and prosecution

Drug	Seizure (kgs)	Arrests		Prosecution		
		Males	Females	Won	Lost	Pending*
Cannabis	191,847.91 (98.24%)	8,072 (93.44%)	567 (6.56%)	1,491 (67.71%)	10 (0.45%)	701 (31.83%)
Cocaine	410.805 (0.21%)					
Heroin	39.752 (0.02%)					
Psychotropic substances	2,985.45 (1.53%)					
Totals	195,283.917	8,639				1,501

*As at End of December



Commission (SEC) and the National Insurance Commission (NAICOM); development of AML/CFT risk-based supervision framework; upgrading of the GO-AML application software; and the initiation of Currency and Monetary Instrument Reports (CMIRs).

262. Furthermore, in 2011, 8,725,213 Currency Transaction Reports (CTRs) and 2,031 Suspicious Transaction Reports (STRs) were generated, while 83 confirmed cases of ML were disseminated to law enforcement agencies. In addition, the Nigeria Financial Intelligence Unit (NFIU) signed MOUs with two counter-part FIUs (Moldova and Barbados) in 2011, reaching a total of 21 MOUs with FIUs from other jurisdictions. Furthermore, 32 requests for collaboration were made to the NFIU by counterpart FIUs, while the NFIU made 23 requests to other jurisdictions. Nigeria plans to undertake the following joint AML training for stakeholders: a working visit of Bank of Ghana to CBN AML/CFT office; and a national AML/CFT risk assessment workshop

263. In spite of these efforts, the Nigerian AML regime was still faced with key challenges in 2011. Some of the regulators, the law enforcement agencies and the judiciary are yet to develop enough capacity to combat ML effectively; appropriate ICT infrastructure is still lacking; the Non-Conviction Based Asset Forfeiture bill is still pending in the National Assembly, reflecting a serious legal gap; the funding of the National Advisory Council is still a challenge; and there is still uncertainty with the permanent accommodation of the Special Control Unit Against Money Laundering (SCUML) of the Ministry of Commerce and Industry³⁶. Apart from the ongoing prosecution of three former State Governors and the conviction of an American businessman, the few CTRs and STRs did not lead to any serious investigations or reported cases of ML. . The lack of serious ML prosecution and conviction in the context of growing predicate offences ultimately demonstrates the weakness of the AML regime. In particular, the MLPA 2011, as noted by the Regional Review Group (RRG), does not include fraud among the list of predicate offences for ML.

264. In response, Nigeria has demonstrated political commitment to addressing its CFT regime deficiencies by passing the Prevention of Terrorism Act (PTA) 2011. In addition, the country has issued regulations governing the freezing and confiscation of terrorist funds and

is currently receiving an IMF technical assistance on the application of the risk-based approach to AML/CFT. Also in the year, the country formally adopted guidelines for the implementation of UNSC Resolutions 1267 and 1373. In addition, the authorities have been able to make key arrests towards the later part of the year in relation to the funding of Boko Haram operations. While one conviction has been secured, the trial of a prominent suspected financier was initiated in late 2011 and the trial is on-going.

265. While these efforts are commendable, the CFT regime still has some serious deficiencies that need to be addressed. In particular, FATF's Public Statement of October 2011 noted that Nigeria's CFT regime is still inadequate with regard to the implementation of procedures for identifying and freezing terrorist assets (Special Recommendation III), among others. In response to the unimpeded escalation of terrorist attacks by Boko Haram, the Nation Assembly publicly admitted, towards the end of the year, the deficiency of the Prevention of Terrorism Act (PTA) 2011 and the need to review the law for amendment.

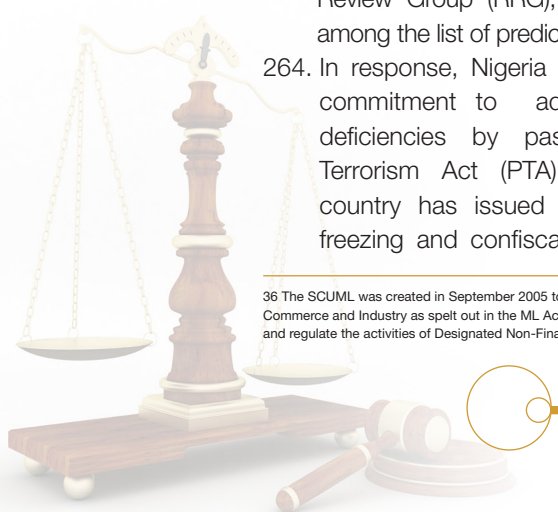
Technical Assistance

266. Training on investigative techniques of asset tracing, seizure, forfeiture and prosecution; equipping of law enforcement agencies, regulators, prosecutors and court judges with the requisite knowledge/expertise; provision of ICT infrastructure for law enforcement agencies, supervisory tools procedure for offsite AML/CFT supervision; training on advanced analytical skills and risk-based compliance examination; and capacity-building on investigation as well as strategic and tactical analysis/prosecution of ML/TF cases.

Conclusion

267. The 3rd follow-up report to Nigeria's 2008 Mutual Evaluation Report was submitted to Plenray in May 2011. The follow-up report showed that the country made commendable progress in 2011 with addressing the major deficiencies identified in the Mutual Evaluation Report and the resulting recommendations. Key areas where this progress has been made include the passage of the relevant AML/CFT legislations; generation of CTRs and STRs; initiation of the CMIRs; development of the AML/CFT national strategy and action plan; and the gazetting of the of guidelines for the SEC and NAICOM. The arrest in late 2011 and consequent

36 The SCUML was created in September 2005 to implement the statutory role of the Ministry of Commerce and Industry as spelt out in the ML Act. Its specific mandate is to monitor, supervise and regulate the activities of Designated Non-Financial Institutions (DNFIs).





trial in respect of terrorist financing is also a critical achievement and commendable. Also noteworthy, is the conviction of an American businessman of ML in December 2011.

268. However, there are still gaps in the AML/CFT regimes that require priority attention. While arrests and prosecutions for ML offences have been increasing, they have not led to commensurate increase in conviction and deterring punishment. This has been due largely to weak prosecution and trial of ML cases through a judicial system with ineffectual AML capacity. The AML capacity of prosecutors and judges, therefore, needs to be strengthened as a priority. In addition, the National Assembly needs to expedite action on the proposed review of the Prevention of Terrorism Act of 2011 and strengthen international cooperation on CFT. These actions are becoming ever more urgent with the growing intensity of terrorist attacks in the country. Nigeria also needs to address the deficiency in the implementation of procedures for identifying and freezing terrorist assets as observed in the FATF Public Statement of October 2011.

Senegal

Political Environment

269. Senegal is renowned for political stability and social peace. Nevertheless, there have been some sporadic and limited upheavals in the southern region with loss of human lives within the rank and file of the army, as well as within the separatist Casamance Democratic Forces Movement (MFDC). The southern region has become an area of insecurity for all persons going through to neighbouring countries or heading for the large intercommunity commercial centres. In this administrative region, people are subjected to hold-ups by armed groups, or sometimes fall victims to buried anti-personnel mines.
270. This situation continues to hamper the pursuit of economic activities and hinder the development of the region, in spite of the huge investments made by the State and its development partners.
271. In mid-December 2011, officials from the political wing of the MFDC convened in Ziguinchor to review the general status of the movement and mooted the idea of transforming it into a political party, after 30 years of continued armed conflict. However, this option is still to be endorsed by the wider movement which expanded its military operations and attacks towards the end of the year.
272. Senegal is preparing for presidential elections with

the first round scheduled for 26 February 2012. Ahead of this electoral event, the political climate is one of turmoil. The validity of the candidacy of the incumbent President has been the subject of widespread polemics arising from conflicting interpretations of the 2007 constitution in force, by both the ruling party and the opposition. The civil society is actively participating in this national event through appeals to popular movements and the presidential contestants.

273. During the pre-electoral period, it is important to underscore the crucial issue of transparency in the financing of political parties' campaigns which have still not been governed by any law or regulation in Senegal. This background creates a favourable situation for resort to some opaque financing that could stem from corruption, embezzlement of public funds, or economic and financial crimes.

Economic and Financial Situation

274. In 2011, the Senegalese economy showed the same trends as the previous year, marked by gradual economic recovery in the aftermath of the 2008 global financial and economic crisis. After recording a real GDP growth rate of about 2.2% in 2009, the economy regained a 4.1% growth rate in 2010 before regressing slightly to a real GDP growth rate of 4%, even though optimistic projections had set a 4.5% growth rate for the year under review³⁷. According to the economic and financial report published by the Ministry of the Economy and Finance (DPEE), this sluggish growth did not impact negatively on the dynamism of the economy, which was propelled by both public and private investments as well as external demand. The latter sustained extractive industrial activity which improved by 16.4% as against 5% in 2010, generated by phosphate production (26.7%), among others.
275. This economic dynamism was also attributable to the improvement in the building material sub-sector led by cement production (16.6%), and finally in the cotton-processing sub-sector and textile manufacture (11.5%). On the whole, the economic growth recorded mainly concerned the primary and secondary sectors with growth rates of 4.5% and 5% respectively. The tertiary sector improved by a mere 3.8%, almost as much as in 2010.
276. When compared to 2010, this stagnation was attributable to the difficult world economic context, characterized by uncertainties due to shocks in the international markets as well as the debt crisis in the US and the EU zone. Tension

37 Department of Forecasting and Economic Studies: Economic and Financial Report, September 2011.
38 National Agency for Statistics and Demography

- in the international markets induced inflation, particularly with regard to food stuff and energy products. In effect, according to the bulletin of the National Agency for Statistics and Demography³⁹, the harmonized consumer price index (HCPI) rose by 3.9% over the period January – September 2011, triggered by an increase in the cost of items such as food stuff (8.8%), transport (4.5%) and energy products (3%).
277. On the domestic front, it should be pointed out that the intermittent power cuts contributed greatly to the slowdown in economic activity, particularly for Small- and Medium-scale Enterprises (SMEs) and the informal sector, all of which play a crucial role in national wealth creation.
278. The repercussions on the social front were immediately noticeable. The populace, upset by this situation, expressed themselves in strikes over the lack of electricity supply, which created some tension in Dakar and the hinterland.
279. With regard to public finance, the DPEE report mentions an increase of 17.6% in total expenditure and net lending, as a result of the investment expenditure made to revamp the energy sub-sector, as well as other current expenditure items. This, however, worsened the public deficit. In effect, the overall balance was expected to stand at almost -6.9% of GDP in 2011 as against -5.2% of GDP in 2010, even though the country embarked on containing it to the tune of -6.2 percent of GDP; this was clearly stated in the letter of intent (2 December 2011) that accompanied the memorandum addressed to the IMF, as part of the Economic Policy Support Instrument for Senegal which ended the second review.
280. The monetary situation in 2011 revealed an expansion of 14.5% in domestic credit when compared to the previous year. This expansion resulted from an increase in the State's net commitment to the banking system of 133.5 billion CFA Francs, and an increase of 136.2 billion CFA Francs in the credit to the economy. The latter was mainly dominated by short term credits which accounted for 52.3%. On the whole, the Government's net position in 2011 worsened by 132.5 billion to 331.7 billion CFA Francs as against 200.3 billion CFA Francs in 2010, as a result of the banks' subscriptions during the issuance of public securities by the National Treasury. The country continued to enjoy the confidence of private investors, which facilitated its self-financing on the regional and international market as evidenced by the US\$ 500 million raised on the London market³⁹.
281. Senegal is classified 155th out of 187 countries with an HDI of 0.459. Based on this index which fairly correctly assesses the living standard of the populace using three parameters namely; health, education and revenue, the country has been recording upward trends from 1980 – 2011 by moving from the lower group's HDI to that of the prospective middle income group in Sub-Saharan Africa. However, the report mentions that 44.4% of the people are living in abject poverty.
282. The comparison using purchasing power parity based on the GNI/per capita (PPP \$ constant, 2005) stood at US\$1708 for Senegal which recorded the third best performance in the region after Cape Verde and Nigeria. The GINI income concentration index posted 39.2, revealing on average an unequal distribution of the nation's wealth.
283. The level of perception of corruption posted a score of 2.9, ranking 112th out of 180 countries covered⁴⁰. This awful score in the level of perception of corruption may have resulted, among other things, from the unilateral decision of the Senegalese Government to review the public procurement code that was mutually agreed on with the social partners; multiple scandals in the management of state enterprises discovered by the Auditor General's Department; and inefficiency of law enforcement on economic and financial crimes which finally reinforced the perception of impunity.

Prevalence of Predicate Crimes

284. The UN Office against Drugs and Crime (UNODC) estimates that about 40 tonnes of cocaine from Latin America are being transported every year to Europe via West Africa⁴¹. Senegal, by virtue of its geographical position and level of development of its sea port and airport infrastructure, constitutes an attractive point for the trafficking of these drugs. Added to this is the porosity of its borders which facilitates the entry of drugs coming from neighbouring countries, such as Guinea-Bissau, Guinea and The Gambia – countries that are extremely vulnerable due to the lack of resources to effectively combat the scourge.
285. Senegal is a major transit point for drugs such as cocaine and heroin, in addition to the sizeable cultivation and smuggling of cannabis in and out of the country. In 2006 an exceptional seizure of more than 8 tonnes of hashish were made at the Port of Dakar, coming from Asia and bound for Europe. The location of Senegal, its travel and communication networks as well as as

39 <http://www.rating-africa.org/index.php/fr/wara-news/dernieres-actualites-de-wara/112-eclairage> (29 May 2011)

40 Transparency International, CPI 2011

41 INCSR Report 2011





its dependence on tourism have all facilitated the exploitation of the country by local and international criminal organizations. A growing trend that requires close attention is the explosive real estate development, especially in Dakar and the tourist attraction areas, which is not compatible with the difficult economic realities of the country. The table 7 below shows the type and volume of drug transshipment through Senegal from 2006 to 2010, based on the amount of seizures.

286. Going by the analysis of the Central Office responsible for the control of drug trafficking, in 2010 a significant increase in seizures of marijuana was recorded compared to 2009. Successes have been recorded against some of the networks led by nationals from the region. These networks use the railway, long-haul vehicles and tractors to transport large quantities of cannabis to Senegal.
287. While the flow of marijuana from south of the

country has registered a marked decline in Dakar and in several regions, the variety called 'niakoye' still gets to Ziguinchor and Thies. As this variety is said to have a low psychoactive ingredient, it is increasingly neglected by drug addicts in favour of other varieties coming from countries of the region. The graph 1 below shows the trend in drug transshipment between 2006 and 2010.

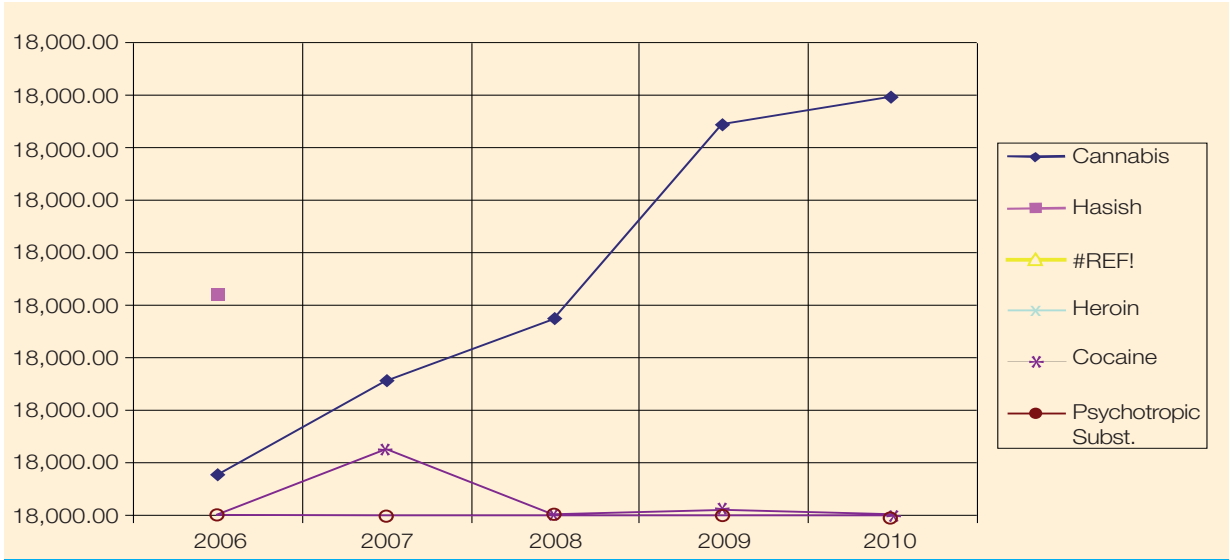
288. Looking at the statistics of arrests below, it must be concluded that marijuana is by far the most common drug trafficked throughout the country. The number of traffickers arrested per year is increasing. Indeed, the number of those arrested for trafficking the drug, since 2006, has been over one thousand. The table 8 below shows the official record of users and traffickers of the different drugs prevalent in the country. The CRF has prosecuted a number of cases through the

Table 7: National Statistics of drug seizures from 2006 to 2010 (amounts in kgs)

Drug	2006	2007	2008	2009	2010	Totals
Cannabis	1,585.00	5,138.82	7,477.00	14,907.37	15,860.89	44,969.07
Hashish	8,395.00		0.43	0.15	0.02	8,395.59
Heroin	0.17	0.68	0.22	0.03	0.07	1.16
Cocaine	27.70	2,507.34	72.03	172.04	44.07	2,823.18
Psychotropic Substances	43.23	1.60	0.18	0.16	0.15	45.31
Totals	10,051.10	7,648.44	7,549.85	15,079.74	15,905.19	56,234.32

Source: Central Office for the control of Illicit Narcotics (OCRTIS / Senegal) (Police and Customs data)

Graph 1: National Statistics of drug seizures from 2006 to 2010 (amounts in kgs)



42 Senegal's FIU (CENTIF) 2010 Progress Report

courts of relevant jurisdiction, some with the support of the FIU. As at December 31, 2011, the cases of indictment handed down by the judge for investigation were 74. Subsequent investigations led to six (6) measures, including: freezing of funds or other property; detention of sixteen (16) individuals; subjection of eight (8) individuals to control court; and issue of twenty-seven (27) arrest warrants. Some of the results are presented in table 8 below.

289. Furthermore, the findings of the investigations

conducted by the FIU in 2010, revealed the following prevalent crimes⁴² :

- Use of falsified documents; (38%);
- Corruption and embezzlement of public funds (31%);
- Trickery (23%); and
- Abuse of social assets (8%).

290. According to the CENTIF, total funds declared amounted to 1119.13 billion CFA Francs representing 17.6% of GDP, which is more than alarming if we consider the size of the Senegalese economy.

Table 8: National Statistics of Arrests 2006 - 2010

	Indian hemp		Heroin		Cocaine		Hashish		Hashish Oil		Psychotropic Substances	
	Traffickers	Users	Traffickers	Users	Traffickers	Users	Traffickers	Users	Traffickers	Users	Traffickers	Users
2006	1538	1452	07	11	33	07	06	—	—	—	07	—
2007	1626	1529	03	07	29	12	03	01	—	—	14	27
2008	1306	2088	13	10	53	13	03	06	—	—	03	08
2009	1542	2998	04	—	74	09	07	03	—	—	09	06
2010	1684	3301	02	02	30	07	—	03	—	—	03	—

Source: Central Office for the Repression of Illicit Narcotics (OCRTIS / Senegal) (Police/ Gendarmerie/Customs data)

AML/CFT Situation

291. Senegal created the National Commission to fight against Corruption and Extortion (CNLCC) by Law No. 2003-35 of 24 November 2003, under the United Nations Convention against Corruption (UNCAC). The law was signed on December 9, 2003 and was ratified on 16 November 2005. The CNLCC is led by ten (10) appointed members, including a president. Apart from the president, members are drawn with equal representation from the government (3 members) civil society (3 members) and the private sector (3 members). The term of service is three (3) years non-renewable. In Senegal, the Anti-Corruption Commission transmits to the President of the Republic, a report on the conclusion of its investigations. The President has the sole discretion to authorise the prosecution of indictments contained in the

report. Of course, this mechanism does not conform to international norms and standards and compromises the autonomy, transparency and effectiveness of the commission.

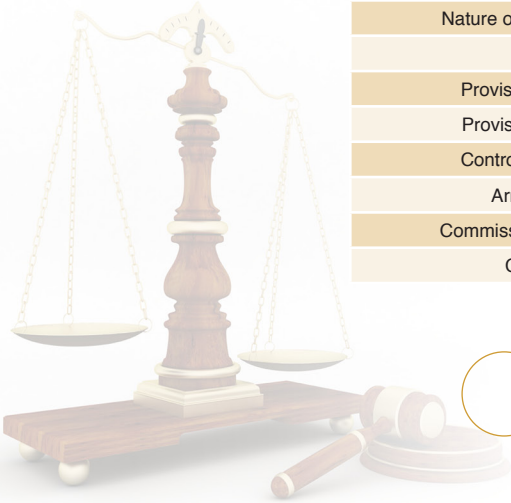
292. Realizing the weakness of the powers of the institution, officials of the Commission have initiated major reforms regarding its status and functioning. The proposed changes include enhancing: (i) the Commission's power to appeal directly to the courts, (ii) the power to freeze assets during investigations, and (iii) the ability to make public the report of the Commission.

293. In addition to its membership of the Egmont Group, the CENTIF, to date, has on record 15 partnership agreements signed with its counterparts throughout the world to expand and speed up its investigations. It has signed a

Table 9: Outcome of investigation and prosecution (2011 data)

Nature of the investigation	Number of investigations	Observation
Charge	74	The 27 concluded cases were concluded as follows: • 1 - dismissed based on incompetence of the judge; • 15 - dismissal; • 10 - convictions; • 01 - release
Provisional Measures	06 *	
Provisional Detention	16	
Controlled the judicial	08	
Arrest warrant	27	
Commission or court order	08	
Concluded	27	

* Interim figure, Source: FIU Senegal / www.centif.sn





partnership agreement with the National Anti-Corruption Commission (CNLCC) to enhance the fight against corruption which is one of the major predicate offences to money laundering in member countries.

294. Senegal has established some mechanisms to fight ML/TF effectively. Yet there has been no evidence of achievement. This raises questions about the level of commitment of the authorities and other key stakeholders in government, as mentioned by the former President of the CENTIF in the preamble of his 2010 progress report: “It is also obvious that the efficacy of the fight against money laundering and the financing of terrorism (AML/CFT) is largely dependent on the political will of the authorities and the mastery of the techniques of money laundering and the financing of terrorism by the law enforcement officials (Magistrates, Investigating officers, etc.)”.
295. The political will in question here was harshly put to the test by the Senegalese Government’s initiative to introduce a bill amending the Uniform Act against money laundering under Article 29 of the Act. The Senegalese Parliament used its sovereign powers to reject the bill. The Government’s objective was to remove the legal obligation given to the State Prosecutor to immediately contact the examining magistrate, once he receives the investigation report from the CENTIF. Such a manoeuvre was designed to enable the State Prosecutor to assess and file with no further action, any report submitted by the CENTIF. The State Ministry has already demonstrated this in practice by simply filing the seven cases so far received from the CENTIF with no further action, thereby blocking the conclusion of cases and undermining the effectiveness of the country’s AML regime.

Technical Assistance

296. Senegal has received financial support from GIABA to carry out a round of high-level national stakeholders’ sensitization campaigns. This support was followed by the engagement of a resource person to help facilitate the seminars

together with other consultants and partners, such as the UNODC. To enhance the efficacy of its regime, Senegal has applied for an appropriate support package to meet its technical assistance needs in the areas and specificities listed in table 10 below.

Conclusion

297. Senegal continues to make significant efforts to improve its AML / CFT. Cases of court decisions obtained during 2011 are sources of satisfaction and encouragement to the country’s AML/CFT stakeholders. Yet, the country has more work to do upgrade its AML/CFT laws, consistent with international norms and standards. Areas of specific attention include customer due diligence (FATF Recommendation 5) that needs to be applied to the identification of the beneficial owner, nor require them to inquire about the subject of the relationship, the inclusion of AML/CFT provisions in the supervisory powers and control (Recommendation 24) of self-regulatory authorities such as DNFBPs and the development of guidelines (Recommendation 25) for DNFBPs.
298. The Government had announced the imminent creation of an economic court. Indeed, on the sidelines of the forum on the implementation of the UN Convention against Corruption (21 to 24 June 2010 at the Meridian Hotel in Dakar), the President of the Republic had suggested the creation of an institution that will support the fight against economic and financial crimes.
299. However, the attempt by the Senegalese Government to review the rules of the game, particularly Article 29 of the Anti-money laundering Act, does not guarantee its commitment to ensuring an effective regime and by the same token undermines the moral of the national stakeholders. In due courses, the Liaison Committee instituted over a year ago, should strive to operationalize the regime and get stakeholders to work together to finalize the national AML/CFT strategy paper which is still in the pipeline.



Table 10: Technical Assistance requirements

Area of Technical Assistance	Specific Assistance Required	Expected Impact on AML/CFT Regime
Monitoring of compliance officers/ capacity-building	Training on the role of monitoring and supervisory bodies in combating money laundering and terrorist financing in Senegal (75 participants/2 days)	Follow-up and effective monitoring of compliance officers' program
Legal environment/ capacity-building	Organization of upgrading training workshop for Magistrates and Investigating Officers within the framework of processing FIU reports submitted to the local competent Prosecutors (75 participants/4 days)	More effective handling of cases and within shorter time frames
Designated non-financial businesses and professions/ sensitization (75 participants/ 1 day)	Seminar on DNFBPs and the fight against money laundering and terrorist financing Better understanding and adoption by DNFBPs of measures relating to AML/CFT	

Source: Country Reports, November 2011

Sierra Leone Political Environment

300. Sierra Leone has been on the path to recovery almost a decade since the end of the Civil War in 2001. The country has enjoyed some degree of peace and stability and has held two successful democratic elections since then, even though it is yet to recover fully from the devastation of the war. The authorities have made frantic efforts at rebuilding the country and undertaking reforms geared towards good governance and sustainable development. The country will go into election in the last quarter of 2012.

Economic and Financial Situation

301. Sierra Leone, though endowed with rich deposits of some of the world's finest mineral resources, is still one of the poorest countries in the region with a per capita GDP of US\$734 in PPP terms. Agriculture remains the lead sector in the economy with over 60 percent of the workforce depending on subsistence farming for their livelihood and contributing about 50 percent of GDP. The mining industry is picking up very fast and provides the much-needed foreign exchange for imports and external foreign reserve; 80% comes from the proceeds of diamond export. Iron ore export is expected to commence in the first half of 2012. The services sector is very promising with a fast-growing banking industry, though only about 6% of the population have access to the industry. Remittances from abroad account for about 12 percent of GDP, though government calculations, including unrecorded inflows through informal

channels is at least 20 percent of GDP, making it among the highest in Africa⁴³.

302. The domestic economic and financial fundamentals remain strong, despite the difficult global economic environment. Real GDP growth rate was projected at 5.3 percent in 2011 and the growth was expected to be broad-based with positive contributions from all sectors of the economy. Domestic inflation remained high during the year, driven largely by the spike in the international prices of fuel and food. However, following prudent fiscal and proactive monetary policies during the first half of the year, inflationary pressures have subsided since June 2011. The year-on-year national inflation rate declined to 15.7 percent in September from 17.8 percent in May 2011. Interest rates on government securities also fell. However, commercial banks' interest rates on overdraft remained unchanged, averaging 21 percent for the credit-worthy clients and 29 percent for the risky borrowers.
303. Total official exports increased by 5.5 percent to US\$174.3 million during the first half of 2011, compared to US\$166 million for the same period in 2010. The increase in total exports was driven largely by the substantial increase in mineral exports, benefiting from the significant rise in international prices. Mineral exports increased to US\$109.6 million during the first half of 2011 compared to US\$93.4 million for the same period in 2010, and were expected to increase sharply by the end of the year following the commencement of iron ore exports by African Minerals Limited⁴⁴.
304. The total value of merchandise imports increased by 124 percent to US\$704 million during the first half of 2011, compared to US\$314.3 million for

43 'Remittances Strategy Framework for Sustainable Development in Sierra Leone', a report from the Government of Sierra Leone with UNDP support, May 2011

44 Government Budget and Statement of Economic and Financial Policies for the Financial Year 2012, Sierra Leone

45 IMF Country Report No. 11/361, December 2011, <http://www.imf.org/external/pubs/ft/scr/2011/cr11361.pdf>



the corresponding period in 2010. The huge increase in imports was largely on account of the surge in import of machinery and transport equipment to support mining activities. Hence, the trade deficit widened to US\$530 million in the first half of 2011. Despite this, the exchange rate remained relatively stable during the first half of the year, depreciating by only 3.9 percent, largely supported by increased foreign exchange inflows – both official and private – and strong macro-economic fundamentals.

305. The country's stock of external debt stood at US\$848.7 million as at end of June 2011, indicating an increase of US\$67million (8.6 percent) at the end of December 2010. Of the total external debt, long-term debt constituted 75.3 percent, of which multilateral debt was 62.6 percent; official bilateral debt was 10.3 percent; and commercial obligations and short-term debt was 24.7 percent. A large proportion of the external debt stock was contracted at highly concessional terms to ensure debt sustainability in the medium to long term⁴⁵.

Prevalence of Predicate Crimes

306. The AML/CFT risk level of Sierra Leone remained high. The lack of legislation continued to impede supervisory and law enforcement efforts. There was a surge in internet and other types of fraud as criminals sought details of "safe bank accounts overseas" to transfer large sums of money. Sierra Leone is said to have the highest ratio of counterfeit to genuine drugs in the world, a World Health Organization report stated in 2010. The country is a cash-based economy and with an under regulated mineral sector. There is high incidence of cross-border cash movement. Although there is monitoring and enforcement of regulation in some areas, diamond smuggling still exists. The main sources of ML include trafficking of drugs, real estate, and dealerships in used cars. Major areas of ML vulnerability were: loose oversight of financial institutions, weak regulations, pervasive corruption and a widespread informal money exchange and remittance system. The Financial Sector Development Plan of the government is reportedly addressing these issues as well.

The AML/CFT Situation

307. Sierra Leone, the first country to be subjected to AML/CFT Mutual Evaluation in the region, is yet to take concrete actions to address many of the deficiencies identified in its MER. The country's 2005 AML Act has significant flaws in

its wording and related definitions of ML offences. The Act was revised and approved by Cabinet. The Attorney General's office had drafted the Act into a Bill that has been gazetted and now awaits its enactment by Parliament. The Act made provisions for the deficiencies identified in the MER, bringing the legislation in line with international AML/CFT standards.

