GIABA

INTER-GOVERNMENTAL ACTION GROUP
AGAINST MONEY LAUNDERING IN WEST AFRICA

2014 Annual Report





Inter-governmental Action Group Against Money Laundering in West Africa

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ABBREVIATIONS AND ACRONYMS

ACAMS	Association of Certified Anti-Money Laundering Specialists
AfDB	African Development Bank
AIESEC	Association Internationale des Étudiants en Sciences Économiques et Commerciales
AML/CFT	Anti-Money Laundering/Counter Financing of Terrorism
AMLRO	Anti-Money Laundering Reporting Officer
APC	All Progressive Congress (Nigeria)
AQIM	Al-Qaeda in the Islamic Maghreb
AU	African Union
BCEAO	Banque Centrale des États de l'Afrique de l'Ouest
BNI	Bearer-Negotiable Instrument
BOAD	West African Development Bank
BOG	Bank of Ghana
BSM	Border Security Management
CBN	Central Bank of Nigeria
CCGA	Consultative Committee on Administrative Freezing (Burkina Faso)
CDD	Customer Due Diligence
CENTIF	Cellule Nationale de Traitement des Informations Financières
CPI	Corruption Perception Index
CREPMF	Conseil Régional de l'Epargne Publique et des Marchés Financiers
CSO	Civil Society Organization
CTR	Cash Transaction Report
DG	Director General
DNFBP	Designated Non-Financial Business and Profession
ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crimes Commission (Nigeria)
ECG	Evaluation and Compliance Group (formerly WGMEI)
EI	Executive Instrument
EITI	Extractive Industry Transparency Initiative (Nigeria)
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FAO	(UN) Food and Agriculture Organization
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FIC	Financial Intelligence Centre (Ghana)
FIU	Financial Intelligence Unit
FIUL	Financial Intelligence Unit of Liberia

FSRB	FATF-Style Regional Body
GABAC	Groupe d'action contre le blanchiment d'argent en Afrique centrale
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GMC	GIABA Ministerial Committee
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
ICRG	International Cooperation Review Group (FATF)
ICT	Information and Communication Technology
IEC	Information, Education and Communication
IIAG	Ibrahim Index of African Governance
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
IP	Intellectual Property
KAIPTC	Kofi Anan International Peace Keeping and Training Centre
KYC	Know Your Customer
LACC	Liberian Anti-Corruption Commission
MCC	Millennium Challenge Corporation
MDGs	Millennium Development Goals
ME	Mutual Evaluation
M&E	Monitoring and Evaluation
ME P&P	Mutual Evaluation Process and Procedures
MER	Mutual Evaluation Report
MINUSMA	(UN) Multidimensional Integrated Stabilization Mission in Mali
ML	Money Laundering
MLA	Mutual Legal Assistance
MNJ	Niger People for Justice
MNLA	Movement for the Liberation of Azawad (Mali)
MoU	Memorandum of Understanding
MUJAO	Movement for Oneness and Jihad in West Africa
MVT	Money Value Transfer
NBFI	Non-Bank Financial Institution
NC	National Correspondent
NFIU	Nigeria Financial Intelligence Unit
NGO	Non-Governmental Organization
NNPC	Nigeria National Petroleum Corporation
NPO	Non-Profit Organization
NRA	National Risk Assessment

NSAP	National Strategic and Action Plan
NSE	Nigerian Stock Exchange
P&P	Process and Procedures
PDES	Economic and Social Development Plan (Niger)
PDP	People's Democratic Party (Nigeria)
PEP	Politically Exposed Person
PRSP	Poverty Reduction Strategy Paper (Guinea)
RBA	Risk-Based Approach
RRG	Regional Review Group (FATF)
SALW	Small Arms and Light Weapons
SCADD	Strategy for Accelerated Growth and Durable Development (Burkina Faso)
SCAPE	Strategy for Boosting Growth and Promoting Employment (Togo)
SCUML	Special Control Unit against Money Laundering (Nigeria)
SEC	Securities and Exchange Commission
SFU	Special Fraud Unit (Nigeria Police)
STP	São Tomé and Príncipe
STR	Suspicious Transaction Report
TC	Technical Commission
TF	Terrorist Financing
UEMOA	see WAEMU
UNCAC	United Nations Convention against Corruption
UNCTED	United Nations Counter Terrorism Executive Directorate
UNDP	United Nations Development Program
UNHCR	United Nations High Commission for Refugees
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Regulation
WAEMU	West African Economic and Monetary Union (also, in French, UEMOA)
WCO	World Customs Organization
WGMEI	Working Group on Mutual Evaluations and Implementation
WGRTM	Working Group on Risks, Trend and Methods
WGTYP	Typologies Working Group
WIUC	Wisconsin International University College

FOREWORD



Adama COULIBALY
Director General

1. In December 2015, GIABA will be fifteen years old. 2015 will therefore provide an opportunity to reflect on its performance over the fifteen-year period of its existence.

2. For GIABA, Year 2014 represents both the end of a cycle (2011–2014) and the beginning of a new one (2016–2020), with its own issues and challenges. In this regard, the publication of this 2014 Annual Report constitutes a major event, as it contains summaries of activities conducted within the context of implementing the 2011–2014 Strategic Plan.

3. The outcome of the analysis of the performance recorded during this period is expected to provide the basis for a new vision that would take on board recent developments in both the economic environment and security situation of member States.

4. Within this perspective, the new Executive Management which assumed office in February 2014 has nursed the ambition of making GIABA a regional and international reference institution for AML/CFT.

5. The Executive Management is convinced that this ambition can only be achieved with the involvement and assistance of all members of its team as well as the unflinching and continued support of the technical and financial partners. The management team are convinced that they will also need to rely on the confidence the ECOWAS High Authorities have bestowed on them as well as the support and collective commitment of the High Authorities and Governments of member States.

6. We should therefore put all hands on deck to ensure that the new plan cycle that will commence with the implementation of the 2016–2018 Strategic Plan will provide an opportunity for GIABA to complete the process of updating and enhancing mechanisms for combating economic and financial crimes and insecurity in member States. There is no other alternative for guaranteeing the region's stability, peace, promotion of good governance as well as economic integration.

7. This report provides information on (1) the level of implementation of our activities, (2) the performance recorded and (3) the reforms and progress made in supporting member States to ensure greater compliance of their national AML/CFT regimes with international standards.

8. It is crucial to stress at this juncture that our efforts to go beyond the results obtained have been limited by declining financial resources, attributable to the extension of ECOWAS' mission beyond its usual framework for intervention to meet a number of pressing challenges for the community. These include the restoration and maintenance of peace, the prevention and combating of emerging epidemics, and the challenges faced in the effective collection of the Community levy.

9. While also serving as a key yardstick for measuring GIABA'S performance in the implementation of programs, this situation constitutes an obligation for us as well as a responsibility to solicit additional funding resources from our technical and financial partners in order to complement GIABA's budget allocations.

10. In the light of the foregoing, our integrity and loyalty in complying with the values of good governance must be irreproachable to enable us win the trust of such partners.

11. I therefore urge every member of the GIABA team to demonstrate the same firm personal and collective commitment as in the past to help GIABA make a more significant contribution to the strengthening of the process of development and peace-building and security in the region.

12. I know that I can rely on the experience and expertise of each and every one, as well as on your intrinsic ability to make the extra efforts required.

ACKNOWLEDGEMENTS

The 2014 Annual Report of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), like those of the previous years, provides a summary of the activities conducted by GIABA during that year. The four major categories of GIABA's activities are provided in the Introduction.

The effective coverage of this wide range of activities would not have been possible without the cooperation, commitment and dedication of a dynamic team. Support from GIABA's technical and financial partners has also been crucial to the achievement of these results. The Secretariat would therefore like to express to them gratitude and appreciation for their unflinching and continued support.

GIABA would also like to reiterate its profound gratitude to the ECOWAS High Authorities, particularly H.E. Kadré Désiré Ouédraogo, President of the Commission, for his confidence and especially for his regular support and contributions to the conduct of regional AML/CFT policies.

We would also like to express our acknowledgment and gratitude to the supervisory and regulatory authorities of member States, professional organizations, civil society organizations, non-governmental organizations, academic institutions and the media, as well as to all those who, from far and near, have assisted GIABA in the implementation of these activities during Year 2014.

Finally, we would also like to extend our gratitude to technical and financial partners whose enhanced support to GIABA, in view of emerging challenges, is sought more than ever before.

GIABA Secretariat
Dakar, Senegal

Chapter One :

INTRODUCTION

1. Fourteen years after the establishment of GIABA, the emergence of terrorist groups conquering and holding territories, and controlling substantial financial and logistical resources, demonstrates the appropriateness of the vision and relevance of the decision of the Authority of ECOWAS Heads of State and Government to create, in the year 2000, a Specialized Institution of ECOWAS responsible for combating money laundering and terrorist financing (ML/TF). Indeed, combating transnational organized crime, in particular terrorism is now a top ECOWAS priority.

2. The security of member States, beyond a necessity, is an exigency in the search for stability and peace, which are fundamental factors for sustainable development in the region. Accordingly, GIABA'S role is now more than crucial in the search for optimal conditions conducive to job- and wealth-creating investments, which in turn sustain our ambitions for stronger economic growth in the ECOWAS area.

3. Combating money laundering, terrorist financing and the proliferation of weapons of mass destruction should be geared not only towards ensuring the security of the financial systems of states, but also towards promoting and driving their development. Thus, to contribute to this effort at improving the welfare of the ECOWAS populace, GIABA's activity for 2014 focused on four (4) major aspects:

4. Assisting member States both in the establishment of national AML/CFT regimes, and in enhancing the capacity of their national actors responsible for their implementation;

5. Facilitating exchanges and pooling gains as well as expertise acquired in order to consolidate progress and facilitate the improvement of the effectiveness of actions taken;

6. Pursuing self-evaluation exercises in member States as well as capacity-building of stakeholders in order to determine the level of compliance and effectiveness of national AML/CFT regimes in line with international standards, on one hand, and empowering member States to achieve more significant and substantial results, on the other;

7. Supporting member States in further fostering and strengthening regional and international cooperation.

8. The analysis of the results obtained in the implementation of these four aspects reveals that, in spite of the substantial progress made, a considerable and diversified number of challenges still need to be tackled. An assessment of the implementation should therefore provide the basis for the design of a new Strategic Plan outlining, in the short and medium term, priority actions that are expected to help in the establishment of more reliable and efficient AML/CFT regimes.

9. It is to be hoped that the information given in this report will provide each and every one an opportunity to assess and understand the constraints that impacted GIABA's overall performance and the weaknesses of member States with respect to the number of convictions and the freezing and confiscating of assets belonging to perpetrators of economic and financial crimes. The quest for effectiveness, which constitutes the key aim of our new strategic plan, will allow member States, by effectively implementing it, to achieve more significant results.

10. In addition to the introductory information contained in this chapter, the presentation of the general AML/CFT framework in West Africa (Chapter Two) and the summary of member States' follow-up reports (Chapter Three), this report describes the typologies and other research activities implemented in the year (Chapter Four), and the essential technical assistance (TA) given by GIABA to member States (Chapter Five).

11. Activities relating to advocacy and civil society outreach are described in Chapter Six, while those relating to regional and international cooperation are presented in Chapter Seven. Chapter Eight deals with administrative issues and support services, as well as monitoring and evaluation activities. Finally, Chapter Nine addresses future challenges and prospects.

Chapter Two :

OVERVIEW OF THE AML/CFT SITUATION IN WEST AFRICA

INTRODUCTION

6. In 2014, political, security, economic and social developments were mixed in West Africa, but very similar to those of 2013. Generally, the consolidation of peace, security and democratic governance has continued in the region, especially in countries that experienced armed conflicts. The cases of Guinea Bissau and Burkina Faso provide evidence of the advancement of democracy in the region. The AfDB's 2014 annual report indicates that West Africa recorded a 7.2% economic growth, making it the fastest in the world.[1]

7. At the same time, there are still overall security challenges facing the region. In that regard, the upsurge in the activities of terrorist groups in Nigeria and in Mali require special attention.

8. The outbreak of the Ebola Virus Disease also posed a serious threat to the economies of the countries affected – Guinea, Liberia and Sierra Leone. .

9. Strong economic growth and the resultant capital accumulation in West Africa could be attractive to organized crime and lead to increased corruption. Analysis of the reports of some financial and governing institutions (AfDB, West Africa Commission on Drugs, the World Bank, etc.) supplemented by that of the monitoring and evaluation reports of AML/CFT regimes of member States, leads to one conclusion: the upsurge of illicit trafficking related to organized cross-border crime, including maritime piracy.

10. The following paragraphs show the performance level of each member State in terms of good governance in general and AMF/CFT in particular, with regard to internationally accepted indicators and standards.

PER-COUNTRY ANALYSIS OF THE AML/CFT SITUATION

11. This analysis relates to political, economic and financial situation, risk level and progress in AML/CFT for each country.

1 AfDB Annual Report 2014: 31

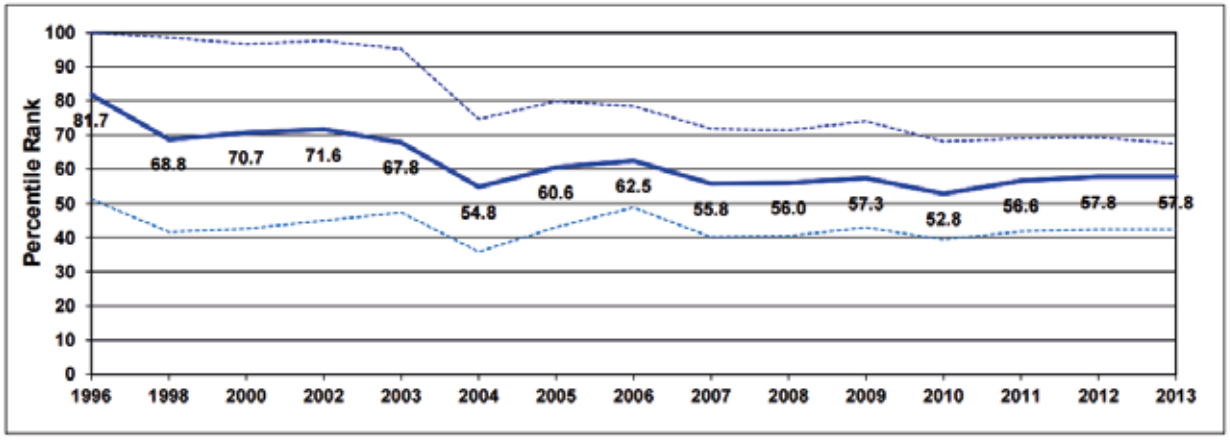
BENIN

Political Situation

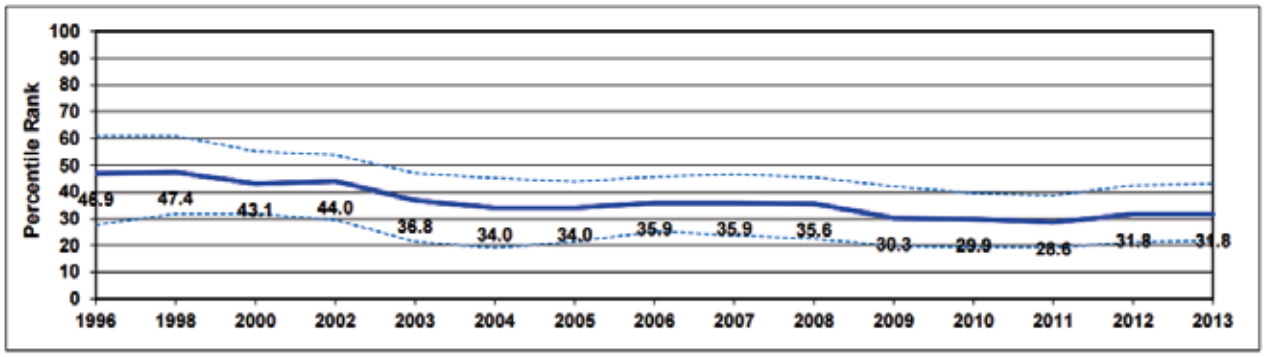
12. In 2014, governance and democratic processes remained participatory overall in light of the conclusions of Transparency International which ranks it 80th out of 171 countries with a score of 39 on 100 compared with a score of 36 on 100 and a ranking of 94th out of 175 countries in 2013.

13. Benin performed well on the Political Stability and Absence of Violence indicator, with an average percentile ranking of 62.2, under the World Bank's Worldwide Governance indicators study. However, on the Rule of Law indicator, the country got an average percentile ranking of 36.4.[2]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

14. The economy of Benin continued to expand throughout 2014, as evidenced by a growth rate of 4.9%[3] used in the "African Economic Outlook 2014" in which positive trends in agricultural aggregates, coupled with those of infrastructure and the improved business climate constitute underlying factors.

2 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.
3 African Economic Outlook 2014, 202.

AML/CFT Situation

15. According to the 4th Follow-Up Report of Benin, some deficiencies persisted in the AML/CFT system, especially as they related to the core and key FATF Recommendations. In particular, the country has no designated authority responsible for the effective implementation of the freezing requirement of the United Nations Security Council Resolution (UNSCR) 1373. In addition, there is the need to improve the domestic regulatory frameworks on customer due diligence (CDD), in particular high-risk customers, suspicious transaction reporting (STR) and record-keeping. The persistence of these deficiencies was due to weak law enforcement, low capacity of law enforcement authorities, inadequate supervision and low rate of conviction.

16. However, the country has drawn an action plan for implementation to address the remaining gaps in its system. The national AMF/CFT strategy has been reviewed within a more inclusive framework with the establishment of an Inter-Ministerial AMF/CFT Council, and the appointment of FIU focal points in key government departments. Benin was ranked 44th out of 162 countries and is considered as one of the most vulnerable countries to ML/TF on the 2014 Basel Anti-Money Laundering (AML) Index.

Prevalence of predicate crimes

17. 17. Regarding predicate crimes, the reports indicates that drug trafficking, corruption, tax evasion, fraud, smuggling of goods, bank fraud and document forgery were the main crimes that were the subject of suspicious reports, as shown in table 2.2 below.

Table 2.1 Changes in AML/CFT System (2012–2014) INCSR, Benin

	INCSR																				
	Crininalisezed Drug ML	Crininalisezed ML beyond Drug	KYC Provisions	Report Large Transactions	Reopt Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N
2012	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N

Technical Assistance

18. To correct the remaining shortcomings, the country has expressed needs for ICT equipment capacity building for law enforcement authorities, regulatory and supervisory agencies, and the organization of sensitization workshops for designated non-financial businesses and professions (DNFBPs).

Conclusion

19. The provision of sufficient technical assistance to Benin by GIABA and the country's development partners continues to be closely linked to the impetus from and commitment of political authorities.

BURKINA FASO

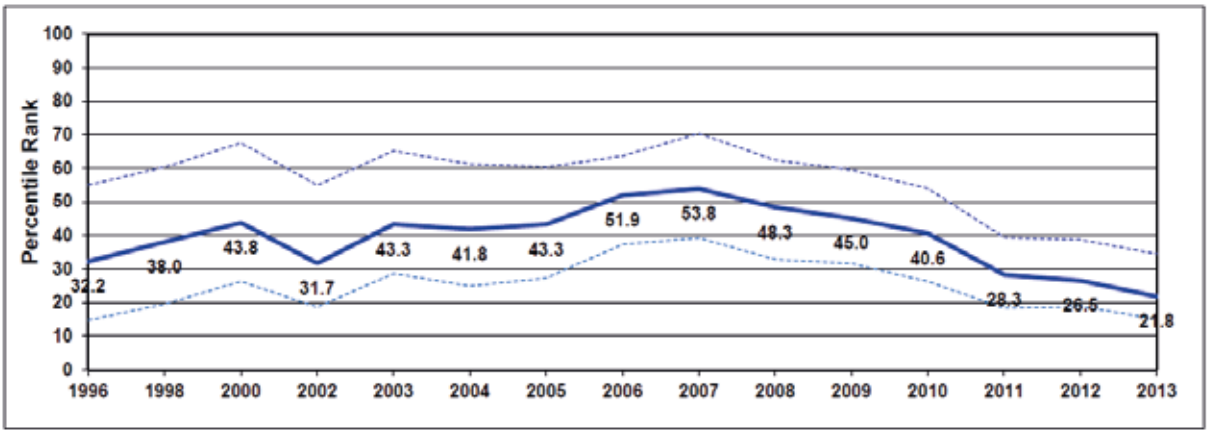
Political Situation

20. In 2014, the country experienced a change that brought to power the interim president Michel Kafando, tasked with organizing general elections at the end of 2015.

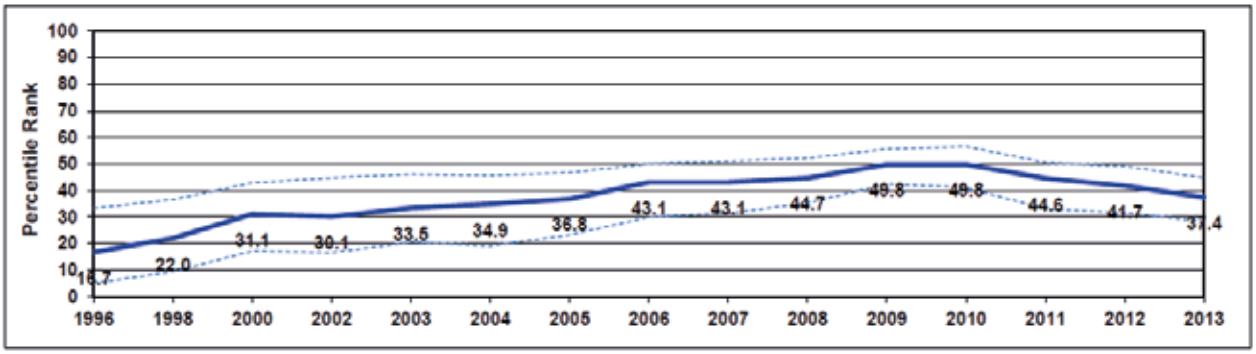
21. In terms of governance, the country scored 38 out of 100 and was ranked 85th out of 175 countries on Transparency International's CPI, compared with its score of 38 out of 100 and 83rd position out of 175 countries in 2013.

22. On the World Bank's "Political Stability and Absence of Violence" indicators, of the country attained a percentile ranking of 39.35, indicating a significant step backwards from the 2005 to 2007 period. Similarly, on the Rule of Law indicator, the country had a percentile ranking of 37.3.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

23. Notwithstanding a tense political climate in 2014, Burkina Faso made significant economic progress with a projected growth rate of 5% in 2014, which contrasts with 2012 (9%) and 2013 (6.9%).[4]

24. Contributions to the deceleration of growth include: the decline in the prices of cotton and gold, the country's main export commodities, and the decline in intra-regional trade due to the outbreak of EVD. According to the International Monetary Fund (IMF), these developments significantly reduced government revenue and expenditure and undermined growth.[5] Burkina Faso's business climate thus worsened compared to previous years. The country was ranked 154th out of 189 countries in 2014 on the World Bank Doing Business Index.

Prevalence of Predicate Crimes

25. In 2014, the significant weight of cash-based financial transactions and the porosity of borders characterized the country's vulnerability to ML/FT.

26. The country report provided to GIABA shows that the most prevalent predicate crimes are drug trafficking, corruption, tax fraud/evasion, smuggling of precious stones and metals, smuggling of goods, bank fraud, forgery of documents and piracy.

27. 21 The Trafficking in Persons Report 2014 identified Burkina Faso as a country of origin, transit and destination for human trafficking.

AML/CFT Situation

28. The country's FIU received 42 suspicious transaction reports (STRs) from reporting agencies; however, there was no conviction by the judicial authorities.

Table 2.2: Changes in the AML/CFT System (2012–2014), Burkina Faso

	INCSR																				
	Crininalisezed Drug ML	Crininalisezed ML beyond Drug	KYC Provisions	Report Large Transactions	Reopt Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y	Y	N	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	N

4 See African Development Outlook 2014, p. 204.
5 IMF Press Release, No. 14/593, 19 December 2014.

29. With regard to human trafficking in 2014, Burkina Faso remained among countries in the Tier 2 category of the US State Department Report. While the country did not fully meet the minimum requirements of the Additional protocol to the UN Convention on Translational organized Crime, aimed at the prevention, suppression and punishment of trafficking in persons, especially women and children, the country has made significant efforts to comply.