308. Apart from basic customer identification and little bank record retention, there is no effective implementation of ML reporting requirements. There is in existence a marginally functional FIU which receives and analyses financial information and intelligence, including STRs, and disseminates information on potential cases to law enforcement agencies for investigation. No threshold was put on STR filing. In 2010, the FIU reported only four suspicious transactions, two of which are confirmed to have been disseminated to law enforcement agencies and one of which is undergoing ML investigation. According to Sierra Leone's AML Act, cross-border currency reporting should be made for cash or securities in excess of \$10,000, but the mandated reporting has not been implemented. A currency declaration form has been designed and is being used by the Customs and Excise Department of the National Revenue Authority. The FIU has developed and issued currency handling or negotiable bearer instruments guidelines for declaration at the point of entry or exit.
309. The Central Bank of Sierra Leone offered the FIU a secure but limited office in order to secure information at its disposal. The FIU, however, lacks the requisite capacity to monitor and regulate effectively the operations of financial institutions. In 2011 as well, four STRs were reported with no details about how they were treated. The AML Act charges the Central Intelligence Security Unit (CISU) and the Attorney General's Office with investigating reports made by the FIU, but the Unit does not have the powers to undertake investigations or make arrests. The Attorney General's Office has neither investigative nor arrest powers in its mandate. The Sierra Leone Police, National Revenue Authority or Anti-Corruption Commission could be tasked by either entity with investigating reported money laundering crimes, but it is not clear if this happens in practice. Limited resources hamper law enforcement efforts in all areas. Lack of training is also a considerable hindrance to prosecutions. There are no reported cases of prosecutions under the 2005 AML Act. Sierra Leone lacks the institutional mechanisms for the implementation of UNSC Resolutions 1267 and 1373.
310. There is the need for the authorities to ensure that the revised AML Act is harmonized with other

- relevant legislations, including the revised Anti-Corruption Act (2008), National Drug Control Act (2008), and the Anti-Terrorism Act. Sierra Leone is party to the UN Convention for the Suppression of the Financing of Terrorism, the 1988 UN Drug Convention and the UN Convention against Corruption. The country should ensure the regular distribution to financial institutions of the UNSC Resolution 1267 Sanctions Committee's consolidated list, and implement and enforce provisions for immediate freezing of assets of individuals on the list. The authorities should however ensure that penalties for TF are proportionate and dissuasive.
311. Sierra Leone needs to invest the necessary human, technical and financial resources to implement its AML/CFT regime, and increase the level of awareness and understanding of money laundering. The FIU should work towards capacity-building by allocating adequate resources and striving to organize itself and perform according to international standards. It should continue its efforts to counter the smuggling of diamonds and narcotics, and regulate sectors that are vulnerable to money laundering. Sierra Leone should continue to take steps to combat corruption at all levels both public and private. It needs to ratify the UN Convention against Transnational Organized Crime.
312. The Credit Reference Bureau created by the Central Bank has provided a guide to commercial banks in their credit risk management processes and also reinforced the Customer Due Diligence principle, which is an essential component in the AML/CFT compliance framework for financial institutions. The Financial Sector Development Plan was also to provide a framework for creating a sound, diversified, responsive and well-functioning financial system that would provide appropriate support to productive activities, thereby contributing to economic growth and poverty alleviation.
313. Both the Credit Reference Bureau and the Financial Sector Development Plan are expected to contribute to the strengthening of the country's AML/CFT regime. The pending AML/CFT draft Bill has also reportedly provided stringent sanctions for non-compliance with its provisions. Hopefully, the eventual enactment of the Bill will address the weaknesses highlighted in the MER.
314. Corruption remains a serious threat. The Anti-Corruption Commission (ACC) investigated 86 corruption allegations in 2008, 122 in 2009, and 177 in the first half of 2010. By August 2010, four cases had been recommended for prosecution. In July 2010, the former deputy prosecutor of the Special Court for Sierra Leone was appointed as the new chief of the ACC, while a former minister of fisheries and marine resources was charged and convicted of misappropriating public funds and abuse of office, at the end of 2010. Despite this, Sierra Leone ranked 134 out of 178 countries surveyed in Transparency International's Corruption Perceptions Index in both 2010 and 2011.
315. The judiciary have been facing daunting challenges in its effort to demonstrate some degree of independence, though a number of trials have been free and fair. However, corruption, poor salaries, police unprofessionalism, prison overcrowding, and a lack of resources continue to pose challenges.
316. In 2011, the Transnational Crime Unit continued to work closely with the United Nations and other partners to address the security threat that drug trafficking poses to Sierra Leone and the wider Mano River region. Other crimes that pose a threat to the rule of law include armed robbery, gun running and smuggling.

Technical Assistance

317. Sierra Leone's technical assistance needs to improve the entire AML/CFT regime includes: training, mentoring and provision of information technology infrastructure and databases for both the FIU and law enforcement in financial investigation; and training of prosecutors and judges involved in the prosecution of ML cases.

Conclusion

318. Sierra Leone has not made significant progress in developing its AML/CFT regime since its mutual evaluation. Serious vulnerabilities remain at the legal, regulatory and enforcement levels. The country faces a number of crime threats, especially with regard to diamond smuggling, corruption, drug trafficking, tax fraud and other public fraud. It is therefore imperative for Sierra Leone to address the legal loopholes in its AML/CFT legislation in order to meet international standards.

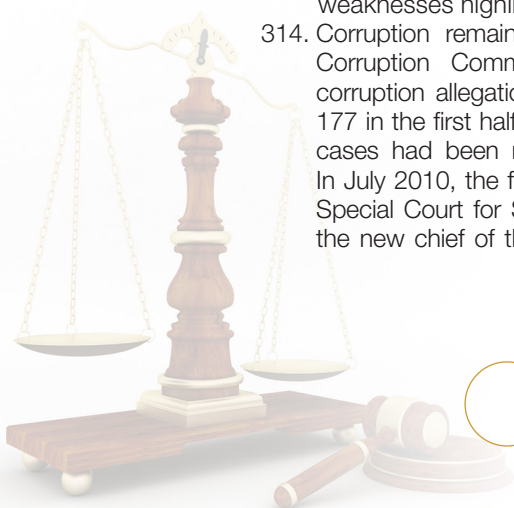
Togo

Political Environment

319. Togo continued to consolidate its democratization process following the severe socio-political crisis which marked the succession of the former President, Mr Gnassingbe Eyadema, when he died in 2005. In order to ease the situation then, broad-based consultations were conducted under the aegis of the European Union and the Government had to make a host of concessions. This process culminated into the signing of Global Political Agreement in 2006, which led to the possibility of organizing the legislative elections in 2007 and the presidential elections in 2010⁴⁶.
320. The presidential election, held on 4 March 2010

46 UNDP, 3rd follow-up report on MDGs, April 2010

47 <http://www.jeuneafrique.com/Article/ARTJAWEB20110915174008/>





was won by the Mr. Faure Eyadema, with 60.88% of the votes. This victory made him eligible for a second five-year term of office in accordance with Article 59 of the Togolese constitution.

321. The High Court in Togo recently convicted 33 politico-military personalities including the half-brother of the President of the Republic who had a sentence of 20 years imprisonment. This parliamentarian and former Minister of Defence was found guilty of “conspiracy against the security of the State” by the High Court judge⁴⁷. This event is a reminder that political stability is has not been completely achieved in Togo.

Economic and Financial Situation

322. In 2011, the growth rate of the Togolese economy was projected at 3.9%. This confirmed the upward trend of real GDP, which rose from 3.4% in 2009 to 3.7% in 2010. This improvement was due to the impressive performance of the primary and tertiary sectors. The primary, secondary and tertiary sectors accounted for 1.4, 0.8 and 1.7 points respectively⁴⁸.
323. The primary sector improved by 3.7%, attributable to the increase in the value-added of food crops, which recorded 2.0% as against 0.4% in 2010 and cash crops which, with high yields of cotton and coffee, recorded 22.2% as against 20.9% in 2010. It should be recalled that in order to alleviate the effects of the 2008 crisis, the Government implemented a triennial program to increase agricultural output and enhance food security. The said program was supported by the IMF and World Bank. Based on the encouraging performance recorded so far, the Authorities are aiming at pursuing the program with an investment plan that would enjoy the support of donors such as the World Bank and the Food and Agriculture Organisation (FAO)⁴⁹.
324. Whomever, for year the 2011, expenditure and net lending expanded by 35.7% and represented 29.0% of GDP as against 22.4% in 2010, justified by capital expenditure financed to the tune of 64% from external resources. Thus the overall balance revealed a deficit of 4.3%, which dwindled to almost 9.7%, excluding grants.
325. With regard to the monetary situation, the net external positions of the Togolese monetary institutions stood at 259.5 billion CFA Francs at end of 2010. The volume of domestic credit amounted to 497.5 billion CFA Francs, including 138.8 billion CFA Francs as Government's net position and 358.8 billion CFA Francs as credit to the economy.
326. The signing of the Global Policy Agreement in 2006 marked the end of the socio-political crisis in

Togo, but the latter eventually plunged the country into a recession and rendered social conditions precarious. The lack of cooperation and support from the international community during the upheavals had a negative impact on the availability of resources needed to ensure the country's development. The restoration of political and economic governance was therefore considered one of the top priorities by the Togolese political authorities. The return to normalcy necessarily had to be preceded by the implementation of policy reforms, the finalization of the national reconciliation process, the security of persons and goods and the enhancement of the rule of law.

327. The preparation and adoption of a Poverty Reduction Strategy Paper (PRSP-I; PRSP-C) provided an opportunity for Togo to re-establish international financial cooperation. This economic cooperation instrument enabled the country to negotiate and obtain from the IMF a triennial program as part of the Poverty Reduction and Growth Facility. In addition, the country succeeded in obtaining from bilateral and multilateral partners, some settlement of arrears and rescheduling of its debt, as it reached the point of decision in the HIPC initiative in November 2008. According to the Authorities, the implementation of the PRSP-C would enable the country to reach the point of completion⁵⁰.
328. This fairly reflects the development constraints Togo is currently grappling with. These constraints include, among others, the incidence of high income poverty, which is estimated at 61.7% nationally. It is mainly rural with a rate of 74.3% as against 36.7% in the urban area (DGSCN, poverty profile, 2006). Income per capita stood at US\$798 (\$PPP constant 2005), and the GINI income index posted 34.4 revealing, on average, an unequal income distribution. Togo is classified 162nd out of 187 countries on the human development index. With such rating, Togo is in the middle of the table in the category of low HDI countries behind Senegal and Nigeria. Over the period 2000 – 2011, Togo's HDI improved gradually with an average annual growth rate of 0.58% (UNDP, HDI 2011).
329. This effort deployed in political and economic governance was confirmed by the Mo Ibrahim index for governance in Africa, which ranked Togo with a score of 46/100 and placed it in the 35th position out of 53 African countries monitored. The 2001 report of this observatory on African governance certified that Togo recorded a positive trend over the period 2006 – 2010, in respect of the four major areas: sustainable economic development, human development, participation and human rights and security and sovereignty of the rule of law. Although

48 UEMOA: MSR, June 2011 - 49 IMF : Country report N°11/240/August 2011

50 PRSP-C 2009-2011, final version/April 2009 - 51 <http://www.cac.tg/cnss.htm>; <http://www.cac.tg/otp.htm>; <http://www.cac.tg/epam.htm>, accessed on 06/01/2012

progress was made in these areas, it should be pointed out that Togo proved more vulnerable in the first area mentioned and stronger in the last.

Prevalence of Predicate Crimes

330. According to the summary of findings derived from the analyses of suspected transaction cases handled by the CENTIF-Togo, corruption, embezzlement of public funds, falsification and the use of fake documents, trickery and fraud, were the most prevalent offences in the country. This situation was corroborated by the Anti-corruption and Economic Sabotage Commission which exposed fairly exemplary cases where senior civil servants had faltered in their management, guilty of embezzlement of public funds as much as the use of fake documents to enrich themselves. In effect, the cases for investigation at the Autonomous Local Public Establishment for the Award of Public Contracts in Lomé (EPAM), the National Social Security Office (CNSS), the Togo Phosphate Office (OPT), published by the anti-corruption body have been very instructive on the illicit practices being perpetrated at the detriment of the State⁵¹.

331. Drug trafficking is also a prevalent activity in Togo. Like most of the countries in West Africa, Togo is a transshipment point for international drug trafficking. Very recently, a Latin American network was unveiled, thanks to the collaboration of the country's security forces and their European counterparts (Pitea Affair)⁵². This same collaborative spirit led to the extradition of a Colombian detained in Togo (Solano Cortez Jorge) to the United States⁵³.

332. During the year under review, the Central Office for the Repression of Illicit Drugs and Money Laundering (OCRTIDB) seized some drugs and arrested some international traffickers. In June 2011, a cargo containing drugs from Brazil was seized. According to the head of the OCRTIDB, "Each of the containers contained 96 kilos of cocaine, totalling 192 kilos of cocaine. The drug came from Brazil and was being transited in Togo, on its way to a country in Europe. Two people were arrested; one Nigerian and the other Togolese,⁵⁴" In an operation carried out in August 2011, six international traffickers of Nigerian nationality were arrested at boarding point, having in their possession a total 11.9 kilos of cocaine and crack cocaine at the Lomé International Airport. Two of the traffickers concealed 5 kilos and 3 kilos of crack cocaine respectively in the false bottoms of their suitcases, while 3.9 kg of cocaine was seized from four other traffickers who had packaged the

processed drug into pellets⁵⁵.

AML/CFT Situation

333. The AML/CFT framework in Togo was evaluated by GIABA in November 2010. The Mutual Evaluation Report was discussed during the Plenary meeting held in Dakar in May 2011. The report was adopted and published. Togo was entreated to submit within a year (May 2012), a follow-up report on the implementation of the recommendations emanating from the evaluation.

334. Togo's AML/CFT framework has scored some legal merits, with the existence of an AML law and another on CFT. On the other hand, the country has established both coordinating (Inter-ministerial Committee) and enforcement (CENTIF and OCRTIDB) bodies.

335. According to the mutual evaluation report, the weaknesses could be identified as the failure to criminalize terrorist financing, human trafficking and illicit trafficking of immigrants, as well as the lack of procedural norms on the freezing and unfreezing of assets and the obligation on politically exposed persons within the framework of the AML/CFT regime. This is coupled with the inefficacy of the regime already put in place. There are no available statistics on convictions for ML/TF in spite of the cases of arrests carried out by the law enforcement agencies.

336. The CENTIF continued to make efforts to sensitise stakeholders and mobilize them around the main AML/CFT actions. It has organized training and sensitization seminars for compliance officers. With the support of GIABA, Togo has prepared its national AML/CFT strategy paper. UNODC has also provided support for the country's Integrated National Program (PNI). With the support of these two key partners, has finalized an action plan that will facilitate the implementation of the recommendations of the MER.

337. With regard to the processing of investigation cases, it should be noted that the unit received a total of 24 STRs and six CTRs. It forwarded one investigation report to the prosecutor's office. Finally, CENTIF Togo launched its web site, which is a useful medium for making its activities visible and ensuring a wide range of communication.

338. In terms of prospects, a stronger collaboration among the national stakeholders within the Inter-Ministerial Committee is expected to facilitate the achievement of better results and enhanced efficacy in the actions undertaken.

Technical Assistance

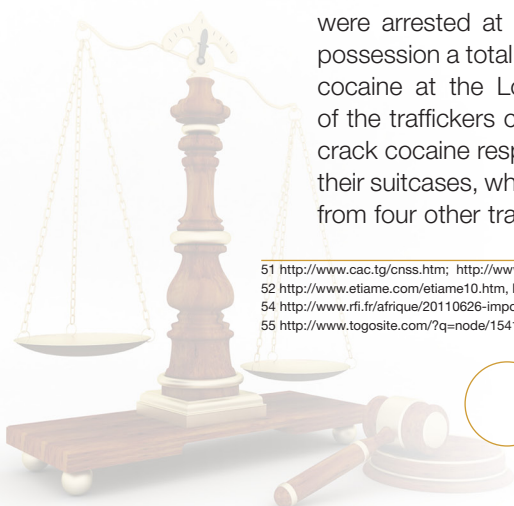
339. After striving to prepare a national AML/CFT strategy paper coupled with a medium-term action

51 <http://www.cac.tg/cnss.htm>; <http://www.cac.tg/otp.htm>; <http://www.cac.tg/epam.htm>, accessed on 06/01/2012

52 <http://www.etiame.com/etiame10.htm>, browsed on 06/01/2012 - 53 http://www.lalternative-togo.com/index.php?option=com_content&view=article&id=354:trafic-de-drogue-autogo-8&catid=7:nation&Itemid=4

54 <http://www.rfi.fr/afrique/20110626-importantes-saisies-drogue-togo>

55 <http://www.togosite.com/?q=node/1541>





plan, Togo has recently finalized its priority annual work plan/action plan for 2012. The document projects the achievement of the actions targeted in the six areas enumerated as follows:

- i. Monitor the implementation of the Annual Work Plan of the PNI-TGO/VO1;
 - ii. Solicit the advisory services of UNODC's Consultant for the Integrated National Program (PNI-TGO/VO1);
 - iii. Contribute to the sensitization of national stakeholders involved in the fight against money laundering (political authorities, parliamentarians, compliance officers, public sector, crime prosecution authorities, judicial authorities, civil society, etc...);
 - iv. Contribute to the articulation of policies and practices in AML and national and international cooperation;
 - v. Contribute to the articulation of the Integrated National Program's activities, by establishing links with projects and activities of other active technical partners fighting against organized crime in Togo;
 - vi. Strengthen the AML/CFT regime.
340. Specifically, the areas of technical assistance for Togo's AML/CFT regime are captured in the table 11 below.

Conclusion

341. Togo has made some progress in addressing the gaps in its AML/CFT regime. The country focused on the passing of basic laws (AML and CFT) as well as the establishment of coordinating (CIM) and enforcement (OCRTIDB, CENTIF) bodies. Apart from the inefficiency recorded in terms of convictions and asset confiscations, encouraging landmarks have been established.
342. At present, considerable efforts are being deployed at sensitizing stakeholders and building their capacities, as well as preparing the tools for the implementation of the recommendations of the MER. Here, concrete results are expected and will be distributed during the presentation of the follow-up report scheduled for May 2012.
343. Considering this impending timeline and in a bid to establish an efficient AML/CFT regime in the short or medium term, a consistent intervention framework has been designed and Togo only needs the support of strategic partners and the commitment of the State Administrative Authorities to achieve this target.

Table 11: Technical Assistance requirements

Area of Technical Assistance	Specific Assistance Required	Expected Impact on AML/CFT Regime
National coordination	• Training of magistrates • Training of journalists • Training of political authorities	• Enhancement of national competence to conduct AML/CFT cases • Sensitization and popularization of AML/CFT • National competence on AML/CFT
International cooperation	• Assistance for membership of the Egmont Group • Assistance (training of CENTIF-TG staff) on illicit assets recovery	• Extension of information network • Enhancement of CENTIF-TG's competence in assets recovery
Legal and judicial environment	Criminalize predicate offences such as : corruption, terrorism, illicit trafficking of immigrants, insider trading, internet crimes and human trafficking in Togo's domestic legal system (selection of firms and experts for the drafting of texts	Compliance with recommendations of the Togo MER
Regulation/application/ investigations	• Training of analysts • Training of investigators	Capacity-building

Source: Country Reports, November 2011

CHAPTER III

Country Assessment Introduction

344. In keeping with its mandate as contained in its Statute, GIABA promotes the implementation of the FATF 40 + 9 Recommendations. It achieves this by using the FATF AML/CFT Methodology 2004 (as updated from time to time) and trained assessors in its mutual evaluation processes. In addition, GIABA has also endorsed the Mutual Evaluation Key Principles, Interpretative Notes and Best Practice Papers issued by the FATF and these are also toolkits used in the mutual evaluations.
345. In furtherance of their commitment towards actualizing GIABA's mandate, all member States endorsed the FATF 40 + 9 Recommendations and agreed to implement them within an agreed timeframe. GIABA started conducting the first rounds of mutual evaluations in 2007 and this is expected to conclude in 2012. The mutual evaluations and the follow-up mechanism have had significant positive impact and have accelerated the levels of compliance of member States with the Recommendations.
346. Based on reciprocity, GIABA shares its MERs and follow-up reports (FURs) with the FATF, observer FATF member jurisdictions, the World Bank, IMF, OGBS and other FSRBs. Concomitantly, this information-sharing mechanism promotes international cooperation. It also guarantees consistency of the reports helps to prevent duplication of efforts, and enhances efficiency in resource utilisation.
347. GIABA adopted two MERs, bringing the number of assessed GIABA member States to 13. The mutual evaluation on-site visit for the two remaining member States, Cote d'Ivoire and Guinea, are scheduled for 2012. In the year under review, GIABA also adopted a guidance document on the Implementation of Mutual Evaluation Report Recommendations. This provides for the development of action plans for the implementation of their MER recommendations.
348. The Republic of Sao Tome and Principe was formally admitted as a member of GIABA in November 2011. Sao Tome and Principe has completed the Mutual Evaluation Questionnaire⁵⁶ as part of its self-evaluation. In a letter to the Director General of GIABA from the authorities, the country consented to mutual evaluation in order to assess the compliance of its AML/CFT system with international standards. The country has also agreed to undergo the first mutual evaluation exercise before the end of June 2012. As a prelude to the on-site mutual evaluation visit, GIABA plans to hold workshops on National AML/CFT Strategy Framework and Pre-Assessment Training before the end of February 2012 for the country, subject to the fulfilment of its extant membership obligations.



Standing, Chairperson of the Specialized Commission for Economic Issues of STP Parliament, Mr. Alcino Pinto, during the Sensitization Workshop on ML/TF, held in Sao Tome, from 16th to 17th December 2011

56 The completed Mutual Evaluation Questionnaire (MEQ) is part of the initial assessment (self-evaluation) by STP to ascertain by itself its level of compliance. It should be noted that ratings were not assigned to the Recommendations.



349. As part of efforts to address identified deficiencies in its AML/CFT regime, Sao Tome and Principe is currently reviewing its AML/CFT law and penal code in line with acceptable international standards.

Adoption of Mutual Evaluation Reports

350. The on-site visits to Liberia and Togo were undertaken from 1 to 12 November and 15 to 30 November, 2010, respectively. The MERs of the two countries were adopted at the 15th Technical Commission/ Plenary meeting held in May 2011. The evaluations were based on the FATF 40+9 Recommendations, the FATF Methodology for Assessing Compliance, the FATF Handbook for Assessors and Assessed Countries and the GIABA Mutual Evaluation Process and Procedures. The level of compliance with each Recommendation is measured against a set of essential criteria that constitute those elements

that should be present in the AML/CFT regime in order to demonstrate full compliance with the mandatory elements of the recommendations. Each recommendation is rated on a scale of four variables - fully Compliant (C), Largely Compliant (LC), Partially Compliant (PC), Non-Compliant (NC), or in some cases Not Applicable (NA).

351. Liberia: Liberia was rated PC on 21 recommendations and NC on 28 out of the FATF 40+9 recommendations. This means that the country was not rated Largely Compliant (LC) or Compliant (C) on any of the FATF Core and Key Recommendations. These ratings indicate significant structural deficiencies in Liberia's AML/CFT regime.

352. Table 12 below shows Liberia's ratings on the FATF 40+9 Recommendations:

353. The MER of Liberia highlighted the following vulnerabilities in the country's AML/CFT system:

Table 12: Ratings of Liberia

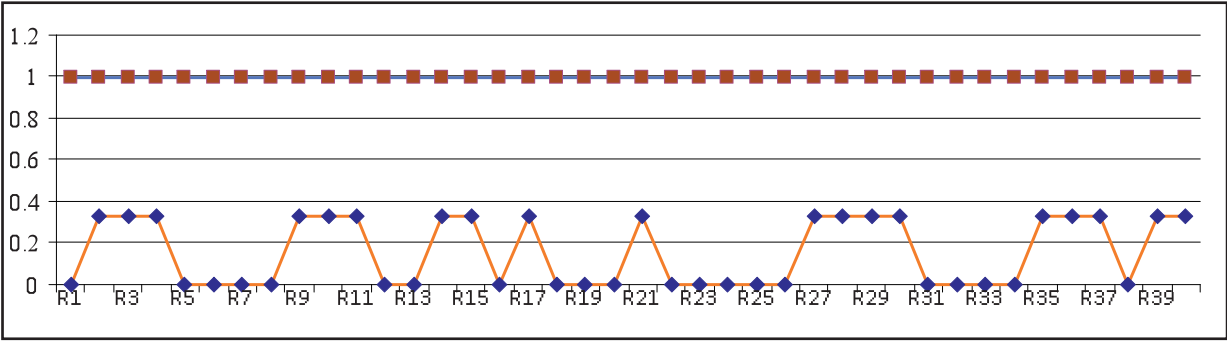
	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	R16	R17	R18	R19	R20	R21
NC																					
PC																					
LC																					
C																					

	R22	R23	R24	R25	R26	R27	R28	R29	R30	R31	R32	R33	R34	R35	R36	R37	R38	R39	R40
NC																			
PC																			
LC																			
C																			

	SRI	SRII	SRIII	SRIV	SRV	SRVI	SRVII	SRVIII	SRIX
NC									
PC									
LC									
C									

Legend: NC= Non-compliant; PC=Partially Compliant; LC=Largely Compliant; C=Compliant

Graph 2: Liberia ratings (NC=0; PC=0.33; LC=0.67; C=1)



- (i) Non-criminalisation of the full range of predicate offences for money laundering and improper definition of criminal conduct. Only 3 out of the FATF 21 designated offences, namely, murder, robbery and Illicit trafficking in narcotic drugs and psychotropic substances are covered by the definition of “criminal conduct” in the Prevention of Money Laundering Law (PMLL). The PMLL defines criminal conduct to mean first-degree bailable offences;

(ii) The country has not established an FIU;

(iii) Absence of a direct requirement in the PMLL for financial institutions and DNFBPs to submit STR in line with Recommendation 13. Additionally, the STR requirement in the KYC/CDD Regulations issued by the Central Bank of Liberia to financial institutions is not being effectively implemented;
- (iv) Lack of supervision of the DNFBP sector for purposes of AML/CFT;

(v) Weak mechanisms for provision of mutual legal assistance;

(vi) Lack of capacity, training and requisite skills to respond to the threats of money laundering and terrorist financing; and

(vii) Lack of statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing.
354. Togo: Togo was rated Largely Compliant (LC) on four (4) Recommendations, PC on 23 Recommendations, NC on 21 and Not Applicable (NA) on one FATF Recommendation. These ratings reveal significant deficiencies in the country’s AML/CFT regime.

355. Table 13 below shows Togo’s ratings on the FATF 40+9 Recommendations:

Table 13: Ratings of Togo

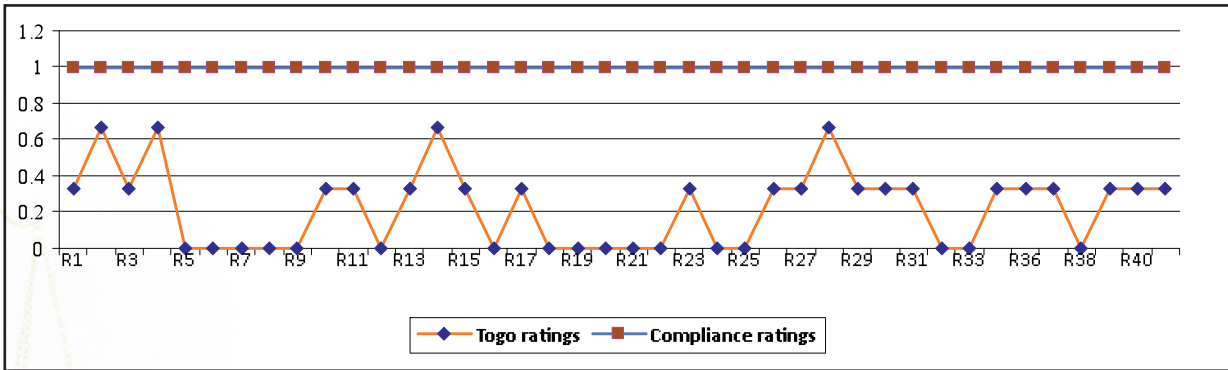
	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	R16	R17	R18	R19	R20	R21
NC																					
PC																					
LC																					
C																					

	R22	R23	R24	R25	R26	R27	R28	R29	R30	R31	R32	R33	R34	R35	R36	R37	R38	R39	R40
NC																			
PC																			
LC																			
C																			

	SRI	SRII	SRIII	SRIV	SRV	SRVI	SRVII	SRVIII	SRIX
NC									
PC									
LC									
C									

Legend: NC= Non-compliant; PC=Partially Compliant; LC=Largely Compliant; C=Compliant

Graph 3: Togo ratings (NC=0; PC=0.33; LC=0.67; C=1)





356. The MER of Togo identified the following vulnerabilities in the AML/CFT system of the country:

- (i) Lack of coverage of the full range of predicate offences for money laundering;
- (ii) Absence of criminalisation of self-laundering;
- (iii) Absence of legal provisions setting out the modalities for freezing of terrorists assets in accordance with UNSC Resolutions 1267 and 1373
- (iv) Poor knowledge of CDD obligations by designate persons;
- (v) Absence of CDD measures for identification of beneficiary owners;
- (vi) Poor DNFBP compliance with AML/CFT obligations.

357. In line with the GIABA Mutual Evaluation Process and Procedures, the Plenary placed Liberia and Togo on the Expedited Regular Follow-Up Process and directed the countries to submit their First Follow-Up Reports within one year. The Plenary further directed the countries to develop and submit Action Plans for implementing the recommendations contained in their MERs in order to prioritize the rectification of the identified deficiencies in a more coordinated manner.

Publication and Dissemination of Mutual Evaluation Reports

358. In November 2008, GIABA adopted an automatic publication policy on its Mutual Evaluation and Executive Summary Reports. Consequently, within one week after adoption of MERs and executive summaries by the Plenary and endorsement by the GMC, the Secretariat amends both reports and provides the countries with revised versions of the reports to confirm their accuracy and/or advise the Secretariat of any typographical or similar errors in the reports. The MERs and executive summaries are published on the GIABA website on confirmation of their accuracy. GIABA also forwards the final copies of the reports to the countries and encourages them to also publish the reports. Accordingly, GIABA has published the MERs of Liberia and Togo adopted by in May 2011. The reports can be accessed on the GIABA website: <http://www.giaba.org>.

Follow-Up Process

359. Within the framework of the mutual evaluation process, once a mutual evaluation of a GIABA member State has been completed and the MER adopted by the secretariat, in collaboration with

the assessed country, monitors the progress of the country in addressing the deficiencies identified in its AML/CFT system through a follow up program. The starting point of the follow-up process is that the assessed Member State submits a report to the GIABA Plenary within one year after the adoption of its MER outlining the progress it has made or it is making in addressing the identified deficiencies in its AML/CFT regime, with emphasis on the FATF Core and Key Recommendations. In the course of the follow-up process, countries that fail to make significant progress in addressing the deficiencies are moved to a more enhanced follow-up process, and are thus required to submit progress reports at each Plenary. As at end of 2011, six GIABA member States (Cape Verde, The Gambia, Ghana, Guinea-Bissau, Niger and Sierra Leone) were on the enhanced follow-up process in line with paragraph 53 of the GIABA ME Process and Procedures.

Follow-Up Reports

360. GIABA discussed the first follow-up report of Benin, the third follow-up reports of Nigeria and Senegal, the second follow-up reports of Burkina Faso, Ghana, Guinea-Bissau and Niger; the third follow-up reports of Cape Verde, The Gambia and Mali; and fifth follow-up report of Sierra Leone. The discussion focused on the level of progress made by the countries in addressing the identified deficiencies relating to the FATF Core and Key Recommendations that were rated Partially Compliant (PC) and Non-Compliant (NC). The follow-up reports revealed varying levels of progress made by the countries in implementing their MER recommendations. A summary of progress made and outstanding actions to be taken by the countries, as well as the Plenary decision regarding each country is provided below: Summary of the analysis of Follow-Up Reports:

361. **First Follow-Up Report of Benin:** Analysis of Benin's First Follow-up Report and Action Plan revealed that Benin had not implemented a considerable number of the MER recommendations particularly in relation to Recommendations 1, 3, 5, 10 and 13. Benin has also not enacted legislation to counter the financing of terrorism. The report indicated that Benin is making efforts to implement the recommendations of a joint UNODC and World Bank report. The UNODC/World Bank report, among others, enjoins Benin to maintain statistics on mutual legal assistance and extradition

requests received and the country's responses to the requests. The absence of legislation to counter the financing of terrorism is a significant deficiency in the AML/CFT legal framework of Benin. This will impede the country's effort to provide international cooperation in FT matters and become a member of the Egmont Group.

362. Benin informed the Plenary that measures to be taken in relation to Recommendations 1, 3, 5, 10 and 13 will only be possible through the ongoing revision of Community Texts issued by the BCEAO. Benin assured the Plenary that it will do its best to implement the FATF Recommendations and that it is committed to intensifying efforts to promulgate the law against the financing of terrorism as it is already before the National Assembly.

363. The Plenary noted the efforts made by Benin and encouraged the country to put in place the necessary legal measures, identify the relevant stakeholder institutions responsible for implementing the various recommendations and ensure that progress is made. The Plenary retained Benin on the Expedited Regular Follow-Up Process and directed Benin to submit its Second Follow-Up Report within one year.

364. **Second Follow-Up Report of Burkina Faso:** Burkina Faso adopted Decree n° 2010-829 / PRES/PM/MEF/SECU/MATD/MTSS of 31 December 2010; Decree n° 2010-822/PRES/PM/MEF/SECU of 31 December 2010; Decree n° 2011 274/PRES/PM/MEF/SECU/MATD of 10 May 2011, and Order n° 2011- 0314/MEF/CAB of 26 September 2011, which cover aspects of the DNFBPs and national coordination of AML/CFT activities. The country also carried out several activities, including training and sensitisation programs for stakeholders, dissemination of legal instruments, and production of quarterly and annual reports.

365. Burkina Faso is committed to intensifying efforts to implement its MER Recommendations by providing feedback on and validation of the results of a study on the scope of ML/TF in Burkina Faso; organising awareness-raising and training workshops in order to cover all subjected persons in the first segment of workshops, adopting a national AML/CFT strategy; and becoming a member of the Egmont Group of FIUs in 2012. The Plenary retained Burkina Faso on the Expedited Regular Follow-Up process and directed Burkina Faso to submit its Third Follow-Up Report within one year.

366. **Third Follow-Up Report of Cape Verde:** Cape Verde's progress recorded in its Follow-Up Report was generally based on the FIU and AML laws

enacted in 2008 and 2009. It was observed that there were still significant deficiencies in the AML/CFT system of Cape Verde. The country has not criminalized terrorist financing, has not designated money laundering as an extraditable offence and does not extradite its nationals. Neither did Cape Verde provide statistics or other relevant information to enable the Secretariat to carry out a proper analysis of its progress.

367. The Plenary placed Cape Verde on the enhanced follow-up process. The Plenary directed Cape Verde to submit a one year action plan and a follow-up report within six months. The Action Plan and follow-up report are to cover issues relating to the implementation of the recommendations in Cape Verde's. The Plenary further directed Cape Verde to submit a copy of the final text of the CFT Act to the Secretariat when adopted by Parliament.

368. **Third Follow-Up Report of The Gambia:** The Gambia did not report any progress after the adoption of its first and second follow-up report in December 2010. The country has not passed the AML/CFT Bill drafted with GIABA's assistance in 2009. The enactment of the Bill and its effective implementation is expected to impact on the implementation of most of the requirements in Recommendations 1, 4, 6, 12, 13, 16, 23,24, 26, 29, 30, 33, 34, 36, 37, 38, 39, 40 and Special Recommendations I, II, and III. The country has not yet developed a national AML/CFT strategy to enable it fight ML/TF that takes into account its priorities and available resources.

369. The Plenary observed that The Gambia had not developed a national AML/CFT strategy. The country had also failed to implement the decision of the GIABA Ministerial Committee (GMC) of May 2010 to designate its FIUs as a focal point for national AML/CFT activities. The Plenary also noted that The Gambia did not appear to have demonstrated much political will to put in place a robust AML/CFT system. It emphasized the need to seek and sustain the highest level of political will through engagement with the highest authority of The Gambia, the President of the Republic, to enable the country to make the necessary progress.

370. The Plenary placed The Gambia on the enhanced follow-up process and directed the country to submit a one-year action plan and a follow-up report relating to the implementation of the MER recommendations within six months. The Plenary further directed the country to submit a copy of the final text of the AML/CFT Bill to the Secretariat when it is passed into law.





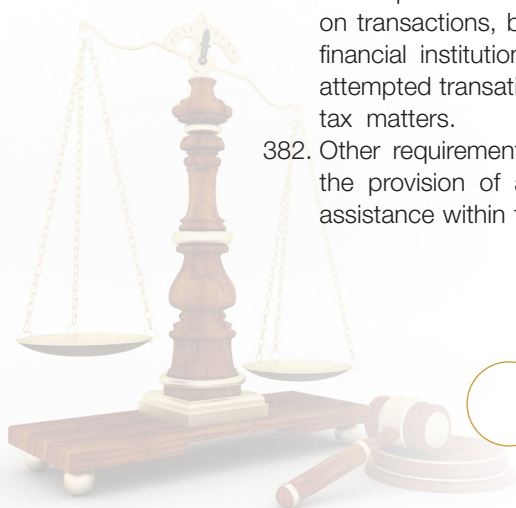
371. **Second Follow-Up Report of Ghana:** The main progress reported by Ghana relates to the passage of the Anti-Money Laundering Regulations, 2011 (L.I. 1987) for the implementation of the Anti-Money Laundering Act, 2008 (Act 749) and the adoption of a National AML/CFT Strategy and Action Plan. AML/CFT Units were established at the Bank of Ghana (BOG), the Securities and Exchange Commission (SEC) and the National Insurance Commission (NIC).
372. In 2010, the FATF identified Ghana as a jurisdiction with strategic AML/CFT deficiencies and has since subjected the country to a targeted review. The deficiencies, include inadequate criminalisation of money laundering and terrorist financing, inadequate measures for the confiscation of funds related to money laundering, absence of a fully operational and effectively functioning Financial Intelligence Unit and limited procedures for identifying and freezing terrorist assets. Ghana has provided a high-level political commitment to address the deficiencies through implementation of an action plan developed with the Regional Review Group (RRG) of the FATF. The action plan is to enable Ghana to address these deficiencies, including by: criminalising the full range of predicate offences of money laundering and terrorist financing; establishing and implementing adequate measures for the confiscation of funds related to money laundering; establishing a fully operational and effectively functioning Financial Intelligence Unit and establishing and implementing adequate procedures to identify and freeze terrorist assets.
373. In order to address the remaining deficiencies, Ghana's Cabinet approved a draft Extradition Bill and a Criminal Offences (Amendment) Bill. The country is yet to pass Regulations to implement the Anti-Terrorism Act, 2008 (Act 762), the Economic and Organised Crime Office Act, 2010 (Act 804) and the Mutual Legal Assistance Act, 2010 (Act 807). Ghana has drafted a Real Estate Agency Bill and a Non-Profit Organization Bill to regulate the real estate and non-profit organisations sectors for AML/CFT purposes. The country has developed AML/CFT Guidelines for Banks and Non Bank institutions and an AML/CFT Compliance Manual for the Capital Market Sector. The Guidelines and Compliance Manual incorporate essential elements of the Anti-Money Laundering Act, the Anti-Money Laundering Regulations and relevant FATF-Recommendations. It has also prepared a Memorandum of Understanding (MOU) relating to cooperation among the financial sector regulatory authorities in the country. The Plenary observed that Ghana is making progress, but the country needs to intensify efforts to strengthen its AML/CFT legal framework. Ghana needs to improve its AML/CFT regime relating to the DNFBPs sector, strengthen the capacity of its FIC, carry out robust regulation and supervision of its financial and non financial sectors and intensify efforts to remedy the remaining shortcomings in its AML/CFT regime. Prior to the Plenary meeting, the RRG noted that despite Ghana's high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies, Ghana has not made sufficient progress in implementing its action plan, and certain strategic AML/CFT deficiencies remain.
374. In view of the remaining deficiencies in Ghana's AML/CFT system and the fact that Ghana is on the FATF-ICRG targeted review process, the Plenary placed Ghana on the Enhanced Follow-Up process. Ghana is to submit its Third Follow-Up Report within six months.
375. **Second Follow-Up Report of Guinea-Bissau:** Guinea-Bissau operationalised its FIU, Cellule Nationale de Traitement des Informations Financieres du Guinea Bissau (CENTIF-GB) on 12 April, 2011. It also adopted Internal Regulations for the operations of the CENTIF. It also adopted an STR format, a national AML/CFT strategy and the UEMOA Uniform Law on Counter-Financing of Terrorism and the ECOWAS Protocol against Corruption. The country established a Law Review Commission to review relevant to AML/CFT Legal Instruments, including the Criminal Code and Criminal Procedure Code.
376. The CENTIF-GB held information and sensitization meetings with high level national authorities and other stakeholders, including the Prime Minister, Ministers of State and officials of some regional banks. It also organised a sensitization workshop on AML/CFT for financial and non-financial institutions relating to their AML/CFT obligations. The second follow-up report also highlighted planned activities aimed at strengthening Guinea-Bissau's AML/CFT regime.
377. The Plenary observed that Guinea-Bissau had not made significant progress and placed the country on the Enhanced Follow-Up process. Guinea-Bissau is to submit its Third Follow-Up Report within six months.
378. **Third Follow-Up Report of Mali:** Mali passed Uniform Act No.10-062 which entered into force on

30 December 2010. In this regard, Mali implemented the Act in the course of 2011. A major outcome of the Act is the admission of CENTIF-Mali as a member of the Egmont Group. The Act provides the legal framework for combating the financing of terrorism. It complements the provisions of Act no. 025/PRM of 23 July 2008 which criminalises terrorist acts in Mali, by domesticating the nine (09) Annexes to the 1999 UN International Convention for the Suppression of Financing of Terrorism. The implementation of the Act will address the deficiencies in the national AML/CFT system relating to the FATF nine Special Recommendations against the financing of terrorism.

379. With regard to SR II, the Act criminalises the collection of any type of funds, by any means for the purpose of having them used, or knowing they will be used to commit a terrorist act. It defines terrorist acts to include acts which constitute offences within the scope of and as defined in one of the treaties listed in the annex to the International Convention for the Suppression of Financing of Terrorism and the Act. It does not criminalise the financing of individual terrorists and terrorist organizations in as required by the Interpretative Note to SR. II. "Criminal organisation" is defined in the Act to mean "any consent or structured association with the aim of contravening the financing of terrorism". There is no clear provision for parallel procedures (penal, civil or administrative) against legal persons despite their possible complicity in the financing of terrorism.
380. Article 30 of the Act provides for the the freezing of funds and other financial resources" belonging to terrorists, as well as to those financing terrorism and terrorist organisations and related issues. It does not specify whether the power to freeze is available to all reporting entities or only financial institutions. The Act does not provide for distribution of the UN Security Council lists relating to Resolution 1267 and procedure for the implementation of Resolution 1373.
381. Legal and natural persons are required to submit terrorist financing related STRs to the CENTIF. The Act requires financial institutions to submit STRs on transactions, but does not expressly require financial institutions to submit STRs relating to attempted transactions and transactions involving tax matters.
382. Other requirements covered by the Act include the provision of a wide range of mutual legal assistance within the framework of investigations

and prosecutions for the financing of terrorism, identification, freezing or seizure of proceeds relating to the financing of terrorism; extradition; requirement for financial institutions to keep records of customer identification and transactions. The records are to be kept for ten years from the commencement of the business relationship with effect from the date of closure of the account or cessation of the business relationship, in the case of occasional customers.

383. The country established a National Coordinating Committee through Decree no. 2011-036/PR-RM of 3rd February 2011. It has twenty-nine (29) members representing national authorities, civil society and various technical and financial partners. The Committee is responsible for combating human trafficking and related practices in Mali and is chaired by the Minister of Justice. Mali also established a judicial co-operation framework with Mauritania and Niger to deal with issues relating to transnational crime. The country also entered into cooperation arrangements with Russia, South Africa and Macedonia. Mali organized national capacity-building programs for relevant national AML/CFT stakeholders, as part of the National Integrated Program against drug abuse and illicit trafficking. The country indicated in its Third Follow-Up Report that in the course of 2012, it will establish an Inter-Ministerial Committee for AML/CFT activities, adopt the draft National Strategy developed in 2010, organise sensitization programs for independent legal professionals, insurance companies, casinos and other gambling establishments and build the capacity of law enforcement authorities.
384. The Plenary noted that Mali had made progress in strengthening its AML/CFT regime. The Plenary commended Mali on the progress made and maintained Mali on the Expedited Regular Follow-up Process. It also encouraged the country to intensify effort to address the remaining deficiencies and submit its Fourth Follow-Up Report within one year.
385. **Second Follow-Up Report of Niger:** Progress made by Niger included the acquisition of new equipment, budgetary allocation in the 2011 national budget, and recruitment of security guards for the CENTIF. The CENTIF received one (1) suspicious transaction report (bringing to eight the total number of STRs received since 2005). Analysis of the first and second Follow-Up Reports highlighted a worrying situation in Niger's AML/CFT system, particularly with regard to the operations





of the CENTIF. Niger did not provide relevant information, including statistics to enable GIABA determine the efficiency of its AML/CFT system.

386. The Plenary observed that Niger had not made significant progress in rectifying the deficiencies in its AML/CFT regime since the adoption of its MER in 2009 and its First Follow-Up Report in 2010. The Plenary placed Niger on the Enhanced Follow-Up process and directed it to submit its Third Follow-Up Report within six months.

387. **The Third Follow-Up Report of Nigeria:** Nigeria's progress in implementing the recommendations in its MER as reported in the third Follow-Up Report included the passage of AML/CFT Regulations by the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC) and the National Insurance Commission (NAICOM). The Regulations relate to AML/CFT obligations of entities under the supervision of the CBN, SEC and NAICOM.

388. On February 22, 2011, Nigeria's House of Representatives adopted an Anti-Terrorism Bill passed on February 17 by the Nigerian Senate to institutionalise measures for the prevention, prohibition and combating of acts of terrorism and the financing of terrorism in Nigeria. The Act was also aimed at paving the way for the effective implementation of the Convention on the Prevention and Combating of Terrorism as well as the Convention on the Suppression of the Financing of Terrorism, and prescribes penalties for the violation of its provisions. Additionally, Nigeria reviewed the Money Laundering (Prohibition) Act, 2004 to provide for clear requirements for financial institutions to conduct CDD. Thus, the Money Laundering (Prohibition) Act, 2011 (MLPA 2011) repeals the Money Laundering (Prohibition) Act, 2004 and makes comprehensive provisions to prohibit the financing of terrorism, and the laundering of the proceeds of crime or illegal activities. It increases the threshold for reporting cash transactions from one million Naira to five million naira for individuals, and from five million Naira to ten million Naira in respect of corporate bodies. It also increases the cash payment of any sum in a transaction through a financial institution, from five hundred thousand naira to five million naira for individuals, and two million naira to ten million naira for corporate bodies. GIABA could not review the laws to determine their compliance with international standards and effectiveness since they were not in force and in effect at the time of reviewing the Third Follow-Up Report of Nigeria⁵⁷.

389. Nigeria also established an Asset Forfeiture Unit at the Economic and Financial Crimes Commission to coordinate the management of forfeited/recovered assets and maintain statistics.

390. The country provided training programs to financial institutions on filing of cash transaction reports (CTRS) and application of customer due diligence measures, including identification and verification of identity of high risk customers, and appropriate monitoring and reporting procedures to apply to such customers.

391. The Plenary noted Nigeria's progress in enacting the Terrorism (Prevention) Bill and the Money Laundering Prohibition Act (MLPA) Bill 2010, and encouraged Nigeria to intensify efforts to obtain Presidential assent for the Terrorism (Prevention) Bill and ensure the passage of the MLPA Bill into law. The Plenary maintained Nigeria on the Expedited Regular Follow-up Process. Nigeria will submit its fourth Follow-Up Report within one year.

392. **The Third Follow-Up Report of Senegal:** Senegal indicated in its Third Follow-Up Report that it improved regulation of its financial sector through the implementation of instruction n° 009/07/RSP/2010 of 26 July 2010 on customer identification procedures and security of financial transactions and issued by the Central Bank (BCEAO). The instruction relates to the centralization and dissemination of defaults of WAEMU. Senegal also regulated its financial sector through the application of Instruction No. 42/2010 issued by the Regional Council on Regional Financial Market. The Procedure of penalties taken by the Regional Council for Public Savings and Financial Markets of the WAMU.. It is intended to clarify the enforcement terms of the provisions of Regulation n° 15/2002/CM/UEMOA of 19 September 2002 regarding defaults in WAEMU Member States. CENTIF Senegal organised an awareness campaign for relevant stakeholders to disseminate the Instruction to them.

393. Regulatory and supervisory authorities in Senegal, including the Bank Commission and the Department of Insurance, undertook examination of institutions under their supervision based on AML/CFT Action Plan developed by the Commission and the Department of Insurance. CENTIF-Senegal organized more seminars, forums and on-site workshops for banks, notaries and accountancy firms. It also developed internal programs for reporting entities and commenced a national campaign on AML/CFT for 14 regions of Senegal to raise awareness among stakeholders.

⁵⁷ The Sixth National Assembly passed the Terrorism (Prevention) Act, 2011 and the Money Laundering Prohibition Act, 2011 on 2 June, 2011. Both laws received Presidential Assent and entered into force and effect on 3 June, 2011.

394. The remaining deficiencies that need to be addressed by Senegal include the amendment of its Customs Code, review of the community texts and the legal framework relating to the micro-finance sector. Some of the actions are to be taken in collaboration with BCEAO.
395. The Plenary commended Senegal for sustaining its progress since the adoption of its MER in May 2008. The Plenary maintained Senegal on the Expedited Regular Follow-up Process and directed Senegal to submit its Fourth Follow-Up Report within one year.

Fifth Follow-Up Report of Sierra Leone:

396. GIABA discussed the Fifth Follow-Up Report of Sierra Leone in November 2011. Plenary observed that Sierra Leone had not made any significant progress in implementing the recommendations in its MER adopted in June 2007, particularly with respect to the country's legal frame work. The deficiencies existing in Sierra Leone's AML/CFT system include inadequate criminalisation of

money laundering; absence of a legal framework on terrorist financing; no provision for confiscating instrumentalities used in commission of a predicate offence or offences related to terrorist financing; absence of CDD requirement for existing customers and ineffective implementation of CDD rules relating to beneficial owners and controllers; lack of an effectively functioning financial intelligence unit; weak anti-money laundering legislation; inadequate supervision of financial institutions and DNFBPs; lack of resources available to an agency tasked to combat money laundering or terrorist financing; and lack of statistics on AML/CFT matters. A significant number of the deficiencies in the AML/CFT system of Sierra Leone are to be addressed through the enactment of legislation. The country has drafted an AML/CFT Bill since 2009. Sierra Leone did not provide any definite date in its Action Plan within which the AML/CFT Bill will be passed.

TABLE 14: Submission of Follow-Up Reports 2008 – 2011

Country	Plenary Dates and Follow-Up Reports										Process	Next date
	June 07	Nov 07	May 08	Nov 08	May 09	Nov 09	May 10	Dec 10	May 11	Nov 11		
Benin							MER		1st		ERF	May 12
Burkina Faso						MER				2nd	ERF	Nov. 12
Cape Verde		MER				1st		2nd		3rd	EF	May 12
Ghana						MER		1st		2nd	EF	May 12
Guinea Bissau					MER			1st		2nd	EF	May 12
Liberia									MER			
Mali				MER		1st		2nd		3rd	ERF	Nov. 12
Niger					MER			1st		2nd	EF	May 12
Nigeria			MER		1st		2nd		3rd		ERF	May 12
Senegal			MER		1st		2nd		3rd		ERF	May 12
Sierra Leone	MER		1st		2nd		3rd	4th	ND	5th	EF*	May 12
The Gambia			MER	MER		1st		2nd		3rd	EF	May 12
Togo							MER					May 12

Legend: NC= Non-compliant; PC=Partially Compliant; LC=Largely Compliant; C=Compliant

Legend

FUR	Follow-Up	ERF	Expedited Regular Follow-Up	EF	Enhanced Follow-Up	EF	Enhanced Follow-Up : Public Statement Issued	ND	Not Discussed
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397. In view of the strategic deficiencies in the AML/CFT system of Sierra Leone, Plenary retained Sierra Leone on the Enhanced Follow-Up process. GIABA issued a Public Statement on Sierra Leone to the effect that Sierra Leone was deficient in compliance with the FATF Recommendations. The Statement highlighted the weaknesses in the AML/CFT system of Sierra Leone. It called on the national authorities of Sierra Leone to intensify efforts to address the structural deficiencies in the country's AML/CFT system, with particular regard to the legal framework..
398. GIABA embarked on a high level engagement with the Sierra Leone authorities to secure their commitment to implement AML/CFT measures of acceptable international standards in the country. A major outcome of the engagement is that, AML/CFT Bill was laid before Parliament in December 2011.⁵⁸

Adoption of the FATF Key Principles on Mutual Evaluations and Assessments

399. At its June 2010 Plenary, the FATF adopted seven Key Principles on Mutual Evaluations and Assessments. The Principles were developed through collaborative efforts with the World Bank, the International Monetary Fund (IMF) and FSRBs, including GIABA. The objectives of the Principles are to ensure that mutual evaluations are conducted in line with FATF principles and Methodology for Assessing Compliance with FATF Recommendations. They set out the fundamental objectives, principles and essential underpinnings for mutual evaluations and assessment processes, including enhancing the quality and consistency of mutual evaluation and detailed assessment reports and applicable procedures. It also requires assessment bodies to have effective and transparent follow-up processes that result in jurisdictions achieving satisfactory compliance with the FATF Standards in a timely manner. The follow-up processes are to be complemented, as appropriate, by other mechanisms. Those mechanisms are to encourage and facilitate compliance, including through the prioritisation of remedial action.
400. The 15th Technical Commission/Plenary and the 10th GIABA Ministerial Committee endorsed the Key Principles in accordance with GIABA's mandate to evaluate, through self-evaluation and mutual-evaluation according to the FATF procedure, progress and the efficacy of measures. GIABA is committed to apply the Principles in the mutual evaluation of its member States. The Principles are available at the FATF website at www.fatf-gafi.org.

Guidance on Implementation of MER Recommendations

401. The GIABA 15th Technical Commission/Plenary meeting held in May 2011 adopted the GIABA Guidance on Implementation of MER Recommendations. The Guidance is a working document of GIABA aimed at assisting assessed countries to adopt action plans to implement the recommendations in their MERs using the Action Plan Template adopted by GIABA in December 2010. The action Plans are to identify primary and secondary agencies that will be responsible for implementing specific recommendations; set out timeframes for specific actions; identify technical assistance needs and issues that may impede the implementation of the action plans; and provide information on outcomes of prioritisation exercise. The Guidance is also aimed at assisting GIABA to monitor the effective implementation of recommendations in assessed countries' MERs based on the action plans. It incorporates the principles set out in the "FATF Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards within Low Capacity Countries," FATF AML/CFT Methodology for assessing compliance with FATF 40 + 9 Recommendations and the "Strategic Implementation Planning (SIP) Framework," developed by the Implementations Issues Working Group (IIWG) of the Asia Pacific Group (APG) and the World Bank. Thus, the Guidance provides for a Follow-Up Report Template which requires information on countries' progress relating to prioritized FATF Recommendations rated PC and NC.

Adoption of Implementation of MER Recommendations on Action Plans

402. GIABA approved MER Recommendations Implementation Action Plans of Benin, Burkina Faso, Cape Verde, Ghana, Guinea Bissau, Mali, Niger, Nigeria, Sierra Leone and Togo. The Action Plans were developed in accordance with the Guidance on Implementation of MER Recommendations. They are to enable the countries to implement the recommendation of the Mutual Evaluation Reports in a coordinated manner.

The Expert Review Group

403. In line with the GIABA Mutual Evaluation Process and Procedures, GIABA Expert Review Group (ERG) after each on-site mutual evaluation to discuss the draft MER and identify issues for Plenary decision. The ERG is required to:

⁵⁸ The Parliament of Sierra Leone passed the AML/CFT Bill on 9 February, 2012.

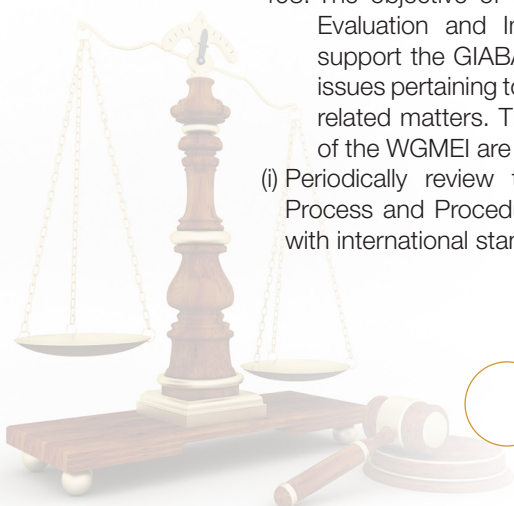
- (i) Identify all remaining areas of disagreement between the assessed country and the assessment team, as well as the main issues behind these positions;
 - (ii) Note inconsistencies with other MER;
 - (iii) Note important areas deserving a discussion in the Plenary;
 - (iv) Identify any issues that require interpretation/clarification of the FATF standards, the 2004 Methodology (including "horizontal issues") or regarding FATF procedures.
404. The Secretariat prepares a short written report summarizing the ERG discussion. The report clearly identifies the most important issues and helps define and focus the order of the discussion at the Plenary. At the Plenary, all delegations are able to raise any issue with respect to the report.
405. The ERG does not have decision-making powers on a MER or evaluation. This is the sole prerogative of the Plenary. The ERG is not empowered to censor, overrule or "second-guess" the assessment teams, nor function as a broker between the assessment team and the country. The ERG identifies the key issues for discussion in the Plenary taking into account any comments by the assessed country/assessment team members (in particular, all areas where the assessed country disagrees with the report or identifies inconsistencies with other reports), and the written comments received in advance.
406. Each ERG is composed of five to seven experts from interested GIABA members (other than the assessed countries) and observers. The ERG discusses each draft MER in the presence of representatives of the assessed country, the assessment team, observers and the Secretariat.
407. Two ERGs were constituted in May 2011 to review the draft MERs on Liberia and Togo. The ERGs examined the draft MERs and presented outstanding issues to Plenary for discussion. The reports on the discussions of the ERGs helped to define and focus the order of the discussion at the Plenary before adopting the MERs.
- (ii) Examine the FATF 2004 Methodology and advise GIABA Assessors on evaluation procedures;
 - (iii) Review follow-up reports submitted by member States regarding progress made in the implementation of recommendations in the mutual evaluation reports and make recommendation to the Plenary;
 - (iv) Recommend new policies and measures on Mutual Evaluations for consideration of Plenary; and
 - (v) Advise on other matters pertaining to the implementation of the mutual evaluation calendar and Mutual Evaluation Process and Procedures.
409. During the year under review, the WGMEI discussed the Follow-Up Reports, Mutual Evaluation Reports Recommendations Implementation Action Plans, Guidance on Implementation of Mutual Evaluation Reports Recommendations, FATF Key Principles on Mutual Evaluations and Assessments and related matters, and made recommendations to the Plenary.
410. Reconstitution of membership: At the May 2010 Plenary held in Praia, Cape Verde, the Plenary reviewed the membership of the WGMEI for a two-year term with effect from May 2010. The Plenary appointed representatives from Cape Verde, Ghana, Guinea Bissau, Liberia, Mali, Nigeria and Togo to constitute the membership of the WGMEI. The WGMEI was co-chaired by Nigeria and the Secretariat. Thus, GIABA will reconstitute the membership of the WGMEI at the next Technical Commission/Plenary meeting. GIABA is grateful to the members of the WGMEI for their immense contribution towards achieving the objectives of GIABA, particularly with regard to the implementation and understanding of AML/CFT standards and issues in GIABA member States.

The Working Group on Mutual Evaluation and Implementation)

408. The objective of the Working Group on Mutual Evaluation and Implementation (WGMEI) is to support the GIABA Plenary in the examination of issues pertaining to GIABA mutual evaluations and related matters. The specific Terms of Reference of the WGMEI are to:
- (i) Periodically review the GIABA mutual evaluation Process and Procedures to ensure that it complies with international standards;

Proposal on Analysis of Follow-Up Reports

411. Key regional impediments to implementing AML/CFT measures of acceptable international standards include a lack of capacity and limited expertise. In order to further develop expertise and foster engagement of member States in the Follow-Up process, the Secretariat tabled a proposal at the November 2011 Plenary, which requires the Secretariat to identify an expert from a member State to analyse the follow-up report of another member State. This proposal will allow member States to take ownership of the follow-up process. In essence, it will improve the quality of the analysis of follow-up reports and greatly enhance the peer review process. The Plenary endorsed the proposal while noting that the Secretariat will not be entirely absolved from the process.





Dr Ndèye Elisabeth Diaw, Deputy Director General of GIABA, handing over a set of souvenirs to His Excellency Mr. Yakubu Abdulai, Ambassador of Ghana to Senegal...during the Information Session for Ambassadors of member States, 8th April 2011, Dakar, Senegal

Pre-Assessment Training

412. GIABA organises pre-assessment training programs for its member States within the context of the mutual evaluation process. The programs ensure that relevant personnel in member States understand the mutual evaluation processes and procedures and their role in the evaluation process. It also helps them to conduct self-assessment and complete the MEQ for the on-site visit. The Pre-Assessment training programs cover procedures for completing the Mutual Evaluation Questionnaire (MEQ), description of countries' role throughout the evaluation process (including adoption of the MER) and how the mutual evaluation process coincides with the overall World Bank and IMF-FSAP and AML/CFT assessment process.

National AML/CFT Strategy Framework

413. The Statutes of GIABA empower GIABA, among others, to do everything possible to ensure that Member States recognise, adopt and implement the FATF norms including recommendations, especially the forty (40) recommendations and the nine (9) special recommendations on the financing of terrorism, adopted by the FATF members and function as a forum in which AML/CFT strategy can be developed. By signing the Statutes of GIABA, member States endorsed the 40+9 Recommendations of the Financial Action Task Force (FATF) and committed themselves to

implement these Recommendations. In line with their commitment, member States have made significant efforts to prioritise and sequence implementation of AML/CFT measures of acceptable international standards through the adoption of National AML/CFT Strategies.

414. The national AML/CFT Strategies provides the basis for an overarching AML/CFT implementation. They provide for the coordination, collaboration and cooperation of relevant agencies and all stakeholders (central government, local authorities, civil society and the private sector) involved in implementing AML/CFT measures. The Strategies are designed as a road maps for addressing the questions pertaining to "Where", "What", "When", "Who", "Why" and "How" to implement a robust AML/CFT measures in a country. Thus, the Strategies set out the goals and actions required to build an effective AML/CFT system in the countries, taking into consideration available resources, emerging risks and ML/FT vulnerabilities, a full understanding of the impact of ML/TF on economies, and international reputation, as well as the need to act in a coordinated manner.

415. Three member States, namely, Ghana, Mali and Sierra Leone, have adopted National AML/CFT Strategies. Benin, Cote d'Ivoire, Guinea Bissau, Liberia and Nigeria have developed National Strategies. The Strategies were developed at

national workshops organised by GIABA and development partners.

416. GIABA envisages that the adoption and effective implementations of the Strategies will provide the member States with the impetus to make significant progress in putting in place the necessary frameworks and mechanisms to combat money laundering and terrorist financing, while ensuring economic development, peace and security in the region and globally.