Technical Assistance

30. Burkina Faso identified the following priority areas: AML/CFT training and supply of ICT equipment to the FIU, training for law enforcement agencies, regulatory or supervisory authorities, and DNFBPs. The country's plan of action includes sensitization programs, capacity building on national risk assessment on AML/CFT; and preparation of AML/CFT modules.

Conclusion

31. Effective border management continues to be a challenge for Burkina Faso within the framework of the modernization of its AMF/CFT systems in particular and security in general.

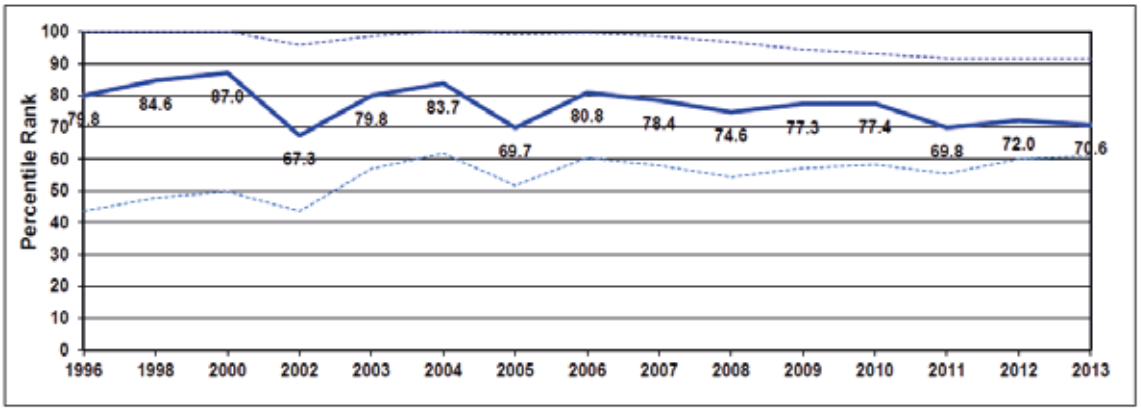
CABO VERDE

Political Situation

32. Cabo Verde continued to be a beacon of democracy, stability, economic growth, development and good governance in West Africa in 2014. The country was rated as the freest in the region and among the freest in the world on Freedom House's 2014 "Global Barometer of Freedom".[6] Cabo Verde scored 57 out of 100 and was ranked 42nd out of 175 countries on Transparency International's CPI. Although this is a slight decline from its score of 58 out 100 and 41st position out of 175 countries in 2013, the country was considered the best governed country in West Africa and the second best in Africa in 2014.[7] Importantly, Cabo Verde's performance in 2012 was slightly better than in 2013 and 2014 with a score of 60 out of 100 and a rank of 39th out of 175 countries.

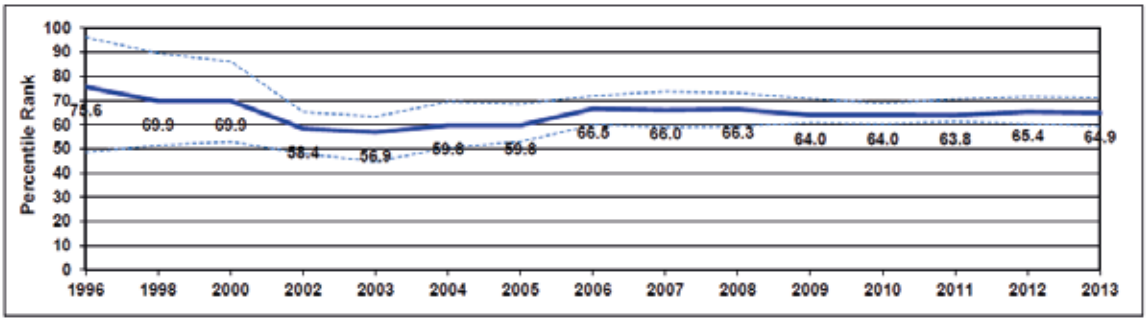
33. Cabo Verde also performed significantly well on the Political Stability and Absence of Violence indicators under the World Bank's 2014 Worldwide Governance indicators study with an average percentile of 76.9, which is the highest in the region. Similarly, on the Rule of Law indicator, the country had a percentile score averaging 64.8.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



6 Freedom House, Freedom in the World 2015: Discarding Democratic, Return to the Iron Fist.
7 IIAG 2014, p. 15.

Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

34. The country's economy was expected to grow by 3.1% in 2014, up from 1% in 2013. However, tourism, a major source of income, and FDI flow continued to decline. At the same time, inflation was projected to rise to 1.8% from 1.5% in 2013, with high unemployment in spite of a slight improvement in the business climate.

35. The country was ranked 121st out of 189 in 2014, compared to 122nd out of 189 countries in the previous year, on the World Bank Doing Business Index.

36. The slowdown in economic growth weakened financial stability and, in response, the country's Central Bank reduced its policy rate by 150 basis points early in the year.[8]

37. Cabo Verde has the best development indicators in the region, and continues to occupy its leadership position in West Africa on the UNDP's medium human development index (HDI).[9] Given the regional context of organized crime and the harmful impacts of the financial crisis and a relatively prosperous economy, Cabo Verde is expected to adopt additional measures to strengthen its AMF/CFT system in order to be less appealing to criminal networks.

Prevalence of Predicate Crimes

38. Cabo Verde is an important transit country for illicit drugs from South American countries headed for European countries.[10] The country's geographical location as an archipelago of islands makes it more vulnerable to ML/FT.

39. Regarding good governance, Transparency International's Corruption Perception report placed the country at 42nd position in 2014, which is a drop in ranking from 41st in 2013. The country report states that the main ML crimes in 2014 were drug trafficking, corruption, smuggling of goods, smuggling of precious gems and metals, bank fraud and forgery of documents.[11]

AML/CFT Situation

40. In 2014, the FIU of Cabo Verde received and analyzed 50 STRs.[12] These reports were referred to the relevant law enforcement agencies for investigation. However, these investigations did not result in arrests or prosecutions.

41. The AML/CFT system of Cabo Verde continues to have some deficiencies. These notably include weak law enforcement and the supervision of reporting entities that requires strengthening and greater impetus.[13] In 2014, the country received a score of 6.98 and ranked as the 35th out of 162 countries.

8 IMF Press Release, No. 14/302, 25 June 2014.
9 Ghana being the second country in the region.
10 Available at: http://giaba.org/reports/annual/reports.html.
11 GIABA Summary of Country Reports, 2014.
12 Ibid.
13 Cabo Verde Country Report to GIABA.

Table 2.3: Changes in the AML/CFT System (2012–2014), Cabo Verde

INCSR																					
	Criminalisezed Drug ML	Criminalisezed ML beyond Drug	KYC Provisions	Report Large Transactions	Reoprt Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y	N

42. In the area of human trafficking, Cabo Verde has since 2012 been among countries in the Tier 2 category of the US State Department Trafficking in Persons Report. However, the country says it has made significant efforts to comply with the Trafficking in Persons Protocol adopted by the UN General Assembly on 15 November 2000.

Technical Assistance

43. To deal with the deficiencies identified in its AML/CFT system, the country has indicated the following areas of need for technical assistance: training for FIU agents; sensitization for the DNFBPs, the civil society and media, as well as and mentoring on international cooperation.

Conclusion

44. Concerning AML/CFT, the authorities' willingness and commitment was demonstrated at the highest level in Cabo Verde. While deficiencies remain in its AML/CFT system, the country's FIU recorded significant results. The legislative system is being strengthened in order to set up institutions responsible for recovering and managing criminal assets.

CÔTE D'IVOIRE

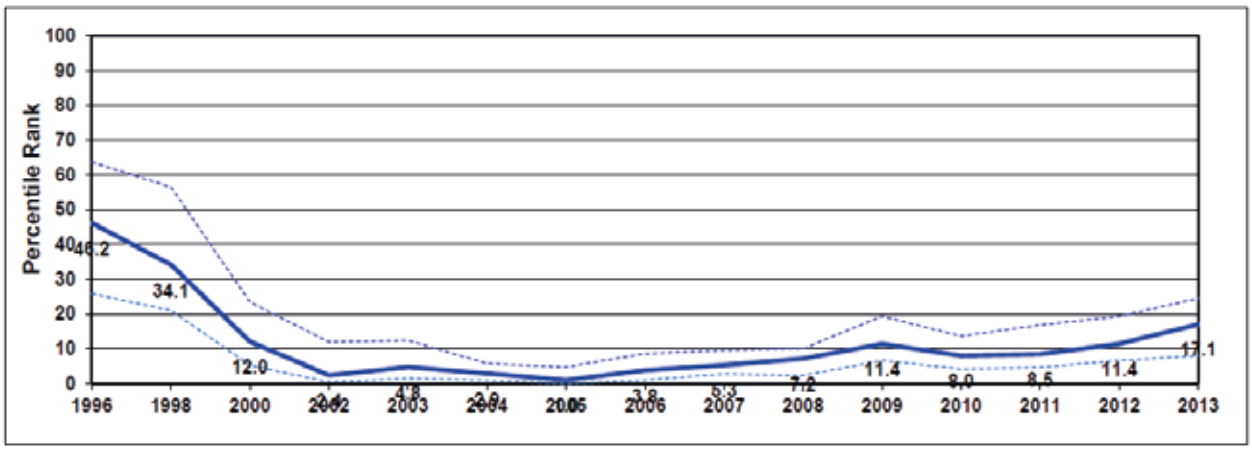
Political Situation

45. In 2014, Côte d'Ivoire continued to gradually recover from the political and military crisis that rocked the country in 2011. The Government's national program for reconciliation, which commenced in 2013, somewhat stabilized the country, making it possible to make operational local and regional electoral processes in April 2013. Progress on national reconciliation enabled the return of nationals that were in exile thanks to the steps taken by the government to guarantee their security and property rights.

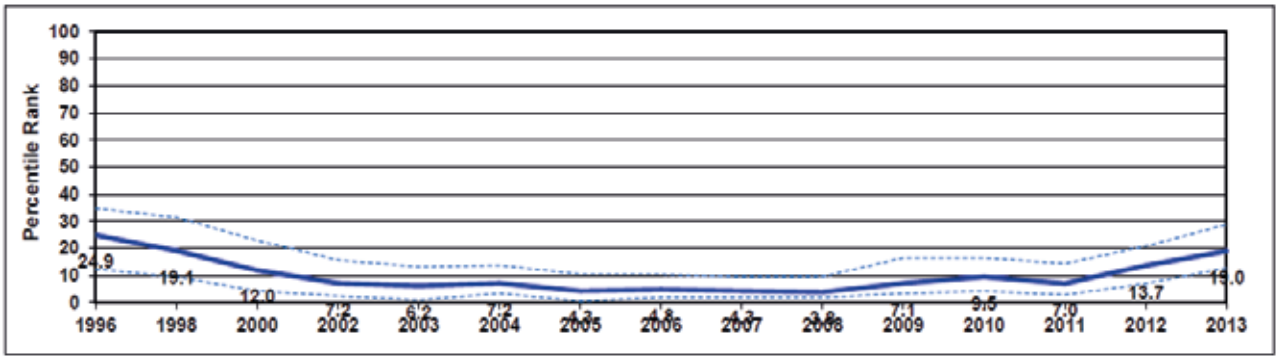
46. Côte d'Ivoire percentile ranking on the "Political stability and absence of violence" indicator of the World Bank's survey of worldwide governance indicators was 11.7. On the "Rule of law" indicator, over the past 15 years, the country has been in the 10th percentile. The political and military conflicts experienced since 2001 have greatly impacted good governance and the rule of law.

47. In spite of these, governance was better in 2014 than in the previous year. For instance, the country scored 32 out of 100 and was ranked 115th out of 175 countries on Transparency International's CPI as compared to its score of 27 out of 100 and its 136th position in 2013.[14] Its score in 2012 was 29 out of 100 and 130th position out of 175 countries.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



14 Transparency International's yearly Corruption Perception Index, 2012 and 2013.

Economic and Financial Situation

48. Despite its fragile political stability, the country made significant economic progress in 2014, thereby maintaining its position as one of the fastest growing economies in West Africa. Real GDP was expected to grow by 9.1% in 2014, slightly up from 8.8%.[15]

49. Underpinning such growth are strong growth rates in subsistence agriculture, energy, construction, services and commerce, improvement in the business climate, major public works and trade.[16] The improved business climate is significant as the country was ranked 167th out of 189 countries on the World Bank Doing Business Index ranking in 2014, compared to its 177th position out of 183 countries in 2013.

50. Furthermore, the country performed well on the Enlarged Credit Facility (2012–2014) agreed with the IMF through continued commitment to prudent policies and structural reforms.[17] Inflation has remained moderate at 2.9%, up from 2.7% in 2013.[18] This is below the limit of 3% set by the UEMOA community norm. Another important reform was the reorganization of the tax administration, which brought in substantial extra revenue for the government.[19]

51. However, the observed positive indicators in 2014 have not yet sufficiently translated into human development in Côte d'Ivoire. Several governance reforms need to be implemented to ensure that the rapid economic growth of the country effectively translates into improved living standards for the population. Such reforms are required to reduce the opportunities for organized crime, which include ML/TF and their predicate crimes.

Prevalence of Predicate Crimes

52. Notwithstanding the lack of comprehensive and definitive data, drug trafficking, corruption, tax fraud/evasion, smuggling of gems and precious metals, goods smuggling, bank fraud, piracy and forgery have been the main ML predicate crimes in 2014. Côte d'Ivoire is also a source, transit route and destination for persons subjected to forced labour and sexual exploitation.[20] Among the factors that underpinned these crimes is Côte d'Ivoire's development

AML/CFT Situation

53. The commitment of the Government of Côte d'Ivoire to its international AML/CFT obligations is absolute, given the encouraging and significant progress it has made since 2012, when its AML/CFT system was evaluated.[21]

54. The country prepared draft AML/CFT laws, consistent with the UEMOA AML/CFT requirements and organized awareness and capacity-building programs for key AML/CFT stakeholders.

55. The most frequently used methods for laundering the proceeds of economic and financial crimes have not changed much over time. They include laundering through the real estate sector, cross-border cash movements, and bearer negotiable instruments, banks and financial institutions, DNFBPs, microfinance, insurance companies and stock markets.[22] The prevalence of these crimes that are linked to the country's post-conflict circumstances, makes it more vulnerable to the phenomena of ML/TF.

15 African Economic Outlook, 2014, p. 213.
16 IMF Country Report, No. 14/358, African Economic Outlook.
17 IMF Press Release, No. 14/554.
18 African Economic Outlook.
19 Ibid.
20 GIABA Annual Report 2013, p. 28
21 For details, see the Second Follow Up Report of Côte d'Ivoire. See also Chapter 3 of this report which gives a comprehensive overview of the AML/CFT situation in each GIABA member State.
22 GIABA Country Report 2013.

56. Critical AML/CFT deficiencies manifested by the country include limited investigation and prosecution in 2014. Côte d'Ivoire's Country Report to GIABA shows that the country's FIU received 50 relevant STRs from reporting entities. Of this number, however, eight cases were investigated and prosecuted. There have not yet been any conviction resulting from these cases. The absence of conviction shows that the country's AML/CFT system still has deficiencies.

57. Deficiencies underpin its great vulnerability to money laundering and terrorist financing. In 2014, the country received a score of 6.60 and, out of 162 countries, was ranked as the 46th most vulnerable to ML/TF.

Table 2.4: Changes in the AML/CFT System (2012–2014), Côte d'Ivoire

	INCSR																				
	Crininalisezed Drug ML	Crininalisezed ML beyond Drug	KYC Provisions	Report Large Transactions	Reopt Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
2013	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

58. With regard to human trafficking, Côte d'Ivoire, as in 2013 and 2012, remained among countries in the Tier 2 category according to the US State Department's Trafficking in Persons Report 2014. While the country did not fully meet the minimum requirements of the "Additional Protocol of the UN Convention against transnational organized crime aimed at preventing, suppressing and punishing trafficking in persons, especially women and children", significant efforts were underscored to comply.

Technical Assistance

59. The paucity of ML/TF conviction, explained by the fact the country recently emerged from an armed conflict, requires that the country's criminal justice system receives urgent attention in terms of building the capacity of judicial authorities. The priority technical assistance needs expressed by the country include training and research capacity-building for the FIU and training for the judiciary.

Conclusion

60. Notwithstanding the necessity to consolidate gains and the foundations for peace, Côte d'Ivoire has made significant progress in strengthening its AML/CFT system. In that regard, reforms must be implemented as a matter of urgency in the area of criminal justice, particularly with regard to investigation, prosecution and proper adjudication of money laundering cases.

The GAMBIA

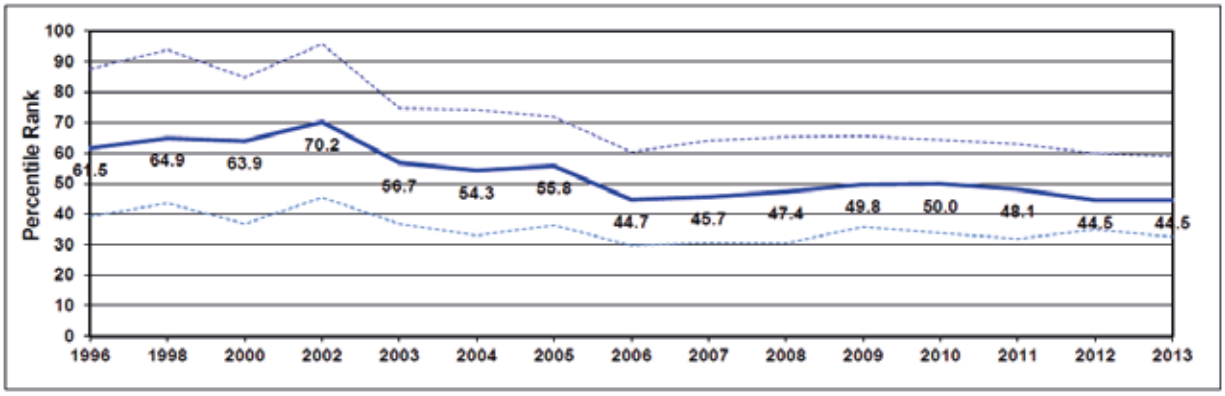
Political Situation

61. The Gambia's relative political stability was rocked by threats of political destabilization.

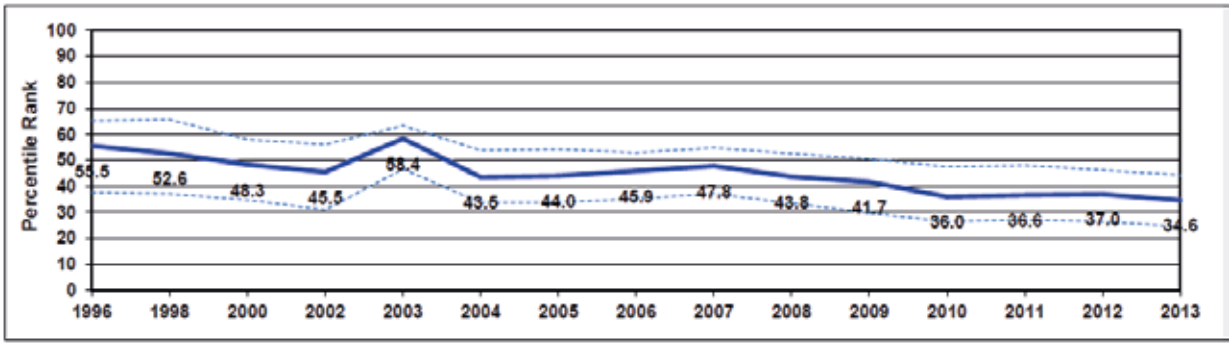
62. In order to effectively combat the menace of ML/TF, the country's political commitment must be reaffirmed through major legislative and regulatory reforms. While it is not specific to The Gambia, corruption remains a major challenge for the country. In 2014 the country scored 29 out 100 and was ranked 126th out of 175 countries on the Transparency International's CPI. This is similar to that of 2013 when the country's score was 28 out of 100 and a ranking of 127th out of 175 countries. However, the score strongly contrast with that of 2012 when the country scored 34 out of 100 and was ranked 105th out of 175 countries.

63. The Gambia's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile of 53.5. On the Rule of Law indicator, The Gambia averaged at 44.8 percentile over the past 15 years.[23]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



23 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Economic and Financial Situation

64. The Gambia continued to experience significant economic growth in 2014. The country's real GDP, which grew by 5.1% in 2013, was expected to grow by 7.5% in 2014.[24] This is can be explained by a recovery in the agricultural sector and a promising tourist season.[25] According to the IMF, improved revenues from a successful tourism season, combined with moderate inflation and a stable exchange rate, have stabilized the macro-economic environment of The Gambia.[26] The country implemented prudent monetary policies that helped to reduce inflation, although it was projected to rise to 5.7% in 2014. The Gambia was ranked 150th out of 189 countries on the World Bank Doing Business Index in 2014, compared to 147th out of 189 countries in 2013 and 149th out of 189 countries in 2012.

65. Despite this relative economic growth, The Gambia in 2014 faced food security challenges which, the UNDP says, could jeopardize the achievement of the MDGs. Even so, the economic growth did not result in any significant improvement in the living conditions of the population. Poverty remained in the country.

66. In its efforts against poverty, the Government secured €4 million from the European Union (EU) and the Food and Agriculture Organization (FAO) to help reduce hunger in the country.[27] It is also implementing a National Agriculture Investment Plan with the aim of increasing food security, generating income and reducing poverty.[28]

Prevalence of Predicate Crimes

67. Analysis of the country report reveal that drug trafficking and the smuggling of gems and precious metals were the major ML predicate offences in The Gambia in 2014.[29] However, the report, in the absence of significant data on drug seizures, does not allow us to affirm that in 2014 illicit trafficking of those products or their transit fell or not. It should be noted, however, that there is an imbalance between the high concentration of commercial banks and the normal volume of the country's economy. This situation makes even more relevant the country's role in the accumulation of the proceeds of crime or their transfer to other destinations.

AML/CFT Situation

68. In November 2013, the Plenary of the GIABA Technical Commission strongly recommended that The Gambia addressed no later than 2014, four key deficiencies in its AML/CFT system. Since the country complied with this recommendation, the Technical Commission recommended to the Plenary in November 2014 that The Gambia be removed from the enhanced follow-up process and put on the expedited regular follow-up process. Moreover, with a score of 6.68 and a ranking of 41 out of 162 countries, The Gambia is among the most vulnerable countries to ML/TF.

24 African Economic Outlook, 2014 Country Note on The Gambia.
25 Ibid.
26 IMF Press Release, No. 14/428.
27 European Commission, EU and FAO help six countries achieve the Millennium Development Goal on hunger. Press Release, Brussels, 26 September 2013.
28 African Economic Outlook.
29 GIABA Country Report 2014.

Table 2.5: Changes in the AML/CFT System (2012–2014), The Gambia

	INCSR																				
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	N	N
2013	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	N	N
2012	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	N	N

69. With regard to trafficking in persons, The Gambia was placed in the Tier 3 category of the US State Department "Trafficking in Persons" Report in 2014, compared with the Tier 2 Watch List in both 2013 and 2012. The country therefore relaxed its efforts to comply with the minimum requirements of the US Trafficking Victims Protection Act in 2014.

Technical Assistance

70. 64 In 2014, The Gambia expressed its technical assistance needs as notably including the following areas: training, mentoring and ICT equipment for the FIU; training for law enforcement and control and supervisory bodies, financial institutions, judicial authorities, DNFBPs, the legislature; and mentoring on international cooperation.

Conclusion

71. While The Gambia made good progress in the strengthening of its AML/CFT system in 2014, the insufficient supervision of its financial system and the implementation of an effective AML/CFT national strategy are among the challenges to be dealt with.. In that regard, training and capacity building for stakeholders are therefore the country's top priorities.

GHANA

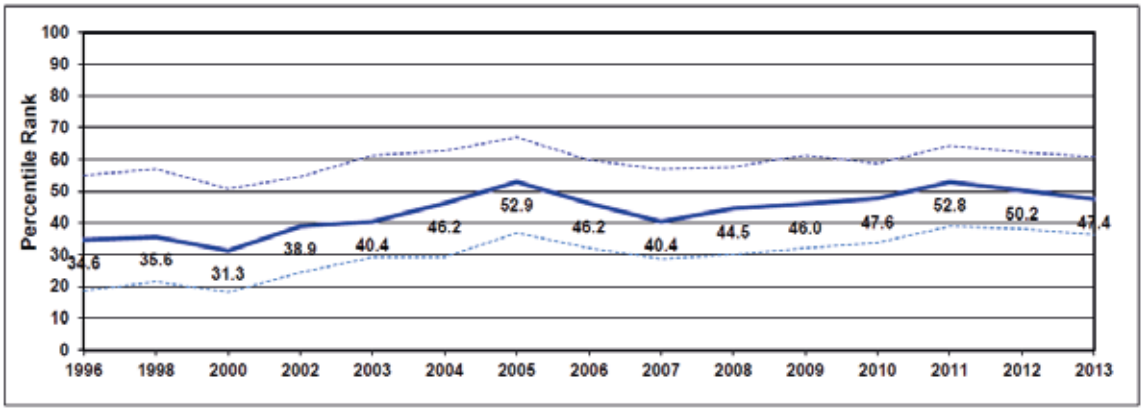
Political Situation

72. Ghana continued to be largely peaceful and politically stable throughout 2014, despite the deteriorating economic situation that led to a high cost of living and problems in the management of public affairs.

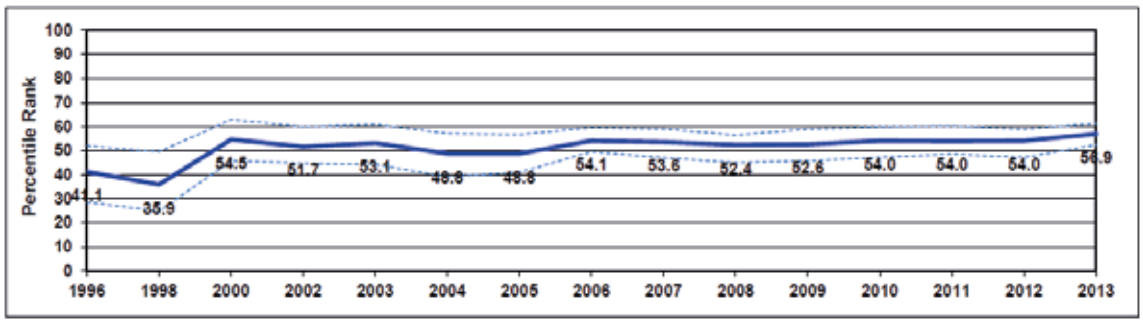
73. Ghana was ranked 7th on the 2014 IIAG, scored 48 out of 100 and was also ranked 61st on Transparency International's CPI, an improvement from 2013, where it scored 48 out of 100 and was ranked 63rd.

74. On the World Bank's Political Stability and Absence of Violence indicator, the country had an average percentile ranking of 43.7. On the Rule of Law indicator, the country averaged at 51 percentile ranking over 15 years.[30]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)

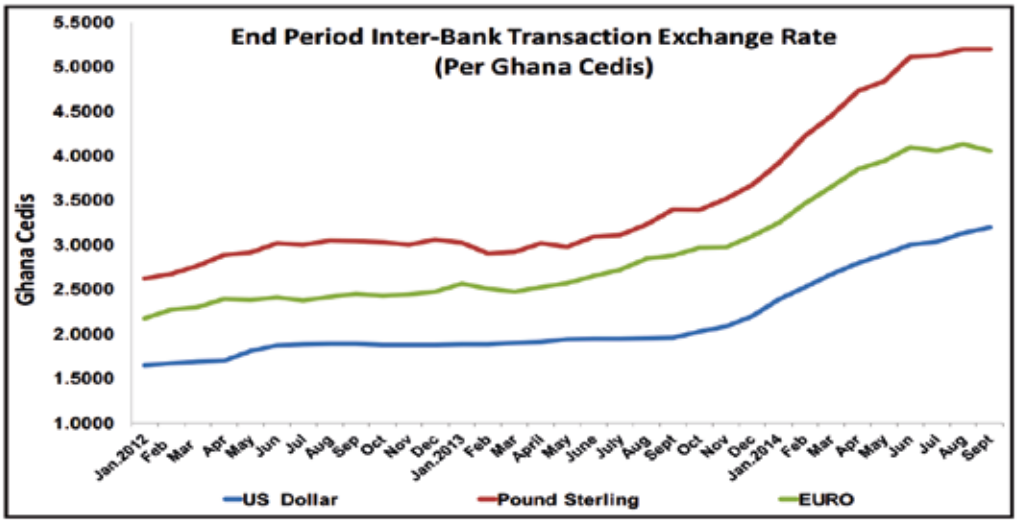


Economic and Financial Situation

75. Ghana continued to make substantial economic advances and was among those countries with the fastest growing economies in West Africa in 2014. Its GDP grew by 7.7% in 2014, up from 4.4% in 2013.[31] Underpinning this growth were increased oil and gas production, increased private sector investment, and increased investments, mainly in public infrastructure and commercial agriculture.[32]

30 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.
31 African Economic Outlook 2014, p. 220
32 Ibid

76. Nonetheless, in terms of economic governance, Ghana faced a series of challenges. The business climate worsened and the country was ranked 67th out of 189 countries on the World Bank Doing Business Index ranking in 2014, compared to 64th out of 189 countries and 63rd out of 189 countries in 2013 and 2012 respectively. While the rate of inflation was expected to decline from 11.7% in 2013 to 9.7% in 2014, the high cost of living continued to be a major threat to social cohesion. The seriousness of the Cedi depreciation will compel the Bank of Ghana to implement a number of measures, including restrictions on withdrawals in US dollars within the country.



Source: Bank of Ghana Statistical Bulletin, December 2014

77. Despite these challenges, however, economic growth and the strengthening of good governance will allow the country to retain its ranking of 138 on the Medium Human Development band of the UNDP global Human Development index.[33] The country has made significant progress on most of the Millennium Development Goals, in spite of the weaknesses noted regarding the specific targets of child mortality, maternal health and sanitation remain a big challenge.[34]

Prevalence of Predicate Crimes

78. In 2014, drug trafficking, corruption, cybercrime, tax fraud/evasion, smuggling of precious stones and metals, smuggling of other goods, bank fraud, forgery and piracy were identified in the country report as the main ML predicate crimes.[35] Public sector corruption has been identified as one of the main predicate crimes for money laundering in the country.[36] The proceeds of these crimes are laundered in various forms in Ghana. The methods mostly used are real estate, cross-border cash movement, banks, insurance companies, DNFBPs, microfinance and equity investment.[37]

79. The largely cash and informal nature of the economy continue to make it difficult to detect and track illicit financial flows in Ghana.

80. Trafficking in persons, particularly illegal immigration is identified as a prevalent crime. It is said to concern in particular, women and children subjected to forced labour and sex trafficking.[38]

33 GIABA Annual Report 2013.
34 UNDP Human Development 2013.
35 GIABA, Synthesis of Country Reports 2014.
36 INCSR 2013 vol. II, p. 157.
37 GIABA, Summary of Country Reports.
38 Trafficking in Persons Report 2013, p. 178.

81. On Transparency International's CPI ranking, the country remained 64th out of 174 in 2014 as in 2013. In 2012, Ghana ranked 70th out of 174 countries. In 2014, the country adopted a public procurement law which harmonizes all procurement procedures and instruments in line with international standards. A diligent implementation of the law is expected to enhance compliance with the values of good governance.

AML/CFT Situation

82. Analysis of the country report reveal that Ghana made significant progress in addressing the deficiencies identified in its AML/CFT system. Chapter Three of this report details the specific actions undertaken by Ghana to reinforce its AML/CFT system. In recent years, Ghana has strengthened and enhanced its AML/CFT system, leading to an increase in the number of STRs the FIU received from the reporting entities. The country recorded two (02) ML convictions in 2014.

Table 2.6: STRs received and disseminated by the Ghana Financial Intelligence Centre (2009–2014)

YEAR	RECEIVED	DISSEMI-NATED	Percentile of Dissemination
2009	1	1	100%
2010	71	25	35.21%
2011	137	57	41.61%
2012	375	254	67.73%
2013	356	225	63.20%
2014	310	86	27.74%
TOTAL	**1250**	**648**	**51.84%**

83. Nonetheless, there are still significant gaps in the country's AML/CFT system. Weak law enforcement linked to low capacity of law judicial authorities reinforces Ghana's vulnerability to money laundering and terrorist financing. In 2014, the country received a score of 5.88 and, out of 162 countries, was ranked as the 77th most vulnerable country to ML/TF on the Basel AML Index.

84. Ghana has commenced its National AML/CFT risk assessment with the support of the World Bank and GIABA. The outcome of the assessment should help the country to understand the risks it faces in order to develop and implement appropriate measures to mitigate them.

Table 2.7: Changes in AML/CFT System (2012–2014), Ghana

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N
2013	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N
2012	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N

85. With regard to human trafficking, Ghana remained among countries in the Tier 2 category in 2014 in the US State Department Trafficking in Persons Report.

Technical Assistance

86. Ghana needs to be supported by the GIABA community and its partners to further strengthen its AML/CFT system, particularly in the areas of training, investigation, prosecution, mentoring and ICT equipment.

Conclusion

87. Ghana's political stability, democratic governance consolidation and the improved economy have made necessary the continuous improvement of its AML/CFT system so as to bring it into compliance with international AML/CFT standards. Such is the objective of the second round of mutual evaluation which the country will undergo in 2016.

GUINEA

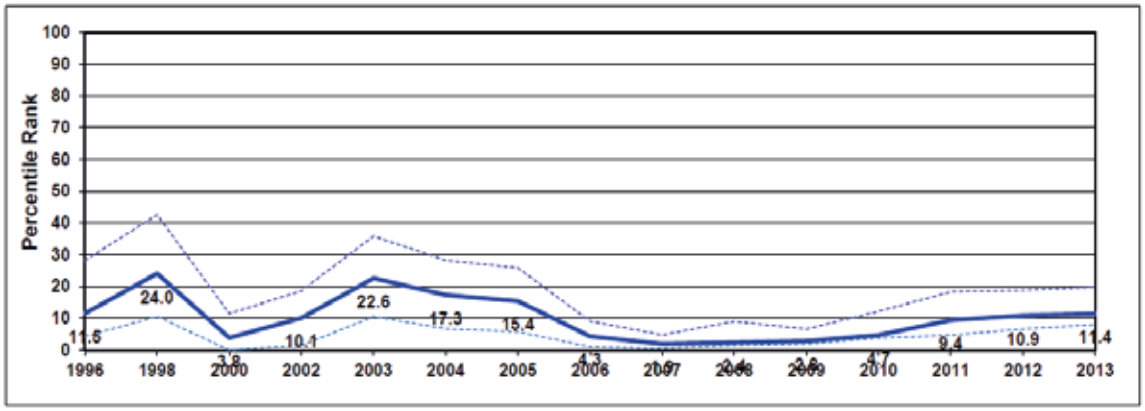
Political Situation

88. Guinea maintained peace and political stability throughout 2014. The Government of Guinea also continued to implement measures aimed at reforming its security institutions and establishing good governance. The country scored 25 out of 100 in 2013 and was ranked 145th out of 175 countries on Transparency International's CPI. This score is the same as in 2012 but the country was ranked 154th out of 175 countries.

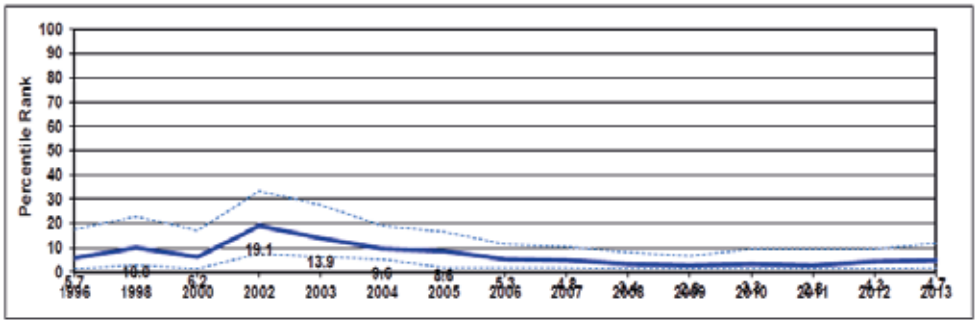
89. Guinea's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study averaged a percentile ranking of 10.2. The country's performance on the Rule of Law indicator averaged in the 7 percentile ranking over 15 years.

90. The Ebola outbreak in 2014 greatly impacted the country socially and economically.

Political Stability and Absence of Violence Aggregate Indicator (1996-2013)



Rule of Law Aggregate Indicator (1996-2013)



Economic and Financial Situation

91. The economic consequences of the EVD on Guinea were especially severe with the international isolation of the country, high mortality and threats to its productive system and even its paralysis. Nevertheless, Guinea's GDP was projected to grow by 4.2% in 2014

92. The IMF, on humanitarian grounds, granted with an emergency financial assistance of US$41 million to help cover the country's immediate fiscal needs.[39]

93. Despite the dire effects of Ebola on the economy, the business climate improved slightly in 2014 on the World Bank's Doing Business Index. The country was ranked 175th out of 189 countries, compared to 178th out of 189 countries in 2013 and 2012.

94. Inflation continued to decline since 2012. It was projected to fall from 11.9% in 2013 to 9.9% in 2014.

Prevalence of Predicate Crimes

95. As reported in the 2013 country report, the difficult socio-economic conditions in Guinea make it easy for transnational organized crime to thrive.[40]

96. The 2014 follow-up report identified the following crimes as the main predicates for ML: drug trafficking, corruption, tax fraud/evasion, smuggling of gems and precious metals, goods smuggling, bank fraud, forgery and piracy. The known channels for laundering the proceeds of these crimes include investment in real estate, cross-border transport of cash and bearer instruments, banks, casinos and microfinance.[41]

39 IMF Press Release, No. 4/441
40 GIABA Annual Report 2013
41 GIABA Summary of Country Reports 2014

AML/CFT Situation

97. The FIU of Guinea received 12 ML-related STRs. However, there was no reported investigation, prosecution or conviction. Factors limiting the effectiveness of the country's AML/CFT system are the low analytical capacity of the FIU and that of law enforcement and criminal investigation authorities.

98. Guinea's first follow-up report, submitted in May 2014, shows that the country made notable progress towards addressing some weaknesses in its AML/CFT system. However, the CFT law had not been enacted, while the resources for ensuring the normal functioning of its FIU had not been adopted. Also, the level of public awareness on AML/CFT matters was low. These and other weaknesses increased the country's vulnerability to money laundering and terrorist financing. In 2014, the country received a score of 7.37 and, out of 162 countries, was ranked as the 22nd most vulnerable country to ML/TF on the Basel AML Index.

Table 2.8: Changes in the AML/CFT System (2012–2014), Guinea

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	N	N	N	Y	Y	Y	N	N
2013	Y	N	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	Y	Y	Y	N	N
2012	Y	Y	Y	N	Y	Y	Y	Y	N	N	Y	N	N	N	N	N	Y	Y	Y	N	N

99. In the area of trafficking in persons, in 2014, Guinea remained among countries in the Tier 2 Watch List category in the US State Department's Trafficking in Persons report as in 2013.

Technical Assistance

100. Guinea's expressed technical assistance needs are training for AML/CFT stakeholders, and generally, ICT equipment for the FIU and capacity building for the authorities.

Conclusion

101. In 2014, Guinea faced huge social and economic challenges, not least because of the Ebola outbreak. To deal with the situation, the country, with help from development partners, embarked on meaningful reforms, the implementation of which should resolve the issues of food security, education and healthcare. Guinea must also step up efforts to improve its AML/CFT system in order to bring it into greater compliance with international standards.

GUINEA BISSAU

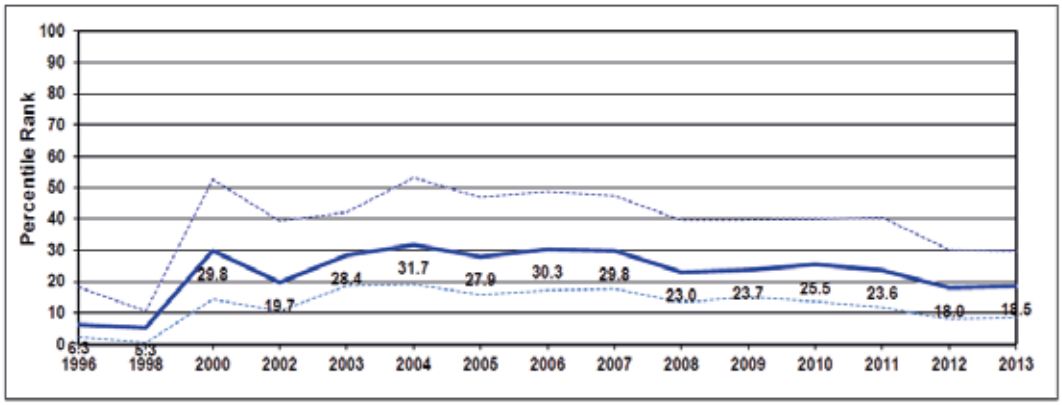
Political Situation

102. The peaceful general elections held in May 2014 contributed significantly to the normalization of the political situation in Guinea Bissau and concluded the country's transition to democratic governance.

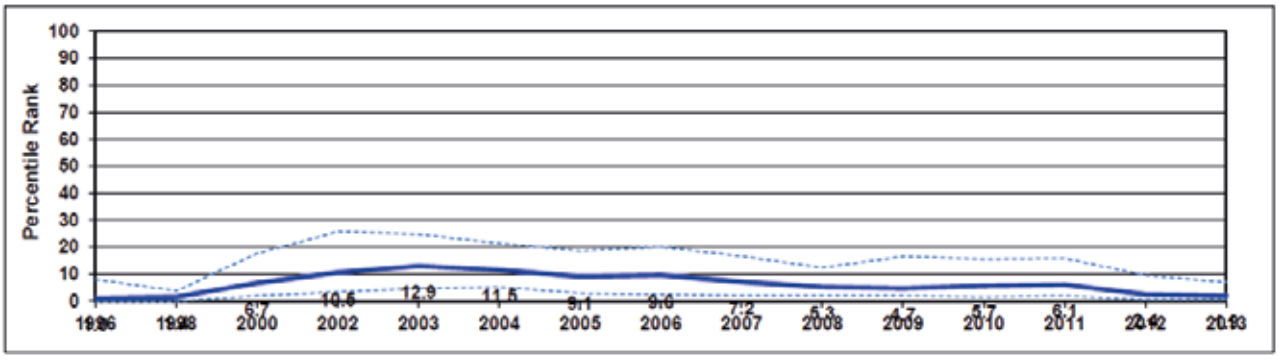
103. Just like the improving political climate, overall governance in the country has gradually improved. In 2014 Guinea Bissau was ranked 45th on the IIAG, as against 46th in 2013.[42] The country scored 19 out of 100 and was also ranked 161st out of 175 countries on Transparency International's CPI in 2014. This is not significantly different from Guinea-Bissau's score of 19 out of 100 and 163rd position in the previous year.[43]

104. Guinea Bissau's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 22.8 in 2014. The country's performance on the Rule of Law indicator averaged 6.4 percentile ranking over 15 years.[44]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



42 See the 2014 IIAG.
43 Guinea Bissau remained the only GIABA member State to score less than 20% on the CPI, See Transparency International's 2013 CPI.
44 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Economic and Financial Situation

105. The improvement in the socio-political climate, which was crucial to the return of donor support, was reflected on the economic sphere by a GDP growth of 0.3% in 2013. Inflation was expected to rise from 1.0% in 2013 to 1.5% in 2014.[45] With regard to the business climate the country was ranked 180th out of 189 countries on the World Bank Doing Business Index ranking in 2014.

106. With an HDI of 0.396, Guinea Bissau is among countries with the Lowest Human Development band[46], a ranking that is certainly due to the long political instability that beset the country.

107. A pledge by the World Bank to provide US$81.3 million in support of the government's economic reform efforts is expected to help improve socio-economic conditions in the country.[47] Also, the resumption of budget support and fishing compensation from the EU coupled with increased tax revenues from cashew nut exports, are set to improve the State's financial capacity.

Prevalence of Predicate Crimes

108. In 2014, drug trafficking, corruption, tax fraud/evasion, smuggling of gems and precious stones, goods smuggling, bank fraud, forgery and piracy were reported by the country as the main ML predicate crimes.[48]

109. The methods used for laundering the proceeds of these crimes are real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs and microfinance.

AML/CFT Situation

110. Guinea Bissau was slow in addressing the deficiencies identified in its AML/CFT system by the Mutual evaluation report. The country was consequently placed under the enhanced follow-up process of GIABA Mutual Evaluation. Since the inauguration in 2014 of new institutions and the new democratic government in 2014, the country has shown greater willingness and commitment to addressing the identified deficiencies in its AML/CFT regime. The details of these actions are provided in Chapter Three of this report.

111. Despite the efforts made, the country's AML/CFT system is faced with a number of limitations which need to be overcome by the new government. They include the weak AML/CFT investigation, prosecution and repression system, low capacity and inadequate supervision and lastly, inadequate commitment and cooperation on the part of reporting entities. These weaknesses render Guinea Bissau highly vulnerable to money laundering and terrorist financing. In 2014, the country received a score of 8.25 and, out of 162 countries, was ranked as the 5th most vulnerable country to ML/TF on the Basel AML Index.

45 Ibid.
46 See the UNDP Human Development Report 2014.
47 Ibid.
48 Guinea Bissau Country Report to GIABA.

Table 2.9: Changes in the AML/CFT System (2012–2014), Guinea Bissau

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y
2013	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
2012	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y

112. With regard to human trafficking, Guinea Bissau remained on Tier 3 category in the US State Department Trafficking in Persons report 2014, as in 2013. Guinea Bissau therefore failed to fully meet the minimum requirements of the US State Department Trafficking in Persons report.

Technical Assistance

113. The country's changed political situation calls for the strengthening of its AML/CFT system through regional and international technical assistance. The technical assistance needed includes training of key stakeholders in the AML/CFT chain in general, and in particular, training for regulatory or supervisory authorities and mentoring for the FIU on international cooperation.

Conclusion

114. The firm commitment of the country's new authorities holds promise that the country will implement suitable measures to strengthen its AML/CFT system in the short term in order to bring it into compliance with international standards. Accordingly, all national stakeholders must cooperate with the country's technical and financial partners, as well as with the relevant community organizations (GIABA).

LIBERIA

Political Situation

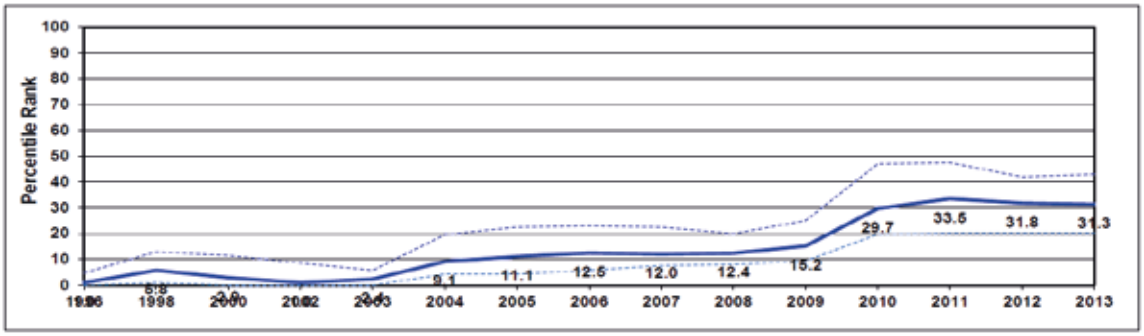
115. Peace, security, stability and democracy continued to be consolidated in Liberia in 2014. This allowed the normal functioning of State institutions and the holding of peaceful Special Senatorial Elections in December 2014. Nonetheless, the continuous presence of the United Nations Mission in Liberia (UNMIL) is an indication of the ongoing fragility of institutions and the processes of governance. It also shows that sustaining peace and security in the country still needs to be supported.

116. The outbreak of the EVD undermined social and economic gains– the fruits of peace and political stability restored after years of civil war.