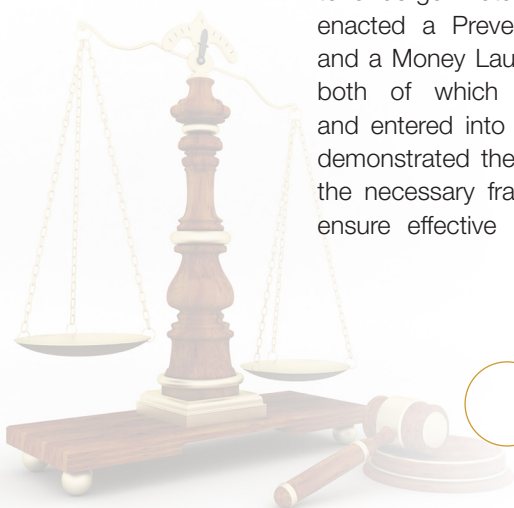
High Level Advocacy Missions

417. GIABA undertakes advocacy visits to member States to reinforce the need to comply with the FATF Recommendations, to reiterate the need to rectify deficiencies identified in assessed countries' AML/CFT systems as contained in their MERs, and to review the measures taken by the countries to improve on their AML/CFT system after the adoption of their MERs. The mission also solicits political support and commitment towards effective implementation of the MER recommendations within desirable time-frames.
418. The Secretariat undertook advocacy missions to Nigeria, The Gambia, Ghana, Cote d'Ivoire, Guinea, Guinea-Bissau, Niger and Togo. The missions met with the relevant Ministers and heads of Government Ministries, Departments and Agencies, including the President of the Togolese Republic, His Excellency Faure Gnassingbe, Ministers for Finance, Justice and Interior, governors of Central Banks, heads of FIUs and GIABA national correspondents. Countries visited need to take further action to improve their AML/CFT systems. These actions include ratification of international conventions and instruments, enactment or strengthening of relevant legislation, establishment or strengthening of institutional frameworks, particularly FIUs, internal coordination and international cooperation, capacity-building for relevant AML/CFT personnel and sensitisation of stakeholders.
419. In particular, the authorities in Cote d'Ivoire and Guinea confirmed their countries' readiness to undergo mutual evaluation in 2012. Nigeria enacted a Prevention of Terrorism Act, 2011 and a Money Laundering (Prohibition) Act 2011, both of which received presidential assent and entered into force in 2011. The authorities demonstrated their commitment to put in place the necessary frameworks and mechanisms to ensure effective implementation of acceptable

AML/CFT standards. Also, during the visit of the Director General to the authorities of the Gambia on 4–6 October 2011, the government made concrete commitments to the creation of an FIU and the appointment of its chief executive officer. The Secretariat will continue to engage the Gambia on its commitment and its readiness to design a comprehensive capacity-building plan to further assist the newly formed FIU to become fully operational. Other advocacy missions were to Sao Tome and Principe, and Cape Verde.

The FATF International Co-operation Review Group Follow-Up Process

420. The FATF's primary role is to set global AML/CFT standards and ensure the effective implementation of these standards in all jurisdictions. Enhanced global compliance with the standards reduces the ML/FT risks to the international financial system, and increases transparency and effective international co-operation. In addition to the FATF's and FATF-style regional bodies' mutual evaluation programs and follow-up processes, the FATF uses its International Co-operation Review Group (ICRG) process to identify and to respond to jurisdictions with strategic deficiencies in their AML/CFT regimes that pose a risk to the international financial system.
421. Since 2007, the ICRG has analysed jurisdictions that the FATF considers as high-risk ML/TF jurisdictions and has recommended specific actions to address the ML/FT risks emanating from those countries. The FATF issues public statements expressing concerns about the significant deficiencies in the AML/CFT regimes of such jurisdictions. In some cases, the FATF takes an additional step of calling upon its members and urging all jurisdictions to apply countermeasures to protect their financial sectors from ML/FT risks emanating from those jurisdictions. At its Plenary meetings The FATF reiterates its call for countermeasures where there is continued lack of progress by the identified Jurisdictions.
422. In 2009, the leaders of the Group of 20 (G20) specifically called on the FATF to reinvigorate its process for assessing countries' compliance with international AML/CFT standards and to publicly identify high-risk jurisdictions by February 2010. In line with the G20's call, the FATF adopted new ICRG procedures in June 2010. Since that time, the G20 has called for the continuation of FATF efforts to fight against ML/TF and to regularly update the public list of jurisdictions with strategic deficiencies.



The ICRG procedures

423. Initial referral to the ICRG is based primarily on the results of the jurisdiction's mutual evaluation. In particular, for purposes of the review, the FATF gathers information on the following:

- The size and integration of the country's financial sector, relative to both the region and the rest of the world, including the percentage of the country's total assets held in non-resident accounts;
- ML/TF risks and threats emanating from the country;
- Failure to take substantial action to criminalise ML/TF;
- Concrete cases of not adequately responding to international cooperation;
- The extent to which the country has sought and implemented technical assistance;
- The degree to which the country has demonstrated willingness to reform its AML/CFT deficiencies, including follow-up steps that are being taken or have been taken by the FSRB of which the jurisdiction is a member.

424. Jurisdictions whose mutual evaluation reveals a significant number of key deficiencies are referred to the ICRG for a preliminary or prima facie review conducted by one of four ICRG regional review groups. This initial review includes outreach to each jurisdiction, including the opportunity to comment on the draft prima facie report. Based on this report, the FATF decides whether it should conduct a more in-depth review of the jurisdiction's key strategic AML/CFT deficiencies. Each reviewed jurisdiction is given an opportunity to participate in face-to-face meetings with the regional review group to discuss the report, including developing an action plan with the FATF to address the deficiencies identified. The FATF specifically requests high-level political commitment from each reviewed jurisdiction to implement these action plans. On the basis of the results of the ICRG review, jurisdictions may be publicly identified in one of the two FATF public documents that are issued three times a year.

425. The first public document, the FATF's Public Statement, identifies jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with it to address the deficiencies. As of October 2011 these include 10 jurisdictions⁵⁹.

426. In the second FATF public document, "Improving Global AML/CFT Compliance: On-going Process, the FATF identifies jurisdictions with strategic AML/CFT deficiencies that have provided a high-level political commitment to address the deficiencies by implementing an action plan developed in conjunction with the FATF. The situation differs in each jurisdiction and therefore each presents different degrees of ML/TF risks. The FATF encourages its members to consider the strategic deficiencies identified in the second public document⁶⁰. As of October 2011 the FATF identified 30 jurisdictions. It works with jurisdictions during the implementation of their action plans until adequate progress has been made and jurisdictions can be removed from public identification.

427. Currently, three GIABA member States, Nigeria, Ghana and Sao Tome and Principe, are on the ICRG targeted review process due to the structural deficiencies in their AML/CFT systems. The process in these countries is being coordinated by the Regional Review Group (RRG) responsible for the Middle East and Africa. The national authorities of Nigeria, Ghana and Sao Tome and Principe have committed to rectifying the deficiencies within specific time-frames based on action plans agreed on with the RRG. The countries have been submitting periodic reports on their progress in implementing the Action Plans. GIABA is working with them to achieve the expected levels of compliance to take them out of the process.

Conclusion

428. GIABA member States have demonstrated a commitment to the implementation of AML/CFT measures of acceptable international standards in the region. The efforts of Member States, particularly members of parliament who have shown commitment to the fight against ML/TF through the enactment and revision of AML/CFT laws in their respective countries are recognised and highly appreciated. Member States have also shown a strong commitment to the Mutual Evaluation process, which has assisted them to fine-tune priorities for their national AML/CFT regimes and develop comprehensive AML/CFT national strategies and related action plans. GIABA's first round of Mutual Evaluations will be concluded in 2012. The second round is expected to commence in 2013. Going into the second round, the Secretariat will draw on lessons learnt and experiences gained from the first round of Mutual Evaluation.

⁵⁹ See the FATF High-risk and non-cooperative jurisdictions at www.fatf-gafi.org

⁶⁰ Ibid

CHAPTER IV

Typologies and other Research Projects Introduction

429. Research and typology exercises on money laundering and the financing of terrorism remain a key component of GIABA's mandate. In effect, it enables the institution to understand the techniques, trends and methods used by criminals in laundering money and/or financing terrorist activities. In this context, it is crucial to underscore the problem within the region, in respect of both money laundering and terrorist financing as indicated in the study and typology reports published by GIABA, among others. In the current circumstances, the conclusions of those reports are useful to member States and GIABA, as well as technical partners in determining priority actions against these scourges. Thus, since 2007, GIABA has been producing reports reviewing the risks of TFin the region.

430. Actions undertaken by GIABA in 2011 as part of the research and typology exercises have focused mainly on promoting research on AML/CFT on the one hand, and, on the other, encouraging national stakeholders to implement the relevant recommendations contained in the various studies conducted. In addition to the research and typologies, GIABA has initiated the award of research grants on pertinent topics relating to AML/CFT in West Africa. Also, based on the recommendations contained in the study and typology reports, GIABA organized workshops in order to help national stakeholders update and optimize their understanding of ML/TF risks and strengthen their overall AML/CFT regimes.

431. Finally, since capacity-building is an aspect of the transfer of competences at national level, GIABA has also embarked on a training policy on the conduct of ML/TF typologies from which various national stakeholders operating in the area of investigations and law enforcement have benefitted.

Major Activities of the Working Group on Typologies (WGTYP)

a. The WGTYP's Inaugural Meeting

432. The WGTYP held its inaugural meeting in Saly, Senegal, on 19 September 2011. Mr. Cheikh Bamba from Senegal and Mr. Brian SAPATI from Ghana, were appointed as Co-Chairs during this meeting. The major issues discussed included the

mandate of the Group, as well as its involvement in the coordination of ongoing studies and typology projects planned by GIABA. The establishment of a contact platform and data base for documents on AML/CFT, accessible to members of the Working Group, was also agreed with the GIABA Secretariat.

433. In retrospect, it was at the 14th GIABA Plenary Meeting in Abuja, Nigeria, held on 7 – 9 December 2011, that the GIABA Technical Commission approved the revised mandate and the appointment of the seven members of the Working Group on Typologies. The Working Group is expected to report to the Plenary on its activities on a half-yearly basis. The main objective of the Group's work is to facilitate the understanding of the techniques, methods and trends of ML/TF within the region and beyond. In this regard, the WGTYP is open to all GIABA members, as well as observers.

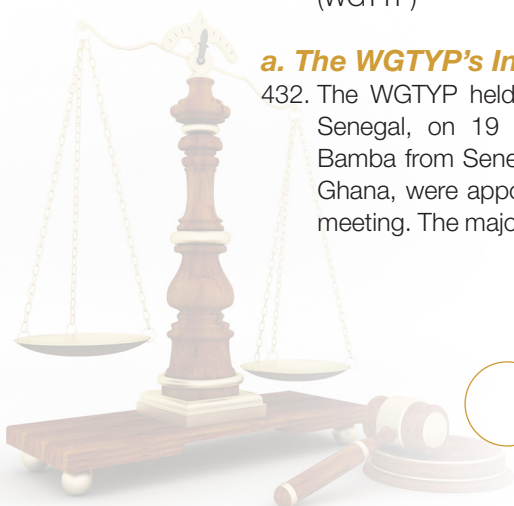
b. Participation in GIABA/FATF Meetings

434. Within the framework of their activities and in a bid to enhance their capacity, some members of the WGTYP were sponsored by GIABA to attend FATF/GIABA meetings. Thus, two members participated in the meetings of FATF's Working Group on Typologies in Mexico in June 2011, and in France in October 2011.

435. It should also be noted that the Co-Chairs of the WGTYP have submitted a progress report that was validated by the 16th Plenary of GIABA's Technical Commission in November 2011. That report focused mainly on the following items:

c. Organization of Typologies Workshops

436. In collaboration with the WGTYP, the Secretariat organized three consecutive workshops held on 19 – 24 September 2011, seeking to inform, sensitize and train national AML/CFT stakeholders, as a way of encouraging them to implement the recommendations contained in the various study and typology reports published by GIABA/FATF. These activities brought together about 60 participants, representing ECOWAS member States as well as some GIABA partner institutions, including UEMOA, UNODC, FATF, BCEAO and the Central Banks of Guinea and Liberia.





437. The first workshop was devoted to the validation of the draft study report on Tax Fraud and Money Laundering in West Africa: prospects for economic and human development. It also initiated the typology exercise on tax fraud and money laundering in West Africa. The second was an experience sharing session on the major conclusions and recommendations of the typology reports and other studies published by GIABA and FATF. The third workshop was designed for the capacity-building of representatives of ECOWAS member States on the techniques and methods for the design and conduct of typologies.

Presentation of Draft Study and Typology Reports

Report on “Tax Fraud and Money Laundering in West Africa: prospects for human and economic development”

438. This study sought to generate knowledge and enhance understanding of the presumed relationship between tax fraud and money laundering, and its impact on human and economic development. GIABA's ultimate objective was to be able to use the general information provided by this study report to determine through a typology exercise, the methods, techniques and trends in tax fraud and money laundering in West Africa.

439. The study was carried out by a Senior Researcher and a Research Associate, assisted by a researcher in each of the 10 member States used as samples for the study: Benin, Burkina Faso, The Gambia, Ghana, Guinea-Bissau, Mali, Nigeria, Senegal, Sierra Leone and Togo. The research methodology included a literature review on the legal and institutional framework of the tax administration, background information on taxation and the main types of tax in member countries. This was followed by a four-month field research during which empirical data were collected based on two types of questionnaires, namely the country-level and the general population questionnaires. In addition to the questionnaires, structured interviews were conducted with senior tax officials and other tax professionals in the sampled West African States.

440. In spite of the difficulties encountered, including the lack of reliable documentation/records on the subject, the primary data generated, as well as the relevant sources analysed and summarized, provided appropriate answers to the key questions raised by the study. It was within this

framework that the reports of 8 out of the 10 sampled countries were presented and discussed during the validation workshop held in Saly, Senegal on 19 – 20 September 2011. During this workshop, a summary of the research findings was presented by the Research Associate for 7 sampled countries, backed up by some statistical analysis presented by the GIABA Secretariat. A representative of one member country (Nigeria) also presented the major conclusions from the findings from his country. Generally, the findings of the study confirmed the magnitude of tax fraud in ECOWAS member States, as well as the similarities in the vulnerabilities and challenges facing tax authorities and AML officials. While acknowledging the quality of the findings during the workshop, however, participants underscored the need to take into account the various amendments and recommendations made in order to improve on the final version of the country report.

441. During the validation workshop, the following recommendations were made based on the key findings and conclusions of the study:

- That there is a real need for the education and sensitization of the general public on taxation generally. A more effective means of achieving this objective could be partnering with civil society organizations and with networks within the region;
- That GIABA should strive to enhance capacity of national regulatory and supervisory bodies (including FIUs and anti-corruption agencies) for the effective detection of tax fraud;
- That tax administrations should be computerized throughout the region in order to enhance their transparency and accountability.

Typology Report on Tax Fraud and Money Laundering

442. The study “Tax fraud and money laundering in West Africa” provided insights into the problem and the magnitude of the phenomenon in West Africa. It was based on information in the report initiated by the typology exercise. The goal of this typology was to identify the techniques, methods and trends in money laundering in relation to tax fraud. The ultimate objective was to be able to aid Governments and national stakeholders in defining the appropriate policies/mechanisms that could be useful in effectively combating tax fraud and money laundering, as well as in alleviating the impact of these two scourges.

443. In addition to the methodology outlined for the production of exploratory study reports,



representatives from each of the ECOWAS member States (with the exception of The Gambia) presented three tax fraud typologies recorded in their respective countries. The ensuing discussions further confirmed the existence of massive tax fraud within the region, as well as the similarities in the techniques used by fraudsters in committing this offence and associated money laundering. Several observations and recommendations were made by participants, including:

- The automation of the tax administration;
- The strengthening of cooperation and collaboration among the key stakeholders in the tax administration, particularly in terms of information-sharing;
- The capacity-building (human and infrastructural) of all stakeholders in order to enhance the application, investigation and prosecution of tax fraud offences;
- The strengthening of fiscal legislations/regulations, as well as their scope of application;
- Enhancing the awareness of the general public on the benefits of paying taxes;
- Drafting or reinforcing laws for limiting cash transactions to a certain threshold in order to establish the means of verifying and facilitating tax assessment.

Study Reports on the Link between SALWs and Money Laundering

444. This study was conducted by Pan African Policy and Strategic Research Group (PANFSTRAG), a professional non-profit organisation involved in the control of Small Arms and Light Weapons (SALWs) in West Africa for many years, on behalf of GIABA. The document was reviewed and edited by an expert with extensive experience in West African regional security. This study explored the link between the Illicit Trafficking of SALW and ML/TF in West Africa. The research methodology included literature review (articles, laws and regulations on SALWs, and reports on ML and TF), interviews with relevant stakeholders, and consultations with other external stakeholders. The two meetings organized with the GIABA Secretariat and the firm of consultants validated the contents of the final report produced by the senior researcher.

445. The report first underscored the trends and methods of the illicit trafficking in SALWs within the region, in particular highlighting the domestic and external factors for trafficking, and the nature

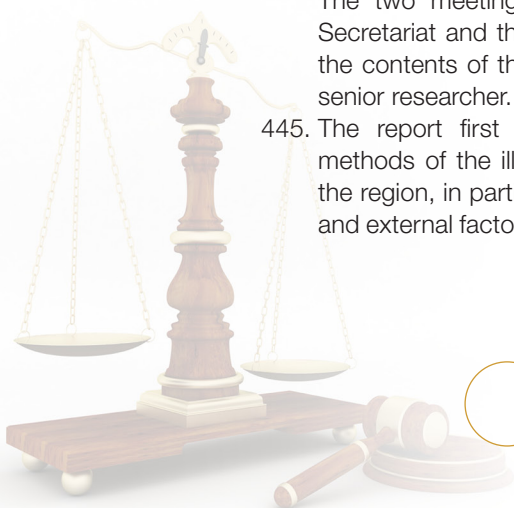
and types of SALWs being trafficked, particularly those manufactured locally and in countries of the region. It then reviewed the link between the illicit trafficking of SALWs and money laundering in West Africa, especially the likely sources of funds for the illegal financing of arms importation in West Africa by non-state actors. These sources include mainly: drug trafficking, kidnapping, illicit diamond trafficking, smuggling of petroleum and other commercial products. The actors perpetrating such illicit activities were identified and designated: armed groups, business agents, politicians, drug barons and community leaders.

446. The report also indicated how profits derived from the illicit trafficking of SALWs are laundered, particularly through local and international banks, real estate investments and the establishment of small retail businesses. The study was also aimed at establishing the link between SALW trafficking and terrorist financing in West Africa. However, the available data so far did not justify a strong conclusion as field research may be required to gather empirical evidence. Based on an exploration of existing legislations and regulations, as well as the institutional mechanisms for the prevention of the illicit trafficking of SALWs and those relating to the AML/CFT regime, the report highlighted the vulnerabilities and inadequacies of the existing control mechanisms in member States and recommended several measures, including:

- Enjoining international organizations and relevant forums to map out more concerted, consistent and practical strategies that would forestall the dumping of all types of SALWs in the region;
- Intensifying the collaboration of ECOWAS with civil society groups in the region to disseminate information on measures against the proliferation and illicit trafficking of SALWs;
- Enjoining the ECOWAS Commission to take other proactive measures;
- Helping the region to develop efficient systems of preventing and detecting smuggled products including: petroleum oil, narcotics and other illegally mined products used to finance the illicit importation of SALWs in the region.

Research Grants

447. In the 2011 – 2014 Strategic Plan of GIABA, the Research Grant is one of several projects GIABA has identified to tackle/mitigate the issue of low capacity in the region, thereby enhancing and fast-tracking the implementation of AML/





CFT regimes consistent with its mandate and obligation to member states. The research grant is designed to encourage the conduct of empirical research on ML/TF related topics. As a consequence, the GIABA Secretariat invited expressions of interest (EOIs) and proposals from eligible candidates for its maiden Research Grant in May 2011. The Grants were offered in three categories: Gold (for academics and professional associations), Silver (for registered NGOs/CBOs) and Bronze (postgraduate students).

448. The call for application received an overwhelming number of EOIs and proposals, which were pre-selected on the basis of guidelines developed for GIABA's research work. The pre-selected proposals and accompanying materials were thoroughly reviewed and evaluated by a team of external consultants engaged by the Secretariat. The selection process was completed in August, resulting in the award of fourteen (14) grants: three (3) awards in the Gold category, three (3) in the Silver category and eight (8) awards in the Bronze category.
449. This marked the effective commencement of the research projects, which was designed to be conducted over a period of three months. The Directorate of Research at the GIABA Secretariat is responsible for the overall coordination, monitoring and reporting on the various research projects being undertaken under the Grants.

Project Planning for 2012

Joint typologies exercise with FATF on the Financing of Terrorism

450. As part of the practical exercises organized during the typology workshop held on 23 – 24 September 2011, participants simulated a typology exercise on terrorist financing in West Africa. The exchange of information during this exercise demonstrated the need for conducting a typology exercise on this topic. In effect, the exercise highlighted the terrorist financing threats, as well as the need to determine the methods, techniques and trends in the financing of terrorist activities. One of the recommendations of this workshop was to present a concept note at the FATF and GIABA Plenaries in October and November 2011 respectively, inviting them to conduct a joint typology exercise on the financing of terrorism.

Joint Typologies Workshop with the FATF

450. The GIABA and FATF Secretariats are planning to jointly organize in 2012, an annual meeting of their two Working Groups on Typologies in Dakar, Senegal. The participation of FSRBs' representatives and observers of both Secretariats would be solicited.

Joint Research Project with IDEA

452. Within the framework of diversifying its partnership, GIABA signed an MOU with the Institute for Democratic and Electoral Assistance (IDEA), in July 2011. Through this formal action, both parties have provided the basis for cooperation and collaboration in achieving programs and projects on AML in West Africa. This was followed by the signing in November 2011, of a specific cooperation agreement for the conduct of studies on "Regional Evaluation for the Protection of Political Legality in West Africa."
453. The implementation of this generic activity will be preceded by country studies on topics that have been specified in the contract document. The development of the Terms of Reference and quality control function will be the common responsibilities of both parties. According to the agreement concluded between both parties, the final product will be published early in 2012.

Conclusion

454. Following the presentation of the WGTYP's Co-Chairs' report, the 16th Plenary Meeting of the GIABA Technical Commission agreed on the following:
- Maintain the annual organization of GIABA's typology workshops, particularly the sharing sessions on the study and typology reports;
 - Pursue the promotion of research activities in West Africa, particularly through the award of regional grants;
 - Organize joint GIABA/FATF activities in 2012;
 - Adopt the three above-mentioned study/typology reports, taking into account the amendments made therein.
455. Furthermore, GIABA intends to intensify its quest for regional and international partnerships for the conduct of studies and typologies on AML/CFT. It is within this framework that collaboration is particularly envisaged with CODESRIA and IDEP in 2012.



CHAPTER V

Technical Assistance

456. A collective and collaborative approach in the fight against money laundering and terrorist financing has the potential to be the most effective approach to the fight against these twin scourges. As a regional leader, GIABA remains committed to assisting its member States by ensuring that their economies are not misused for the purposes of laundering the proceeds of crime and financing of terrorism. Thus, in line with the focus of its 2011–2014 Strategic Plans, GIABA provided well-designed, result-oriented special-purpose-vehicle technical assistance, at both national and regional levels to its members. Capacity development was a priority in the delivery of technical assistance for the year under review. In achieving this objective, efforts were directed at sector-specific technical assistance designed to upscale the competencies of officials of competent authorities and other stakeholder institutions responsible for implementing AML/CFT measures (see chart 1 below).

457. The 2011 program delivery was in consonance with the anticipated changes and expectations of the revised FATF Recommendations. Thus, technical assistance in 2011 targeted sectoral requirements for implementing effective AML/CFT measures. In summary, GIABA's technical assistance was designed to assist its member States in:

- Improving both human and institutional capabilities of a broad range of identified stakeholders in the fight against ML/TF;
- Building a knowledge community; and
- Fostering regional cooperation.

458. Therefore, in the delivery of its technical assistance in the year under review, emphasis was on:

- Increased advocacy to facilitate commitment of all relevant stakeholders in the crusade against ML/TF;
- Adoption of a risk-based approach to AML/CFT compliance functions by the accountable/reporting entities;
- Holistic capacity-building of the judiciary to facilitate speedy adjudication of ML/TF cases;
- Strengthening the FIUs in view of their roles in the AML/CFT framework;

- Developing a national AML/CFT Strategy framework in member States to facilitate robust implementation of AML/CFT regimes; and
- Provision of technical infrastructure that would facilitate detection, investigation and deterrence of ML/TF.

459. As part of building regional alliance in the provision of technical assistance, GIABA collaborated with several regional organizations and development partners including DataPro Compliance Ltd, Central Banks and Financial Intelligence Units in the region, World Bank, IMF, UNODC, ICC, US, UK DFID, Swiss Government, France, UNCTED, FinCen, WAIFEM, FITC, PANAFSTRAG, and UNREC.

460. The year under review witnessed a significant increase in participation rate of both the private and public sector. Despite the constraints emanating from the operating environment, GIABA achieved a 99.48% execution rate in its program delivery. Specifically, in 2011 GIABA organized, sponsored, supported or participated in about 30 technical assistances programs, including training courses, seminars and workshops for member States benefiting about 1,135 officials as against 24 technical assistance/capacity-building activities in 2010 for a total of 948 officials.

461. The delivery of programs in 2011 by GIABA was aligned to the seven core strategic objectives in its 2011-2014 Strategic Plan with emphasis on improving the AML/CFT supervisory and regulatory framework; promoting the adoption of a risk-based AML/CFT compliance culture; strengthening the operations of FIUs ; enhancing the capacity of judicial officers and law enforcement agencies; and improving awareness of AML/CFT issues through partnership with the civil society including the media, academia and youth. The main outcomes of the technical assistance were increased value-added capacities and facilitation of understanding of stakeholders' role in implementing effective AML/CFT regimes in the region.

462. In achieving the above objectives, the following capacity-building programs were executed in 2011:



Installation of Body Scanners in Guinea Bissau and Côte d'Ivoire Airport

463. As a follow up to the typologies on cash transactions and as part of its technical assistance to member States to minimize bulk cash movement to prevent money laundering, the Secretariat purchased two security scanners for Cote d'Ivoire and Guinea Bissau by the end of 2010. A technical team consisting of the suppliers and the GIABA secretariat was in Bissau on 14-21 January 2011. The currency detection and other contrabands scanner was installed at the airport and handed over to the authorities of that country. The team also trained six operators and one administrator to manage the scanner. The installation of the same product at the Abidjan airport was not possible then, however, a site has been identified and plans finalised for the installation in 2012.

GIABA/World Bank Tactical Analysis Training Workshop (Francophone and Anglophone), Dakar, Senegal, 21 – 24 February 2011 and 28 February – 3 March 2011

464. The FATF Recommendation 26 calls on countries to establish an FIU that serves as a national centre for receiving (and, as permitted, requesting) of analysis and dissemination of suspicious transaction reports (STRs) and other information regarding potential money laundering or terrorist financing. As part of its efforts to build and strengthen such important support institutions within the AML/CFT framework, the GIABA Secretariat, with the support of the World Bank, organized two streams of Tactical Analysis/Train-the-Trainer Training Workshops held in Dakar on 21–24 February 2011 for FIU officials of Francophone West and Central African States; and on 28 February 28 to 3 March 2011 for their counterparts in Anglophone West Africa. The objectives of the program were to sharpen the analytical skills and to enhance the operational capacity of FIUs in member States.

465. A major outcome of the train-the-trainer segment of the workshop was the building of a pool of highly skilled personnel that will serve as regional knowledge transfer and capacity ownership/retention mechanism. About 29 and 13 analysts attended the Francophone and Anglophone workshops, respectively.

National AML/CFT Training Program for Compliance Officers of Banks in Accra, Ghana, 8 – 9 March 2011

466. The FATF Core Recommendations 5 and 10 – Customer Due Diligence and Record Keeping, require financial institutions to domesticate risk-based approach (RBA) in the deployment of CDD measures. Thus, recognizing the essence of institutionalizing a compliance culture, and as part of its focus in the new Strategic Plan (2011 – 2014) of organizing more national programs, the GIABA Secretariat, in collaboration with DATAPRO and Ghana's FIC executed a national training on AML/CFT compliance functions on 8–9 March 2011 for senior compliance officers from financial institutions in Ghana. The program was attended by 38 compliance officers from 21 banks and the Bank of Ghana.

467. The objective of the program was to sensitize and provide an overview of the FATF 40 + 9 Recommendations and acceptable international best practices on AML/CFT. Specifically, the program:

- Sensitized compliance officers on money laundering typologies;
- Provided compliance officers with the knowledge and tools required to file mandatory and suspicious reports to the relevant authorities;
- Afforded participants the opportunity to share and listen to practical experiences on internal control processes, procedures, programs and policies of AML/CFT compliance.

468. The workshop resulted in the formation of a Committee of Compliance Officers of Banks in Ghana with the objective of facilitating AML/CFT compliance in their institutions.

Financial analysis workshop for FIUs and Senior Bank Compliance Officers in Sierra Leone, 24 - 26 March 2011

469. In the FATF methodology for mutual evaluation, the essential criteria for assessing the effectiveness of an FIU include: operational independence, clear legal powers, adequacy of resources (human, financial, infrastructure, etc), unfettered access to information and databases, and well-analysed STRs.

470. In support of the Sierra Leone FIU to meet these requirements, and in continuing efforts to ensure adequate understanding of AML/CFT issues, GIABA organized a national workshop on financial analysis for the FIU and senior bank compliance officers in Freetown, Sierra Leone on 24–26 March 2011. The workshop was aimed at equipping financial analysts with the technical skills to analyze STRs and also to enhance their

understanding of the core functions (collection, analysis and dissemination of financial information) of the FIU. About 30 persons from the Sierra Leone FIU, the banking supervision department of the Bank of Sierra Leone and other financial institutions participated in the workshop.

Regional Seminar on Financial Crimes for Judges of (Anglophone and Francophone) ECOWAS Member States, Accra, Ghana, 28–30 March 2011 and Dakar, Senegal, 6–8 September 2011

471. The effectiveness of strategies for AML/CFT depends, among other things, on the competence and performance of officials of competent authorities/institutions responsible for implementing the AML/CFT measures. These authorities/institutions must be adequately resourced to perform their functions.

472. A core mandate of GIABA is to build the capacity of member States to implement robust AML/CFT measures including, effective adjudication of economic and financial crime cases. In collaboration with the UNCTED, the Stolen Asset Recovery Initiative (StAR Initiative) of the World Bank, the ECOWAS Community Court of Justice and the Ghana Financial Intelligence Centre, GIABA organized the 4th Regional Seminar on Economic and Financial Crimes for judges of Anglophone ECOWAS member States in Accra, Ghana from 28 to 30 March 2011. In a similar vein, the GIABA Secretariat in collaboration with the French government organized the seminar for Francophone and Lusophone Judges in Dakar, Senegal, from 6 to 8 September 2011.

473. The aim of the seminar was to sensitize judges on international developments in the fight against financial and economic crimes. About 27 (Anglophone) and 32 (Francophone/Lusophone) judges with direct responsibility for adjudicating or about to adjudicate on financial crimes cases attended the seminar. Recommendations from the seminars, especially on the need for capacity-building on Ethics and Integrity for Judges, have been reflected in the GIABA 2012 work plan.

National Training on Financial Intelligence Analysis Workshop for (Francophone and Anglophone), Ouagadougou, Burkina Faso, 4 – 6 April 2011, Accra, Ghana, 24 – 26, November 2011

474. A major function of the FIU is to undertake financial intelligence analyses involving the collection of information on financial affairs of reporting entities with the aim of to understanding their nature and capabilities, and thus predicting the behavioural trajectory of financial transactions of customers of the reporting institutions. Thus, there is need to have in place a well-functioning FIU that has the capacity to undertake financial intelligence analyses that will facilitate prosecution and adjudication of MLand TF cases.

475. In this regard, and building on the train-the-trainer approach of the earlier organized GIABA/World Bank Regional Tactical Analysis workshop, the Secretariat organized a similar program at national level for the Burkina Faso FIU in Ouagadougou, held on 4 – 8 April 2011. Also, in collaboration



Group photograph of participants at the National AML/CFT Compliance Workshop for Compliance Officers of Banks, held from 8th to 9th March 2011, in Accra, Ghana

with FinCen and Nigeria Financial Intelligence Unit, it replicated the workshop in Accra, Ghana on 24 – 26 November 2011 for officials of the Ghana FIC and seconded staff from the Bank of Ghana Banking Supervision Unit. The objective of the program was to expose participants to the technical skills of analysing financial information especially the STRs for the purpose of establishing the likelihood of evidence of MLand TF. About 30 and 26 participants attended the Burkina Faso and Ghana workshops respectively.

GIABA Regional Interactive Session for Media Executives, Dakar, Senegal, 7 April 2011.

476. The promotion of strategic partnerships with the civil society, including media organizations remains a priority for GIABA within its Regional Strategic Framework. As ‘the fourth estate of the realm’, the media requires capacity development to empower it to be able to raise the level of public awareness in combating transnational organized crimes and related crimes. In particular, ML/TF require concerted efforts geared at enhancing public understanding of the deleterious effects of crimes at both national and individual levels.
477. In May 2010 in Abuja, Nigeria, GIABA held the maiden edition of the interactive session with media executives. The aim of of this interaction is to sensitizing information managers on their responsibilities and obligations under the AML/CFT regime. The overriding objective was to foster

and strengthen partnership between GIABA and the media in the fight against transnational organized crimes, particularly MLand TF in the region.

478. The outcome of this premier edition provided the basis for making the session an annual event. It corroborates the need to accelerate the building of capacity of media practitioners of member States to facilitate their understanding of AML/CFT measures, thereby positioning them as advocates of good governance. Consequently, GIABA organised the second edition of the interactive session for media executives from member States in Dakar, Senegal on 7 April 2011.
479. The interactive session was attended by 34 media executives from GIABA Member States. The platform was used to unveil the GIABA 2010 Annual Report. In a communiqué issued at the end of the session, the participants made the following recommendations:
- i. That the media should be objective in the reportage of economic and financial crimes in particular, money laundering and terrorist financing, to avoid damage of reputation and the risks associated with the menace of ML/TF;
 - ii. That media practitioners should undertake research and investigative journalism to unearth cases and allegations of money laundering and terrorist financing;
 - iii. That law enforcement agencies responsible for monitoring and detecting cross-border



Dr. Abdullahi Shehu, Director General of GIABA, delivering the GIABA 2010 Annual Report during the interactive session for Media Officials in West Africa, held on 7th April 2011 in Dakar, Senegal

cash movement and trafficking in illicit narcotic substances should liaise with the media and civil society in sharing information to enhance public knowledge of these crimes;

- iv. That media practitioners should form alliances and networks to organize and promote cooperation and collaboration in the fight against ML/TF in the region;

- v. Media practitioners should embrace the opportunities provided by globalization for accessing information and sharpen their skills to better discharge their mandate as a watchdog of society.

480. The participants commended the Authority of Heads of State and Government of ECOWAS for the establishment of GIABA.



Left to right, Dr. Abdullahi Shehu, Director General of GIABA, Dr. Ndèye Elisabeth, Deputy Director General of GIABA, flanked by Ambassadors of ECOWAS member States in Senegal...during the briefing session held on 8th April 2011 in Dakar, Senegal

GIABA 2nd Annual Briefing Session for ECOWAS Ambassadors and Development Partners in Dakar, Senegal, 8 April 2011

481. Achieving strong political commitment requires sensitisation of policymakers and influencers through regular briefing and updates on the implications of poor implementation of AML/CFT standards on the economies of the member States.

482. The second briefing session for Ambassadors was held on 8 April 2011 in Dakar, Senegal. That session provided the attendees with opportunities to fully understand the roles of GIABA in the fight against ML and TF in the region. In addition, the session enabled top government officials to appreciate the efforts being made in the region to address the ML/TF vulnerabilities. The event was attended by the ambassadors of eight member States, five non-regional Ambassadors and four Senegalese high-level government officials.

483. A key message delivered to the Ambassadors was that the implementation of the FATF Standards is particularly difficult in the Low

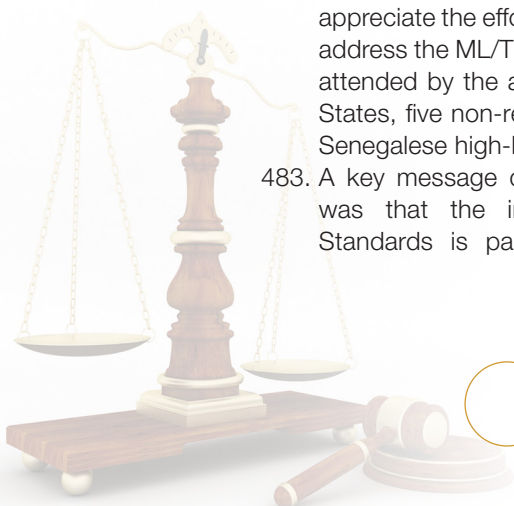
Capacity Countries⁶¹ of the region, and that this requires the mobilization of more political will and support at national levels to ensure effective execution.

484. The ambassadors congratulated the Secretariat for the continuous strides in meeting the challenges of its mandate, and pledged their support.

GIABA capacity-building program on the prosecution of economic and financial crimes, Abuja, Nigeria, 23 – 25 May 2011

485. Prosecutors play a central role in the fight against ML/TF, particularly in the area of mutual legal assistance, and in applications for freezing, seizure and confiscation of proceeds of crime. However, prosecutors in West Africa face numerous challenges, including the obsolescence or lack of legislation, undue influence, and the risk of corruption. Furthermore, their understanding of the basic elements of money laundering and terrorist financing is limited. Consequently, the seizure, freezing, and confiscation of proceeds of crime, timely response to mutual legal assistance

⁶¹ Low Capacity countries is a low income country with competing priorities for limited government resources, dearth of skilled human capacity to execute government programs and weak legal infrastructure for sound financial management.





Group photograph of participants at the Regional Capacity Building Workshop, held from 23rd to 25th May 2011 in Abuja, Nigeria

and extradition requests, and convictions for these offences are almost impossible to achieve in West Africa. It is therefore necessary to build the capacity of prosecutors to facilitate the effective implementation of AML/CFT measures..

486. Prosecutors need comprehensive understanding of the relevant legislation and the elements of ML/TF that must be established. They also need to be conscious of the potential for including money ML offences in prosecution for listed offences.

487. In line with its mandate to support member States to implement robust AML/CFT measures such as the successful prosecution of economic and financial crime cases, GIABA organised a regional capacity-building seminar on economic and financial crimes for prosecutors in Abuja, Nigeria, held on 23 – 25 May 2011. The objectives of the seminar were to upscale the capacity of prosecutors in prosecuting cases of money laundering, financial crimes, terrorist financing and related criminal activities, and to make effective use of asset forfeiture procedures.

National Workshops on Risk Based Approach (RBA) to AML/CFT Compliance Functions, 25 – 26 May 2011, Freetown – Sierra Leone, and 1 – 2 December 2011, Saly, Senegal

488. The FATF Recommendations are minimum standards for adaptation and adoption by countries or jurisdictions to implement robust AML/CFT regimes taking their particular circumstances into consideration. The standards oblige countries

to apply the risk-based approach to enhance the effectiveness of their AML/CFT regimes. The application of RBA facilitates parsimonious deployment of resources. In particular, it enables financial institutions to direct resources in accordance with identified priorities so that the greatest risks receive the highest attention. Thus the approach is to be tailored to match the specifics of a financial institution's operation. The deployment of RBA in an AML/CFT regulatory framework has taken the centre stage in recent times. It facilitates better understanding of the operating environment and improves the outcome of the AML/CFT regulation in preventing and controlling the ML/TF phenomenon. However, over the years



Group photograph of participants at the National Training on Risk-based Approach (RBA) on AML/CFT for Compliance Officers, held from 1st to 2nd December 2011 in Saly, Senegal

financial institutions have developed and released new products without gauging the susceptibility of such products to money laundering and terrorist financing. Under the FATF Recommendations, regulators and operators are duly encouraged to collaborate in the design of AML/CFT risk models, thereby aiding their response in testing, assessing and monitoring RBA implementation to newly developed and released products.

489. In its efforts to support countries in the application of RBA in AML/CFT, the GIABA Secretariat, in collaboration with DATAPRO and Sierra Leone FIU organized a national workshop on Risk-Based Approach to AML/CFT compliance function in Freetown, Sierra Leone, from May 25 to 26, 2011. A similar workshop was also organized for the Republic of Senegal by GIABA in partnership with CENTIF-Senegal in Saly, Senegal, from December 1 – 2, 2011. About 42 and 29 senior level compliance officers attended the Sierra Leone and Senegal workshops respectively.

National Training Workshops for Law Enforcement Agencies on Financial Investigative Techniques, 16 – 20 August 2011, Bamako – Mali and 22–26 August 2011, Accra – Ghana.

490. The FATF Recommendation 27 urges countries to support and develop, as far as possible, special investigative techniques suitable for investigation of ML/TF, and to use effective mechanisms such as a specialized and cooperative approach in asset investigations. The deployment of these skills requires the availability of a stock of well-trained personnel. Thus, GIABA organized two streams of a 4-day national workshop for law enforcement officers whose present core responsibility is the investigation of money laundering and other financial crimes; they were held in Bamako, Mali, on 16 – 20 August 2011 and



Group photograph of participants at the Training Workshop for Investigators on Detection and Investigation on Money Laundering and other Financial Crimes, held in Bamako, from 16th to 19th August 2011

in Accra, Ghana, on 22 – 25 August 2011. The objectives of the workshop included identification of money laundering targets; and equipping law enforcement officials with investigative techniques and exposing them to evidentiary requirements necessary to prove MLo offences, such as how to use bank account statements and net worth analysis to uncover laundered money through various banking transactions. A total of 60 officers participated in the two national workshops.

Regional AML/CFT Workshop for West African Bar Associations, Niamey, Niger, 27 – 29 September 2011

491. GIABA organised a three-day regional AML/CFT sensitization workshop for the West African Bar Association at Le Palais des Congrès in Niamey, Niger, on 27 – 29 September 2011. This workshop,



Group photograph of participants at the 3rd AML/CFT Seminar for the West African Bar Association (WABA), held from 27 to 29 September 2011, in Niamey, Niger



the third of its kind, was in keeping with GIABA's goal to promote and develop strategic partnerships with professional bodies and self-regulatory organizations in order to facilitate concerted implementation of AML/CFT measures consistent with acceptable international standards. The workshop apprised participants of developments on AML/CFT issues and consolidated the skills and knowledge acquired from previous workshops. The workshop focused on concepts of ML/TF, particularly as it pertains to legal professionals and it included training segments on the vulnerability of the legal profession to ML/TF, as well as the AML/CFT obligations on legal professionals and self-regulatory organizations. Lectures at the workshop were delivered by international and regional experts with extensive knowledge of AML/CFT issues. A total of twenty nine (29) legal professionals drawn from the National Bar Associations of ECOWAS countries participated in the workshop.

Regional Workshop on AML/CFT Requirements for Non-Bank Regulators and Supervisors, Banjul, the Gambia, 4 – 6 October 2011

492. The FATF Recommendation 24 obligates countries to subject DNFBPs and other categories of DNFBPs to effective regulatory and supervisory measures for monitoring and ensuring their compliance with requirements to combat ML and TF. The preponderance of cash as the means of business transaction in West Africa requires that regulators and supervisors of the informal sector

need to be proactive in implementing international standards to ensure that the economies are not misused for the purposes of laundering the proceeds of crime.

493. In view of the foregoing, GIABA organized a regional workshop on AML/CFT for Non-Bank Regulators and Supervisors, held in Banjul, The Gambia, on 4–6 October 2011. The objective of the workshop was to sensitize non-bank regulators and supervisors on its AML/CFT requirements in regulating DNFBPs and other NBFIs. About 70 participants from GIABA member States attended. At the end of the workshop participants agreed and affirmed to implement necessary AML/CFT regulatory and supervisory measures in line with international standards (including on-and off-site supervision) for DNFBPs and other NBFIs.

Regional Workshop on AML/CFT Requirements for Regulators and Supervisors of the Financial Sector, Dakar, Senegal, 10 – 12 October 2011

494. FATF Recommendation 23 calls on countries to ensure that financial institutions are subject to adequate regulation and supervision. Considering the high risk of money laundering in the financial market, continuous and effective monitoring is essential. Effective due diligence is needed, taking the necessary legal or regulatory measures to prevent criminals or their associates from holding or being beneficial owners of a significant or controlling interest in a financial institution or holding management functions in one.

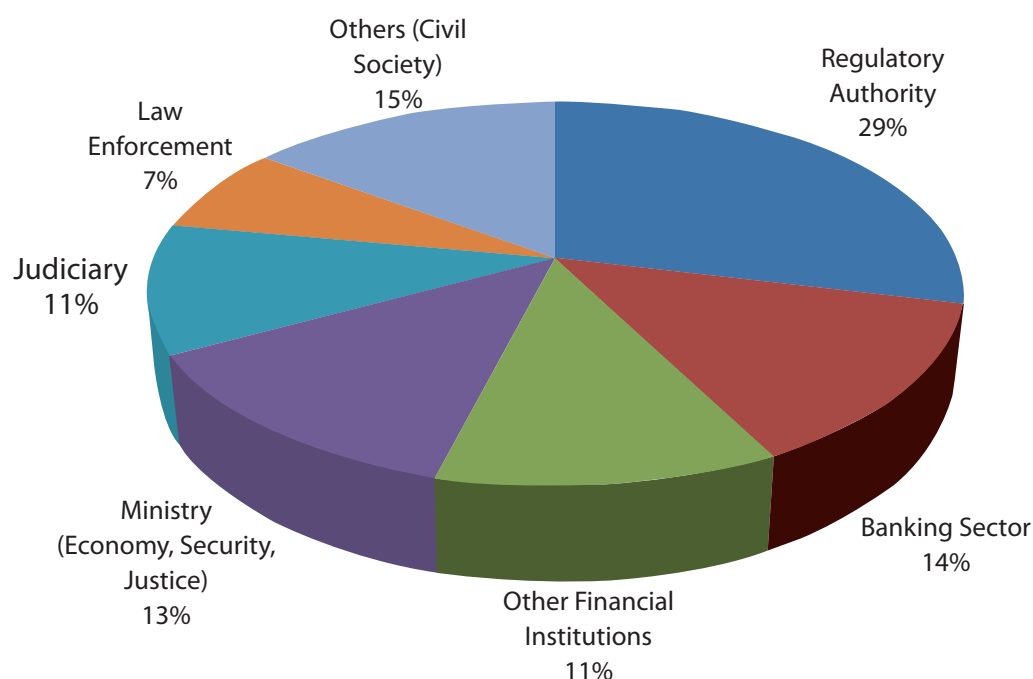


Dr. Abdullahi Shehu, Director General of GIABA, amid Experts and participants at the Regional Workshop on AML/CFT for Non-Bank Regulators and Supervisors, held from 4th to 6th October 2011 in Banjul, the Gambia



Left to right, Her Excellency Mrs. Her Excellency Muriel Berset Kohenm, Swiss Ambassador to Senegal ; Hon Abdoulie Diop, Minister of the Economy and Finance ; Dr Ndèye Elisabeth Diaw, Deputy Director General of GIABA, flanked by participants at the AML/CFT seminar for the Financial Sector of ECOWAS and Maghreb member States, held from 10th to 12th October 2011, in Dakar, Senegal

Chart I: Participation by Sector



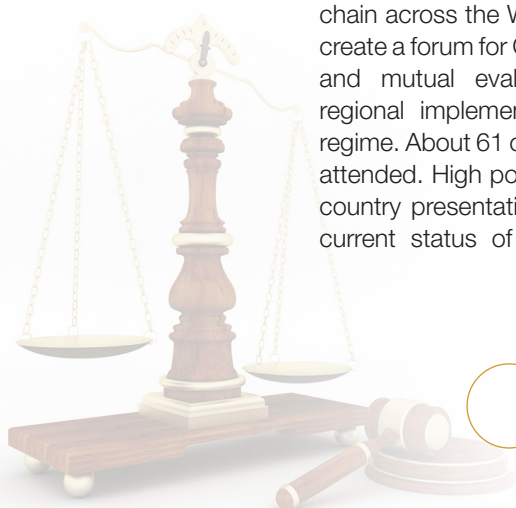
495. In fulfilment of its technical assistance mandate, the GIABA, in collaboration with the Government of Switzerland, organized a regional workshop on AML/CFT for regulation and supervision of the financial sector. The objective of the workshop was to provide an overview of the key and core FATF AML/CFT 40 + 9 Recommendations and provide insights on regulation and supervision. About 73 participants from GIABA member States attended.

GIABA–FITC Regional AML/CFT Conference, Accra, Ghana, 21 – 23 November 2011

496. The GIABA, in collaboration with the Financial Institutions Training Centre of Nigeria, delivered a Regional Conference on AML/CFT, with the theme “AML/CFT for Regional Competitiveness on International Benchmarking Standards: An Agenda for Stakeholders in West Africa” held in Accra, Ghana on 21 – 23 November 2011. The objective of the conference was to build the capacity of AML/CFT institutions and other stakeholders in the money laundering value chain across the West African region; and also to create a forum for GIABA to clarify its methodology and mutual evaluation criteria for concerted regional implementation of a robust AML/CFT regime. About 61 officials from financial institutions attended. High points of the conference included country presentations by member States on the current status of their AML/CFT regimes. The

following recommendations were contained in the final communiqué issued by the participants:

- i. Political Will and Support against ML/TF: The various arms of government should demonstrate active support to combat ML/TF, by updating legislation to criminalize it within their jurisdictions.
- ii. Independence of Financial Intelligence Units: Governments should provide the necessary structures to ensure efficiency, financial independence and adequately empowered FIUs that can effectively detect ML/TF cases within each jurisdiction.
- iii. Collaboration: The pervasiveness of ML/TF activities across national jurisdictions demands sensitization and awareness on the evils of ML/TF, and collaboration through enhanced knowledge and technical skills-sharing across boundaries in the region.
- iv. Convergence of Policies and Rules across the region: To prevent ML/TF within the region, uniform themes and patterns of rules and policies must prevail. Therefore, AML/CFT laws in the region should be harmonized. AML/CFT legislation and adjudication processes should also be revamped to be more efficient.
- v. Capacity-building, Risk Assessment and Payment System Reforms: Capacity-building for all stakeholders must be pursued with renewed vigour, if the ECOWAS region is to move forward



in the fight against ML/TF. The region needs to migrate into less dependence on physical cash, which would positively impact on AML/CFT while improving regional trade. In the same vein, the region will need to pursue the single currency program as this will minimize some of the activities of ML/TF, smuggling, trafficking, etc.

- vi. There is also an urgent need for the region to have a general overview of the risks posed by each jurisdiction within the it, and this should be considered by each country when drafting relevant national policies if the region is to gain global competitiveness on benchmarking standards.

Regional Seminar on Criminal Asset Recovery, Praia, Cape Verde, 12 – 14 December 2011

497. The main attraction of transnational organised criminal activity, including corruption in the public and private sectors, is the ability of the criminals to enjoy the proceeds of their crime and evade the legal consequences of their actions. Proceeds of crime are often hidden either in the country where the criminal activity was committed or abroad. The integration of the proceeds of crime into the financial system, concealment or disguising of the source, using several methods are employed to evade detection. Corruption is a predicate offence to money laundering; therefore kleptocrats or corrupt politically exposed persons would need to disguise ownership of the source of their corrupt proceeds and stolen assets.
498. Denying criminals the benefits of their illegal gains through seizure and confiscation can be complex, particularly with regards to proceeds that have been hidden in clandestine offshore destinations or obscured deals and layered investments. The complexity of this task requires the need to deploy practical tools and adopt tested approaches to recovering proceeds of crime. International instruments have been developed to assist in fighting transnational criminal activities, notably the 2000 UN Convention against Transnational Organised Crime (the Palermo Convention) and the 2003 UN Convention against Corruption, (UNCAC), the first legally binding global anti-corruption agreement, wick are aimed at denying criminals the use of their ill-gotten gains.
499. GIABA, within its technical assistance program, organised a regional seminar on criminal asset recovery for its members, held on 12 –14 December 2011 in Praia, Cape Verde. The objective of the seminar was to bring together stakeholders, especially prosecuting, law enforcement and financial institutions, to

deliberate on the implications and to consider possible options for addressing the problem. The seminar dealt with several issues relating to recovery of criminal assets and stolen funds.

500. Resource persons from the International Criminal Court in The Hague, US Financial Crimes Enforcement Network (FinCEN), US Department of Justice, Economic and Financial Crimes Commission (EFCC) Nigeria, and regional experts contributed positively to the workshop. Forty-nine (49) delegates attended the seminar. Feedback received from participants indicated that they found the presentations particularly instructive and the Secretariat should try and expand the program nationally to enhance the capacity of more stakeholders.
501. At the end of the workshop, participants agreed to the following recommendations:
 - GIABA Members States should employ more emphasis in recovering the proceeds of crime as an effective way of controlling transnational organised criminal activities.
 - GIABA Member States should fulfil obligations under relevant Conventions, Instruments, strategies and policies relating to asset recovery;
 - National authorities tasked with asset recovery should foster better collaboration and coordination between competent authorities;
 - Need for internal capacity building of relevant personnel dealing with issues relating to asset recovery;
 - Member States judiciary should find faster, transparent and effective ways for the adjudication process, considering the fact that most forfeiture provisions require conviction of accused persons;
 - GIABA should organise more capacity building workshops on asset recovery to address the dearth of skills;
 - Member States are to domesticate the relevant international instruments on corruption, money laundering and terrorist financing and in particular, strengthen measures for effectively implement the laws; and
 - Strengthening of FIUs to enhance further international cooperation

Support to Financial Intelligence Unit

502. Recommendation 26 of the FATF requires countries to set up FIUs, which should serve as a national center for receiving (and as permitted, requesting), analysis and dissemination of STRs and other information regarding potential ML/TF. The FIU should also have timely access, directly or indirectly, the financial, administrative and law enforcement information that it requires to properly undertake its functions, such as the analysis of STRs.

503. So far, thirteen (13) GIABA countries have a fully/ semi-functioning FIU; the remaining two are in advanced stages of establishing their FIUs. Four (4) member States (Nigeria, Senegal, Côte d'Ivoire and Mali) are already members of the Egmont Group.
504. In achieving this mandate the Secretariat undertook several advocacy meetings, dialogued with respective government stakeholders and provided technical assistance, both in equipment and capacity-building. A summary of the FIU related technical assistance activities carried out in 2011 is as follows:

(a) Deployment of AML/CFT Analytical Software

505. As reported in the 2010 Annual report, the AML/CFT Analytical Software deployment to 13 member States has commenced. An on-site pre-deployment visit was carried out in the pioneering countries – The Gambia, Cote d'Ivoire and Mali. The full deployment to these countries will commence in 2012 to be followed by another set of countries in 2013.

(b) Membership of the Egmont Group of FIUs

506. GIABA continued to support its member States' FIUs to attain membership of the Egmont Group. At the Egmont Group Meeting held in Yerevan, Armenia on 11–15 July 2011, the Mali FIU was admitted. GIABA will continue to promote and support eligible FIUs in the region to seek membership of the Egmont Group.
507. In preparation for the remaining member States' membership of the Egmont Group of FIUs, GIABA will deploy a mentor to ascertain their preparedness in fulfilling the Group's membership requirements. The mentorship program is aimed at addressing operational issues and other elements that will facilitate the admission of these FIUs into the Egmont Group in the near future.

(c) GIABA-CENTIF-Senegal Sensitization for Senegal, 28 February – 3 March 2011, Senegal

508. CENTIF Senegal was supported by the Secretariat to carry out a regional sensitization program for FIs and DNFBPs in its regional cities (Thies, Louga and Saint-Louis) from 28 February – 3 March 2011. The objective of the training was to sensitize and build the capacity of reporting institutions.

This sensitization program, spearheaded by the CENTIF, also bridged the gap and enhanced broader cooperation between CENTIF Senegal and FIs and DNFBPs in the other regional cities. About 50 stakeholders from microfinance institutions took part. More of these demand-driven programs would be implemented in the upcoming years within member States.

(d) Provision of Infrastructure

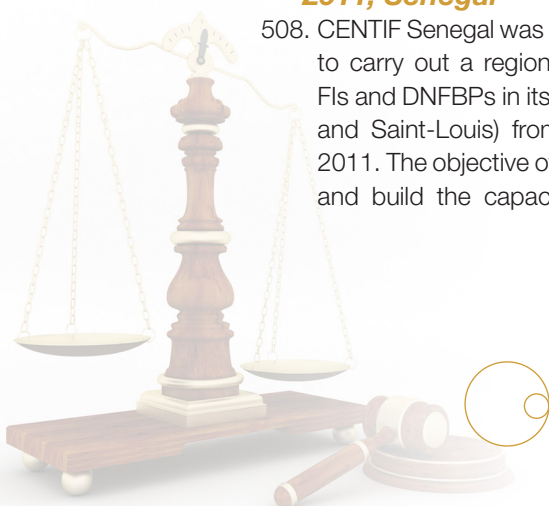
509. To build effective FIUs in the region, the necessary infrastructure has to be set up. Some of the major challenges the FIUs are faced with include the lack of basic and secure office location and infrastructure, lack of relevant IT equipment, etc. Within the framework of its technical assistance, the GIABA supplied Burkina Faso's FIU with ICT equipment and office furniture.

Impact:

510. From the afore-mentioned executed programs, it can be derived that the programs impacted positively on member States through specific targeted capacity building and technical assistance designed to efficiently upscale the competencies of officials of competent authorities and other institutions responsible for implementing AML/CFT measures. The distribution of sector specific technical assistance for 2011 is shown below:

Conclusion

- 511 As in other previous years, GIABA fulfilled its mandate of providing technical assistance and capacity building to member states at a high success rate, despite several challenges. In conclusion, although the GIABA can plan and execute systematic and result-based programs for member States originating from the mutual evaluation reports and recommendations from various mission reports, it would need to appeal to member States that technical assistance is and would continue to be a complimentary provision. Accordingly, GIABA encourages member States to continue to take initiative and look for innovative ways of implementing impact-driven programs. National stakeholders have a better understanding of challenge that confront their AML/CFT efforts and are better suited to provide solutions to such challenges. GIABA will take a more focused look on technical assistance and necessary capacity building programs within member States that would lead to major achievements in the fight against money laundering and terrorist financing.





CHAPTER VI

Regional Integration and International Cooperation

512. The persisting global economic crises since 2008, the emerging new ML/TF threats, the dwindling aid and investment flows to the region, the social upheavals in the Maghreb countries, the growing terrorist attacks in the Sahel-Sahara region and drug trafficking in some member States, among other events, posed additional challenges to GIABA's efforts in the year under review.

513. In spite of these unforeseen challenges, GIABA has made great strides not only in increasing awareness of ML/TF, but also in providing a strong framework for combating these scourges in member States, including non-ECOWAS member States.

514. In collaboration with regional and international partners, as well as ECOWAS institutions, in 2011 GIABA carried out and took part in several regional and international events and forums, including those organized by the FATF, the World Bank, UNCTED, UNCTC, UNIDEP, EGMONT Group, GABAC, Cambridge University, and BCEAO. Other collaborating partnership included those with other FATF-style regional bodies (FSRBs), ECOWAS institutions, the Governments of France and Switzerland, and other regional bodies and organizations. The year 2011 witnessed substantial progress in propagating the global AML/CFT messages as several interactive and briefing sessions were organized for high-level officials from different stakeholder institutions, both regional and international. This chapter, therefore, reviews some of the major activities and commitments of GIABA in promoting regional and international cooperation, a key objective of the 2011 – 2014 Strategic Plan. Thus, discussion in this chapter focuses on the organization of GIABA's statutory meetings, participation in FATF and other FSRBs' activities, and other international events, including institutional visits to ECOWAS and non-ECOWAS member States and briefing sessions.

GIABA Statutory Meetings

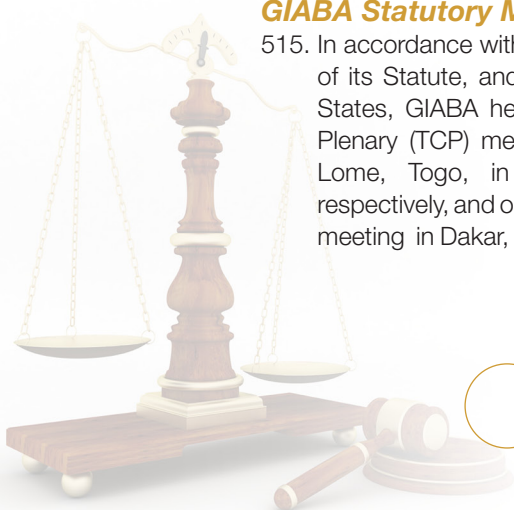
515. In accordance with Article 9 (iii) and Article 11(i)(b) of its Statute, and in collaboration with member States, GIABA held two Technical Commission/Plenary (TCP) meetings in Dakar, Senegal and Lome, Togo, in May and November 2011 respectively, and one GIABA Ministerial Committee meeting in Dakar, Senegal, in May 2011. The TCP

meetings were organized, in collaboration with the host member States to review Mutual Evaluation Reports, Follow-Up reports of member States, and countries progress reports on the implementation of their Actions Plan and discussion of technical and other emerging AML/CFT issues, including the membership process of a non-ECOWAS State, Sao Tome and Principe. At the time of the November 2011 Plenary, 11 member States had hosted the GIABA Statutory meetings.

516. Republic of Liberia and the Togolese Republic; the FATF key principles for Mutual Evaluations; a guidance note on financial inclusion, the progress report on Sao Tome and Principe's application for membership of GIABA and a recommendation to the Secretariat for further engagement with this non-ECOWAS State; and technical assistance for technological and infrastructural reforms in West African judiciaries were adopted during the Technical Commission/Plenary (TCP) Meeting held in Dakar, Senegal, on 2-5 May 2011.

517. At its 10th Session held in Dakar, Senegal on 7 May 2011, the GIABA Ministerial Committee (GMC) approved the report of the 15th TCP, including the endorsement and the publication of the MERs of the Republic of Liberia and the Togolese Republic and recommendations on follow-up programs; the Memorandum on support for judicial reforms in member States, and other reports presented by the Secretariat.

518. The GIABA 16th TCP meeting was held on 14 – 16 November 2011 in Lome, the Togolese Republic. The Plenary considered and adopted the following reports: (a) Report of the Director General; (b) WGMEI report on assisting MS in implementing AML/CFT regimes of international standard; (c) Reports of typologies on "Tax Fraud and Money Laundering in West Africa", and "Trafficking in Small Arms and Light Weapons (SALW) and Money Laundering"; (d) Follow-Up reports of Burkina Faso, Cape Verde, the Gambia, Ghana, Guinea-Bissau, Mali, Niger and Sierra Leone; and (e) MER Implementation Action Plans of ten (10) member States. The Plenary also considered the status report on the application for membership of Sao Tome and Principe, and agreed to the admission of the country into GIABA, subject





Dr. Abdullahi Shehu, Director General, Mr. Norman Sixth Wokoma, GIABA National Correspondent in Nigeria, Dr. Ndèye Elisabeth Diaw, Deputy Director General, during the 15th Meeting of the Technical Commission held in Dakar, Senegal, from 2nd to 5th May 2011.