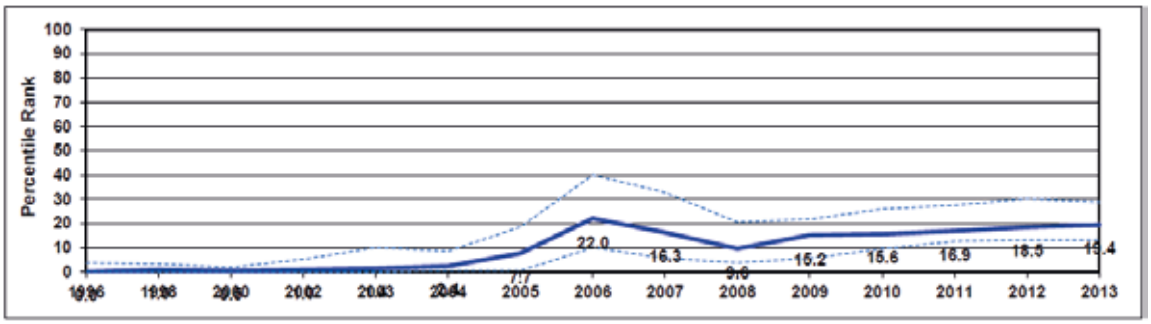
117. At the level of governance, Liberia, just like other countries in the region, is also faced with the challenge of combating corruption. . Liberia scored 37 out of 100 and was ranked 94th on Transparency International's 2014 CPI, compared to its score of 38 out of 100 and 83rd position out of 175 countries in 2013.

118. The country's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 14.1 and an average9.8 percentile ranking over 15 years for both indicators.[49]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

119. Despite the outbreak of Ebola and its harmful effects, Liberia continued to make significant economic progress in 2014. GDP was expected to grow by 6.8% compared with8.1% in 2013. This growth is driven mainly by increasing iron-ore production and foreign direct investment. The business climate improved slightly. The country was ranked 144th out of 189 countries on the World Bank Doing Business Index, compared to 149th out 189 countries and 151st out of 189 countries in 2013 and 2012.

120. The isolation of the country from the rest of the world as a result of Ebola seriously affected the economic activities, leading to substantial increases in prices and inflation, to reach 13.1% in 2014.[50]

49 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.
50 IMF Country Report, No. 14/299.

121. However, the government's continued implementation of reforms as part of an overall poverty reduction strategy and above the creation of the Liberian Revenue Authority is expected to improve the country's economic and financial situation[51]

Prevalence of Predicate Crimes

122. The most prevalent ML/TF predicate crimes in 2014 identified in the country report relate to drug trafficking, corruption, tax fraud/ evasion, smuggling of precious stones and metals, smuggling of goods, and piracy. According to the Trafficking in Persons Report 2014[52], most victims of human trafficking originate from and are exploited within the country's borders.

123. These predicate crimes generate illicit proceeds that are being laundered through the real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs, and microfinance.[53]

AML/CFT Situation

124. Liberia has continued to make progress in addressing the deficiencies in its AML/CFT regime. Chapter Three of this report gives the details of the efforts being made by the country.

125. However, in spite of the noted progress, the country's AML/CFT system still faces many challenges that require urgent actions by the Government.

126. According to the 2014 Country Report submitted by the country to GIABA, the most serious factors limiting the implementation of AML/CFT measures in the country is the weak control, supervision, investigation and repression system. Political commitment remains weak. These weaknesses increase the country's vulnerability to money laundering and terrorist financing. In 2014, the country received a score of 7.52 out of 162 countries, and was ranked as the 16th most vulnerable country to ML/TF on the Basel AML Index.

Table 2.10: Changes in AML/CFT System (2012–2014), Liberia

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Y	Y	Y	N

51 Ibid.
52 US State Department Trafficking in Persons Report 2014
53 GIABA Summary of Country Reports 2014.

127. With regard to human trafficking, Liberia moved up the ranking slightly. It was among the countries placed on the Tier 2 in the US State Department Trafficking in Persons Report[54] compared Tier 3 in both 2013 and 2012. The country says it has made significant efforts to meet the minimum requirements of the "Additional Protocol to the UN Convention against transnational organized crime aimed at the prevention, suppression and punishment of trafficking in persons, especially women and children".

Technical Assistance

128. To strengthen its AML/CFT system, Liberia needs technical assistance in many areas, training and capacity-building for the FIU, control and supervisory authorities, as well as for investigation and prosecution authorities. The FIU needs ICT equipment. The civil society, the media and stakeholders must be sufficiently involved and sensitized about AML/CFT standards and requirements.

Conclusion

129. While EVD remains a national emergency, AML/CFT is also a priority to ensure that the country builds a solid foundation for economic emergence. To that end, the country must embark on more ambitious reforms and strengthen regional and international cooperation as soon as it rids itself of Ebola.

MALI

Political Situation

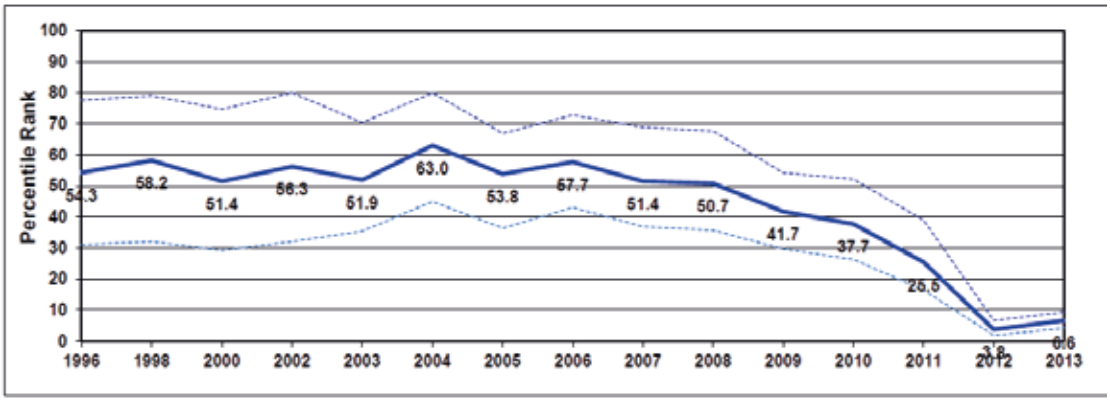
130. Democratic governance was consolidated in Mali in 2014, and the security crisis has subsided. This paved the way for the holding of peaceful parliamentary elections in January 2014 and the improvement of good governance as evidenced by Mali's score of 32 out of 100 and its ranking of 115th out 175 countries in 2014 on Transparency International's CPI, compared to 28 out of 100 and ranking of 127th out of 175 countries in the previous year.

131. Nonetheless, permanent threats from jihadist groups make the situation very precarious for the country's peace and stability. The breakdown of a ceasefire between the Government and the Tuareg National Movement for the Liberation of Azawad (MNLA) in May, the subsequent fall of the city of Kidal and neighboring towns to the MNLA, and the killing of nine United Nations peacekeepers in October further revealed the fragility of the security situation. .

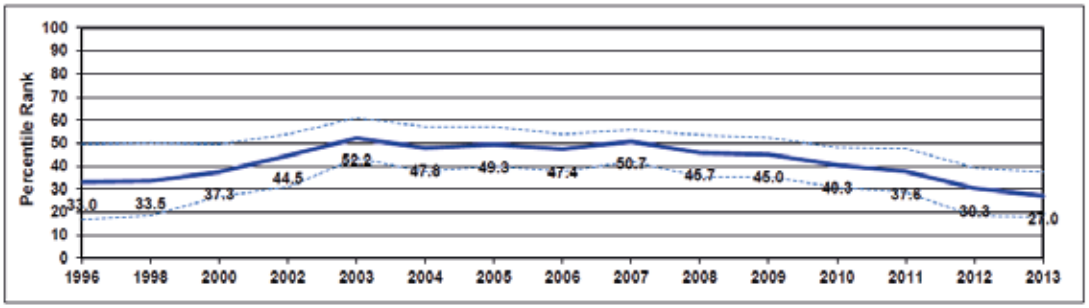
132. Mali's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 44.3. The country's performance on the Rule of Law indicator averaged 41.4 percentile ranking over 15 years.[55]

54 US State Department Trafficking in Persons Report 2014
55 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

133. Despite repeated threats to security and political stability, Mali has remained on the path of economic recovery and growth. The country's GDP was expected to grow by 6.7% in 2014, up from 5% in the previous year. This growth would be driven by the expansion of the agricultural and gold-mining sectors and recovery in the tertiary sector. The rebound in growth in the secondary and tertiary sectors was projected to accelerate due to improved business climate that has allowed lenders to restore their trust in the country. However, on the 2014 Doing Business Index, the country fell down the ranking successively from 146th out of 189 countries in 2012, 151st out of 189 in 2013 and 155th out of 189 countries.

134. In spite of the volatility of the prices of the country's main exports, gold and cotton, coupled with the Ebola crisis, as well as a continuous threat of political instability, somewhat paralyzed the country's economy. The situation gave rise to inflationary pressure, with inflation expected to be 2.1% in 2014 as against 0.3% in 2013.[56]

135. This contrasted economic situation led to concerns that the Millennium Development Goals (MDGs) may not be met by 2015, although in 2013 Mali was on track to achieve universal primary education, reduction in HIV/AIDS, malaria and other diseases, and environmental sustainability, among other things.[57] Mali was ranked 176th on the UNDP HDI in 2014, compared with its 182nd position in 2013

56 Ibid.
57 African Economic Outlook.

136. To address the numerous challenges the country faces, the Government of Mali continued to implement measures in the context of its strategic framework for growth and poverty reduction (2012–2017), the three strategic areas of which are: (i) promoting accelerated and sustainable growth so as to create jobs and revenue; (ii) reinforcing the long-term bases of development and equitable access to good-quality social services; and (iii) strengthening institutions and governance.[58]

Prevalence of Predicate Crimes

137. In 2014, drug trafficking, corruption, tax fraud/evasion, smuggling of precious stones and metals, goods smuggling and bank fraud, were reported as the main ML/TF predicate crimes.[59]

138. The limited presence of the State in the large swathe of northern Mali where terrorist and separatist groups continue to reign, heightens the prevalence of crimes and raise serious concerns that Mali is becoming a high-risk country for ML/TF. While the country report reveals signs of increasingly obvious links between crimes and money laundering, it lists the following channels for laundering the proceeds of these crimes: real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs, microfinance, and financial markets.

AML/CFT Situation

139. Despite the twin challenges of violence and political instability, in 2014 Mali took steps to strengthen its AML/CFT system, with the enactment of three instruments: the draft law on transactions, exchanges and electronic services, the draft law on cybercrime, and the bill regulating data protection and encryption. When passed, these laws are expected to improve Mali's capacity to counter cybercrime and strengthen the prosecution process.

140. In 2014 Mali's FIU received 21 STRs linked to money laundering. Out of the 21 reports, 19 cases were referred to judicial authorities for prosecution. However, no ML/TF conviction was reported in the year.[60] The unstable political situation, the prevalence of predicate crimes, inadequate investigations and prosecution procedures, as well as and lack of conviction are indicative of the deficiencies that remain in the country's AML/CFT system and which increase

141. Its high vulnerability to money laundering and terrorist financing.

142. In 2014, the country received a score of 8.06 and, out of 162 countries, was ranked as the 7th most vulnerable country to ML/TF on the Basel AML Index.

142. In 2014, the country received a score of 8.06 and, out of 162 countries, was ranked as the 7th most vulnerable country to ML/TF on the Basel AML Index.

58 GIABA Annual Report 2013.
59 Mali Country Report to GIABA.
60 GIABA Summary of Country Reports 2014.

Table 2.11: Changes in the AML/CFT System (2012–2014), Mali

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N

143. With regard to human trafficking, Mali was placed in the Tier 2 Watch List category[61], as it was in the previous year. The country did not provide evidence of its efforts to effectively combat severe forms of trafficking in persons in either 2013 or 2014 in accordance with the Protocol against trafficking in persons adopted by the UN General Assembly Resolution 55/25 of November 2000 (annex II)..

Technical Assistance

144. Faced with some key challenges that are hampering the implementation of robust AML/CFT measures such as weak enforcement and low capacity of law investigation, supervision and criminal prosecution authorities, the country has expressed its technical assistance needs in the areas training for all stakeholders, especially magistrates and ICT equipment and mentoring for the FIU.

Conclusion

145. In spite of the difficult environment in 2014, the authorities of Mali have demonstrated serious commitment to the implementation of AML/CFT measures by drafting instruments to strengthen the current system. However, many challenges remain. The Lingering security issues over a significant part of the national territory continue to foster the expansion of organized crime and terrorism across the Sahel.

146. Related to the above is Mali's enduring challenge securing the State's future. It is thus important that, as part of an inclusive national framework, security and national unity issues be suitably resolved so as to get the process of developing the country underway.

61 US State Department Trafficking in Persons report 2014

NIGER

Political Situation

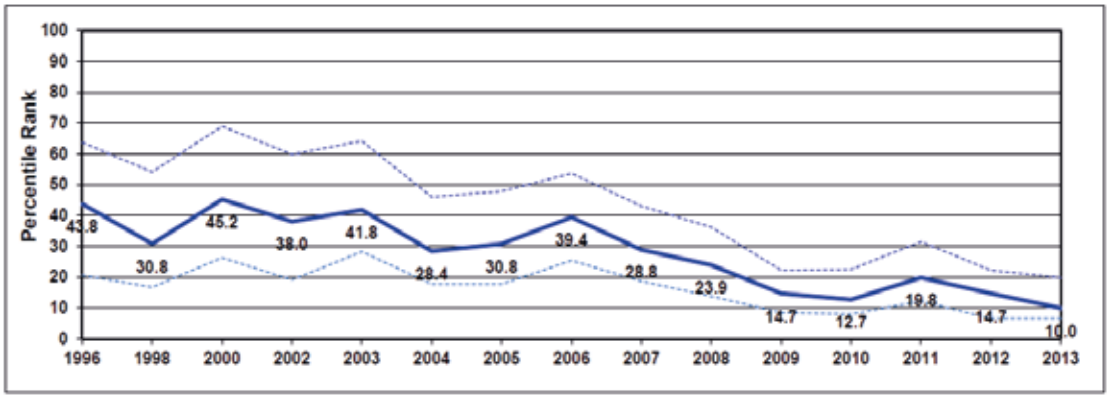
147. Niger's political stability has been tempered by the continued internal tension and the desire of certain ethnic groups to form rebel groups. Niger is neither sheltered from the boil over of terrorist groups active in Mali and Nigeria

148. The long border with Nigeria poses security genuine problems. Boko Haram militants are able to launch frequent attacks against neighboring towns in Niger from their bases in Nigeria.. Given this growing threat, Niger joined a regional alliance with Nigeria, Chad and Cameroun in the year to counter Boko Haram terrorists.

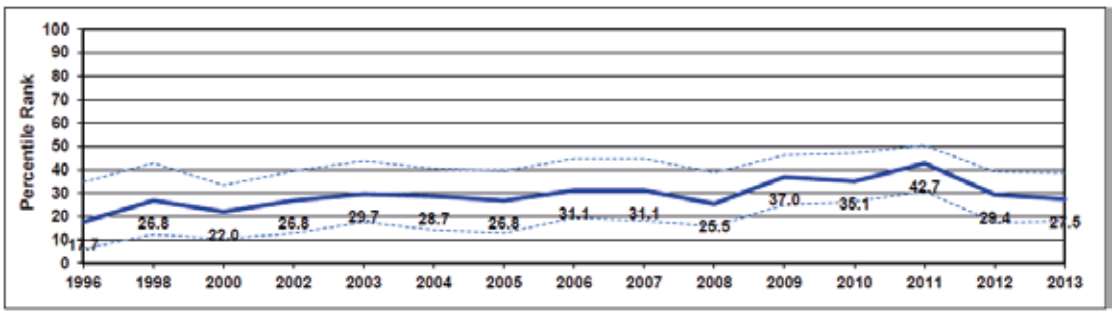
149. The quality of governance improved as Niger scored 35 out of 100 and was ranked 103rd out of 175 countries on Transparency International's CPI in 2014. In 2013, it scored 34th out of 100 and ranked 106th out of 176 countries compared with 33rd out of 100 and a rank of 113th out of 175 countries in 2012.

150. Niger's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 28.2. The country's performance on the Rule of Law indicator averaged a 29.2 percentile ranking over 15.[62]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



62 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Economic and Financial Situation

151. In spite of serious threats to peace, security and stability, Niger recorded positive economic growth in 2014 with a rate of 6% in 2013. When compared with 2012, the growth rate in 2014 indicates a significant decline as the economy in that year grew by 11.1%. Growth in 2014 was underpinned by increased production of oil, gold and aluminum. Inflation was projected at 2.5%.[63] to the implementation of policies aimed at improving food security and the regulation of markets account for the control over inflation.

152. The business climate in Niger remained the same as the country was ranked 176th out 189 countries in both 2014 and 2013 on the World Bank Doing Business Index. The business climate was slightly better in 2012 as the country was ranked 173rd out of 189 countries.

153. In 2014, as in the previous year, Niger was ranked 187th out of 187 countries on the UNDP HDI.[64]

154. To address extreme poverty and promote human development, the Government of Niger continued to implement its Economic and Social Development Plan (PDES) 2012–2015. The Plan is aimed at promoting sustained and inclusive growth and focuses on five strategic areas: (i) credibility and effectiveness of the public institutions; (ii) sustainable, balanced and inclusive development; (iii) food security and sustainable agricultural development; (iv) competitive and diversified economy for accelerated and inclusive growth; and (v) social development.[65]

155. The Government adopted a national Good Governance Charter for the management of mineral resources and achieved full compliance with the Extractive Industry Transparency Initiative (EITI). Since 2012, the country strengthened good governance and is set to confront its development challenges, including the challenges of ML/TF and associated predicate crimes.

Prevalence of Predicate Crimes

156. In 2014, drug trafficking, corruption, tax fraud/evasion, smuggling of precious stones and metals, goods smuggling, bank fraud and forgery were the prevalent ML predicate crimes in Niger. It can be thought that the repeated Boko Haram incursions into Niger in 2014 may have had a significant impact on terrorist financing.

157. The usual techniques that criminals use to launder the proceeds derived from crimes include real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs, microfinance, and financial markets.

AML/CFT Situation

158. From the results achieved, Niger has made steady progress in strengthening its AML/CFT regime to counter those ML/TF threats specific to its immediate environment. The sixth follow-up report submitted by Niger to the GIABA Plenary in November 2014, as detailed in Chapter 3 of this Report shows the progress made by the country.

159. In 2014, the FIU received 27 ML-related STRs, of which were sent on to judicial authorities for the initiation of criminal proceedings.

160. Of the four reports sent to the Prosecutor, 64 people were suspected and the amounts associated with the suspicion was CFAF4, 998, 142, 922, the equivalent of nearly USD 10 million.

63 African Economic Outlook, 2014 Country Note on Niger.
64 See UNDP Human Development Report 2014, p. 163.
65 IMF, Niger: Public Expenditure and Financial Accountability (PEFA) Assessment. September 2013; IMF Country Report No. 13/285.

161. The following steps were adopted by courts regarding the seizure and interim measures: (i) issuing of letter rogatory by the investigating judge to block accounts and of arrest warrants on three (03) cases; (ii) conviction for conspiracy, association and aiding and abetting to launder money in one case; (iii) seizure of assets, conviction, arrest and handover by the anti-terrorist service of 143 terrorist suspects.

162. Also, two (02) decisions to dismiss proceedings were handed down, one of which was referred to the correctional court, appealed by the Prosecutor and the defendant in the other ordered to pay money into the Public Treasury.

163. In 2014, the country received a score of 7.07 and, out of 162 countries, was ranked as the 30th most vulnerable country to ML/TF on the Basel AML Index.

Table 2.12: Changes in the AML/CFT System (2012–2014), Niger

	INCSR																			
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arragements for Asset Sharing	Criminalized Financing of Terrorim	Report suspected Terrorist Financing	Abillity to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	N	Y	Y	N	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	N	N
2013	Y	Y	Y	N	Y	Y	N	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	N
2012	Y	Y	Y	N	Y	Y	N	Y	Y	Y	N	Y	N	Y	Y	N	Y	Y	Y	Y	N

164. With regard to human trafficking, Niger was placed in the Tier 2 Watch List category in 2013 and 2012[66]. However, the country provided information indicating its efforts to meet the minimum requirements of the Protocol to the UN convention against organized cross-border crime aimed at the prevention, suppression and punishment of trafficking in persons, adopted by State parties on 15 December 2000 in New York.

Technical Assistance

165. In its Country Report to GIABA for 2014, Niger listed its technical assistance needs to include training for the FIU officers and for investigation and criminal prosecution authorities, the judiciary, supervisory bodies, financial institutions and DNFBPs. The county seeks to increase advocacy for the legislators and public awareness for the civil society and the media. It also requires mentoring and ICT equipment for relevant stakeholders.

66 US State Department Trafficking in Persons Report 2014

Conclusion

166. With relative political stability and the strengthening of the democratic process, Niger has continued to improve on its AML/CFT system, with increased political commitment. The threat represented by Boko Haram from nearby Nigeria has brought a new impetus to the fight against terrorism with the main goal of stifling its sources of financing. Yet, given the country's weak financial capacity, it requires the support of technical and financial partners to deal with the challenges of economic and social development and bolster its AML/CFT system.

NIGERIA

Political Situation

167. The year 2014 has been marked by high-level political activities in Nigeria in preparation for the general elections scheduled for early 2015. The newly formed opposition party will challenge to the ruling party, the People's Democratic Party (PDP). Significantly, the cross-carpeting of influential members of the PDP to the APC has seriously altered the balance of political power between the two parties and made the latter the majority party in the House of Representatives.

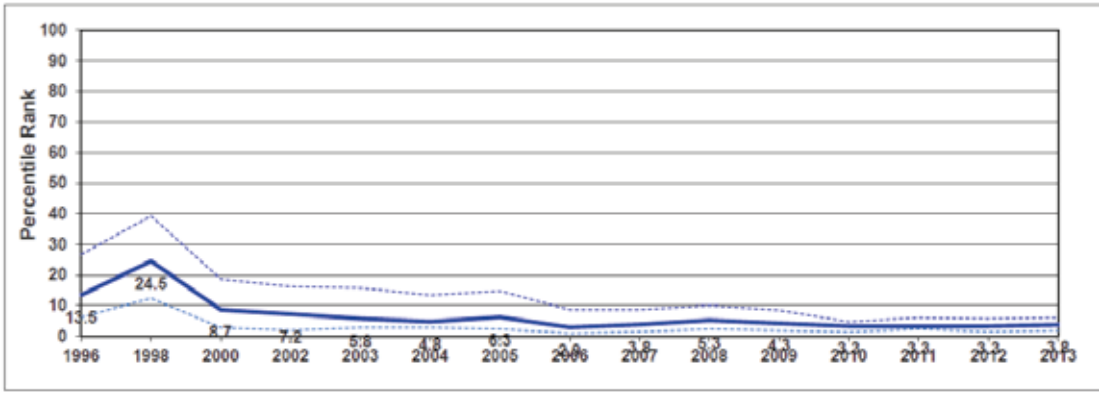
168. The new dynamics in the political environment have not been helpful in reducing violence and insecurity in the country. Indeed, the level of terrorism was unprecedented in 2014, as Boko Haram stepped up its terror campaign in the northeastern part of the country. The rebel group continued to seize and occupy territories, kidnap the youth in communities to increase its fighting force, including young schoolgirls, and carried out numerous violent attacks against civilians and government targets. The group's operational tactics and action take inspiration from the Islamic State of Iraq and the Levant (ISIL).

169. The link between Boko Haram and the Islamic State will take violence to a new dimension and help give the authorities in Niger greater awareness of the striking strength and ability to organize of the group which no longer hesitates to occupy "their" territories. It is clear that the entrenchment of Boko Haram in Nigeria will reinforce the crimes of money laundering and terrorist financing in the entire country and the neighboring countries.

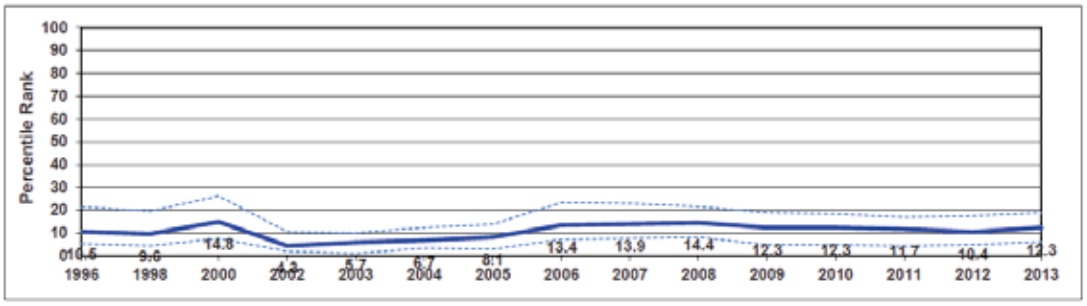
170. Even so, the quality of governance improved slightly in Nigeria. The country scored 27 out 100 and was ranked 136th out of 175 countries in 2014, compared to its score of 25 out of 100 and its 144th position in 2013. In 2012, Nigeria scored 27 out of 100 and was ranked 139th.

171. Nigeria's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 6.7. The country's performance on the Rule of Law indicator averaged at 10.7 percentile ranking over 15 years.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

172. Nigeria continued to make significant economic progress in 2014. The country's economy was restructured in 2014 and repositioned, making it the largest economy in Africa with an estimated GDP of $510 billion.[67] The GDP was expected to grow by 7.2% in 2014. The growth was primarily driven by the non-oil sector, including agricultural production, trade and services.[68] Meanwhile, the business climate in Nigeria was more difficult as the country was ranked 147th out of 189 countries on the World Doing Business Index, compared with 131st out of 189 countries in 2013 and 133rd out of 189 countries in 2012.

173. The fluctuation in oil prices and the erosion of the exchange rate of the Naira and massive oil theft, estimated at billions of dollars, had a strong negative impact on government revenue.[69] The Ebola incidences that occurred in the country did not have noticeable impact on the economy thanks to the rapid and effective response of the authorities.

174. In response to these exogenous threats to the economy, the government sought to deepen the diversification of the economy through reforms. The reforms are targeted at core infrastructure (power, integrated transport network, aviation), reduction in the cost of doing business, encouraging high value-chain sectors (agriculture), promoting female employment, and advancing human capital development (health and education)[70]. An Agricultural Transformation Agenda was implemented since the sector employs up to 70% of the active population.[71]

67 See African Economic Outlook, Nigeria Country Note.
68 Ibid
69 Ibid.
70 IMF Press Release, No. 14/595.
71 African Economic Outlook 2014.

175. The big social challenge facing the country is to make its economic growth more inclusive and job- and wealth-creating. To deal with this challenge, reforms will be initiated by government. However, mismanagement and corruption continue to be the special features of the business climate

176. Against this background, there is a need to make governance, particularly in the critical sectors of the economy and finance more transparent by stepping up the fight against corruption and the related financial crimes.

Prevalence of Predicate Crimes

177. According to the US Department of State INCSR report, 'Nigeria remains a major drug supply point and a significant center for criminal financial activity'.[72] However, frequent interceptions and seizures of sizeable quantities of cocaine and heroin at the Murtala Mohammed International Airport in Lagos, and at other points of entry, have continued in 2014. In addition, trafficking in persons is prevalent in Nigeria as a source, transit and destination country. Nigerian women and girls are taken to other West and Central African countries, as well as to South Africa where they are sexually exploited.[73]

178. In addition to the above, the INCSR listed illegal oil bunkering, bribery and embezzlement, contraband smuggling, theft, bank robberies, bank fraud, real estate fraud, identity theft and advance fee fraud as the main ML predicate crimes in Nigeria.[74] The prevalent predicate crimes listed in the country's Report to GIABA for 2014 are drug trafficking, corruption, tax fraud/evasion, smuggling of precious stones and metals, goods smuggling, bank fraud, forgery and piracy.

179. The methods commonly used for laundering the proceeds of these crimes are investment in real estate, cross-border cash movement and banks.[75]

AML/CFT Situation

180. Nigeria has made significant progress towards fortifying its AML/CFT regime. This led to the exit of the country from the ICRG process of the Financial Action Task Force (FATF) early in the year. Chapter 3 of this report gives details of the major actions undertaken by the country in the year.

181. The Nigeria FIU (NFIU) received 1,442 suspicious transaction reports (STRs) related to ML in 2014, but unlike in 2013, did not report any new investigation, prosecution or conviction. The lack of prosecution and conviction, despite the large number of STRs, is an indicator of the challenges with the country's AML/CFT regime. In spite of many attacks by Boko Haram, still, the authorities in Nigeria have not reported any detection and disruption of funds and other financial resources of the group.

182. Weaknesses in the AML/CFT system of Nigeria underpin its vulnerability to money laundering and terrorist financing. In 2014, the country received a score of 7.14 and, out of 162 countries, was ranked as the 27th most vulnerable country to ML/TF on the Basel AML Index.

Technical Assistance

183. The factors limiting the implementation of AML/CFT measures in the country are listed in Nigeria's 2014 Country Report submitted to GIABA. These factors include weak repressive system, inadequate or inappropriate supervision and weak political commitment. The technical assistance needs expressed by Nigeria in its Country Report are training of stakeholders in the control and supervision chain and ICT equipment for the FIU, and training on international cooperation.

72 INCSR 2013, vol. II, p. 295.
73 See the Trafficking in Person Report 2013, p. 285.
74 Ibid.
75 GIABA Summary of Country Reports 2014.

Table 2.13: Changes in the AML/CFT System (2012–2014), Nigeria

	INCSR																				
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arrangements for Asset Sharing	Criminalized Financing of terrorism	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N
2012	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	Y	Y	N

184. With regard to human trafficking, Nigeria remained among countries in the Tier 2 category in 2014[76] as in 2013 and 2012. Even though the country did not fully meet the minimum requirements of the Protocol to the UN convention against cross-border organized crime aimed at the prevention, suppression and punishment of trafficking in persons, especially women and children, it says has undertaken reforms to ensure compliance.

CONCLUSION

185. Nigeria, the region's largest economy, is highly vulnerable to most of the predicate crimes for ML/TF. It is also home to one of the most dangerous terrorist organizations in the world, Boko Haram. Resources from oil and gas remain the main issues in the fight against corruption. While progress made by Nigeria towards bolstering its AML/CFT system is noteworthy, the country needs to strengthen its investigative, prosecutorial and adjudicative capacity in dealing with ML/TF and their predicate crimes.

SÃO TOMÉ AND PRÍNCIPE

Political Situation

186. São Tomé and Príncipe (STP), which is not an ECOWAS member State, joined GIABA in 2013. Like some ECOWAS States, following a period of political instability, the country has once more been experiencing political stability and a culture of democracy since 2012 with the organization of multi-party elections.

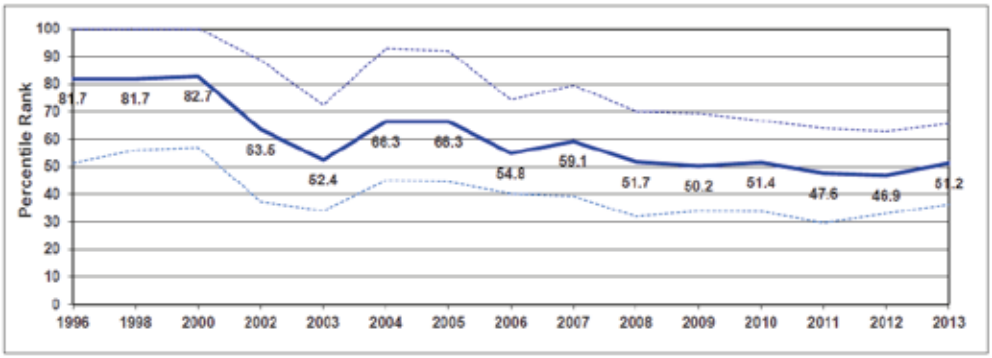
187. Parliamentary elections were held in a peaceful atmosphere and an opposition party won. The victory of the opposition testifies to a degree of political maturity and the effecting entrenchment of a growing democratic culture.

76 US State Department Trafficking in Persons Report 2014

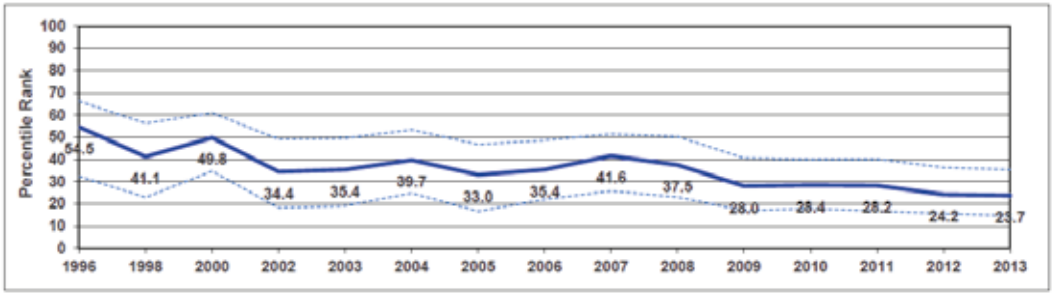
188. São Tomé and Príncipe declined in 2014 in the sphere of governance with a score of 42 out of 100 and a rank of 76th out of 175 countries compared with 72nd out of 175 countries in 2013 and 2012 on Transparency International's CPI.

189. São Tomé and Príncipe's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 59.7 in 2014. The country's performance on the Rule of Law indicator averaged at 35.7 percentile ranking over 15 years.[77]

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

190. STP's small economy continued on the path of modest growth in 2014. GDP was 4.8% in 2014 as against 4.3% in 2013. This performance was due to an increase in FDI from bilateral partners.[78] The service sector is the major driver of the economy, followed by agriculture. Following the pegging of the country's currency to the Euro in 2010, inflation has continued to recede, reaching 6.4% by end of the year.[79] Despite continued growth, however, the business climate continued to be more difficult in 2014, as São Tomé and Príncipe was ranked 169th out of 189 countries on the World Bank Doing Business Index, compared to 160th out of 189 countries in 2013 and 163rd out 189 countries in 2012.

191. The country's economy, mainly based on cocoa production, is on the verge of diversification with the exploitation of vast offshore petroleum reserves. Commercial exploitation of oil is projected to begin in 2016, thereby making the country a middle-income economy if expected huge revenues from the exploitation of its petroleum reserves are efficiently and transparently managed.[80] It is actually to that end that the country has adopted the Extractive Industries Transparency Initiative in order to realize this objective.

78 African Economic Outlook 2014, STP Country Profile.
79 IMF Press Release, No. 15/38.
80 African Economic Outlook 2013, STP Country Profile.

192. Given the volatility of the world commodity prices, in a bid to limit the country's dependence on oil and cocoa, the authorities decided to increase the value added of export crops through local processing.

193. Generation of more employment for the population is critical for improving the country's position in the UNDP's medium human development band. The country improved its human development ranking from the 144th position in 2013 to 142nd in 2014 on the UNDP HDI. To maintain these gains, the authorities of STP must continue to strengthen the country's AML/CFT system in order to better prevent and combat cross-border organized crime.

Prevalence of Predicate Crimes

194. In its Country Report submitted to GIABA in 2014 and in that of 2013, São Tomé and Príncipe identified the prevalent predicate crimes in its jurisdiction as drug trafficking, corruption, tax fraud/evasion, and smuggling of precious stones and metals, goods smuggling, bank fraud, document forgery and piracy.

195. The huge financial resources expected from oil exports undoubtedly increase money laundering trends and risk. As such, the growth of organized crime in the Gulf of Guinea, the fact that the economy is predominantly cash-based, and the country's particular geographical location will worsen the threat of ML/FT.

AML/CFT Situation

196. STP was evaluated by GIABA in December 2012 and the report adopted in May 2013. That report revealed significant deficiencies in the country's AML/CFT system with regard to the legal, institutional, regulatory, enforcement and general compliance environment.[81]

197. The first follow-up report of STP was submitted to GIABA in May 2014, showing the progress the country made in addressing the deficiencies in its AML/CFT system. The details of this progress are given in Chapter 3 of this report. However, there are still significant deficiencies in its system. These deficiencies underpin the vulnerability of São Tomé and Príncipe to money laundering and terrorist financing. In 2014, the country received a score of 7.33 and, out of 162 countries, was ranked as the 23rd most vulnerable country to ML/TF on the Basel AML Index.

198. The country's FIU did not receive any STR from reporting entities in 2014, according to its Country Report. This situation is telling either of the absence of offences or the inability of reporting entities fulfil their AML/CFT obligations. However, four (04) cases of the implementation of AML/CFT measures through the effective repression of crime therefore remains a challenge for the country.

Technical Assistance

199. GIABA has mentored STP since 2009, and has assisted the country to establish its AML/CFT system. GIABA will continue to provide mentoring and other support to enhance the capacity of the country to implement the required AML/CFT measures. STP's expressed technical assistance needs include training of judges and magistrates as well as mentoring for regulatory, control, supervisory and repressive authorities.

81 For details of the report, please refer to the Mutual Evaluation Report (MER) at www.giaba.org

CONCLUSION

200. The economy of São Tomé and Príncipe experienced growth in 2014, which is expected to pick up steam in 2016 with the exploitation of oil. Investments into the country are expected to further boost growth. The country, therefore, needs to reinforce its AML/CFT regime to secure financial circuits and prevent crimes such as ML/FT.

201. Given the growing menace of international organized crime, especially oil theft and piracy, in the Gulf of Guinea, the country is expected to strengthen and consolidated the foundations of good governance, and commit to full implementation of acceptable international AML/CFT standards.

SENEGAL

Political Situation

202. Senegal's reputation as the model of democracy and as one of the most stable political systems in West Africa remains largely undented with the main feature being political stability, in spite of sporadic demonstrations and frequent student protests over their welfare.

203. The country's peace was boosted early in the year with the inclusion of all its regions in its development since the Macky Sall Administration came into power in 2012.

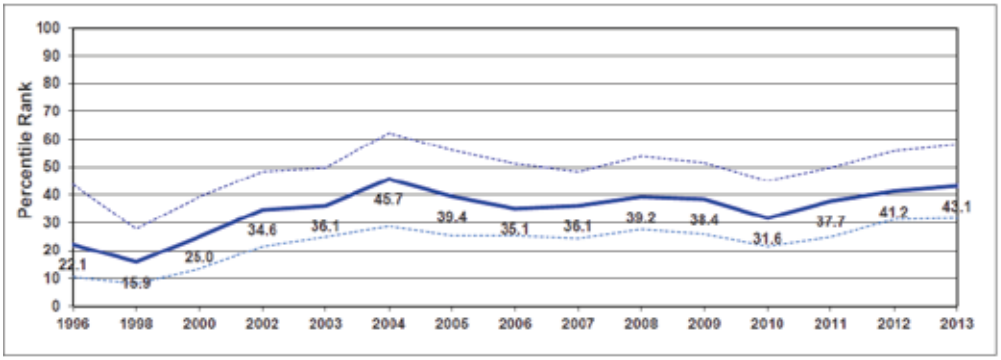
204. The commitment of the Government to good governance with as top priority combating corruption is yielding significant results. This is reflected in Senegal's score of 43 out of 100 and ranking of 69th out of 175 countries on Transparency International's CPI, compared to its score of 41 out of 100 and ranking of 77th out of 175 countries in 2013 and a score of 36 out of 100 and ranking of 94th out of 175 countries in 2012. The IIAG ranked Senegal as the 9th best governed country in Africa, compared to the country's 10th position in 2013.[82] Compared to many countries in the region, Senegal is a leader in fighting financial crimes.

205. The crackdown on corruption continues to be one of government's top priority.. Overall, the government has demonstrated strong political will to improve the quality of governance and to fight financial crimes.

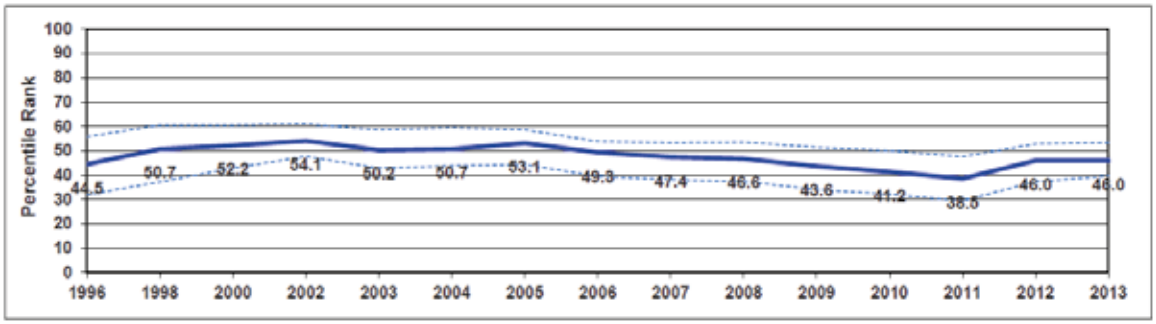
206. Senegal's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was an average percentile ranking of 34.7 in 2014. The country's performance on the Rule of Law indicator averaged at 47.6 percentile ranking over 15.[83]

82 Mo Ibrahim Foundation, IIAG 2013, 2014.
83 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (199–2013)



Economic and Financial Situation

207. The economy of Senegal has recovered with a GDP growth of 4.8% compared with 4.0% in 2013. However, the business climate was more difficult in 2014, as the country was ranked 178th out of 189 countries on the World Bank Doing Business Index, compared to 166th out of 189 countries in 2013 and 154th out 189 countries in 2012.

208. According to the IMF report, growth has been sluggish and did not have a real impact on poverty.[84] According to the African Economic Outlook, 46.7% of the population was living below the poverty threshold in 2011, while the number of poor people increased between 2006 and 2011 from 5.7 million to 6.3 million.[85] Poverty is thus a top government priority.

209. To get the country out of this situation, the government, in April 2014, replaced the National Strategy for Economic and Social Development (2013–2017) with a new development strategy called Plan Sénégal Emergent (PSE) in April 2014. The PSE is aimed at making Senegal an emerging economy by 2035 and becoming a hub for West Africa. This ambitious plan is to be implemented in three stages: an initial phase of economic development (2014 to 2018), to be followed by a surge in development until 2023, and a period of expansion until 2035[86]. Key sectors to be developed through the plan are agriculture, agrobusiness, mining and tourism.

84 IMF Country Report, No. 15/15.
85 Ibid.
86 African Economic Outlook 2014, Country Note on Senegal.

210. In order to achieve these lofty goals, the IMF recommends that the country accelerate its growth rate to the 7–8% range in the short-term, and sustain such rates in the medium term. The current level of economic performance ought thus to be doubled in order to be to meaningfully improve the social conditions of the masses.

Prevalence of Predicate Crimes

211. The Country Report lists only drug trafficking and cybercrime as the most prevalent crimes in 2014. The country's status as a significant financial center bordered by countries that are very vulnerable to trafficking in illicit products heightens its vulnerability to the scourges of ML/FT.

212. The US State Department's INCSR 2013 identified as ML predicate crimes in Senegal bank and deposit fraud, document forgery, resale of illicit assets, and ponzi schemes.[87] The methods through which the illicit proceeds generated by these crimes are laundered include real estate, cross-border cash movement, and the transactions of DNFBPs.

AML/CFT Situation

213. Senegal's improved governance is connected to it's the remarkable commitment of the authorities to AML/CFT. In its sixth follow-up report, Senegal posts results that are a testament to the significant efforts to improve its AML/CFT system.

214. In 2014, the FIU of Senegal received 114 ML-linked STRs, of which 35 were referred to investigative authorities. The country reported two (2) ML convictions. The low conviction rate considering the large number of STRs processed by the FIU indicates lapses within the country's AML/CFT system.

215. They constitute risks of vulnerability to money laundering and terrorist financing. In 2014, Senegal received a score of 5.43 and, out of 162 countries, was ranked as the 100th most vulnerable country to ML/TF on the Basel AML Index.

Table 2.14: Changes in the AML/CFT System (2012–2014), Senegal

	INCSR																				
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arrangements for Asset Sharing	Criminalized Financing of terrorism	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
2012	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

87 INCSR 2013, p. 337.

216. With regard to human trafficking, Senegal was placed in the Tier 2 Watch List category in 2014 and 2013. However, the country continued to make efforts to meet the minimum requirements of the US Trafficking Victims Protection Act.

Technical Assistance

217. Senegal's commitment to the implementation of international AML/CFT standards is not in doubt. The country, therefore, simply needs to be given greater support to address the remaining deficiencies in its AML/CFT system. The technical assistance needs expressed by the country are training for the FIU agents, judicial authorities, supervisory authorities and financial institutions. Also needed are training and sensitization for DNFBPs; advocacy for legislators; and general awareness for the civil society.

CONCLUSION

218. Senegal, as a beacon of political stability in the region, and has shown strong commitment to counter ML/TF crimes. Therefore, to support the country to address the remaining deficiencies in its AML/CFT regime, GIABA will continue providing the support and assistance necessary to bring it into greater compliance with international standards. The country's progress in combating corruption and improving governance must be encouraged and sustained in the face of the persistent threats of organized crime and terrorism in the region. The country's political maturity in an international context wherein security threats are almost permanent, presents a golden opportunity for the government to further reinforce its AML/CFT system.

SIERRA LEONE

Political Situation

219. The political situation in Sierra Leone has stabilized 12 years after the end of the bitter civil war in 2002. The democratic process is being gradually consolidated. The last general election held in November 2012, which was the first to be held after the UN ended its mission to the country, is a good illustration. The victory of an opposition political party over the ruling party is the most eloquent sign of the maturity of political stakeholders. The fact that the dispute surrounding the presidential election was settled without any serious incident through a judicial process proved that the country's democracy has deepened. However, the quality of governance requires improvement. Sierra Leone scored 31 out of 100 and was ranked 119th out of 175 countries on Transparency International's CPI in 2014. This was identical to its score of 30 out of 100 and ranking of 119th in the previous year, and 31 out of 100 and 123rd position in 2012.

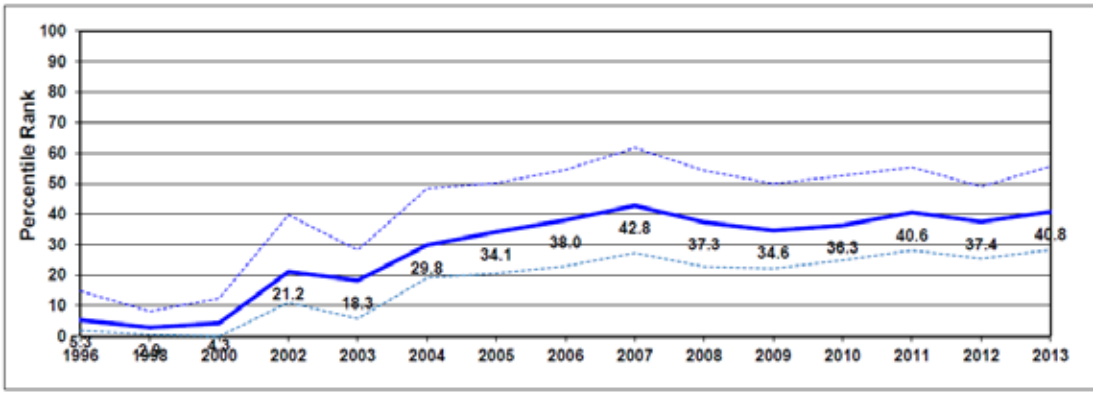
220. Sierra Leone is one the three countries most affected by the EVD epidemic which ravaged the region in 2014. The epidemic broke out in the country at a time when it had not yet made full recovery from the negative impacts of the civil war.

221. The Government declared a state of emergency in July in order to tackle the crisis. With the support of international and regional partners, the rate of death and the rate of new infections were on a downward trend towards the end of the year. The country, however, continues to face challenges as new infections have continued to occur.[88]

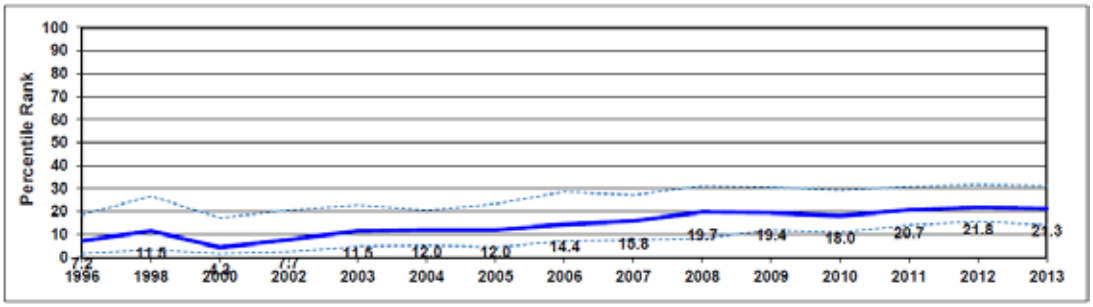
222. Sierra Leone's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was low, with an average percentile ranking of 28.2, although there was steady increase over the years from a low of 5.3 in 1996 to a peak of 42.8 in 2007, followed by 40.8 in 2013. The country's performance on the Rule of Law indicator was lower. It averaged at 14.5 percentile ranking over 15 years.[89]

88 See information on the website of Médecins Sans Frontières: www.msf.org/disease/ebola.
89 http://info.worldbank.org/governance/wgi/index.aspx#countryReports.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

223. The outbreak of the EVD in Sierra Leone had significant negative impacts on the burgeoning economy. Until the outbreak, the country had experienced rapid economic growth over the previous three years. GDP growth rose remarkably to 15.2% in 2012, and 16.3% in 2013. In 2014, growth was projected to stabilize at 13.2%,[90] before being reviewed downwards to 8%.[91] The performance has been driven mainly by the resumption of iron ore production and the rise in infrastructural investment. Iron ore projects came into operation in 2014, and will give the economy an added boost.[92] Meanwhile, Sierra Leone's business climate remained largely unchanged. The country was ranked 142nd out of 189 countries in 2014 on the World Bank Doing Business Index, compared to 140th out of 189 countries and 141st out of 189 countries in 2013 and 2012 respectively.