Dr. Abdullahi Shehu, Director General, Dr. Ndèye Elisabeth, Deputy director General, flanked by Authorities and participants at the 16th Meeting of the GIABA Technical Commission held from 14th to 16th November 2011 in Lomé, Togo

to endorsement of the GMC and the ECOWAS Council of Ministers. Major decisions taken by the TCP included:

- (i) That Ghana, Guinea Bissau, The Gambia, Niger and Cape Verde be placed under the enhanced follow-up process as a result of the slow pace of implementation of recommendations in their MERs;
- (ii) That a Public Statement (see www.giaba.org) on Sierra Leone be released in view of the country's continued non-compliance with

international AML/CFT standards after six years of undergoing the mutual evaluation;

- (iii) That experts from member States under the guidance of the Secretariat analyze follow-up reports in order to transfer ownership to member States and improve the quality of their mutual evaluation follow-up actions; and
- (iv) That assessed countries demonstrate seriousness in rectifying deficiencies identified in their AML/CFT systems.

Participation in FATF Activities

519. In 2011, GIABA as an Associate Member of the FATF and an FSRB continued to participate in the FATF Plenary, working group meetings, and other FATF activities. Upon attaining Associate membership status in June 2010, GIABA has, in rotation, invited member States to be part of its delegation to FATF Plenary meetings. The participation of GIABA member States in FATF activities is aimed at exposing its membership to the decision-making process of the FATF while also allowing them access to FATF documents and thus enhancing the capacity required for implementing robust AML/CFT regimes in this region.

520 During the FATF Plenary in Paris, in February 2011, GIABA participated in the FATF/ICRG Regional Review Group (RRG) for Africa and the Middle East meetings to discuss reports from jurisdictions that were targeted for prima facie review, as well as progress reports from countries that were under the International Cooperation Review Group (ICRG) review process. Two GIABA members (Ghana and Nigeria) and one observer country (Sao Tome and Principe) submitted progress reports. At the FATF Plenary meeting, also held in Paris, in October 2011, Nigeria and Sao Tome and Principe were put back on the FATF Public Statement on jurisdictions for not making sufficient progress in the implementation of their action plans, while Ghana was put on a 'dark-grey' list of countries expected to make more efforts and was given the next three months to demonstrate significant progress, otherwise the country will be included among those not making progress by February 2012.

521. In line with the directives of the GIABA Ministerial Committee and request by FATF, the Secretariat undertook a mission on 14 – 16 October 2011 to Sao Tome and Principe to assess the country's readiness for GIABA membership and the extent of its preparedness to address the deficiencies in its AML/CFT regime.

522. The mission met with high level officials of Sao Tome and Principe, including the Prime Minister; the government reaffirmed its commitment for the country to undergo mutual evaluation before the end of June 2012. Also during the mission, Sao Tome and Principe authorities demonstrated readiness to revise the Penal Code before the end of January 2012. With this determination, GIABA organised a national sensitisation workshop on AML/CFT for stakeholders in Sao Tome and Principe on 16 – 17 December 2011, to enable

them understand the AML/CFT international standards, thereby facilitating the revision and passage of the AML/CFT laws.

523. In the course of the three FATF Plenary meetings of the year under review, GIABA contributed to the development of the communication strategy, aimed at providing basic guidelines for FATF's external communications.

524. In preparation for the June 2011 FATF Plenary, the FATF Project Group Financial inclusion, in collaboration with the World Bank and the Asian Pacific Group (APG) organized a workshop in Brussels, Belgium in May 2011. FATF members and observers, as well as non-FATF jurisdictions, FSRBs and private sector organization were invited to contribute to the finalization of the revised draft Guidance Paper on Financial Inclusion.

524. The GIABA participated in the joint FATF/GAFISUD (Financial Action Task Force of South America) Plenary meeting held in Mexico City, Mexico in June 2011. Among other issues discussed, one of the key points was the revision process of the FATF 40 Recommendations.

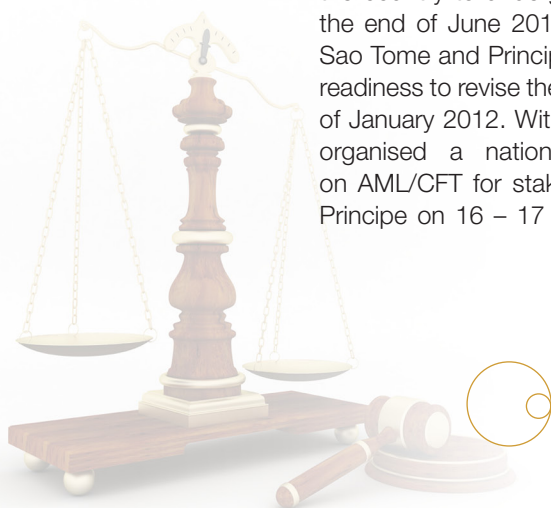
526. On the margins of the plenary meeting, the Coordination Group on Typologies was also held with the participation of the contact persons from the Secretariats of all the FRSBs. The main issues discussed were the inventory project and platform for the coordination group.

Cooperation with Other FSRBs

527. On the margins of the (RRG) meeting in Bahrain in January 2011, and in the framework of promoting cooperation among FSRBs, the Director General of GIABA, Dr. Abdullahi Shehu, and the Executive Secretary of the Eastern and Southern Africa Anti-Money Laundering Group (ESSAMLG), paid a courtesy visit to the Middle East and North Africa Financial Action Task Force (MENAFATF) Secretariat in Bahrain on 10 January. The duo was received by the Executive Secretary of the MENAFATF who used the opportunity to brief them on the activities of the FRSB. It was agreed that such inter-FSRB visits be encouraged to strengthen the global network in the fight against ML/TF.

Participation in Egmont Group Activities

528. In order to continue to provide support to GIABA member States and to facilitate admission into the Egmont Group by eligible FIUs in the region, the GIABA Secretariat participated in the Egmont Working Group and Committee meetings held in





Aruba on 14 – 17 March 2011. GIABA reported the status of the FIUs in the region and reiterated its support for the application of Mali for membership of the Egmont Group.

529. At the 19th Egmont Working Group and Committee meetings held in Erevan, Armenia, on 10 – 14 July 2011, the CENTIF Mali was formally admitted, bringing to four GIABA member States' FIUs that are members of the group – the other three members are Nigeria, Senegal and Cote d'Ivoire. The presentation by the Secretariat on "The Challenges of FIU Development in GIABA Region" enlightened the international AML/CFT community on the efforts of GIABA and thus offer pledges to collaborate with the Secretariat in strengthening the FIUs of member States.

Expert Working Group Meeting on Preventing the Abuse Of Non-Profit Organizations (NPOs) For The Purposes of Terrorist Financing, London, 18 – 20 January 2011

530. GIABA participated in the expert working group meeting on preventing the abuse of non-profit organizations for the purposes of terrorist financing organised by the UNCTED in collaboration with the Centre on Global Counter-terrorism Cooperation and the Charity Commission for England and Wales.

531. The meeting identified the risks of terrorism financing in the non-profit sector and discussed the implementation of existing standards and best practices to address the risks. It also discussed the modality for regional initiatives to promote inter-agency coordination at both regional and national levels. Countries were urged to set up the necessary mechanisms and structures for implementing the UNSCRs 1267 and 1373 as required also by the FATF standards. In the coming year, the Secretariat will engage with the member States towards achieving this objective.

Workshop on Challenges to Effective Border Control (Sahel-Sahara and the Maghreb), Nouakchott, Mauritania, 4 – 6 April 2011

532. The UNCTED organised a workshop which brought together relevant agencies and national authorities from the Sahel and Maghreb regions with a view to identifying challenges and gaps in border controls and suggesting effective responses to address them. The workshop was a follow-up to assessments of member States conducted by the UN Counter-Terrorism

Committee. Participants were drawn from Border Guards departments (border police, defence, or other authorities concerned with controlling the borders), Immigration, Customs, Prosecution as well as international, regional and sub-regional organizations. GIABA's participation was in the context of promoting the implementation of UNSCRs 1267 and 1373, as well as its collaboration with the UNCTED.

533. The main objectives of the workshop were:

- To identify terrorism related security challenges and appropriate solutions;
- To share international codes, standards and best practices relevant to the member States concerned;
- To establish/enhance national mechanisms for coordination and exchange of information;
- To enhance multilateral thematic cooperation among the eight member States of the Sahel-Sahara region;
- To exchange information among donors active in the region with a view to enhancing their future coordination and avoiding duplication;
- To facilitate the provision of technical assistance and capacity-building to border control agencies in the States; and
- To support countries in the Sahel-Sahara and the Maghreb to control their borders more effectively.

534. Participants discussed the various threats to security and observed, inter alia, that lengthy and porous borders present a particular challenge to border security, as they facilitate the activities of transnational crime and terrorist groups. Other important issues discussed included the lack of operational cooperation among member States to tackle the problem of Al-Qaida in Islamic North Africa (AQMI) and the limited response options so far adopted which largely rely on the military approach; and also insufficient awareness of the threats, among local border communities.

29th International Annual Cambridge Symposium on Economic Crime, Cambridge, 4-11 September 2011

535. The Secretariat participated in the 29th International Symposium on Economic Crime at the University of Cambridge, UK, from 4 to 11 September 2011. The Theme of this year's Symposium was "AML/CFT Risk Based Approach: Principles, Challenges and Potentials in West Africa". As part of GIABA's technical assistance mandate, Superior Court Judges of some of its member States were sponsored to this symposium.

536. The objectives of this mission were to:
- Participate in the Plenary and workshop sessions of the symposium;
 - Expose officials of GIABA member states, particularly superior court judges to international best practices on AML/CFT;
 - Share GIABA'S experience in the fight against ML/TF within the context of its mandate and the peculiar vulnerabilities of its member States to economic and financial crime;
 - Network with other stakeholders in the global fight against financial and economic crime.
537. The Secretariat made a presentation on «AML/CFT Risk-Based Approach: Challenges and Potentials in Low Capacity Countries». The symposium provided opportunity to participants to network and discuss matters of common interest. The effective use of the contacts made at the symposium will be very beneficial to GIABA and its member States. The Secretariat plans to organise a similar forum in the region in the coming years to facilitate wider participation from member States and to tailor it to the regional AML/CFT situation within the framework of international standards and best practice.

GIABA/FATF/BCEAO Joint AML/CFT Seminar, Dakar, 6 – 7 May 2011

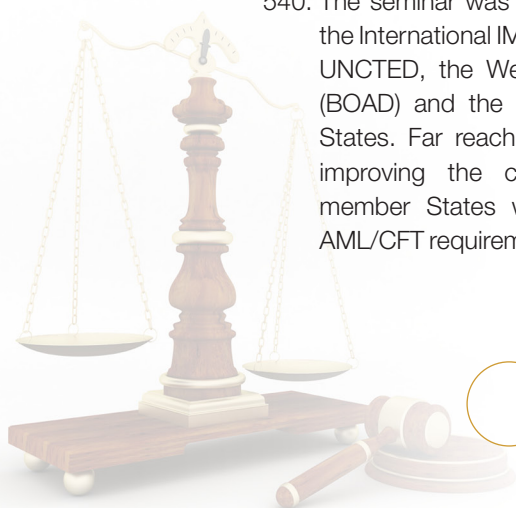
538. Concerned about the challenges being faced by the WAEMU member States of GIABA in the implementation of the FATF 40+9 Recommendations, and in view of the proposed revision of the WAEMU uniform legislation, GIABA, in collaboration with the FATF and BCEAO, organised a seminar on «The implementation of the FATF Recommendations in the WAEMU Community system», in Dakar, on 6-7 May 2011.
539. The seminar was aimed at creating a better understanding of the WAEMU legal framework and the challenges faced by WAEMU GIABA member States in the implementation of internationally acceptable AML/CFT measures, with a view to reviewing these pieces of legislation.
540. The seminar was attended by representatives of the International IMF, the World Bank, the UNODC, UNCTED, the West African Development Bank (BOAD) and the CENTIFs of WAEMU member States. Far reaching recommendations towards improving the compliance level of WAEMU member States with internationally acceptable AML/CFT requirements were made at the seminar.

Special Meeting of the UNSC Counter-Terrorism Committee Commemorating the Adoption of Security Council Resolution 1373 (2001) and the Establishment of the Committee

541. A special meeting to commemorate the 10th Anniversary of the adoption of the UNSCR 1373 was held at the UN headquarters in New York on 28 September 2011. The Director General of GIABA, Dr Abdullahi Shehu was given the opportunity to share with the UN Counter terrorism Committee (UNCTC), the efforts of GIABA and its member States in the implementation of the Resolution. During the meeting, the UNCTC recalled that the Security Council adopted resolution 1373 in 2001 in response to the heinous attacks carried out against the United States on 11 September 2001. It recalled further that resolution 1373 (2001), which considers terrorism a serious threat to international peace and security, focuses the efforts of the international community on the need to address the challenge of terrorism through concrete actions at the national, regional and international levels and requires that states, among other actions, criminalize terrorist acts, deny terrorists safe haven and financial resources, ensure that terrorists are brought to justice, and cooperate with other States to bring them to justice.

542. UNCTC also noted with concern the correlation between terrorism and other transnational organized crimes, including trafficking of illicit drugs, money laundering, illegal arms trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials. The UNCTC urged all States and or jurisdictions to adopt zero tolerance for terrorism and to take urgent action to prevent and combat terrorism in all its ramifications through the full and effective implementation of resolution 1373 and other relevant international instruments relating to terrorism. Consistent with their obligations under resolution 1373, it further urged States to:

- Prevent those who finance, plan, facilitate or commit terrorist acts from using their territories for those purposes against other States or their citizens and to deny safe haven to persons engaged in these activities;
- Bring to justice those who finance, plan, support, facilitate, or commit terrorist acts, in particular noting the principle of “extradite or prosecute”, in accordance with international law, including human rights law;





- Enhance cooperation in bringing terrorists to justice, including cooperation in the prevention, investigation, and prosecution of terrorists and offences;
- Prevent the movement of terrorists, including the supply of weapons, through effective border controls;
- Ensure that funds for charitable purposes are not diverted or utilized for terrorist purposes;
- Develop comprehensive and integrated national counter-terrorism strategies that comply fully with the rule of law; fully respect the dignity and human rights of all; and reach out to and actively involve all parts of society and all communities; and
- Develop and implement comprehensive strategies to effectively address the conditions conducive to the spread of terrorism, including radicalization and recruitment for terrorism, and take necessary and appropriate steps to prevent and counter incitement to commit terrorist acts, including those motivated by extremism and intolerance, within a framework of dialogue and understanding and in accordance with their international legal obligations.

543. These are the challenges that GIABA and its members have to address in their 2011-2014 Regional Strategic Framework against the financing of terrorism. GIABA has incorporated the technical assistance on the implementation of the appropriate UNSC Resolution on Terrorism in its Work Plan for the remaining years of the 2011 – 2014 Strategic Plan.

UNOWA/Mali/ECOWAS Joint Regional Conference on Impunity, Justice and Human Rights, Bamako, Mali, 2-6 December 2011

544. A Regional Conference on impunity, justice and human rights was organized by the United Nations Office for West Africa (UNOWA) in collaboration with the Government of Mali and ECOWAS Commission in Bamako, Mali, on 2-6 December 2011. High-level officials, mainly the Ministers of Justice, judges, as well as representatives of civil society organisations (CSOs) from the region, the African Union, Francophone countries, and the International Criminal Court for Rwanda attended the conference. GIABA was represented at the Conference.

545. The aim of the Conference was to celebrate the 10th Anniversary of the ECOWAS Protocol on Democracy and Good Governance. At the

end of the Conference, the Bamako Declaration was adopted and participants made the recommendations that member States should:

- Sign and ratify the international legal instruments on the fight against impunity and integrate them in their national legal systems; establish independent justice systems and an effective protection and defence of human rights;
- Pursue and reinforce security sector reforms by integrating the principles of the rule of law and human rights in the training programs of security and defense forces of the countries;
- Fully guarantee the separation of powers, among others, by ensuring non-interference of the executive and prevention of corrupt practices in the functioning of the judiciary;
- Sensitize ECOWAS citizens on the mandate and on procedures of ECOWAS Court of Justice;
- Execute the decisions of the ECOWAS Court and establish sanction mechanisms for states that do not implement the decisions of the court;
- Strengthen the protection of the freedom of press, of expression, of association and of assembly;
- Promote the ratification of the UN Convention on the fight against transnational organized crime, in particular the Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances and the integration of these conventions in national systems;
- Proceed with harmonization of international norms with national legislations of West African states in order to provide an adequate framework for international cooperation in judicial matters, among others, in the fields of mutual international legal assistance and of extradition.

Regional Cooperation

546. As a specialized institution of the ECOWAS, GIABA participated in the following ECOWAS Community-related activities and other regional entities during the period under review:

2nd Meeting of the ECOWAS Strategic Planning Coordination Committee, Praia, Cape Verde, 21-24 February 2011

547. The second meeting of the ECOWAS Strategic Planning Coordinating Committee, consisting of all ECOWAS institutions and agencies, was held on 21 – 24 February 2011, in Praia, Cape Verde. This Committee was established to facilitate the development of a comprehensive strategic planning for effective and coherent implementation of the ECOWAS vision 2020.

The meeting discussed the Mid-term Regional Action Plan; identified the challenges and risks involved in implementing the Strategic Plan; reviewed institutional arrangements for the implementation of the Regional Strategic Plan; and formulated appropriate recommendations to facilitate effective implementation of the Action Plan.

GABAC Zone Evaluators Training, Douala, Cameroun 21 - 25 March 2011

548. The first evaluators' training seminar for the Central Africa Economic and Monetary Community (CEMAC) member States was held in Douala, Cameroon, from 21 to 25 March 2011. This program was organized by the Central Africa Anti-Money Laundering Group (GABAC) in partnership with the World Bank. Upon request, the GIABA Secretariat provided expert support to this program to reinforce the global network and enhance the implementation of the FATF standards. Participants benefited from the experience of GIABA on mutual evaluation, including the benefits and challenges associated with the process. GABAC members indicated interest in participating in GIABA activities, particularly the Plenary meetings, to enhance their understanding of AML/CFT issues.

Meeting and Formal Launch of the Network of National Anti-Corruption Institutions in West Africa (NACIWA), Abuja, Nigeria, 29-30 March 2011

549. In support of regional and national efforts to combat money laundering predicate offences, GIABA participated in the maiden Executive Committee of NACIWA to map out strategies for the implementation of the approved three year work plan for the network (2011-2013). A questionnaire for Baseline Analysis for member institutions and the proposed reporting procedure to enhance the network's reports were also considered and adopted.

Annual Conference of the Industrial and Safety Operations of Nigeria Lagos, Nigeria, 30 June 2011

550. As part of promoting partnership between GIABA and professional bodies and CSOs, the Secretariat made a presentation on «New Approaches in the Regional Fight against Money Laundering and Terrorist Financing in West Africa» during the 2011 annual conference of the Industrial and Safety Operations of Nigeria (AISSON), held in Lagos, Nigeria, on 30 June 2011. This conference had in attendance officials of key law enforcement agencies in Nigeria. It also

provided an opportunity for the strengthening of partnership with the civil society and the media. On the margins of the conference, the Director General participated in the Nigeria Television Authority regional platform which has international viewership. The GIABA vision of being a regional leader in promoting the adoption of acceptable AML/CFT regimes in West Africa was conveyed to the station's millions of viewers across the world.

10th Year Anniversary of the Community Court of Justice, Abuja, Nigeria, 4-5 July 2011

551. The Community Court of Justice, a sister ECOWAS Institution, celebrated its 10th Anniversary in Abuja, Nigeria, on 4 – 5 July 2011. In recognition of the key role of the Judiciary in the implementation of effective AML/CFT measures and also to strengthen collaboration within the ECOWAS, the Director General led a mission to this event.

552. The Director General presented a keynote address stressing GIABA's commitment to the effective functioning of the Judiciary through the provision of capacity-building programs for Judges who are adjudicating or likely to adjudicate on ML/TF cases. The Director General's presentation also provoked the distinguished audience to consider broadening the courts' mandate and jurisdiction to include criminal matters in order to facilitate greater judicial co-operation, a major requirement for effectively combating ML/TF in the region.

553. A major decision from this event was the resolution by participants to create the West African Judges Association (WAJA). GIABA, together with the CCJ will support and strengthen this initiative.

ECOWAS Sensitization and Information Workshop, Bissau, Guinea-Bissau, 5-9 September 2011

554. Along with other ECOWAS institutions, GIABA participated in this Sensitization and Information workshop held on 5 – 9 September 2011. High level officials, including Ministers, representatives of the private sector and civil society organizations attended the workshop. The themes of the workshop included:

- General presentation on ECOWAS (principles, goals, objectives, Institutions, role of ECOWAS in conflict resolution);
- Free movement of people and goods;
- Activities of the Centre for Renewable Energy and Energy Efficiency (ECREEE);
- The Economic Partnership Agreement (EPA)





between West Africa and the EU;

- General presentation on GIABA (objectives, activities and achievements);
- Strategic Planning of ECOWAS Vision 2020;
- ECOWAS Parliament and its role in the regional integration;
- ECOWAS Health program, including the campaign against malaria;
- The role of the media in the regional integration process;
- ECOWAS Common Agriculture Policy: Guinea-Bissau Experience.

555. The major outcomes of the workshop include:

- Enhanced understanding of the regional integration process;
- Enhanced knowledge of ECOWAS organizational structures, achievements and challenges, and the Vision 2020;
- Improved understanding of ECOWAS institutions and agencies, and their mandates and programs;
- Improved awareness about money laundering and terrorist financing;
- Enhanced the knowledge of youth, journalists and private sector on AML/CFT issues.

ECOWAS Strategic Planning Coordination Committee (SPCC) Meeting, Cotonou, Benin, 28-30 November 2011

556. The (ECOWAS Strategic Planning Coordination Committee hosted its third meeting in Cotonou, Benin Republic, on 28 – 30 November 2011. The representatives of the institutions and agencies of ECOWAS attended the meeting.

557. The aim of the meeting was to get the input from the various institutions, including GIABA, on the Regional Medium-Term Action Area document (RMTAA) of the ECOWAS, being the main document containing the framework for the implementation of the Community Strategic Plan for the next five years (2011 – 2015).

558. Apart from the discussions relating to the challenges that confront the institutionalization of strategic planning and programming within the ECOWAS system, as well as the challenges of aligning institutional strategic plans with the ECOWAS regional Strategic Plan, the lack of development of strategic plans by some institutions, low-level collaboration and coordination among the institutions, inadequacy of human resources for the implementation of the strategy, duplication of efforts, and leadership buy-in within the ECOWAS system were highlighted.

559. GIABA was accorded the exceptional honour of recognition among the institutions for demonstrating leadership at the highest management level and for having put a strategic plan in place. At the request of the Director of Strategic Planning and with the approval of the Vice President of the ECOWAS Commission, the representative of GIABA gave a presentation on the factors for the success of strategic leadership in the institution and shared key lessons on strategic leadership with the other institutions present at the meeting.

560. At the end of the meeting, participants unanimously agreed that:

- GIABA should host the next meeting of the SPCC in February 2012 in Dakar, Senegal;
- GIABA should continue to use the SPCC as an instrument for disseminating best practice within the ECOWAS system. Particularly, GIABA's current Strategic Plan should be disseminated through the Director of Strategic Planning Unit at the ECOWAS Commission in Abuja
- The meeting marked an important step towards the operationalisation of the ECOWAS regional Strategic Plan;
- The meeting demonstrated that the SPCC provides a unique opportunity for driving coordination and information and lesson-sharing among community institutions.

Advocacy Visits to Member States

561. GIABA had made significant impact in assisting most member States to: upgrade their AML law; legislate the CFT law; have proper functioning of the Financial Intelligence Units (FIUs); address the deficiencies identified in their mutual evaluation and Follow-Up Reports; advocate for technological and infrastructural reforms in judiciaries; promote strategic partnerships with professional bodies and self-regulatory and civil society organizations; among others. However, the negative impacts of the persisting and emerging trends of ML/TF in the ECOWAS region are likely to undermine GIABA's efforts, if not confronted decisively at national levels. Thus, GIABA, as a matter of priority in its present 2011 – 2014 Strategic Plan, continued to double its efforts in undertaking high-level advocacy visits and promoting partnership with civil society organizations in 2011 to ensure adequate understanding and priority setting of AML/CFT issues in member States. Accordingly, the following high level advocacy visits in the context of addressing deficiencies in member States' AML/CFT systems were undertaken in 2011:

Ghana, Accra, 28 – 30 March 2011

560. On the margins of the Fourth Regional Seminar on Financial Crimes for Judges of Anglophone ECOWAS member States, Accra, Ghana, held 28-30 March, 2011, the Director General of GIABA, paid courtesy visits to the Hon. Minister of Finance, Her Ladyship Chief of Justice, FIU/Ghana and the Ghana Broadcasting Cooperation Board.

562. At the meeting with the Hon. Minister of Finance, the Director General commended the Government of Ghana for the inauguration of the Inter-Ministerial Committee, which he considered fundamental in helping the implementation of the recommendations contained in Ghana's Mutual Evaluation Report. He called on the authorities to allocate sufficient budget to the FIC and recruit more qualified staff for the it. He urged the Central Bank to strengthen its AML/CFT supervision on the financial institutions. The Hon. Minister of Finance gave assurances with regard to the budget allocation and the recruitment of skilled personnel to enhance the operations of the FIC. He highlighted the strong banking supervision mechanism that is already in place, and the continuous efforts that will be made to improve it.

563. The visit to the FIC allowed the GIABA Director General to be informed of the autonomous status of the FIC and the process of appointment of its staff. During his courtesy visit to Her Ladyship Chief of Justice, Mrs. Georgina Wood, the Director General commended the high participation of 27 senior judges from Ghana, at the Fourth Regional Seminar on Financial Crimes for Judges of Anglophone ECOWAS member States. He took the opportunity to seek Her Ladyship's support with regard to the proposal for technical assistance for technological and infrastructural reforms for the Judiciaries of West Africa. The Chief Justice requested more training support from GIABA, including study tour to superior courts judges.

Guinea-Bissau – Bissau, 10 – 14 April 2011

564. On the margins of the opening of CENTIF Guinea-Bissau and the interactive session with key stakeholders in Guinea Bissau, the Deputy Director General of GIABA, Dr. Ndèye Elisabeth Diaw, undertook advocacy visits to the Hon. Minister of Interior, Adja Satu Camara Pinto, Speaker of the National Popular Assembly represented by his

Deputy Speaker, National Director of BCEAO and Her Ladyship, Chief of Justice of Guinea Bissau, Dra. Carmelita Pires.

565. The aim of the visits was to sensitize the authorities, and seek their political engagement for the effective implementation of the AML measures, as well as the adoption of the CFT law and support for the proper functioning of the newly installed FIU/Guinea Bissau.

565. The authorities that were reassured their strong commitment. As proof of this, a budget for the CENTIF was approved and the CFT law was passed at the National Assembly on 20 December 2011 and forwarded to the President of the Republic of Republic for assent.

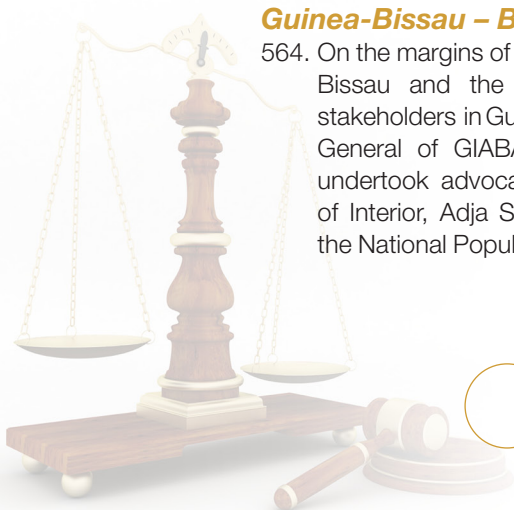
The Gambia, Banjul, 4-6 October 2011

566. In the continued efforts to assist member States in addressing identified deficiencies in their systems, Dr Abdullahi Shehu undertook a high-level mission to the Gambia, Banjul, from 4 to 6 October 2011. Dr Shehu met with the Hon. Ministers of Finance and Justice, as well as the Governor of the Central Bank of the Gambia.

567. The following issues were discussed with the authorities: the passage of the revised AML/CFT law; the ratification of the UNCAC; the appointment of the GIABA National Correspondent for the Gambia; and the operations of the Gambia FIU. The authorities, in turn, expressed their commitment to the appointment of the GIABA National Correspondent before the end of November 2011. The Hon. Ministers also assured that the draft AML/CFT bill would be forwarded to the National Assembly immediately. The passage of this draft law will enhance the operations of the Gambia FIU. As at end of December 2011 there was no information on the draft bill.

Nigeria, Abuja, 9-13 October 2011

568. Dr Shehu undertook a high-level mission to Nigeria, on 9 – 13 October 2011. During this visit, he met with the Attorney-General/Minister of Justice and the Minister of Interior. He applauded the passage of Nigeria's Prevention of Terrorism Act (PTA 2011) and the Money Laundering Prohibition Act (amendment 2011) as positive steps towards the entrenchment of effective AML/CFT in the country. He noted, however, that the new pieces of legislation fall short of the FATF requirements and therefore need urgent amendments to conform to acceptable international standards. He reminded the Attorney-General and Minister of



Justice on the comments of GIABA on the two pieces of legislation and urged that amendments should take those comments into account.

569. The Nigerian authorities expressed commitment to immediately commence the review of these pieces of legislation and to issue appropriate guidelines that would strengthen the country's AML/CFT regime before the end of the year 2011.

Togo, Lome, 14 – 16 November 2011

570. On the margins of 16th Technical Commission/ Plenary meeting, held in Togo, Lome, on 14 – 16 November 2011, the Director General of GIABA made courtesy visits to His Excellency President Faure Gnassingbe and the Prime Minister, the Heads of State and Government of the Togolese Republic, respectively. The Director General commended the Togolese authorities for their engagement in the fight against ML/TF. The DG congratulated Togo for passing its TF law, as well as its election on the UNSC. He appealed for an adequate budget allocation and the recruitment of qualified staff for the CENTIF, thus enabling it to effectively share and disseminate information with other FIUs. He further seized the opportunity to appeal to the Togolese authorities, as a non-permanent member of the Security Council, to engage in the sensitisation of the international community and, especially, the African group at the UN on the AML/CFT measures. The Togolese authorities expressed their commitment to increase the CENTIF budget and personnel, and provide it with new headquarters in preparation for its membership to the Egmont group. The GIABA Delegation expressed its continuous commitment to assist the Togolese Republic in enhancing their capacity and raising the awareness of AML/CFT issues. Consequent upon this visit, the CENTIF President undertook the follow-up action and was further received by both the President and the Prime Minister of the Togolese Republic. The attention given by the highest Togolese government is a mark of strong political will to deal with ML/TF.

Cote d'Ivoire, Abidjan, 28 November 2011

571. Dr Shehu led a delegation to Abidjan, Cote d'Ivoire, on 28 November 2011, where he met with the Minister of Finance and Economy. The aim of the visit was to discuss the mutual evaluation on-site visit to Abidjan; operations of GIABA in the country; situation of the FIU of Cote d'Ivoire; and the proposed GIABA Information Centre in Abidjan.