224. According to the IMF, the Ebola epidemic slowed down economic growth and intensified inflationary pressure due to heightened food insecurity. The isolation of the country from the rest of the world paralyzed economic activity. The loss of income, inflation and increased food insecurity have exacerbated the gradual deterioration of the social condition of the population, in particular the most vulnerable.

225. This situation has added more pressure on the government to find suitable solutions growing social demands. The fight against extreme poverty remains a priority for the government. As a result, Sierra Leone is 3rd from the bottom of the UNDP table of global human development.[93] This is a situation intensifies the country'(s vulnerability to ML/TF crimes..

90 African Economic Outlook 2013, Country Note on Sierra Leone.
91 IMF Country Report, No. 14/300.
92 Ibid.
93 UNDP Human Development Report 2014.

Prevalence of Predicate Crimes

226. In its Country Report to GIABA in 2014, Sierra Leone identified the following ML/TF predicate crimes as prevalent: drug trafficking, corruption and tax fraud/evasion. In 2013, smuggling of pharmaceuticals, foodstuffs, gold and diamonds across land borders with Guinea and Liberia were prevalent. The INCSR (2013) report revealed that Sierra Leone was highly vulnerable to serious crime.

AML/CFT Situation

227. Sierra Leone is the first country to have been evaluated by GIABA. The country had been placed under the enhanced follow-up process of the GIABA mutual evaluation system in order to urge it to address the identified gaps in its AML/CFT regime. The tenth follow-up report submitted by Sierra Leone in May 2014 showed that since 2013 progress has been made towards addressing the identified deficiencies. However, there are outstanding gaps that need to be addressed. These gaps relate to Special Recommendation I, Special Recommendation III and Recommendation 36 of the 40+9 FATF Recommendations, as discussed in detail in Chapter Three of this Report.

228. The FIU of Sierra Leone received no ML-related STR. However, it received four (04) STRs related to other economic and financial crimes, and referred 3 of them to investigative authorities; 2 of those cases were transferred to law enforcement authorities. No prosecution or conviction on ML/TF was recorded in the year.

229. According to the Country Report submitted to GIABA by Sierra Leone, the factors that weigh on its AML/CFT system are weak law enforcement and the low capacity of law enforcement authorities. These and other weaknesses underpin the country's vulnerability to money laundering and terrorist financing. In 2014, it received a score of 7.09 and, out of 162 countries, was ranked the 29th most vulnerable country to ML/TF on the Basel AML Index.

Table 2.15: Changes in the AML/CFT System (2012–2014), Sierra Leone

INCSR																				
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arrangements for Asset Sharing	Criminalized Financing of terrorism	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	Y	N	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	N	Y	N
2012	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	N	Y	N

230. With regard to human trafficking, Sierra Leone was placed in the Tier 2 category, as it was in 2012. However, the country sustained and strengthened efforts to meet the minimum requirements of the US Trafficking Victims Protection Act and in 2014 provided evidence of its efforts to combat severe forms of trafficking in persons in both 2014 and 2013.

Technical Assistance

231. Sierra Leone needs to intensify efforts towards effective implementation of AML/CFT measures in its jurisdiction. The country needs to mobilize the necessary assistance and support to address outstanding deficiencies in its AML/CFT system. However, the current burden of halting and eliminating the scourge of Ebola is overwhelming for the poverty-ridden country.

232. The lack of STRs from reporting entities and the lack of investigation, prosecution and conviction give an indication of the continuous weaknesses in the country's AML/CFT system. The country, therefore, needs further technical assistance in order to bring its AML/CFT system into compliance with required international standards. To that end, the technical assistance needs expressed by Sierra Leone in 2014 are training and strengthening of the capacities of FIU agents and those of judicial authorities.

CONCLUSION

233. Sierra Leone's postwar economic recovery and political stabilization have created the enabling conditions for accelerating human development and gradually improving the living conditions of the people. The ravaging impact of the Ebola epidemic has dampened this promise. It is encouraging that the country has received considerable support from ECOWAS and regional and international partners to stamp out this scourge and return to the path of accelerated economic growth.

234. These efforts are expected to go on with the strengthening the country's AML/CFT system in order to create in the country a secured environment conducive to business. In that regard, GIABA will continue to work with development partners to support the country and ensure that its focus on deepening its AML/CFT system is not diminished.

TOGO

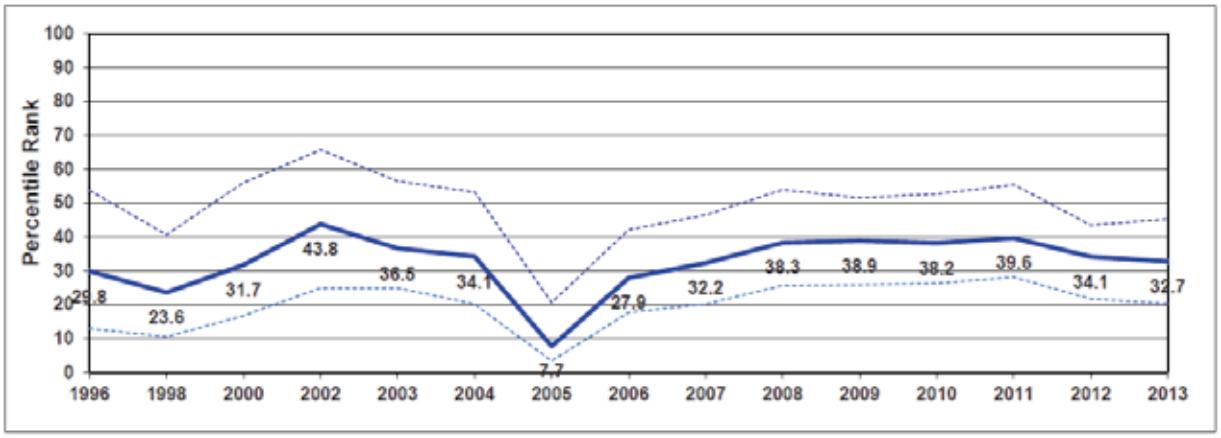
Political Situation

235. Following many rough spells, Togo is gradually experiencing peace and security.

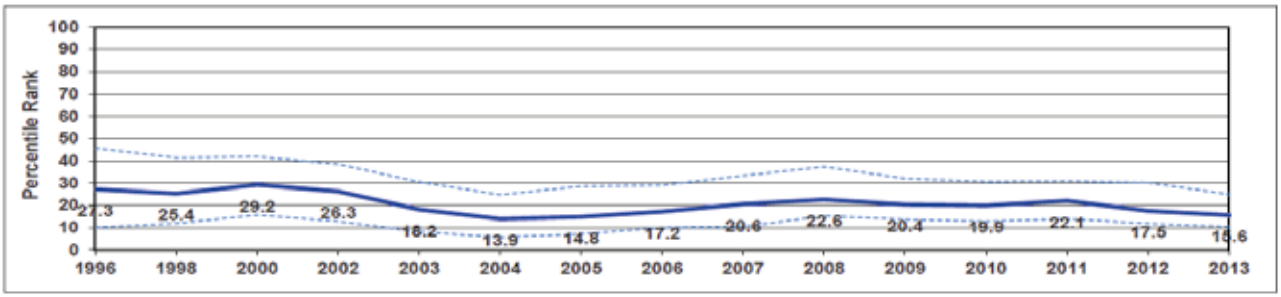
236. In 2006, Togo undertook reforms to establish strong institutions that can guarantee: (i) institutional grounding, (ii) the strengthening of Good Governance, (iii) the credibility, security and transparency of the electoral system, as well as its viability and sustainability, (iv) changing the electoral map with the overhaul and rebalancing of constituencies, (v) balancing of the representation of parties in the National Assembly, (vi) sound management of electoral processes with the setting up of an INC, and (vii) political and press freedoms. The implementation of these reforms resulted in 2014 in an unprecedented political momentum in the country. However, resolving the issues inherent in the establishment and practice of good governance continues to be a challenge for the country's entire political class.

237. Thus, in 2014, the country scored 29 out of 100 and was ranked 126th out of 175 countries on Transparency International's CPI. This was similar to that of 2013 when its score was 29 out of 100 and its ranking 123rd out of 175. Togo's performance on the Political Stability and Absence of Violence indicator under the World Bank's Worldwide Governance indicators study was low in 2004.

Political Stability and Absence of Violence Aggregate Indicator (1996–2013)



Rule of Law Aggregate Indicator (1996–2013)



Economic and Financial Situation

238. Since 2008, Togo's economy has grown significantly: GDP grew by 5.6% in 2013 and 6.0% in 2014.[94] The growth was driven mainly by good performance in agriculture, trade, transport and storage, and communications.[95] The abundant supplies of high-quality phosphate, the position of its port and a very dynamic commerce sector offer a good outlook for the future.[96] The inflation rate was expected to rise from 1.8% in 2013 to a projected 2.3% in 2014.[97] This rate is below the UEMOA threshold of 3%. Improving the business climate continued to be a major priority for the country in 2014, when it was ranked 157th out of 189 countries, compared to 156th out of 189 countries in 2013 and 162nd out of 189 countries in 2012.

239. Togo has been faced with development challenges that threatened to jeopardize the achievement of the MDGs in 2015. In response to the challenges, the government launched a new poverty reduction strategy – the Strategy for Boosting Growth and Promoting Employment (SCAPE) 2013–2017. The SCAPE has five pillars: (i) developing sectors with growth potential; (ii) strengthening economic infrastructure; (iii) developing human capital, social protection and employment; (iv) strengthening governance; and (v) promoting participation and a balanced and sustainable pattern of development.[98]

94 African Economic Outlook 2014, Country Note on Togo.
95 Ibid.
96 World Bank, World Bank Approves Funds to strengthen Togo's Economic Growth and Public Enterprise Oversight, 5 December 2013.
97 African Economic Outlook, 2014, Country Note on Togo.
98 Ibid.

Prevalence of Predicate Crimes

240. Togo is located in a region where organized crime and terrorism have been on the rise. In 2013, the US State Department reported that drug trafficking, with the emergence of new psychoactive substances, trafficking in persons, corruption, misappropriation of funds, tax evasion and smuggling especially of oil to Togo were major crimes in the country.[99]

241. Its Country Report to GIABA confirms that the following AML/CFT predicate crimes were prevalent in 2014: drug trafficking, corruption, tax fraud/evasion, smuggling of precious stones and metals, goods smuggling, bank fraud and piracy. The proceeds generated by these criminal activities are laundered mainly in real estate, cross-border transport of cash and bearer instruments, banks, insurance companies, DNFBPs and microfinance.

AML/CFT Situation

242. Togo has made progress in the implementation of AML/CFT measures. It submitted its third follow-up report to GIABA Plenary in May 2014, which showed that it has made significant progress in addressing the deficiencies identified in its AML/CFT system. The details of the measures adopted by the country in 2014 are provided in Chapter 3 of this report.

243. The FIU of Togo received thirty-nine (39) ML-related STRs from reporting entities in 2014. All of the cases were transmitted to investigative authorities, but no case of investigation, prosecution or conviction was reported. The lack of investigation, prosecution and conviction is a major weakness in the country's AML/CFT system that needs to be addressed. The weaknesses are proof that there are still high risks of vulnerability of the country's AML/CFT system. In 2014, the country received a score of 7.05 and, out of 162 countries and was ranked as the 31st most vulnerable country in the world to ML/TF on the Basel AML Index.

Table 2.16: Changes in the AML/CFT System (2012–2014), Togo

	INCSR																				
	Criminalized Drug ML	Criminalized ML beyond Drug	KYC Provisions	Report Large Transactions	Report Suspicious Transactions (YPN)	Maintain Records Over Time	Disclosure Protection – "Safe Harbor"	Criminalize "Tipping off"	Cross-Border Transportation of Currency	Financial Intelligence Unit (*)	IntL Law Enforcement Cooperation	System for Identifying /Forfeiting Assets	Arrangements for Asset Sharing	Criminalized Financing of terrorism	Report suspected Terrorist Financing	Ability to Freeze Terrorist Assets w/ Delay	States Party to 1988 UN Drug Convention	States Party to Intl. Terror Finance Conv.	States Party to UNTOC	States Party to UNCAC	US or Intl Org Sanctions/Penalties
2014	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
2013	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N
2012	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N

99 US Department of State, INCSR 2013, vol. II, p. 394.

244. With regard to human trafficking, Togo remained among countries in the Tier 2 category in 2014, although the country did not fully meet the minimum requirements of the US Trafficking Victims Protection Act. However, the country took steps that underpin the significant efforts made to comply with those requirements.

Technical Assistance

245. Togo expressed its AML/CFT technical assistance needs for 2014 to include training, mentoring and ICT equipment for the FIU and training and sensitization for the judiciary. Similarly, capacity building for investigation authorities and for those responsible for prosecution and conviction remains a priority in order to strengthen the AML/CFT system.

CONCLUSION

246. Addressing the weaknesses identified above requires a stronger commitment and greater efforts from government as well as further support from technical and financial partners (TFPs). As it approaches elections in 2015, the country should leave no stone unturned to reduce to the barest minimum the risk of ML/TF so as to create a suitable environment for the proper conduct of elections, the preservation and maintenance of peace and stability in the country.

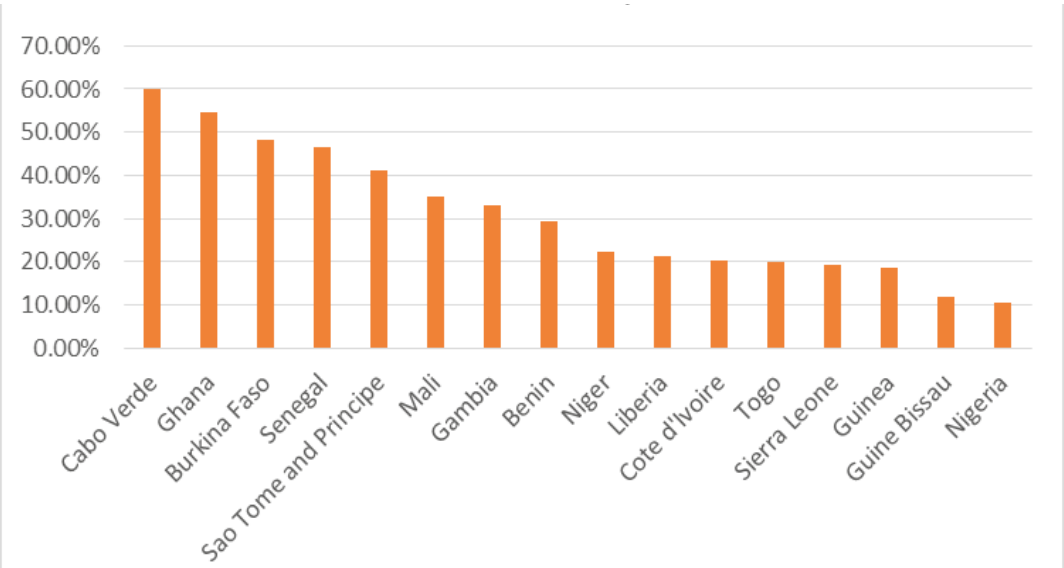
Table 2.17: Average performance of GIABA member States on the World Bank's Worldwide Governance Indicators (1996-2013)[100]

Country	Voice and accountability	Effectiveness of public authorities	Political stability and absence of violence	Quality of regulations	Rule of law	Fight against corruption
Benin	55.27%	38.79%	62.17%	37.87%	36.40%	29.51%
Burkina Faso	36.01%	30.13%	39.35%	45.03%	37.29%	48.11%
Cape-Verde	72.41%	54.16%	76.85%	47.13%	64.75%	60.00%
Côte d'Ivoire	17.14%	16.98%	11.74%	23.74%	10.01%	20.45%
The Gambia	20.81%	31.49%	53.47%	37.13%	44.75%	32.98%
Ghana	55.10%	53.47%	43.67%	48.67%	51.03%	54.55%
Guinea	13.81%	13.09%	10.17%	16.83%	6.90%	18.45%
Guinea Bissau	21.79%	9.73%	22.77%	13.31%	6.41%	11.80%
Liberia	27.91%	6.08%	14.11%	8.23%	9.83%	21.20%
Mali	50.97%	23.03%	44.27%	36.37%	41.44%	35.04%
Niger	32.47%	22.84%	28.19%	29.73%	29.19%	22.16%
Nigeria	24.69%	14.45%	6.72%	20.33%	10.69%	10.56%
São Tomé and Príncipe	56.63%	28.37%	59.73%	23.15%	35.66%	41.03%
Senegal	46.93%	45.90%	34.75%	45.23%	47.61%	46.51%
Sierra Leone	17.80%	8.54%	28.25%	16.83%	14.49%	19.41%
Togo	15.32%	7.03%	32.61%	22.17%	20.73%	19.88%
Average (GIABA)	**35.32%**	**25.26%**	**35.55%**	**29.49%**	**29.20%**	**30.73%**
Average (ECOWAS) *	***33.90%***	***25.05%***	***33.94%***	***29.91%***	***28.77%***	***30.04%***

** excluding São Tomé and Príncipe*

100 http://info.worldbank.org/governance/wgi/index.aspx#countryReports

Graph 2.17. : Control of Corruption Index (average per country)



Chapter Three:

COUNTRY ASSESSMENTS AND FOLLOW-UP REPORTS

248. The completion of the first round of mutual evaluations of GIABA member States marks a watershed in the execution of GIABA's core mandate as a FATF-Style Regional Body (FSRB). The outcomes of the evaluations have resulted in member countries strengthening to some extent their AML/CFT regimes, particularly in the following key areas:

- Criminalization of money laundering and terrorist financing;
- Implementation of customer due diligence measures;
- Reporting of suspicious transactions by reporting entities; and
- Enhancement of the capacities of competent authorities, including the financial intelligence units, to perform their respective roles and responsibilities.

249. Despite these achievements, deficiencies still exist in key aspects of AML/CFT systems in the majority of member States, as identified in their evaluation reports. Member States have committed themselves to correcting the deficiencies and have been subjected to follow-up processes with the requirement to report regularly to the Plenary until the deficiencies have been satisfactorily addressed.

250. GIABA is due to start its second round of mutual evaluations commencing with the evaluations of Senegal, Nigeria and Ghana, which are scheduled for the first quarter of 2016. In the second round, all GIABA member countries will be examined to determine their compliance using the revised FATF Standards approved in February 2012. The new assessment process, as indicated by the FATF, builds on the previous assessment by emphasising the examination of how effectively the country is combating money laundering, the financing of terrorism and the proliferation of weapons of mass destruction. The second round focuses on practical implementation and enforcement to ensure that all GIABA members have systems that are effectively delivering results leading to the safeguarding of global financial integrity and security.

251. The following sections provide detailed account of the progress made by member States during the year under review.

FOLLOW-UP REPORTS

First Follow-Up Report of Guinea[101]

252. The first follow-up report of Guinea was discussed at the May 2014 Plenary. The report indicated that the country adopted a Bill on the Fight against Terrorist Financing, and Banking Law no. L/2013/060/CNT and also passed Decree number D/2013/PRG/SGG relating to the nomination of members of the FIU. Guinea secured an office accommodation, recruited staff and allocated a budget to the FIU, though it was insufficient to meet the need of the FIU.

101 Guinea submitted its First Follow-Up Report to the Plenary following the decision of the 20th Technical Commission/ Plenary Meeting to place the country on the enhanced follow-up process for failing to submit its first follow-up report one year after the adoption of the MER of Guinea in November 2012.

253. Guinea was encouraged to intensify efforts to enact the CFT Bill and to ensure that the FIU is fully operational, while building the capacity of relevant competent authorities and creating awareness on AML/CFT issues among stakeholders and the general public. The country was also encouraged to criminalize the full range of predicate offences, address the deficiencies relating to R1, SR2 and R26 of the 40+9 FATF Recommendations, and develop an action plan to address the remaining deficiencies.

254. In view of the low level of progress made, the Plenary retained Guinea on the enhanced follow-up process and directed it to submit its second follow-up report to the Plenary in November, 2014.

First Follow-Up Report of São Tomé and Príncipe

255. The follow-up report indicated that São Tomé & Príncipe passed a new AML/CFT Law drafted with the assistance of the IMF. The Law consolidates the 2008 and 2010 AML/CFT Laws. It takes into account the recommendations of the MER, including issues relating to customer identification/ beneficial ownership and reporting of STRs. STP criminalized the financing of an individual terrorist in accordance with Special Recommendation II; addressed an aspect of the deficiencies identified under Special Recommendation II; strengthened legal provisions relating to freezing and confiscation of proceeds of crimes (funds and assets); and empowered the FIU to obtain information from competent authorities and any public entity to facilitate performance of its functions. Also, the country strengthened its supervisory framework; organized training programs for judges and other relevant AML/ CFT stakeholders, in collaboration with the United Nations Office on Drugs and Crime (UNODC). In addition, an analyst and the Deputy Coordinator were appointed for the FIU.

256. To demonstrate the effectiveness of its AML/ CFT system, STP provided statistics to the effect that the FIU received ten STRs, four freezing actions were taken in respect of suspected proceeds of crime, and three seizures were made. The FIU of STP received requests and exchanged information with foreign counterparts during the period under review. It also signed Memoranda of Understanding (MoUs) with the FIUs of Cabo Verde, Guinea Bissau and Burkina Faso.

257. The Plenary noted the removal of STP from the FATF-targeted review process in October 2013, following the adoption and publication of the country's MER. STP was also commended for the progress made and was urged to continue to take steps to address the remaining deficiencies in its AML/CFT system. These deficiencies include the absence of criminalization of counterfeiting and piracy of products; insider trading and market manipulation; lack of effective measures to freeze terrorist funds and other assets of persons designated by the United Nations Al-Qaida and Taliban Sanctions Committee in accordance with UNSCRs 1267 and 1373; as well as absence of legislation on mutual legal assistance. The Plenary retained STP on the expedited regular follow-up process and directed it to submit its 2nd follow-up report to the Plenary in May 2015.

Second Follow-Up Report of Côte d'Ivoire

258. The second follow-up report of Côte d'Ivoire indicated that the country enacted legislation; prepared draft laws; organized capacity-building and awareness-raising programs for relevant officials, reporting entities and civil society; and facilitated international cooperation. The FIU of Côte d'Ivoire received and analysed one STR relating to the financing of terrorism. The country received and executed 622 requests for mutual legal assistance.

259. Côte d'Ivoire adopted an Order and some Decrees relating to the effective functioning of the High Authority for Good Governance. The country adopted different Orders for the effective functioning of the High Authority and the body responsible for collecting and managing illicit assets. The country also established an Inter-Ministerial Committee comprising representatives of stakeholder institutions responsible for coordinating its AML/CFT policies. The Committee is coordinated by the Minister of Economy and Finance and is, among other things, responsible for national risk assessment and the development of a national strategy on AML/CFT.

260. With regard to implementation of supervisory measures, the country has appointed a director for the insurance sector. Moreover, personnel recruited in the context of strengthening the workforce in the insurance sector took office in October 2014. In order to ensure effective control of banks in the country, the authorities closed down the Bank for Agricultural Finance on the advice of the West African Central Bank (BCEAO). On 29 October 2014, the Council of Ministers adopted a draft organic law providing for the objects, composition, operations and functions of the Court of Audit.

261. The authorities recovered an amount of about 7.500.000.000 CFA, being funds belonging to an accused person who died during trial. Fifteen individuals were convicted for embezzlement of funds. They were sentenced to terms of imprisonment ranging between five and 20 years and also fined from 1.000.000.00 to 3.000.000.00 CFA. The country also recovered the sum of 4.650.000.000 intended for victims of environmental crime. Four individuals and a corporate person are to be prosecuted for forgery and use of forged documents, breach of trust, money laundering and aiding and abetting such offences.

262. On 23 September 2014, the Council of Ministers adopted a decree implementing ordinance No. 2009-367 of November 2009 relating to the fight against the financing of terrorism in WAEMU member States. The decree provides for the identification and designation of persons and entities who finance or engage in terrorist acts; authorizations and controls of money or value transfer services; due diligence requirements, relating to non-profit organizations (NPOs); establishment and operations of the Consultative Commission on Administrative Freezing (CCGA); conditions for appeal against decisions, freezing decisions and access to funds or other frozen property; and the regulation of the physical cross-border movement of cash and bearer-negotiable instruments.

263. Côte d'Ivoire, like the other WAEMU members, provided inputs in the development of a draft Uniform Bill on AML/CFT and Proliferation of Weapons of Mass Destruction in member States of the WAEMU. When adopted, the law will address the technical deficiencies and impact the effective implementation of the requirements of FATF Recommendations R4, 5, 6, 9, 10, 11, 12, 15, 17, 18, 21, 22, 23, 25, 29, 30, 40, SR II, and SR III.

264. The Plenary commended Côte d'Ivoire on the progress made and encouraged its authorities and the WAEMU to intensify efforts in their respective roles in ensuring effective implementation of AML/CFT measures in the country. In this regard, the Plenary maintained Côte d'Ivoire on the expedited regular follow-up process and directed it to present its third follow-up report to the Plenary in November 2015.

Third Follow-Up Report of Liberia

265. The third follow-up report of Liberia indicated that the country enacted seven pieces of legislation as follows: Extortion, Environmental Crime, Illicit Trafficking in Human Beings and Migrant Smuggling Act, 2012; Financial Intelligence Unit Act, 2012; Fraud Act, 2012; Anti-Money Laundering and Terrorist Financing Act, 2012; Provisional Remedies for Proceeds of Crime Act, 2012; Mutual Legal Assistance in Criminal Matters Act, 2012; and the Distribution of UN List of

Terrorists and Terrorist Groups Act, 2012. In addition, Liberia issued AML/CFT Regulations for financial institutions and provided a legal basis for the implementation of UNSCR 1267 and UNSCR 1373. Furthermore, it adopted a national AML/CFT strategy.

266. The Financial Intelligence Unit of Liberia (FIUL) became operational during the period under review and a Director and Deputy Director were appointed for the Unit. The FIU developed a template for submission of suspicious transaction reports and a Standard Operational Procedure, which are to be adopted for use by the FIUL Board. The country reported that the FIUL budget was before the Parliament for approval, while the Unit has scheduled the recruitment of additional staff, training for the staff and intensified efforts to implement a robust AML/CFT regime once the budget is approved.

267. Despite the above actions taken by Liberia to improve its AML/CFT regime, the country is yet to address the outstanding deficiencies relating to FATF R10 and SRII, as well as adopt adequate procedures and mechanisms for the effective implementation of UNSCRs 1267 and 1373. Liberia also needs to strengthen international cooperation and conduct effective AML/CFT supervision of reporting entities and ensure effective operation of its FIU.

268. Liberia was retained on the expedited regular follow-up process and directed to submit its fourth follow-up report to the Plenary in May 2015.

Third Follow-Up Report of Togo

269. The third follow-up report of Togo indicated that Togo's Council of Ministers adopted a Penal Code (Amendment) Bill on 15 January 2014. The Bill is aimed at criminalizing certain categories of offences, including terrorism, cybercrime, insider trading, corruption and trafficking in persons. The Council also adopted a Uniform Bill on Litigation of Violations of Regulations Pertaining to External Relations of WAEMU, its implementing regulations and the Uniform Bill on the Analysis of Dormant Accounts of Financial Institutions of WAEMU member States.

270. Other steps taken by Togo to enhance its AML/CFT regime include strengthening international cooperation through the signing of MoUs with the FIUs of Chad, Cabo Verde and Sierra Leone. The country also embarked on training and sensitization of reporting entities.

271. Togo was encouraged to address the remaining deficiencies in its AML/CFT system by, among other things, designating a competent authority for the implementation of measures pursuant to UNSCR 1373; developing a national mechanism for the identification and designation of individual terrorists and entities; and setting up procedures for examining and giving effect to, as appropriate, the actions initiated under the freezing mechanisms of other jurisdictions; it was also encouraged to adopt its national AML/CFT strategy. Togo was retained on the expedited regular follow-up process and directed to submit its fourth follow-up report to the Plenary in May 2015.

Fourth Follow-Up Report of Benin

272. The fourth follow-up report of Benin showed that the Benin FIU issued three directives to lawyers, financial institutions and DNFBPs, aimed at facilitating the implementation of the country's AML/CFT legal and regulatory frameworks. It also received 65 STRs and disseminated three intelligence reports to competent authorities. Technical staff of the Benin FIU undertook a study tour to improve their capacity, while the FIU boosted its information technology system with computers donated by GIABA and the World Bank. In addition, the FIU developed a manual of procedures for the DNFBP sector; organized relevant workshops and training programs for reporting entities and other stakeholders, and applied administrative sanctions based on three new cases submitted to competent authorities. Benin

also commenced the implementation of its National AML/CFT Strategy developed with the assistance of GIABA.

273. The Plenary commended Benin for the progress made and urged the authorities to intensify efforts to address the outstanding deficiencies relating to the FATF core and key Recommendations that were rated Partially Compliant or Non-Compliant. In particular, the Plenary urged the authorities of Benin to adequately resource the FIU, to designate a competent authority for the implementation of the freezing requirement of UNSCR 1373, and improve the regulatory frameworks focusing on customer due diligence, high-risk customers, suspicious transaction reporting and record-keeping. The Plenary retained Benin on the expedited regular follow-up process and directed it to submit its fifth follow-up report to the Plenary in May 2015.

Fifth Follow-Up Report of Burkina Faso

274. The fifth follow-up report of Burkina Faso showed that the country continued to strengthen its legal, regulatory and institutional framework on AML/CFT. The Parliament adopted the text of the international standards and instruments on the arms trade (the Arms Trade Treaty) on 18 March 2014. The country deposited the instrument of ratification of the Arms Trade Treaty at the UN General Assembly in June 2014. The Parliament also adopted legislation aimed at the civic protection of the child and the promotion of human rights. In addition, the Cabinet adopted Decree No. 2014-025/PRES/PM/MEF/MATS/MJ of February 2014 on the adoption of a national strategy to fight against ML/TF and its 2014–2016 action plan. In July 2014, the Cabinet adopted the Bill authorizing the ratification of the Protocol to the Convention on the Prevention and Combating of Terrorism of the Organization of African Unity (OAU) adopted 8 July 2004 in Addis Ababa, Ethiopia.

275. The country also enacted legislation to regulate gambling and gambling establishments. The report, however, does not indicate whether STRs were made by the operators in the gaming industry or whether sanctions have been applied against them. Burkina Faso was urged to ensure the effective implementation of these regulations.

276. Burkina Faso developed a Bill for the purpose of creating two judicial centers in the District Courts of Ouagadougou and Bobo-Doulasso to handle matters relating to economic and financial crimes and ensure effective treatment of cases on money laundering and other related offences. The Bill was forwarded to the Cabinet on 23 October 2014 for consideration.

277. The FIU of Burkina Faso received 59 STRs between 1 September 2013 and 31 August 2014, as against 37 STRs during the previous reporting period, indicating an increase of 59.5%. During the period under review 8 requests for information were received; the FIU processed 6 of these requests. 26 STRs out of the total of 51 were processed and the findings of seven analyses were sent to the Office of the Prosecutor for further action. Burkina Faso strengthened its AML/CFT coordination with the operationalization of the National Inter-Ministerial Committee, which has now expanded to include the National Commission for the fight against the proliferation of small arms and light weapons, the Association of Professional Insurers in Burkina Faso, the Professional Association of Decentralized Financial Systems and the Anti-Gold Fraud Brigade.

278. The Plenary urged Burkina Faso to submit statistics relating to convictions, freezing, seizures and confiscations, monitor insurance companies and brokers, and oversee the designation of domestic officials responsible for the implementation of AML programs in the insurance industry; develop and disseminate AML/CFT directives and regulations applicable to financial institutions; and develop guidelines and a supervisor's guide for the smooth implementation of AML/CFT measures in the financial and the DNFBP

sectors and sustain the implementation of effective AML/CFT measures consistent with its action plan.

279. The Plenary commended Burkina Faso for the sustained progress made and encouraged the country to continue its efforts to address the remaining gaps as noted in its MER. The Plenary retained Burkina Faso on the expedited regular follow-up process and directed it to present its sixth follow-up report in November 2015.

Sixth Follow-Up Report of Nigeria

280. The sixth follow-up report of Nigeria indicated that the country made significant progress in addressing the deficiencies in its AML/CFT regime, including the criminalization of the financing of individual terrorists and terrorist groups; development of a report on trends, patterns and methods used by criminals in the financing of terrorism; adoption of a comprehensive mechanism to effectively implement the requirements of UNSCRs 1267 and 1373; training of reporting entities; organization of on-the-job training and refresher courses, and other AML/CFT-related programs for relevant AML/CFT stakeholders. It also carried out joint inspections of banks and other financial institutions, resulting in the imposition of fines and withdrawal of the licences of 97 bureaux de change by the Central Bank of Nigeria for violation of AML/CFT requirements. Similarly, the Securities and Exchange Commission (SEC) conducted risk-based supervision on 78 funds and portfolio managers. Also, the Nigerian FIU (NFIU) was repositioned for better operational efficiency with the passage of the Nigerian Financial Intelligence Centre [Establishment] Bill by the Nigerian National Assembly. The Bill is aimed at enhancing the operational autonomy of the Unit and contains transitional provisions that will ensure a smooth transition of the NFIU as a unit of the Economic and Financial Crimes Commission (EFCC) to an independent body.

281. Nigeria needs to adopt legislation on mutual legal assistance and non-conviction-based asset recovery to improve its AML/CFT system.

282. The Plenary noted the exit of Nigeria from the FATF-targeted review process in October 2013, due to the significant progress made by the country in addressing the deficiencies in its AML/CFT system and the substantial completion of the action plan agreed with the Regional Review Group of the FATF/ICRG. The Plenary retained Nigeria on the expedited regular follow-up process and directed it to submit its seventh follow-up report to the Plenary in May 2015.

Sixth Follow-Up Report of Ghana

283. Ghana's sixth follow-up report showed that the country continued to improve its AML/CFT legislative framework and sustained efforts to implement effective measures to combat money laundering and terrorist financing. The country passed the Anti-Money Laundering (Amendment) Act, 2014 (Act 874) and the Anti-Terrorism (Amendment) Act, 2014 (Act 875) in April 2014. The amendments have strengthened the legal framework for AML/CFT in the country and have also rectified deficiencies relating to the criminalization of money laundering, the definition of a terrorist organization, powers of the Financial Intelligence Centre (FIC), and shortcomings relating to CDD obligations, record-keeping and internal procedures, policy and controls for Accountable Institutions.

284. The Anti-Money Laundering (Amendment) Act, 2014 (Act 874) empowers the FIC to request and receive information on suspected proceeds of crime; take necessary measures for enforcement on issues relating to the United Nations Consolidated List; as well as coordinate and supervise activities on investigation and suppression of money laundering, terrorist financing, proliferation financing and other organized crime. The Amendment Act also gives the FIC the authority to share information with foreign counterparts and request for information from domestic competent authorities on their behalf. A significant achievement in the

year was the admission of Ghana Financial Intelligence Centre into the Egmont Group of FIUs in June 2014. Ghana continues to strengthen international cooperation and has signed MoUs with seven countries.

285. The country took some steps towards enhancing AML/CFT supervision across its financial sector. The FIC and the SEC provided training on AML/CFT compliance to Anti-Money Laundering Reporting Officers (AMLROs) in the securities sector and facilitated the establishment of an AMLRO forum. Also, the Bank of Ghana met with the supervisory authorities for the insurance industry and capital market operators to explore how the Bank of Ghana can share its experience on AML/CFT regulation and supervision with these supervisory authorities. The ARB Apex Bank, the supervisory authority for rural banks, reviewed the policies and manuals of various departments within the banks and developed a checklist to ensure compliance with AML/CFT obligations. Ghana has also developed a uniform account-opening form for adoption by all banks. As regards measures related to DNFBPs, the FIC conducted an outreach program for casino operators and betting agents, real estate agents and the Precious Mineral Marketing Company.

286. Ghana had also secured two ML convictions which resulted in confiscation of assets. Thus the country has demonstrated the applicability and implementation of its AML law. Ghana provided a breakdown of the categories of accountable institutions that filed the 235 STRs reported there. It has commenced its National Risk Assessment (NRA) exercise. The Bank of Ghana (BOG) has continued to conduct on-site and off-site examinations of financial institutions. In 2014, following the examination of all 26 banks between 2012 and 2013, the BOG examined non-bank institutions including savings and loans companies and money or value transfer service providers. The BOG employed the risk-based approach to assess implementation of CDD measures, record-keeping and other preventive measures, as well as the adequacy of AML/CFT training provided by the financial institutions. The BOG observed some deficiencies in the implementation of preventive measures including measures relating to internal controls, KYC and account opening procedures, a lack of documentation on the risk assessment framework and inadequate AML/CFT training for senior management of some financial institutions; it forwarded its findings to the financial institutions concerned for them to address the deficiencies within 30 days.

287. The remaining actions to be taken by Ghana to improve its AML/CFT system include strengthening efforts to ensure the passage of the Extraditions Bill and the Companies (Amendment) Bill; strengthening the implementation of AML/CFT measures in the securities and insurance sectors; and establishing an effective regime to monitor and ensure compliance of DNFBPs with their AML/CFT obligations.

288. The Plenary acknowledged Ghana as a good example in terms of commitment in addressing identified strategic deficiencies in an AML/CFT system. Accordingly, the Plenary commended Ghana for sustaining efforts to improve its AML/CFT regime and encouraged it to address the remaining deficiencies. The Plenary retained Ghana on the expedited regular follow-up process and directed it to submit its seventh follow-up report in November 2015.

Sixth Follow-Up Report of Mali

289. The sixth follow-up report of Mali showed that the country made significant progress towards improving its legal framework, notably with the passage of Act No. 2014-015 of 27 May 2014 on the prevention and suppression of illicit enrichment. The Act creates a Central Office for the Fight against Illicit Enrichment, an independent administrative authority, with broad powers including the right to appeal directly, where necessary, to the prosecutor of the Department of Economy and Finance.

290. Mali intends to further strengthen its AML/CFT legal framework by adopting three Bills: the draft law on transactions, exchanges and electronic services; the draft law on cybercrime; and the Bill regulating data protection and encryption. The adoption of these Bills will (i) have a positive impact on the development of modern payment systems and the reduction of cash transactions, thus improving compliance with R 20 and SR IX; (ii) broaden the range of predicate offences criminalized as required under R 1; and (iii) possibly secure the exchange of electronic information provided under R 40.

291. Mali FIU signed cooperation agreements with three counterpart FIUs: UIF Cabo Verde, FIC Ghana and the Liberia FIU. It exchanged information with some of its counterparts on nine requests, and responded to five requests. The country trained 25 staff members responsible for conducting ML/TF investigations. The judicial system initiated 15 criminal investigations, which led to seven prosecutions. Mali also processed four cases for extradition. Similarly, a court ruling ordered the freezing of a sum of 500,000 Euros. The country intensified awareness-raising and training programs with a general focus on all taxpayers.

292. Mali is yet to address the gaps identified in the procedures for freezing terrorist funds and criminal assets as validated by the Inter-Ministerial Committee in addition to finalizing those relating to Resolution 1373.

293. The Plenary commended Mali's efforts to improve its AML/CFT regime despite its peculiar post-conflict situation. Mali was encouraged to complete actions for the enactment of the pieces of legislation listed above. The Plenary retained Mali on the expedited regular follow-up process and directed it to submit its seventh follow-up report in November 2015.

Sixth Follow-Up Report of Niger

294. The sixth follow-up report of Niger showed that the country issued Order No. 0120/MF/FIU of 24 March 2014 extending the scope of reporting entities to include the Tax and Customs Departments in order to facilitate the implementation of its AML/CFT Laws; adopted a national plan of action against trafficking in persons and in June 2014, strengthened the policy relating to ML predicate offences; and adopted regulations providing for the composition, responsibilities and operational modalities of the National AML/CFT Coordination Committee by the Ministerial Council Decree No. 2014-448/PRN/MF of 4 July 2014.

295. The FIU of Niger validated its manual on administrative, financial and accounting procedures, amended its rules of procedure and concluded the installation of a system for automated processing of STRs. The FIU received 33 STRs and disseminated the results from the analysis of four STRs to the Office of the Prosecutor. These involved 64 suspects and suspected illicit funds amounting to 4,998,142,922 FCFA, approximately 10 million US dollars. The following actions were also taken by the courts in relation to confiscation and other provisional measures: (i) the issuance of letters rogatory by the investigating judge for the purpose of freezing accounts and issuance of arrest warrants on three cases; (ii) indictment for conspiracy, association and complicity on a money laundering case; (iii) the seizure of assets approximating 204 million FCFA, a sentence of three years' imprisonment and the arrest and court referral of 143 suspected terrorists by the Anti-Terrorism Central Service. Two orders of dismissal were also made, one of which was referred to the criminal court and appealed by the Prosecutor; the other was made subject to the repayment of CFA F300 million to the Treasury. The FIU also signed cooperation agreements with five counterpart FIUs.

296. The remaining shortcomings in the AML/CFT regime of Niger include the lack of effective implementation of measures recommended in its action plan, particularly regarding implementation of preventive measures; establishment of a declaration system that applies to both incoming and

outgoing transportation of currency; effective implementation of the provisions of the UNSCRs 1373 and 1267; and the inadequate treatment of the results of analysis of STRs disseminated to the court for purposes of sentencing, seizure and confiscation of proceeds of crime. It is envisaged that the entry into force of the WAEMU Uniform Bill on Combating Money Laundering, Terrorist Financing and Proliferation will resolve a number of the deficiencies identified in the country's MER.

297. The Plenary commended Niger for the efforts made to sustain the pace of implementation of its AML/CFT measures. The Plenary retained Niger on the expedited regular follow-up process and directed it to submit its seventh follow-up report in November 2015.

Sixth Follow-Up Report of Senegal

298. The sixth follow-up report of Senegal indicated that the country made significant progress in addressing the deficiencies identified in its AML/CFT regime: Progress made include operationalization of the Anti-Corruption Office (OFNAC), appointment of the Chairperson, Deputy Chairperson and other members of OFNAC; establishment of an intelligence-gathering system with support from the UNODC; inspection of financial institutions for AML/CFT purposes; efforts to establish mechanisms to fight cybercrime are ongoing. Furthermore, the FIU received 112 STRs, 5 requests for mutual legal assistance, 5 requests for extradition, 3 official reports, 8 judicial documents and 11 letters rogatory. Senegal also signed cooperation agreements with the FIUs of Russia, Japan, Egypt and Cabo Verde, and disseminated intelligence from the analysis of 24 STRs to the Office of the Prosecutor. Similarly, 8 cases relating to money laundering and associated predicate offences resulted in convictions and imposition of fines and terms of imprisonment.

299. Though Senegal reported that the BCEAO was in the process of finalizing a draft Bill aimed at consolidating the uniform AML/CFT Law no. 2004-09 of 6 February 2004 and Law no. 2009-16 of 2 March 2009, on Countering the Financing of Terrorism, the Plenary urged the country to take steps to address the remaining deficiencies in its AML/CFT systems, including requiring reporting entities to submit STRs on attempted transactions. They were also urged to criminalize the financing of individual terrorists and terrorist organizations and to ratify the 2005 International Convention for the Suppression of Acts of Nuclear Terrorism, the 2005 Convention on the Physical Protection of Nuclear Material, the 2005 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and the 2005 Protocol to the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf. Senegal is yet to activate the International Convention for the Suppression of Financing of Terrorism and put in place mechanisms for the implementation of UNSCR 1373. The Plenary retained Senegal on the expedited regular follow-up process and directed it to submit its seventh follow-up report to the Plenary in May, 2015.

Seventh and Eighth Follow-Up Reports of Guinea Bissau

300. From its eighth follow-up report, Guinea Bissau did not make any noticeable progress in implementing the directives of the 20th Technical Commission/Plenary. Thus the concerns raised by the Plenary, including the allocation of budget, recruitment of additional technical staff and provision of suitable office premises for the FIU, remain unaddressed. This has adverse consequences on the operational capacity of the FIU, including its ability to receive technical assistance, particularly the AML/CFT analytical software provided by GIABA.

301. Consequently, the Plenary retained Guinea Bissau on the enhanced follow-up process and directed it to submit its ninth follow-up report in November 2014. Furthermore, the Plenary deferred to issue a Public

Statement on Guinea Bissau until the November 2014 Plenary and directed the country to work closely with the Secretariat to develop a realistic action plan with specific implementation timelines, and report progress made to the Plenary in November 2014.

302. The eighth follow-up report indicated that the FIU of Guinea Bissau was allocated new premises and is in occupation of those premises. The country communicated its readiness for the installation of the AML/CFT analytical software being provided under GIABA's technical assistance program. The FIU recruited five additional staff comprising two analysts, one information technology expert, one accountant and an administrative assistant. The Unit opened a bank account and received budget allocation for the last quarter of the year 2014. The FIU received three STRs, signed MoUs with some FIUs in the region, and exchanged information with the FIUs of Portugal and Nigeria.

303. It was noted that the follow-up report did not reveal effective implementation of AML/CFT measures by Guinea Bissau. A number of actions aimed at improving its AML/CFT system were ongoing. Some laws were yet to be published and enforced: Law No. 1/2014 on Establishment of a National Authority on Freezing of Terrorist Assets and other Financial Resources in compliance with Decree-Law No. 2/2014 on Freezing of Terrorist Funds and other Assets and the Decree; and Joint Ministerial Dispatch of the Ministry of Finance, Ministry of Justice, Ministry of the Interior and the Ministry of Foreign Affairs and International Cooperation, on the establishment of an Inter-Ministerial Committee to review decisions on administrative freezing.

304. While noting and commending the country for the progress made between May 2014 and November 2014, since the new Government assumed office, the Plenary retained Guinea Bissau on the enhanced follow-up process because a significant number of deficiencies remain outstanding in the country's AML/CFT system. These include absence of criminalization of migrant smuggling, piracy, insider trading and market manipulation, as well as the financing of an individual terrorist and a terrorist organization. The Plenary also directed that a high-level mission should visit the country to emphasize to the authorities the need for full compliance with the FATF Recommendations. The mission is to submit a comprehensive report of the visit to the May 2015 Plenary.

Seventh Follow-Up Report of Cabo Verde

305. The follow-up report indicated that Cabo Verde convicted nine individuals of money laundering and confiscated assets worth over two billion escudos. Cabo Verde also provided capacity enhancement programs to key AML/CFT stakeholders while enhancing efforts of competent authorities to maintain comprehensive statistics on AML/CFT matters. Cabo Verde also developed a draft national AML/CFT strategy to address the shortcomings in its AML/CFT system. In addition, the FIU applied for membership of the Egmont Group, signed MoUs with 12 foreign counterparts and established focal points in key competent authorities. The focal points hold regular meetings, resulting in enhanced cooperation and information-sharing among domestic competent authorities. Efforts are ongoing to amend the Anti-Money Laundering law while the FIU is expected to undertake an international study tour of a best-practice FIU under the sponsorship of GIABA.

306. Cabo Verde was commended for progress made so far, but was urged to take the necessary steps to monitor money or value transfer services to ensure that they comply with national AML/CFT requirements; to strengthen the regulatory and supervisory frameworks of financial institutions and DNFBPs; and to adopt effective laws and procedures to implement UNSCRs 1267 and 1373 to make its AML/CFT system more effective. The Plenary retained Cabo Verde on the expedited regular follow-up process and directed it to submit its eighth follow-up report in May 2015.