572. The Minister confirmed the proposed date of 14 – 28 May 2012 for the mutual evaluation on-site visit. He also expressed his country's willingness to appoint the Cote d'Ivoire CENTIF President, as GIABA's National Correspondent for the country in line with the GIABA Ministerial Committee's decision of May 2010. He further assured the Dr Shehu that efforts will be made to put back in operation the CENTIF, vandalized during the conflict, in view of its importance in the implementation of acceptable AML/CFT standards. With regard to the GIABA Information Centre, he expressed his country's willingness to provide office premises to the Centre in Abidjan, preferably close to the CENTIF.

573. The Director General commended the Cote d'Ivoire authorities and promised to reinstate all technical assistance programs to Cote d'Ivoire which were earlier suspended due to the country's suspension from the ECOWAS. In addition, the DG reiterated the need for the CENTIF to be operationally as soon as possible. In fulfillment of the promise above, all GIABA's previous technical assistance programs in Cote d'Ivoire have been restored

Promoting and Strengthening Partnership with Civil Society Organizations The Lagos Information Centre

574. On April 18, 2011, GIABA officially launched its information centre in Lagos, Nigeria. The Lagos Information Centre (LIC) was established to provide support to GIABA Secretariat through raising civil society awareness of its activities. The centre's premise was fully equipped with a modern computer network LAN, a server, a Panasonic PBX, a Cisco router and switch. Going forward, there is need to further boost the operations of the centre by providing the following: Installation of Computer Based Training on some predicate crimes and ML to train various stakeholders such as supervisors, law enforcement officials, professional bodies and the civil society.

575. Consequently, the LIC commenced its operation on 2 May, 2011. From May to December 2011, the Centre outreached approximately 1,300 individuals through attendance/participation in workshops, trainings and events; press interviews and media engagements; receiving of visiting groups and individuals; a Sensitization Forum; and advocacy visits to key stakeholders, among others.

Open House Forum, Accra, Ghana, 10 March 2011

576. Recognizing the strength of the youth to drive change in the society and as the leaders of tomorrow, GIABA launched in 2009 the Open House Forum for youths. This Forum is aimed at engaging the youth in the fight against ML/TF by sensitizing them to the dangers of organized crime, and enabling them to advocate for strong AML/CFT measures in the region. Since then, three forums have been held in Nigeria and Mali.
577. In the year under review, the 4th Open House Forum was held on 10 March 2011, at Teachers' Hall Complex, Accra, Ghana. The theme of the Forum was the "The Role of Youth in the Fight against Transnational Organized Crime".
578. The event was officially opened by the Minister of Justice and Prosecutor of the Republic of Ghana. The Director General of GIABA and the GIABA National Correspondent for Ghana presented the keynote and welcome addresses. The nearly 100 participants, included PhD students, members of the civil society and the media, high-level civil servants and various regulatory agencies.
579. The major outcomes of the event included government's reaffirmation of its determination to continue fighting ML/TF; the media's request for training of all journalists in order to better communicate ML/TF issues; and the airing of GIABA Director General's call for everyone's participation in the fight against these two scourges by the Ghana Broadcasting Corporation (GBC) Radio and West African Democracy Radio, with national and regional coverage respectively.
580. During that mission, the Director General of GIABA met with the Board of the Ghanaian Broadcasting Corporation, on 28 March, 2011. The aim of the

visit was to promote partnership with the media. The GBC Board expressed their commitment to support GIABA and in turn requested contribution to their specific youth programs. The meeting was broadcast on the evening news.

581. The Director General was also hosted to the Breakfast Show on GTV, on 29 March 2011. In the course of the program, he passed clear AML/CFT messages on the negative impacts of the twin scourges to the viewers.

Conclusion

582. The year 2011 marked the beginning of the implementation of GIABA Strategic Plan (2011-2014). GIABA demonstrated the tenacity to continue in leading the regional fight against transnational organised crimes in its member States. The admission of Sao Tome and Principe will further enhance the global network in this crusade.
583. As these phenomena recognize no boundaries and as the impact become insidious, GIABA will continue to work with the member States and development partners in promoting and assisting the improvement of AML/CFT systems in the region, in order to ensure the effective implementation of AML/CFT international standards. The main thrust of GIABA's regional and international cooperation efforts is to deal with the scourge of ML/TF, promote and deepen regional cooperation and development within the framework of the ECOWAS, as well as support and promote global efforts against obstacles to international peace and security.





CHAPTER VII

Administrative and Support Services

583. GIABA, as a FATF style regional body, is meant to be a Secretariat servicing strong national institutions in charge of fighting the scourges of money laundering and terrorism financing. However, aware of the threats and vulnerabilities of the West Africa region coupled with weak or inexistent national AML/CFT strategies and institutions, the ECOWAS Community mandated GIABA with technical assistance responsibilities to member States. That technical assistance portfolio has been growing consistently over the years and the evaluation of GIABA's work from 2007 to 2009 recommended its strengthening to strengthen the capacities of member States.

584. It is within that framework that the ECOWAS Council of Ministers at its 64th Ordinary Session held in Abuja, Nigeria in November 2010 decided, against the backdrop of frozen staff recruitment in all institutions and reduction of community resources due to the economic crisis in member States, to strengthen the Secretariat with new human and financial resources. The Council decision led to the review of the organogram with the creation of three positions of directors and 6 positions of principal officers (P5) and other officers and support staff, on one hand, and the 56% increase in GIABA's budget, on the other. This important decision is a proof of the strong community will to tackle the issue of AML/CFT in the region and is commendable.

Staffing

585. The recruitment for the new positions approved by the ECOWAS Council of Ministers started in 2010 with the placement of adverts in all ECOWAS countries, resulting in the appointment of the Directors (Programs and Projects, Research and Planning, and Administration and Finance) and two principal officers (Programs, and Research and Planning) in June 2011. In September 2011, a Principal Officer Monitoring and Evaluation Officer was appointed on a contract basis. Other officers including a Senior Legal Officer, an Executive Assistant to the DDG, a Communication and Advocacy Officer and an Information Manager (Lagos Information Center) and some support staff were also appointed during 2011 raising the staff strength from 39 at the end of 2010 to 47 at the end of 2011,

Extension of GIABA Office space

586. It would be recalled that in May 2010, the Government of Senegal granted GIABA new office space on the second floor of the building in which the Secretariat is accommodated. The partition and renovation work for the second floor that started in 2010 was finalized in June 2011. It has given GIABA staff a very convenient and convivial working environment. GIABA management expresses its sincere gratitude to the Government of Senegal for this support.

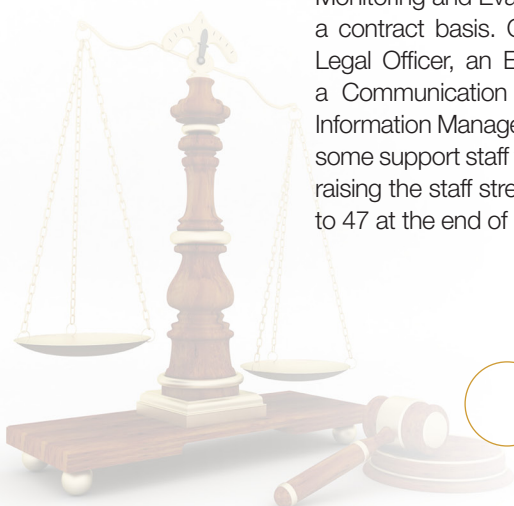
587. In line with an Audit Committee recommendation, the Director General requested the Government of Senegal to grant GIABA a residence for the DG as provided for in the Headquarter Agreement. The Government recalled that its commitment was to facilitate and not grant GIABA office space and residence for the DG. However, on account of its strong will to support GIABA and acknowledging the major achievements of the institution in the delivery of its mandate, the Government accepted to support with the rent of a residence in a sum not exceeding the cost of rent for ministers. A cost sharing scheme whereby the Government will pay 60% of the rent price and GIABA 40% was agreed upon. This represents a 34,000 UA saving per year for the institution.

Office Allocations in Lagos and Abidjan

588. As announced in the 2010 report, the Secretariat was granted office space by the Government of Côte d'Ivoire and the ECOWAS Commission respectively in Abidjan and in Lagos. The Lagos Center was renovated, equipped and furnished during the first quarter of 2011. It was commissioned in April 2011 with the attendance of Nigerian Authorities, the press. Due to the political crisis in Côte d'Ivoire, the opening of the Abidjan Center has been rescheduled to take place in the second quarter of 2012.

Staff Retreat and Other Social Activities

589. Within the framework of welcoming new staff, preparing the implementation of the new organogram and, most importantly, building on the outcome of previous retreats, GIABA organised a Staff Retreat in June 2011 in Saly, Senegal. The retreat was facilitated by a Consultant with extended experience in the UN system.



590. The objective of the retreat was to review processes and procedures in place as well as build harmony among staff to increase team spirit and staff mobilisation towards institutional goals.
591. The Manual of Administrative, Financial and Accounting Procedures and the Manual of Operational Procedures have been finalised in English, and the French and Portuguese versions are being elaborated. Even though not yet formally launched, the manuals are still a reference point as they include current followed procedures.
592. The Manuals which will enhance compliance with best international standards and donors internal control, decision making process and reporting requirement will formally be put into effective use during 2012.

International Women's Day, 8 March 2011

593. One of the Millennium Development Goals is to promote gender equality and women's rights. This is also a key principle in the ECOWAS regional integration program. In order to demonstrate management's commitment to gender balance, as well as the protection and promotion of women's rights, the Director General renewed the observance of the International Women's Day in GIABA on 8 March 2011. The Secretariat celebrated all ladies in GIABA through a conference presented by Professor Fatou SOW a prominent gender specialist and a lunch reception during which the Deputy Director General assured them of her full support and acknowledged their tremendous contribution to the success of GIABA.

Staff General Assembly/Town Hall Meeting

594. In an effort to promote openness and constructive dialogue between management and staff members, a staff general assembly/town hall meeting, intended as a way to provide feedback to personnel on management issues, was held in July 2011 in line with the internal communication mechanisms set by the Executive Management. In addition, the Director General held quarterly meetings with the Staff representatives.
595. GIABA organized a Christmas Gift Presentation Ceremony on 17 December 2011 at which the Director General presented to all the children of the GIABA family Christmas gifts in order to express GIABA's appreciation to staff members for their excellent contribution during the year with the support from their families. A similar event was held at the Lagos Information Centre on

Staff Training Program

596. As part of its overall goal to build a skilled workforce, a comprehensive training program on SAP (the new software package that will be used by all ECOWAS Institutions effective from 2013 for Communication, Program Management, etc) was implemented for various staff during the year. Emphasis was put respectively on strengthening capacities and updating skills against personal development on account of scarce financial resources.
597. During the reporting period, sharing sessions were organized to allow staff sent for training to share their acquired knowledge with their colleagues.

Administrative and Financial Management

598. The external audit of GIABA's 2010 financial statements was completed in April 2011 by Deloitte & Touche. The firm submitted the final report to the Audit Committee for onward transmission to the Council of Ministers for approval. The 2010 audit report has been approved by the Council of Ministers at its 65th Ordinary Session. In the opinion of the auditors, the financial statements present fairly, in all material respects, the financial position of GIABA as at 31 December 2010, and the results of its operations for the year ended in compliance with the financial regulations of the Community. The 2010 audited accounts of GIABA are attached to this report as Appendix C.

Onsite Audits of the Financial Controller of ECOWAS Institutions

599. The Financial Controller of the ECOWAS Institutions conducted two on-site visits to examine GIABA's administrative and financial operations. He commended GIABA for recording the highest budget implementation rate among ECOWAS institutions and for setting up a good insurance system for its staff and properties. He raised some concerns about the monitoring and evaluation reports that are being addressed with the recruitment of a Monitoring and Evaluation Officer.

Community Administrative and Financial Meetings

600. GIABA participated in the 2012 Budget Review meeting held at the ECOWAS Commission and the Administration and Finance Committee meeting in Abuja, Nigeria from 26-31 October, 2010 to consolidate the budget proposals from ECOWAS institutions for presentation to the Council of Ministers for consideration and

approval. Along with other ECOWAS institutions, GIABA participated actively in the Financial Management Reform process, which includes the implementation of a SAP and IPSAS.

601. GIABA also participated in the Audit Committee meeting held in July 2011 in Abuja and the Community Levy Management Committee meeting held in. The important decisions taken were to strengthen the financial management of ECOWAS Institutions and facilitate the collection of community levy.
602. At the 66th Ordinary Session of the ECOWAS Council of Ministers, the Audit Committee reported that GIABA had implemented all audit recommendations and commended the GIABA management for the achievement.

Information and Communication Technology (ICT)

603. The following are some of the ICT improvements and actions undertaken by the GIABA in 2012:

Installation at the extended GIABA Office Space

604. In 2011, GIABA, with the help of the Government of Senegal, acquired additional office space to meet the demand of its growing staff strength. Consequently, basic ICT equipment were installed in the extended office. Other important installations included a very efficient video monitoring and access systems, two switches, three passage panels, a PBX, and a UPS.

Installation of central UPS

605. In the period under review, due to frequent power outage and network instability in host country, the Secretariat acquired: a central UPS – 48V/230V Remote Control and Programming Centre; a stock of 24 leak proof batteries – 2V 3272 AH; and an LV switchboard for three UPS. These equipment were installed to guarantee stable power supply and data security, as well as ensure smooth workflow at the GIABA office.

The updated website

606. The GIABA website underwent an overhaul, tackling the security and compliance problems through new web development standards. A more user-friendly site was created that enables visitors to easily download articles in the three ECOWAS official languages. New media versions were added as a GIABA activities video.
607. To harmonize the content of the site in accordance with the needs and priorities of GIABA, the new portal is able to provide additional tools to interface with the GIABA Documentation and Archiving e-system.

Conclusion

608. One of the priorities for the GIABA Secretariat is to build an institutional culture that will stand the test of time and promote the efficient delivery of GIABA's mandate in an effective manner. In doing this, the skills set required for the job must be available. Therefore, capacity-building for staff to acquire the necessary skill remains a top priority. The efficient deployment of staff and specification of performance targets within the overall strategic goals of the institution has been an important management priority in 2011.
609. On ICT, the objective is to enhance the function of the Secretariat and support the development of expertise within the key institutions of member States particularly the FIUs. Another important function is information and data management and dissemination through various e-platforms, especially the GIABA website.
610. On administrative and financial management, compliance with community rules and regulations remains a high priority. As a donor recipient institution, GIABA strives to have internationally acceptable administrative and accounting procedures in place to facilitate partnerships with donors and program/project implementers.





CHAPTER VIII

Monitoring and Evaluation: challenges, prospects and Priorities for 2012

612. GIABA is resolutely moving towards a sustainable institutional culture and striving to adopt a result-oriented management, a kind of management strategy geared towards achieving better performance, feedback and demonstrable results, by combining planning, monitoring and evaluation.
613. Thus, consistent with GIABA's best practices in the area of result-oriented programs and projects management during 2011, the organization undertook various activities designed to monitor and evaluate its performance.
614. In 2011, GIABA instituted the preparation of a quarterly monitoring report, as well as half-yearly and annual progress reports on the performance of the institution. It also established a Monitoring and Evaluation Unit directly attached to the office of the Director General, and therefore independent from the departments responsible for the implementation of programs and project activities, in compliance with the ECOWAS Management

Succession Committee's decision. A focal person has been appointed in each department to provide support for the process.

Program implementation

615. On the whole, in 2011, GIABA sponsored, supported or contributed to the implementation of thirty-four (34) technical assistance/capacity-building activities in favour of one thousand four hundred and eighty-one (1,481) senior officials from the various member States. This represented an improvement of 41.6% in terms of activities when compared to 2010 when only 24 activities were implemented. This improvement was also observed in the number of participants, which increased from 1,267 in 2010 to 1,488 in 2011, representing a growth rate of 26.83%. Charts 1 and 2 below illustrate the distribution of beneficiaries of GIABA's programs in 2010 and 2011, by Member State and by sector of activity.

Chart 2: Trends in the number of beneficiaries by member State between 2010 and 2011

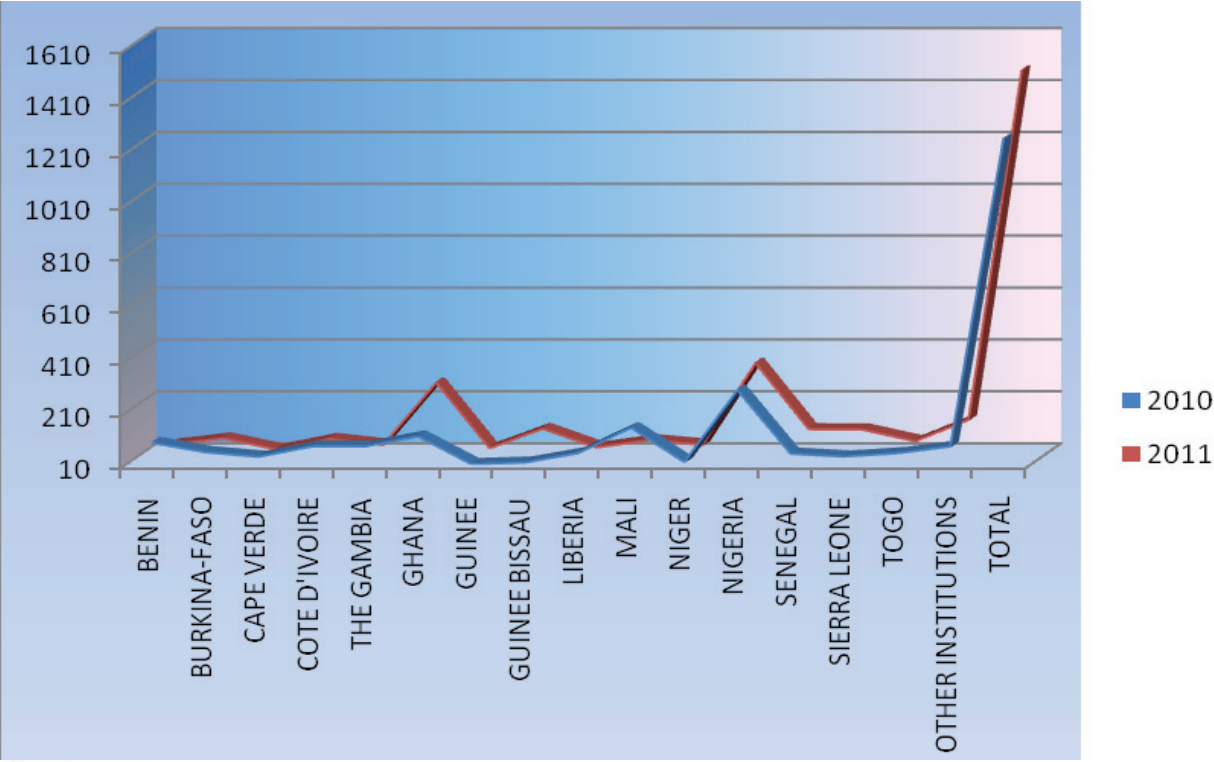
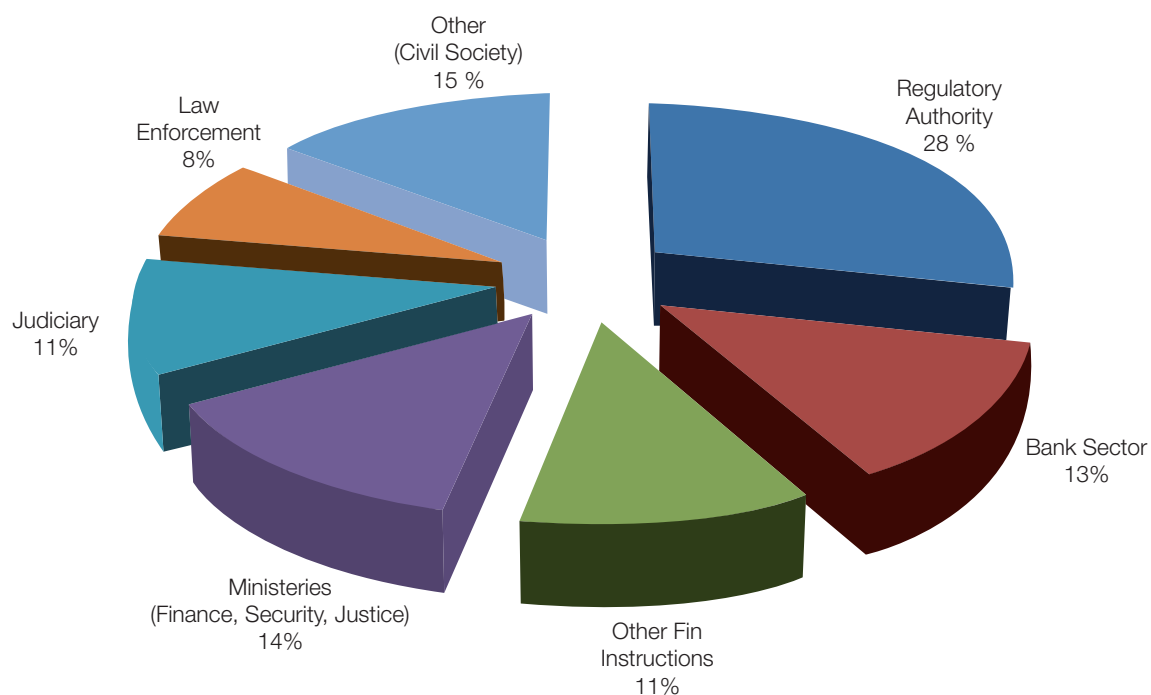


Table 15: Number of beneficiaries by country in 2010 and 2011

Country	2010	2011
BENIN	95	39
BURKINA-FASO	59	63
CAPE VERDE	41	20
COTE D'IVOIRE	81	61
THE GAMBIA	81	38
GHANA	120	278
GUINEA	13	25
GUINEE BISSAU	19	100
LIBERIA	55	28
MALI	153	56
NIGER	21	38
NIGERIA	298	353
SENEGAL	53	98
SIERRA LEONE	42	97
TOGO	55	52
OTHER INSTITUTIONS	81	135
TOTAL	1267	1481



Chart:3 Beneficiaries by sector in 2011

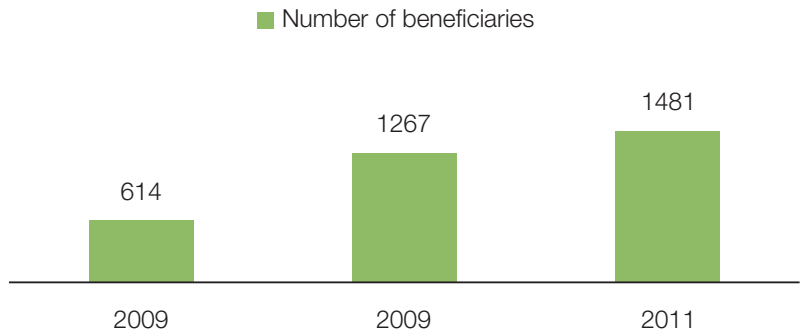


Number of beneficiaries by sector in 2010 and 2011

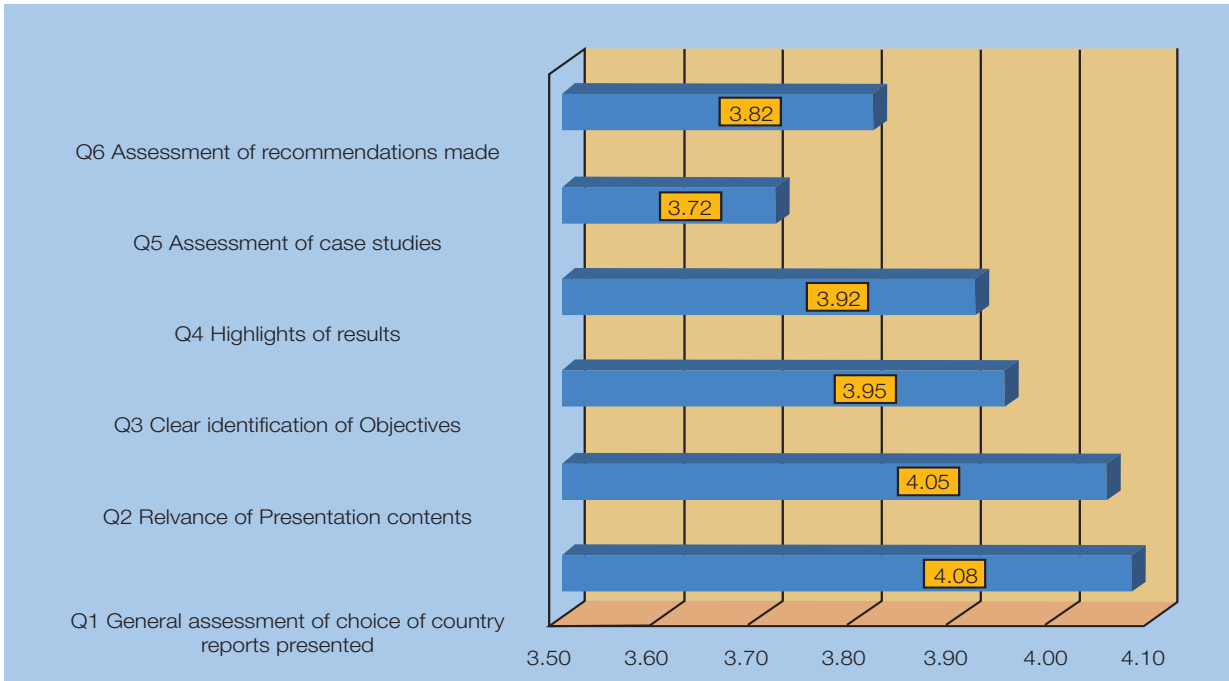
Sectors	2010	2011
Regulatory Authority	369	416
	29%	28%
Banking sector	258	195
	20%	13%
Other Fin. Institutions	43	168
	3%	11%
Ministries of Finance, Security, and Justice	167	200
	13%	14%
Judiciary	84	156
	7%	11%
Law Enforcement	70	114
	6%	8%
Others (Civil Society)	279	215
	22%	15%
TOTAL	1267	1481
	100%	100%



Graph 4: Overall number of beneficiaries of GIABA Programs 2009 – 2011



Graph 5: Evaluation of Typology Reports



616. The various evaluation exercises identified the the following gaps in the programs:

- (i) The lack of linkages between some of the cases presented at the workshop and situations experienced in the region;
- (ii) Inadequacies in the preliminary explanations provided on the working method adopted during the workshop;
- (iii) Failure to send the working materials before the date of the activity that would enable participants properly digest the contents and make more effective contributions to the deliberations; and

- (iv) The tendency for experts to impose their viewpoints on participants.
617. The major suggestions and recommendations made for the attention of GIABA were as follows:
- i. Train institutions in the region (FIUs and Inter-Ministerial Committees, etc.) to use data from their own countries in carrying out typologies exercises;
 - ii. Assist member States in developing a solid experience in the implementation of typology exercises;
 - iii. Incorporate in their future programs, practical

typological cases specific to the region, even if it means assigning them to member States that can make presentations on them;

- iv. Include an expert from each country where the study is being conducted;
- v. Insist on the repression of ML/FT by advocating for more protracted periods of imprisonment and heavier fines;
- vi. Clearly define the role of the media in the appropriation/ownership of the national AML/CFT strategy;
- vii. Allow participants to make their comments and observations after each presentation;
- viii. Explicitly urge participants to bring in their countries' statistics given the unavailability of member countries' typology studies;
- ix. Urge the legislators of GIABA member countries to organize working sessions with resource persons on the evaluation of threats and indicators;
- x. Encourage the Inter-ministerial committees of member States to submit topics to Parliament calling for concerted efforts at involving the general public and ensuring a more effective battle against ML/TF as well as other predicate crimes;
- xi. Establish sound ethics in member States to fight against this scourge;
- xii. Review the duration of workshops and their technical organization, including the sharing of summaries of presentations and time management for presentations (15 – 20 minutes maximum per presentation) and participants' contributions;
- xiii. Request member States in the region to submit their finalized data during workshops and make their presentations based on the explanation of the methods used;
- xiv. Combat money laundering by using "new payment methods" that would provide more information for investigation and prosecuting authorities on the technical processes;
- xv. Adapt training to activities of sectors vulnerable to ML (foreign exchange bureaus, banks, insurance companies); and
- xvi. Incorporate in future programs the development of the following topics:

New topics suggested by beneficiaries

- International cooperation and Mutual Legal Assistance;
- Study on the manifestations of internet crimes (particularly in its aspects of facilitating economic and financial crimes);

- Typology in the NGO sector or any other social and charitable religious structure;
- Money laundering through the cultural sector (theatre, cinema, art, etc);
- Electronic financial transactions and money laundering;
- Sports (various sectors) and money laundering;
- Study on money laundering emanating from internet crimes;
- Money laundering and industries in free zones;
- Money laundering and the environment (crime, environment);
- Money laundering and agricultural products; (cacao, coffee, etc);
- Typologies on DNFPB operations (casinos, vehicle dealers, etc.);
- False invoices; and custodians of horse-race funds;
- Encouraging member States to conduct specific cases relating to their situation in terms of ML/FT, tax fraud, drugs, informal sector, etc;
- Used-car sales and money laundering or terrorist financing;
- Lawyers and money laundering;
- Research on capital financing and terrorist financing relating to the mining of mineral resources in West Africa.

Monitoring GIABA's Budget Implementation in 2011

618. The analysis of the 2011 budget reveals a full utilization of the resources allocated to the various programs, with GIABA recording a delivery rate of 99.48%. This rate was also observed in the various GIABA programs as follows:

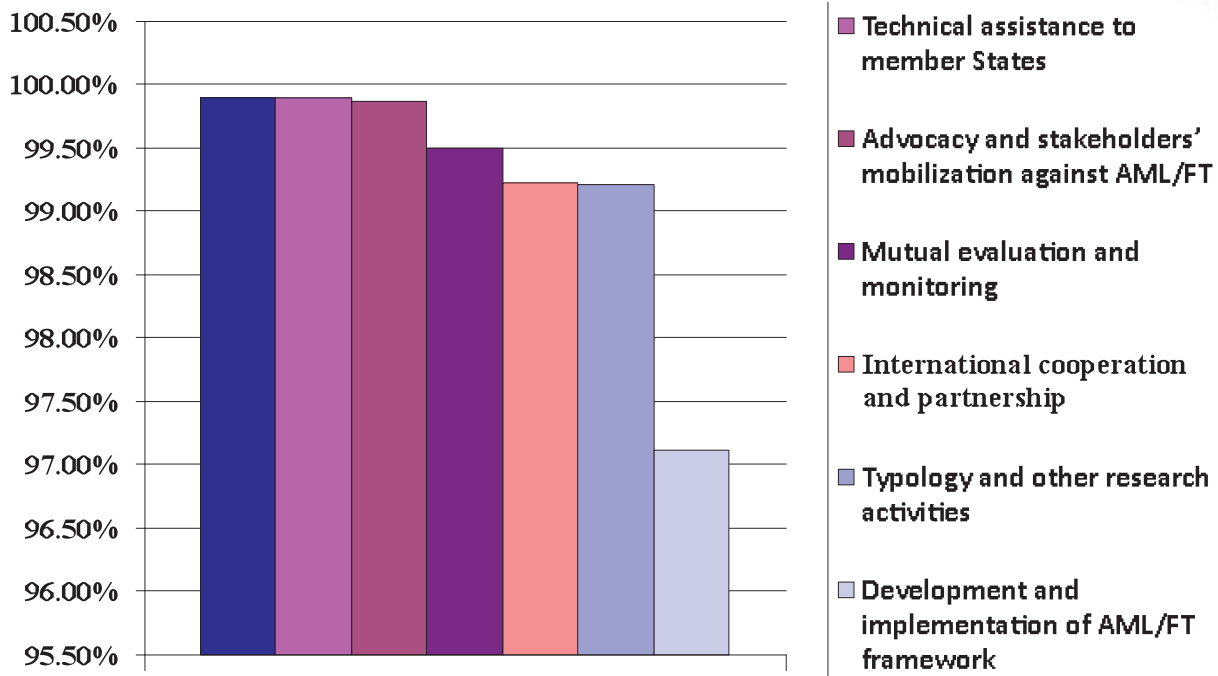
- i. Advocacy and stakeholders' mobilization against AML/FT (99.87%);
- ii. Development and implementation of AML/FT framework (97.12%);
- iii. Development of FIUs (99.9%);
- iv. Mutual evaluation and monitoring (99.50%);
- v. International cooperation and partnership (99.22%);
- vi. Technical assistance to member States (99.90%); and
- vii. Typology and other research activities (99.21%).

Lessons Learned by GIABA in 2011

619. The year 2011 showed a major shift of GIABA's programs from being regional to more national within member States. The reason for this was to deliver more outputs to stakeholders and improve sustainability.



Chart 4: Execution Budget by Program Ares



620. Despite all the efforts, some minor challenges remain, arising mostly from numerous environmental, institutional, regulatory and regional peculiarities. In summary, some of the challenges GIABA member States face in implementing programs are as follows:

- The low political will and commitment amongst member States;
- The dearth of member States' stakeholders proficient in ML/FT issues;
- The lack of efficient response to GIABA correspondence;
- Increase in the demand for participation in GIABA programs; and
- Logistic challenges.

621. Most programs, projects and activities implemented during 2011 had minimal risks, some of which were:

- o Nomination of the right persons from member States to participate in the programs and retain skill;
- o Conference facilities at venue not up to standard;
- o Inadequate Government and institutions preparedness; and
- o Availability of Resource persons;

Evaluation of GIABA's 2011 Programs/ Projects/Activities

622. Preparation for the evaluation of GIABA's 2011 programs, projects and activities began in December, with the development of an

evaluation framework. The framework was designed in conformity with GIABA's procedures and directives, as well as standard international norms, criteria and evaluation ethics, including those of by ECOWAS and the United Nations Evaluation Group (UNEG). The framework covers all GIABA member States, using a standardized questionnaire, which will be used for future evaluation exercises by GIABA's Monitoring and Evaluation Unit.

Establishment of a Monitoring and Evaluation Unit under the Office of the Director General

623. During year 2011, GIABA established a Monitoring and Evaluation Unit and recruited a Principal Officer to manage the unit. The role of this unit, among other things, is to:

- i. Coordinate the monitoring and evaluation functions and implement GIABA's monitoring and evaluation policy and directives;
- ii. Collaborate with GIABA's partners within the framework of multipartite evaluation exercises and supervise evaluation exercises carried out by external entities on behalf of GIABA;
- iii. Support capacity-building in the area of monitoring and evaluation at the Secretariat and in GIABA member countries;
- iv. Manage the data base of evaluation exercises and encourage its use within the organization;

- v. Support knowledge management and knowledge sharing within the Institution.
624. This unit is expected to be strengthened in 2012 with the recruitment of two support staff members. GIABA's Monitoring and Evaluation Unit is supported in its assignment, especially in the various departments, by focal points appointed in November 2011.
625. The 2011 Work Plan of the Monitoring and Evaluation Unit included the preparation and adoption of a Monitoring and Evaluation Policy for GIABA. The draft of this Policy is being circulated for amendment within the GIABA Secretariat. The process of preparing this Policy follows a participatory approach and encourages effective contributions from all departments at every stage. Once adopted by GIABA's Technical Commission, this policy will be distributed within the institution. An information and capacity-building program, both within the Secretariat and in member States, will be implemented to accompany the application of GIABA's Monitoring and Evaluation Policy.

Appointment of Monitoring and Evaluation Focal Points in all GIABA's Departments

626. The appointment of monitoring and evaluation focal points in each of GIABA's departments demonstrates GIABA's determination to build up an effective system that would be used to monitor and measure the efficacy, efficiency, relevance and sustainability of its actions.

Focal Points' Tasks and Responsibilities

- To ensure the incorporation of monitoring and evaluation in the planning and implementation of all activities in each Department;
- To serve as a link between the monitoring and evaluation unit and its Directorate;
- To provide the monitoring and evaluation unit with information, analyses and pertinent proposals that might be of interest to the work of the Unit;
- To circulate/distribute all information and documents on Monitoring and Evaluation;
- To manage computer data on monitoring and evaluation within the Directorate;
- To monitor the implementation of activities and performance of actions in its Directorate;
- To facilitate monitoring and evaluation activities within its Directorate;
- To participate in the deliberations of GIABA's Monitoring and Evaluation Committee, in order to collectively review issues relating to monitoring and evaluation;

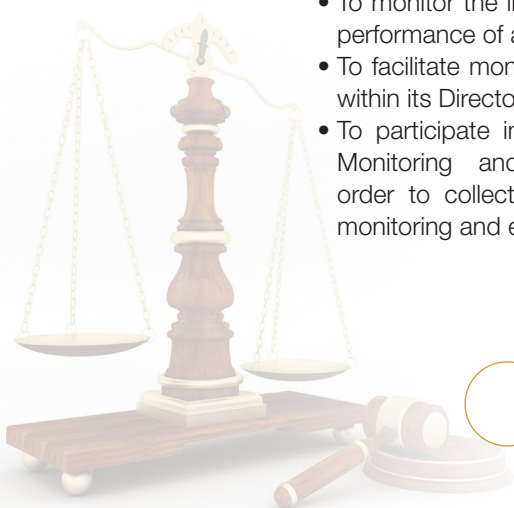
- To analyze GIABA's evaluation reports of regional significance, including those relating to country programs;
- To study annual monitoring reports on the implementation of recommendations from previous evaluation exercises; and
- To review the work program of the monitoring and evaluation unit and the report on its implementation.

Prospects, Challenges and Priorities for 2012

627. The main prospects for GIABA in 2012, in the area of program implementation include the anticipated professional inputs from its strengthened workforce and the readiness of member States to contribute to the successful implementation of its programs and projects. In the area of institutional culture, it is hoped that the staff of GIABA will be motivated to identify with the vision, mission and core values of GIABA and be willing to go the extra mile to ensure that these are realized or practised incrementally, as the case may be. With regard to research and partnerships, the engagement with civil society in the conduct of research appears very promising. The results of the research grants are expected in 2012. This should help fine-tune future engagement to optimize value. On partnership, GIABA recognizes that the AML/CFT field requires alliances that fit with its strategic goals and that work. GIABA has engaged old and some new partners to execute some programs in 2012 and it is expected it is expected that the adoption of a comprehensive Monitoring and Evaluation Policy and its implementation will improve accountability for outcomes and provide evidence for impact assessment. The implementation of this policy will be complemented with the preparation of manuals of procedures and a guide, as well as capacity-building programs for staff and GIABA national correspondents in member countries.

Challenges and Priorities: Some of the challenges GIABA will face in 2012, which form its priorities, are outlined below:

- Revision of the FATF Recommendations:- The revision of the FATF 40+9 recommendations which is expected to be concluded in early 2012, will require GIABA to mobilize resources to carry out advocacy, engage stakeholders very closely to understand the new requirements, and train or retrain its assessors. Efforts at building the capacity of member States to be able to monitor and enforce compliance by legal reporting





entities will continue to be the number one priority of GIABA. Enhancing the AML/CFT knowledge base of the Technical Commission is another important priority since most of the critical decisions on compliance are taken at the Plenary. Another challenge is consistency of participation at the Technical Commission by delegates which helps in building expertise. Member States need to be more consistent in the selection of delegates that attend the plenary without neglecting the need for succession planning. What is required is quality contribution from all delegates in order to elevate the standard of discussion and debate based on the standards and adopted process and procedures.

- **Monitoring compliance:** - AML/CFT compliance monitoring is cost-intensive and requires specialized professionals both at member States level and in the Secretariat. The quality of compliance environment is largely dependent on the specialized human resources available. Capacity remains low against the needs of member States across the region. Efforts at building the capacity of member States to be able to monitor and enforce compliance by legal reporting entities will continue to be a top priority for GIABA. Enhancing the AML/CFT knowledge base of the Technical Commission is another priority since most of the critical decisions on compliance are taken at the Plenary. Another challenge is consistency of participation at the Technical Commission by delegates, which helps in building expertise. Member States need to be more consistent in the selection of delegates that attend the plenary without neglecting the need for succession planning. What is required is quality contribution from all delegates in order to elevate the standard of discussion and debate based on the standards and adopted process and procedures.
- **Evaluating impact:** - The resources GIABA has utilized to deliver programs and projects within the year need to be properly accounted, in terms of the change that has occurred areas a result of the interventions. The results of interventions should help decision-making and, hopefully, this will lead to more and better results in future interventions. Member States should be ready to support GIABA in accounting more objectively

and publicly for the resources it has invested in AML/CFT in the region. To do this, they will need to cultivate more interest in the monitoring and evaluation activities of GIABA.

- **Utilization of research outcomes:** - The Secretariat is concerned about the low utilization of research outcomes by member States. Where there is clear evidence from research and a change is required to make a process, a procedure or a system better, member States need to give it a shot. The lack of input from research hinders development in any area, most especially a complex area such as ML/TF. The more science we can bring to bear on AML/CFT measures, the less will be our collective guess-work, which often leads to waste of precious resources.
- **Strengthening of the Secretariat:** Finally, the GIABA Secretariat remains the heart and hub of the AML/CFT alliance in the region. Unless the Secretariat is professionally competent to provide the required guidance to all stakeholders based on its mandate, the alliance will be shaky. In this regard, the Secretariat is fully aware of the need to improve its professionalism – knowledge, skills, specialization and good attitude. The drive for institutional culture based on the vision, mission and core values of GIABA will need to be accelerated.

Conclusion

628. The year 2011 was a very successful one with regard to the implementation of GIABA programs and projects. The implementation rate of 99.48% was not achieved without challenges but these challenges have become lessons learnt, helping in planning for the future. In particular, the 2011 outcomes and lessons learnt have enabled GIABA to reorient its activities in the 2012 work plan, based on stakeholders' expressed needs, suggestions and recommendations. A follow-up action plan will be designed and implemented accordingly.

629. The overall challenges for GIABA as outlined in this chapter will require committed engagement of relevant stakeholders, and proper and continuous coordination of efforts against the common threats of ML/TF



.Appendix I: GIABA 2012 Approved Work Plan

First Quarter

SN	Title of Program/Project/Activity	January				February				March			
		1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK
1	ECOWAS Institutions Meetings (All Year)												
2	FATF Special Plenary Meeting (Paris, France, Jan 9 - 13)												
3	Standardization of communication tools (GIABA Secretariat, Jan 9 - Dec 21)												
4	FATF Africa/Middle East Review Group (RRG) Meeting (Cape Town, South Africa; Jan 17 - 19)												
5	1st Draft of 2011 Annual Report (Dakar, Senegal, Jan 24)												
6	Finalization of Manual of Operations (Dakar, Senegal - Jan 31)												
7	Egmont Working Group Committee Meetings (Manila, Philippines - Jan 30 - Feb 3)												
8	Staff General Assembly (Dakar, Senegal, Feb 1)												
9	Finalization of the Staff Handbook (Dakar, Senegal - Feb 1 - 11)												
10	FATF Plenary and Working Group Meetings (Paris, France, Feb 13 - 17)												
11	Participation in FATF AML/CFT Typologies Project (Paris, Feb 13-17)												
12	Installation of AML/CFT Analytical Software to FIU (Banjul, THE Gambia Feb 14-March 16)												
13	Liaison Committee/Franc Zone/GIABA (Senegal, Dakar Feb 23)												
14	Development of GIABA Staff Training Plan (Dakar, Senegal, Feb 25)												
15	Pre-Assessment Training for Guinea (Conakry, March 5 - 7)												
16	Pre-Assessment Training for Côte d'Ivoire (Abidjan, March 5 - 7)												
17	Forum Crans Montana (Brussels March 7-10)												
18	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Senegal, Ghana, Nigeria Feb, 8-18)												
19	Women's Day Celebration (Dakar, Senegal, March 8)												
20	Annual Audit of GIABA Accounts (GIABA Secretariat, March, 19-24)												
21	West African Journal of ML and TF (Publication of Accepted Papers) (Dakar, Senegal, March 15 -june 30)												
22	Production of Quarterly Newsletter (GIABA Secretariat, March 31)												
23	Production of GIABA 2011 Annual Report (GIABA Secretariat, March 31)												
24	Acquisition / Development of Project Implementation, Monitoring and Evaluation Tools (GIABA Secretariat, March 31)												



Second Quarter

SN	Title of Program/Project/Activity	January				February				March			
		1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK
1	ECOWAS Institutions Meetings (All Year)												
2	FATF Special Plenary Meeting (Paris, France, Jan 9 - 13)												
3	Standardization of communication tools (GIABA Secretariat, Jan 9 - Dec 21)												
4	FATF Africa/Middle East Review Group (RRG) Meeting (Cape Town, South Africa; Jan 17 - 19)												
5	1st Draft of 2011 Annual Report (Dakar, Senegal, Jan 24)												
6	Finalization of Manual of Operations (Dakar, Senegal - Jan 31)												
7	Egmont Working Group Committee Meetings (Manila, Philippines - Jan 30 - Feb 3)												
8	Staff General Assembly (Dakar, Senegal, Feb 1)												
9	Finalization of the Staff Handbook (Dakar, Senegal - Feb 1 - 11)												
10	FATF Plenary and Working Group Meetings (Paris, France, Feb 13 - 17)												
11	Participation in FATF AML/CFT Typologies Project (Paris, Feb 13-17)												
12	Installation of AML/CFT Analytical Software to FIU (Banjul, THE Gambia Feb 14-March 16)												
13	Liaison Committee/Franc Zone/GIABA (Senegal, Dakar Feb 23)												
14	Development of GIABA Staff Training Plan (Dakar, Senegal, Feb 25)												
15	Pre-Assessment Training for Guinea (Conakry, March 5 - 7)												
16	Pre-Assessment Training for Côte d'Ivoire (Abidjan, March 5 - 7)												
17	Forum Crans Montana (Brussels March 7-10)												
18	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Senegal, Ghana, Nigeria Feb, 8-18)												
19	Women's Day Celebration (Dakar, Senegal, March 8)												
20	Annual Audit of GIABA Accounts (GIABA Secretariat, March, 19-24)												
21	West African Journal of ML and TF (Publication of Accepted Papers) (Dakar, Senegal, March 15 - June 30)												
22	Production of Quarterly Newsletter (GIABA Secretariat, March 31)												
23	Production of GIABA 2011 Annual Report (GIABA Secretariat, March 31)												
24	Acquisition / Development of Project Implementation, Monitoring and Evaluation Tools (GIABA Secretariat, March 31)												

Third Quarter

		July				August				September			
SN	Title of Program/Project/Activity	1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK
1	ECOWAS Institutions Meetings (All Year)												
2	Standardization of communication tools (GIABA Secretariat, jan 9 - Dec 21)												
3	Joint GIABA/FATF Typologies Study on Financing of Terrorism in West Africa (GIABA, Secretariat, April 02-2012 - March 29-2013)												
4	Computerization of the GIABA Archiving Processes and the Library Equipment (GIABA Secretariat, May 15-Nov 16)												
5	Staff Performance Evaluation (July - September)												
6	Advocacy Visit to Parliamentarians and Media Houses (Cotonou, Benin, July 2)												
7	Review of 2012 Work Plan and Budget (Secretariat, July 4)												
8	Installation of AML/CFT Analytical Software to FIU (Côte d'Ivoire, Abidjan, July 2-21)												
9	Development and Revision of AML/CFT Laws (The Gambia, Ghana, Liberia, UEMOA, June-July)												
10	Regional Seminar on Asset Recovery (Lomé, Togo, July 9 - 11)												
11	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Burkina Faso, July 9 - 13)												
12	Production of Quarterly Newsletter (GIABA, Secretariat, July 15)												
13	Egmont Plenary XIV (St. Petersburg, Russia, July)												
14	Regional Workshop on Detecting and Investigating ML and FC for LEA (Freetown, Sierra Leone, July 16 - 18)												
15	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Niger, July 16- 20)												
16	Regional FIU Analysis Training (Niamey, Niger - July, 16 -21)												





17	Deployment and Revision of AML/CFT Laws (TBD - TBA)											
18	Regional Workshop on AML/CFT Requirements for Auditors and Accountants (Dakar, Senegal, July, TBD)											
19	Sponsorship of GIABA Awareness Booths in Social and Cultural Events (Dakar, Senegal and Bissau, Guinea - TBA)											
20	Bi-Lateral Meetings with African Capacity Building Foundation (TBD, TBA)											
21	Preparation of Draft 2013 GIABA Secretariat Budget (Dakar, August 1 - 12)											
22	Installation of AML/CFT Analytical Software (Niger , Niamey, August 1-17)											
23	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Côte d'Ivoire, August 6 - 10)											
24	International Training on Economic & Financial Crimes for Judges (Francophone) (TBD)											
25	Installation of Billboards for AML/CFT Awareness Messages in GIABA Member State Airport (Benin, August, 13-17)											
26	Development of National AML/CFT Strategy and Action Plan for Guinea (Conakry, August 20 - 22)											
27	GIABA-WAIFEM Regional Training Course for Micro-Finance Operators (Accra, Ghana, August 20 - 24)											
28	Sensitization Seminar on AML/CFT for Journalists (Franco/Luso) (Saly, Senegal; August 29 - 30)											
29	Installation of Billboards for AML/CFT Awareness Messages in GIABA Member State Airport (Guinea, Sept 3-7)											



30	Regional Seminar for Tax Professionals (TBD, September 6 - 7)												
31	29th Cambridge International Symposium on Economic and Financial Crimes (September 9 - 15, Cambridge, UK, TBA)												
32	FATF Africa/Middle East Review Group (RRG) Meetings (Beirut, Lebanon, Sept. TBD)												
33	Installation of Billboard for AML/CFT Awareness Messages in GIABA Member State Airport (Liberia, Sept 10-14)												
34	Installation of AML/CFT Analytical Software (Ghana, Accra, September 10-29)												
35	National Workshop on Risk Based Approach (RBA) to AML/CFT Compliance Functions (Abuja, Nigeria, September 17 - 19)												
36	Regional Seminar AML/CFT Financial Sector Supervisors and Regulators (Bamako, Mali, September 24 - 26)												
37	Budget Arbitration Committee (Abuja, Nigeria, Sept 24-29)												
38	Audit Committee Meeting (Abuja, Nigeria, Sept, 24-28)												
39	Production of Quarterly Newsletter (September 30)												





Fourth Quarter

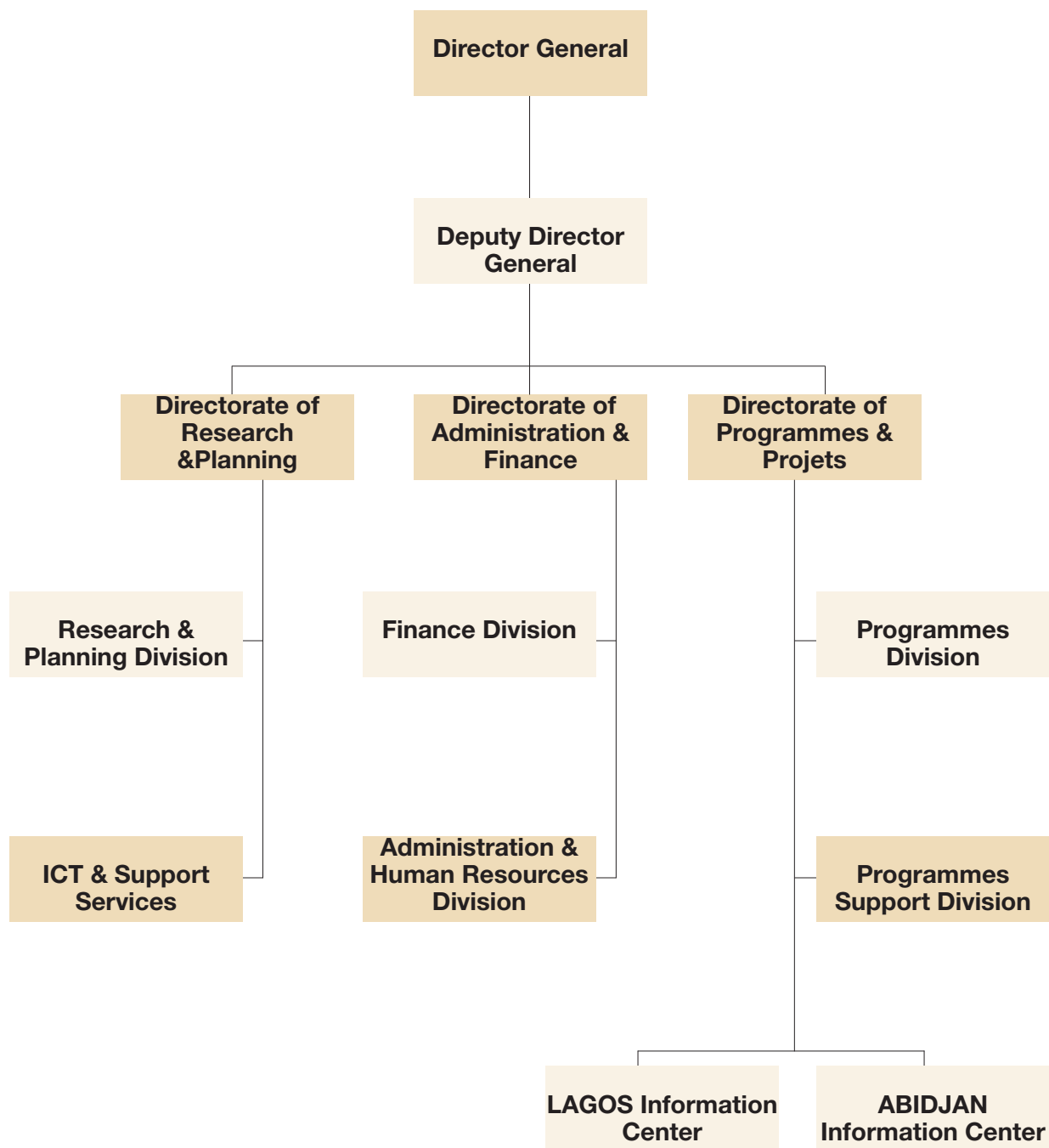
SN	Title of Program/Project/Activity	January				February				March			
		1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK	1st WK	2nd WK	3rd WK	4th WK
1	ECOWAS Institutions Meetings (All Year)												
2	Standardization of communication tools (GIABA Secretariat, Jan 9 - Dec 21)												
3	Joint GIABA/FATF Typologies Study on Financing of Terrorism in West Africa (GIABA, Secretariat, April 02-2012 - March 29-2013)												
4	Computerization of the GIABA Archiving Processes and the Library Equipment (GIABA Secretariat, May 15-Nov 16)												
5	FATF Plenary and Working Group Meetings (TBD, TBA)												
6	Installation of AML/CFT Analytical Software to FIU (Benin, Cotonou, October 1-19)												
7	Inter-University Debate on AML/CFT Impact on West African Economies (Accra, Ghana, October 10 - 11)												
8	GIABA Monitoring and Evaluation Report (GIABA, Secretariat, Oct 31)												
9	GIABA Expert Review Group (ERG) Meetings (TBD, Nov 12)												
10	Working Group on Mutual Evaluation and Implementation Meetings (TBD, November 13)												
11	GIABA Plenary/Technical Commission Meeting (TBD, November 14 - 15)												
12	GIABA Ministerial Committee Meeting (TBD, Nov 17)												
13	AFC Meeting (Abuja, Nigeria - Nov 26-30)												
14	Joint GIABA/FATF Typologies Workshop (Lomé, Nov, 26 - 30)												
15	Meeting of the ECOWAS Council of Ministers and Authorities of the ECOWAS Heads of State and Government (TBD, TBA)												
16	HRM Seminar (Dec. 1, Dakar, Senegal)												
17	Preparation of Draft 2012 GIABA Annual Report (Dakar, December 2 - 16)												
18	Audit Committee Meeting (Abuja, Nigeria, Dec 3-7)												
19	Joint GIABA/UN CTED Regional capacity building workshop (Dakar, Senegal, Dec 04-06)												
20	Strategic review of GIABA 1st Round of Mutual Evaluation (Dakar, Senegal, Dec 3, 2012 -March 29, 2013)												
21	Christmas Tree (Dakar, December 17)												

Abbreviations:

TBA = To be announced, TBD = To be determined, TBC = To be confirmed, DP = Development Partner; DGO = Director General's Office; DDGO = Deputy Director General's Office; AFD = Admin & Finance Directorate; PPD = Programs & Projects Directorate; RPD = Research & Planning Directorate; MED = Monitoring & Evaluation Division; CAU = Communication & Advocacy Unit; LIC = Lagos Information Centre; ICTU = Information & Communication Technology Unit; EXEC = Executive (DG and DDG); NC = National Correspondent, MS = Member State; PPC = Plenary Planning Committee

Note: Venue and date in the schedule are subject to change in line with emerging conditions

Appendix II:
Revised Organogramme of GIABA



Appendix III: The Status of GIABA Member States' Ratification/Accession (a) and Domestication of AML/CFT/Drugs and Crime Conventions

SN	Member States	Vienna Convention, 1988	UN Convention for the Suppression of the Financing of Terrorism, 1999	Palermo Convention, 2000	UN Convention against Corruption, 2003	National AML Legislation*	National CFT Legislation*
	Benin	23/05/1997a	30/08/2004	30/08/2004	14/10/2004	2006	
	Burkina Faso	02/06/1992a	01/10/2003a	15/05/2002	10/10/2006	2006	2009
	Cape Verde	08/05/1995a	10/05/2002	15/07/2004	23/04/2008	2002	
	Côte d'Ivoire	25/11/1991	13/03/2002a			2005	2009
	The Gambia	23/04/1996a		05/05/2003		2003	2002
	Ghana	10/04/1990	06/09/2002		27/06/2007	2008	2008
	Guinea-Bissau	27/10/1995a	19/09/2008	10/09/2007	10/09/2007a	2006	
	Guinea	27/12/1990a	14/07/2003	09/11/2004a		2006**	
	Liberia	16/09/2005a	05/03/2003a	22/09/2004a	16/09/2003a	2002	
	Mali	31/10/1995a	28/03/2002	12/04/2002	18/04/2008	2004	2008
	Niger	10/11/1992a	30/09/2004a	30/9/2004	11/08/2008a	2004	2010
	Nigeria	01/11/1989	16/06/2003	28/06/2001	14/12/2004	2004	2011
	Senegal	27/11/1989	24/09/2004a	27/10/2003	16/11/2005	2004	2009
	Sierra Leone	06/06/1994	26/09/2003		30/09/2004	2005	
	Togo	01/08/1990	10/03/2003	02/07/2004	06/07/2005	2007	2009

Appendix IV:
Audited Statement of Accounts 2010

Deloitte.

Deloitte & Touche

S.A. au capital de 37 500 000 FCFA
Compte contribuable 9104684 A RC Abidjan B 156849
Imm. Alpha 2000 – 14è et 18è Etage
Rue Gourgas – Plateau
01 B.P. 224 Abidjan 01 – Côte d'Ivoire
Tél.: (225) 20.250 250
Fax: (225) 20.250 260 / 20.250 270
www.deloitte.com

**ECONOMIC COMMUNITY OF WEST AFRICAN STATES
INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING AND TERRORISM FINANCING
IN WEST AFRICA**

EXTERNAL AUDITOR'S REPORT

Period Ended December 31st 2010

Dear Sirs,

We have audited the accompanying financial statements of the Inter-Governmental Action Group against Money Laundering and Terrorism Financing in West Africa for the twelve months period ended December 31st, 2010. These financial statements are the responsibility of the management of ECOWAS Inter-Governmental Action Group Against Money Laundering and Terrorism Financing. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

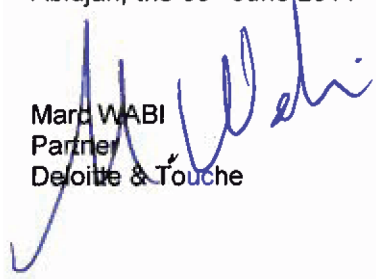
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inter-Governmental Action Group Against Money Laundering and Terrorism Financing in West Africa at December 31st, 2010 and, the results of its operations for the twelve months period then ended, in compliance with the financial regulation of the Community.

Abidjan, the 06th June 2011



Marc WABI
Partner
Deloitte & Touche

Inter-Governmental Action Group
Against Money Laundering in West
Africa (GIABA)

Grupo Inter Governamental de
Acção contra o Branqueamento
de Dinheiro em África Ocidental
(GIABA)

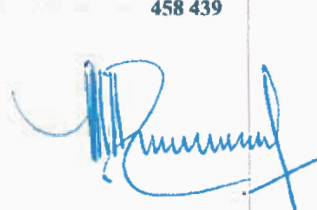
Groupe Intergouvernemental d'Action
contre le Blanchiment d'Argent en
Afrique de l'Ouest (GIABA)



Complexe SICAP, Point E, 1er Etage, Immeuble A, Av. Cheikh Anta DIOP x Canal IV
BP. 32400, Dakar-Ponty, (SENEGAL) Tel.: (+221) 33 859 1818 - Fax: (+221) 33 824 17 45
secretariat@giaba.org - www.giaba.org

BALANCE SHEET AS AT 31 DECEMBER

DESCRIPTION	NOTES	2010	AMOUNT UA 2009
ASSETS			
Petty Cash		657	734
Bank	1	542 277	1 282 734
Prepayments	2	5258	5 400
Others	3	111 528	72 642
		659 721	1 361 511
OTHER ASSETS			
Fixed Asset(Net depreciation)	4	413 285	365 070
TOTAL OTHER ASSETS		413 285	365 070
TOTAL ASSETS		1 073 005	1 726 581
LIABILITIES			
Bank Overdraft			
Accounts Payable	5	307 674	161 085
Inter-Institutional Accounts			
Others Liabilities	6	306 892	216 662
TOTAL LIABILITIES		614 566	377 747
NET ASSETS		458 439	1 348 834
FUNDED BY			
RESERVES			
Accumulated Surplus	7	458 439	1 348 834
TOTAL RESERVES		458 439	1 348 834





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STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED
31 DECEMBER

DESCRIPTION	NOTES	AMOUNT UA	
		2 010	2 009
Contribution Receivable	8	5 060 436	4 620 193
Other Income	9	245 368	1 285
TOTAL INCOME		5 305 804	4 621 478
Statutory Meetings	10	453 911	343 003
Salaries	11	734 999	572 353
Allowances	11	884 538	931 239
Staff Training	11	148 181	112 232
Medical Staff & Insurance	11	45 163	67 514
Rental & Maintenance	12	142 901	197 534
Vehicle Maint./Fuel/Insurance	12	22 036	23 208
Utilities	12	21 695	22 691
Supplies	12	32 833	23 021
Postage & Telecom	12	64 623	76 362
Travels	13	221 738	254 438
General Expenses	14	157 999	147 304
Depreciation	15	101 341	98 668
Exchange Loss on Conversion	16	1 099 284	11 838
Programs	17	2 064 959	1 475 051
TOTAL EXPENSES		6 196 199	4 356 456
NET SURPLUS FOR THE YEAR		890 396	265 022



GIABA Secretariat

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