Eighth and Ninth Follow-Up Reports of The Gambia

307. The eighth follow-up report of The Gambia indicated that the country demonstrated (i) renewed efforts in addressing deficiencies in its AML/CFT systems, and (ii) enhanced commitment in addressing Plenary's directives of November 2013 to rectify four strategic deficiencies (ratify the International Convention for the Suppression of the Financing of Terrorism and the UN Convention against Corruption; criminalize the remaining predicate offences; adopt effective laws and procedures to implement UNSCRs 1267 and 1373). The Gambia also confirmed the appointment of the new Director of its FIU in May 2014. With respect to the Plenary's directives, the country reported that it had criminalized insider trading in s. 564 of the Companies Act 2013 dated 16 December 2013 and gazetted three days later. It also reported that it had issued regulations dated 30 April 2014 for the implementation of UNSCRs 1267 and 1373. Similarly, the country provided the FIU with a distinct budget line and procured financial assistance from the African Development Bank (AfDB) towards the training of AML/CFT stakeholders and the development of guidelines and examination manuals for financial institutions.

308. Even though The Gambia had not fully addressed the outstanding issues as directed by the 20th Plenary, the Plenary noted that, with its newly appointed FIU Director and his team, the country had made significant progress in the implementation of its action plan. The Plenary therefore enjoined the country to sustain the current momentum to ensure that the remaining outstanding deficiencies were addressed, particularly the criminalization of market manipulation. As a result of the country's renewed efforts, the Plenary reviewed its decision of November 2013 on issuing a Public Statement and directed The Gambia to work closely with the GIABA Secretariat to develop an action plan for addressing the remaining deficiencies. The Gambia was retained on the enhanced follow-up process and was directed to submit its ninth follow-up report to the Plenary in November 2014.

309. The ninth follow-up report of The Gambia indicated that the country resumed its Inter-Ministerial Committee meetings and expanded the membership of the National Coordinating Committee on AML/CFT. The authorities also conducted AML/CFT examination and inspection of two commercial banks; developed and issued Guideline 12 on a Fit and Proper Persons Test for Directors, Shareholders and Senior Management of Banks; approved the 2014 budget of the FIU; produced and transmitted the 2015 draft budget of the FIU to the Ministry of Finance for inclusion in the 2015 national budget; completed the activities planned under the AfDB Project; completed the FIU service rules and job descriptions; organized several public sensitization and awareness-raising programs; organized capacity-building programs for reporting institutions and AML/CFT stakeholder institutions; developed a draft National Strategy on Organized Crimes and Terrorism; and The Gambia's FIU signed MoUs with the FIUs of Cabo Verde, Ghana and Togo. In addition, the country provided statistics to show the level of implementation of AML/CFT measures as well as the effectiveness of its AML/CFT regime. Some staff of the FIU undertook a study tour to Mauritius, and another study tour to the Nigeria FIU has been planned. The country has engaged a consultant under the AfDB project to review AML/CFT regulations for financial institutions and DNFBPs; the consultant will commence work in December 2014.

310. It was, however, noted that certain deficiencies remain in The Gambia's AML/CFT regime. These include non-criminalization of market manipulation; lack of comprehensive MLA legislation; lack of an effective supervisory regime; non-coverage of some Other Financial Institutions under AML/CFT supervision; non-publication of annual report by the GFIU; weak capacity/lack of necessary human and material resources by competent authorities to effectively discharge their responsibilities. Most of the remaining

deficiencies have been incorporated into the country's National Strategic and Action Plan (NSAP) and diligent implementation of this will be required.

311. Following the discussion of the ninth follow-up report in November 2014, the Plenary noted that The Gambia had substantially addressed the four core deficiencies in its AML/CFT regime it had been directed to carry out before November 2014. The Plenary commended The Gambia for its efforts and urged it to address the remaining deficiencies, including the diligent implementation of the NSAP with strict adherence to the stipulated timelines.

312. In view of the achievements recorded by The Gambia, the Plenary removed The Gambia from the enhanced follow-up process and placed it on the expedited regular follow-up. Accordingly, the Plenary directed The Gambia to submit its tenth follow-up report in November 2015.

Tenth Follow-Up Report of Sierra Leone

313. The tenth follow-up report of Sierra Leone indicated that the country adopted a counter-terrorism strategy; developed a consolidated AML/CFT examination manual and commenced on-site examinations; strengthened domestic cooperation by establishing liaison with the Board of the Transnational Organized Crime Unit; strengthened international cooperation by signing two MoUs with the FIUs of Togo and Côte d'Ivoire; developed a consultative paper to broaden the scope of DNFBPs to include car dealerships and shippers. Sierra Leone also intensified national sensitization campaigns on AML/CFT issues and developed a results-based plan of action aimed at achieving time-bound goals. This comprises raising public awareness, ensuring enforcement of AML/CFT obligations through robust on-site examinations of reporting entities; improving the country's compliance with the FATF Recommendations and capacity-building; and initiating the process to ratify the Palermo Convention. The country further indicated that there are plans to sign more MoUs and planned to commence its national ML/TF risk assessment with the assistance of the World Bank, GIABA and other development partners. However, in spite of the moderate progress recorded by the country, the measures implemented had not made much impact on compliance with SRI, SRIII and R36 in Sierra Leone.

314. The Plenary commended Sierra Leone for the efforts made so far and urged it to address outstanding deficiencies in its AML/CFT regime, including the lack of mechanisms for implementing UNSCRs 1267 and 1373 and ratification of the Palermo Convention and other shortcomings relating to SRI, SRIII and R36. In addition, Sierra Leone was encouraged to ensure that all reporting entities, including DNFBPs and non-bank financial institutions, comply with AML/CFT obligations and are adequately monitored for this purpose. Consequently, the Plenary retained Sierra Leone on the enhanced follow-up process and directed it to submit its eleventh follow-up report to the Plenary in November 2014.

Second Follow-Up Report of Guinea and Eleventh Follow-Up Report of Sierra Leone

315. The delegates from Guinea, Liberia and Sierra Leone were unable to attend the 22nd Plenary Meeting of the Technical Commission due to the security measures in place in the host country regarding admission into the country of persons from the countries most affected by Ebola. At the request of the Secretariat, the Plenary deferred the discussion of the second follow-up report of Guinea and the eleventh follow-up report of Sierra Leone indefinitely. The Plenary also directed the Secretariat to continue to monitor the Ebola situation with regard to the future participation of Guinea, Liberia and Sierra Leone, work closely with the three countries through off-site surveillance to support them towards improving their AML/CFT regimes in these challenging times, and report to the Plenary on related emerging issues that may warrant its attention.

GIABA Second Round of Mutual Evaluations

316. At the 20th GIABA Technical Commission/ Plenary meeting in November 2013, the Secretariat presented a Memorandum on the Adoption of a Schedule of Mutual Evaluations for the second round of evaluations. The purpose of the memorandum was to invite the Plenary to consider options for scheduling the mutual evaluation on-site visits during the second round.

317. In line with the directives of the Plenary, the Secretariat undertook a general desk review of the status of implementation of AML/CFT measures in member States based on the status of implementation, including progress made by countries as observed in their mutual evaluation and follow-up reports. In order to arrive at an equitable scheduling of the countries, the Secretariat examined four key components of member States' AML/CFT regimes: legislative measures, preventive measures, institutional measures, and measures relating to international cooperation.

318. With regard to legislative measures, the Secretariat's assessment focused on the criminalization of ML/TF, taking into account the legal framework in place for implementing freezing measures pursuant to UNSCRs 1267 and 1373, while generally considering other areas, including the scope of predicate offences and the legal framework for confiscation.

319. The Secretariat took account of administrative factors and, in particular, spaced out, to the extent possible, the on-site mutual evaluation of the Francophone, Anglophone and Lusophone member States.

320. The relative preparedness and the capacity of member States also informed the scheduling of ME on-site visits for the second round of evaluations, which has commenced with the adoption of a schedule for the second round of mutual evaluations by the 13th GIABA Ministerial Committee (GMC) meeting held on 11 May 2014 in Niamey, Niger. The on-site evaluations, spanning a five-year period, will start from the first quarter of 2016, to the last quarter of 2020 as shown in Table 3.1 below.

Table 3.1: Approved Calendar of GIABA Second Round of Mutual Evaluation of Member States (2016–2020)

Member State	Date of On-site	Date of Plenary Discussion	Date of Follow-up Assessment
NIGERIA	January 2016	May 2016	May 2019
SENEGAL	January 2016	November 2016	November 2019
GHANA	September 2016	May 2017	May 2020
CABO VERDE	January 2017	November 2017	November 2020
BURKINA FASO	March 2017	November 2017	November 2020
MALI	September 2017	May 2018	May 2021
BENIN	January 2018	November 2018	November 2021
SIERRA LEONE	March 2018	November 2018	November 2021
NIGER	September 2018	May 2019	May 2022
TOGO	February 2019	November 2019	November 2022
GUINEA BISSAU	March 2019	November 2019	November 2022
THE GAMBIA	September 2019	May 2020	May 2023
COTE D'IVOIRE	January 2020	November 2020	November 2023
LIBERIA	March 2020	November 2020	November 2023
SAO TOME AND PRINCIPE	October 2020	May 2021	September 2024
GUINEA	September 2020	May 2021	September 2024

Process and Procedures for GIABA Second Round of Mutual Evaluations

322. The Secretariat developed a draft Mutual Evaluation Process and Procedures (P&P) for the second round of mutual evaluations of GIABA member States. The 22nd Technical Commission/Plenary considered a memorandum submitted by the Secretariat requesting the Plenary to adopt the P&P; redesignate the Working Group on Mutual Evaluation Implementation (WGMEI) to the Evaluation and Compliance Group to reflect the scope and nature of the work being carried out by the WGMEI; and direct that the follow-up process of the first round of mutual evaluation be discontinued for each member State one year before its scheduled on-site mutual evaluation in the second round. This is in order to strike a balance between sustaining the review process and allowing member States to prepare for the second round of mutual evaluations while maintaining the peer pressure required to ensure the implementation of an effective AML/CFT regime.

323. The Plenary adopted the proposals and directed the Secretariat to effect the agreed amendments, particularly with regard to the types of follow-up processes. It also noted that in view of the magnitude of the demands of the new FATF Standards and its accompanying methodologies, there is the need for further review of the P&P, particularly in respect of adhering to stipulated time-frames. Plenary decided that the exit process should not involve the submission of self-assessment questionnaires, but enjoined countries to address outstanding deficiencies in the FATF core and key recommendations even when preparing for the next round of mutual evaluation. The GIABA Ministerial Committee will discuss the issues relating to the P&P during its meeting in May 2015.

Major achievements in AML/CFT Regimes for the period under review

324. A summary of major milestones within the context of mutual evaluation and follow-up process during the period under review is highlighted in Table 3.2 below.

Tableau 3.2 : Étapes décisives de LBC/FT en 2014

S/N	Key milestones in 2014 within the context of mutual evaluation and follow-up process	Member State
1	Application for FATF membership	Nigeria
2	Admission of FIUs into the Egmont Group	Ghana
3	Adoption of the Mutual Evaluation Calendar for the second round of Mutual Evaluations	Plenary/GMC
4	Significant progress reported by most member States in their follow-up reports	Countries that submitted follow-up reports
5	Reconstitution of the Evaluation and Compliance Working Group	

Reconstitution of the Membership of the Working Group on Mutual Evaluation and Implementation

325. The May 2014 Plenary adopted a memorandum submitted by the Secretariat on the reconstitution of the membership of the WGMEI for a two-year term from May 2014 to May 2016. The new members are Burkina Faso, Cabo Verde, Nigeria, Senegal and Sierra Leone.

CONCLUSION

326. It is worth noting that GIABA has maintained the momentum and kept up the pressure on countries to improve their AML/CFT regimes. At the conclusion of its first round of mutual evaluations with the adoption of the MER of STP in May 2013, the analysis of subsequent follow-up reports revealed strategic deficiencies in the implementation of AML/CFT regime in member States. However, member States are committed to addressing the deficiencies in their AML/CFT systems and GIABA will continue to subject them to the follow-up process until these deficiencies are satisfactorily addressed. As a final phase, GIABA is using the period 2014–2015 to monitor progress made by member States in addressing the deficiencies identified during the first round and provide the required technical assistance to facilitate implementation of robust measures that will improve AML/CFT regimes across member States ahead of the second round of evaluations.

chapter Four:

TYPOLOGIES AND OTHER RESEARCH STUDIES

INTRODUCTION

327. Conducting typologies and other research studies is one of the requirements for a FATF-Style Regional Body and in line with the mandate of GIABA as contained in its Statutes. The conduct of typologies in particular helps to reveal key indicators and red flags for ML/TF emanating from the vulnerability of systems and institutions or threats against them. It is therefore critical for all countries to have a good understanding of the ML/TF risks they face in order to mitigate them adequately. Under the new FATF Recommendations (February 2012), Recommendation 1 in particular, the conduct of National ML/TF Risk Assessments is now mandatory for all countries. The GIABA Research Strategy has prioritized providing support to GIABA member States to conduct their NRA and to help them develop their capacities in conducting typologies exercises on ML/TF.

328. Considering that ML/TF techniques, methods and trends are constantly evolving, typologies and research studies are critical to the ability of GIABA and its member States to take effective action to counter the ML/TF phenomenon.

Conduct of National Risk Assessment

329. As stated above, the conduct of NRAs is now an obligation for all countries and is part of the compliance assessment under the new FATF assessment regime. GIABA has prioritized the provision of support for its member States to conduct their NRAs.

330. Ghana, Nigeria, Senegal and Sierra Leone have commenced their NRAs. All these countries, with the exception of Senegal, have opted to use the World Bank tools and have therefore requested and received approval from the Bank. Based on this, GIABA has teamed up with the World Bank in order to provide the required technical and financial support to them. The assessments are to be completed in 2015 and the outcome is expected to assist the countries to set the required priorities in mitigating the risks they face and get themselves ready for the second round of mutual evaluations, as the case may be.

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

331. West Africa has made significant advances in economic growth and development in the past 15 years. Indeed, the economies of some countries in the region are among the fastest growing in the world, even in the context of the global economic downturn. In Ghana and Côte d'Ivoire, for instance, average growth in 2013 and 2014 is expected to exceed 8% and 9% respectively. Nigeria, the region's economic powerhouse, is expected to continue growing between 6.7% and 7.3% in 2013 and 2014 respectively. Growth in other countries, with the exception of Benin, Cabo Verde and Guinea Bissau, is expected to exceed 5% during the same period. At the same time, West Africa continues to make advances in democracy, good governance, peace and security, although the region has experienced a rise in terrorism.

332. The economic expansion in the region has seen the emergence of a number of economic crimes that raise considerable illicit proceeds. Among these crimes are counterfeiting and intellectual property (IP) theft, particularly piracy of electronic products. Notwithstanding the lack of definitive data, these two phenomena generate substantial illicit proceeds in the region and seriously undermine both the economic potential of the countries and the integrity of commerce in the region. In all major cities and towns in West Africa, pirated electronic materials are commonly found and sold on the streets, especially on major roads with heavy traffic. This is generally tolerated by the law enforcement officials, even where there are laws that prohibit the production, distribution and sale of fake or patented products. For example, it is estimated that 80% of international music CDs available in Nigeria is pirated, and more so with videos. Also, 40% of CDs and other related products from the Nigeria music industry are copied, pirated or sold illegally. Frequent seizure and destruction of counterfeit goods by law enforcement officials exemplify the prevalence of these crimes in the region. For instance, in July 2013, an anti-piracy operation carried out by operatives of the Nigerian Copyright Commission at the Alaba International Market in Lagos resulted in seizure of 3,750 units of pirated broadcast decoders worth over N780 million (approximately US$5 million).

333. The substantial illicit proceeds generated through electronic counterfeiting and IP theft present a serious challenge to anti-money laundering efforts in West Africa. Specifically, the illicit proceeds provide criminal groups, especially those involved in other more serious criminal activities, with not only complementary income but also more money to invest in serious crime. The proceeds generated could be used to expand the production, importation or trafficking of counterfeit goods, which are then fed into legitimate supply chains in order to obtain clean money. Hence, in view of the ML risks associated with electronic counterfeiting and IP theft, the GIABA Plenary, at its 21st meeting held in May 2014, at Niamey, Niger Republic, approved the conduct of a typologies exercise on Money Laundering arising from Electronic Counterfeiting and Intellectual Property Theft in West Africa. The outcome of the exercise is expected to deepen understanding of the extent and manifestations of these crimes. This will enable GIABA and its partners to develop and implement appropriate policies and operational measures against ML arising from electronic counterfeiting and IP theft in the region.

Regional Study on the Vulnerability of DNFBPs to ML/TF and the Adequacy of Control Measures in West Africa

334. The regional research study on the vulnerability of DNFBPs to ML/TF in West Africa commenced in December 2013. The study, which covers the 15 ECOWAS member States, seeks to generate knowledge and deepen understanding of the operations of DNFBPs in West Africa, and also to identify the methods and techniques through which they are exploited by money launderers and used for terrorist financing. Also, the study aims to provide a deeper understanding of how DNFBPs could be misused for the purpose of laundering the proceeds of crime.

335. Experts selected from countries sampled for purposes of collecting empirical data have submitted initial drafts for review by the Lead Researcher and the GIABA Secretariat. Likewise, drafts have been received from experts in countries selected for purposes of desk review. The study is expected to be completed in 2015.

CONCLUSION

336. Undertaking typologies and other research studies on ML/TF continues to be a critical component of the activities of GIABA, not only because it is mandated to do so, but also because of the need to constantly update knowledge and adapt existing measures to the dynamic nature of ML/TF and its methods, techniques and trends.

chapter Five:

TECHNICAL ASSISTANCE TO MEMBER STATES

337. One of GIABA's mandates is to protect the national economies and the financial and banking systems of its member States against the proceeds of crime and terrorist financing. This is broadly why technical assistance or TA is given to States in order to enhance their capacity to build robust AML/CFT systems. Therefore, GIABA's technical assistance is designed to enhance the competency and skills of officials in the relevant AML/CFT stakeholder institutions in member States. These officials or official bodies include regulatory authorities, FIUs, law enforcement personnel, prosecutors and the judiciary. GIABA also supports the capacity-building of financial institutions, DNFBPs and civil society organizations.

338. Another goal of GIABA's technical assistance is to foster coordination, cooperation and collaboration between member States on the one hand, and between GIABA and development partners/donors on the other. This is expected to impact positively on the AML/CFT regimes of member States and the region as a whole.

339. It is essential to mention that in its effort to provide TA to member States, GIABA considers the special needs of weaker countries. Priorities are established at the national level through a consultation process between GIABA and the relevant authorities, which takes national priorities into consideration. As national and regional priorities change over time, the GIABA technical assistance is flexibly designed to respond to the dynamics of the ML/TF phenomenon as well as unforeseen circumstances and emerging issues. Apart from formal TA requests from member States, GIABA also provides, on ad hoc basis, TA to member States to enhance the skills of law enforcement agencies and the DNFBP sector, based on assessed need.

340. The following sections provide detailed accounts of the technical assistance provided to GIABA member States in 2014.

Deployment of AML/CFT Analytical Software to FIUs

341. The project of installing AML/CFT analytical software continued in 2014 with deployment made to Sierra Leone and Liberia; deployment to Guinea and Guinea Bissau was not done, largely due to the Ebola outbreak and lack of site readiness or secure office accommodation. Significant improvement was observed in the operations of most of the FIUs where the software had been deployed; increase in reported cases was disseminated to competent authorities. To ensure sustainability of the project, GIABA keeps working with the FIUs and vendors to address challenges that arise while the project is being evaluated. This evaluation must take place before designing post-implementation actions, including the retraining of the relevant FIU staff on the optimal use of the applications. It is expected that before the project comes to a close, GIABA and the member States will develop a joint action plan to facilitate the formal handover of the project to the 13 beneficiary countries.

Provision of Equipment

342. To enhance the capacity of member States' FIUs and law enforcement agencies, GIABA continued to support member States with critical infrastructure. However, despite the total amount spent in the provision of infrastructure to almost all member States by GIABA, some member States' FIUs and law enforcement agencies still face enormous challenges, especially with regard to infrastructure, thereby significantly impeding their administrative and operational efficiency. The challenges are more pronounced in post-conflict States and are largely attributable to competing demands on limited resources in these countries.

343. During the period under review, based on a request from the FIU of Liberia, basic equipment, including laptops and desktop computers, a generator, printers and steel filing cabinets were provided by GIABA to improve the working environment as well as facilitate operational activities of the FIU.

Mentorship Program

344. FIUs in the region have different levels of operational capabilities and effectiveness. To support weak and emerging FIUs and bring them at par with the few developed ones in the region, GIABA continues to provide training and mentorship to upcoming FIUs. In this regard, GIABA sponsored an expert from the Nigerian FIU to train and mentor relevant staff of the FIU of Liberia, which only recently became operational. The mentorship program covered training, development of an operational manual and a policy framework. The program involved extensive practical discussions at focus group level and plenary sessions. A formal report of the mentorship program was submitted to the Secretariat and this will help to improve future mentoring activities.

345. It is imperative to state that the GIABA mentorship program has had a profound positive impact on the development of the emerging FIUs. For instance, follow-up reports from countries that have benefited from the program showed a tremendous improvement in the quantity and quality of intelligence disseminated by their FIUs to competent authorities.

Membership of the Egmont Group

346. Recommendation 29 and its associated Interpretative Note urged countries to establish FIUs that should apply for membership of the Egmont Group. To help member States meet the Egmont membership requirements, GIABA incorporated FIU development as a critical component of its 2011–2014 Strategic Plan.

347. In line with its Strategic Plan, GIABA continued to collaborate with national authorities to strengthen member States' FIUs, especially non-Egmont members, in order to promote their eligibility for Egmont membership. During the period under review, GIABA leadership made a high-level advocacy visit to Ghana to sensitize national authorities and garner political will in support of the Ghana FIC's efforts towards Egmont membership. The Secretariat worked diligently with the Ghanaian authorities to address outstanding deficiencies, and this led to the admission of the FIC into the Egmont Group in June 2014. This development brings the total number of GIABA member States in the Egmont Group to seven. It is expected that Egmont membership status will further deepen international cooperation and enhance national AML/CFT efforts in the seven member States. The Secretariat is currently working with the authorities of the FIUs of Cabo Verde and Niger, and the two countries have undergone on-site assessment to facilitate their membership of the Group.

102 Burkina Faso, Côte d'Ivoire, Ghana, Nigeria, Mali, Senegal and Togo.

Forum of FIUs of GIABA Member States

348. The 4th and 5th meetings of the Forum of the Financial Intelligence Units of GIABA member States were held on 7 May 2014 and 11 November 2014 respectively, as part of the preliminary meetings leading to the 21st and 22nd GIABA Plenary meetings held in Niamey, Niger and Dakar, Senegal, respectively. The meeting was attended by heads of all member FIUs and the GIABA Secretariat. Delegates from Guinea, Liberia and Sierra Leone could not attend the 5th meeting because of the Ebola outbreak in their countries.

349. Discussions at the 4th meeting focused on updates on action towards Egmont membership by member States, particularly support to the non-members of Egmont; annual membership fees; drafting of the Forum Strategic Plan 2014–2015, and a consideration of GIABA's Technical Assistance Guidelines. The 5th meeting considered the Forum Strategic Plan for 2014–2015 and received updates on Egmont membership by member State candidates; it also considered annual membership fees, the logo of the Forum and the regional MoU template.

350. Key outcomes of the 4th meeting of the Forum included the election of the President of Benin CENTIF as the Forum's Chair for 2014/2015; endorsement of GIABA's Technical Assistance Guidelines; signing of 22 MoUs among members; commitment by Egmont member FIUs to support the Egmont candidates and aspiring members; the reconnection of the Nigerian FIU to the Egmont Secure Web; handing over of the management of the Forum to its leadership by the GIABA Secretariat, while the strategic plan of the Forum, payment of annual membership fee and the Forum's logo were adopted at the 5th meeting held on 11 November 2014.

Direct Financial Support to Member States

351. The implementation of the grant awarded to the Nigerian EFCC in March 2013 has been concluded. The grant was aimed at strengthening the operational efficiency of the EFCC and to enhance the AML/CFT regime of Nigeria by building the capacity of prosecutors, investigators and other relevant stakeholders. The interim report of the grant implementation submitted by the EFCC showed that the grant had a positive impact on its operations. Comparative statistics of investigations, prosecutions, recoveries etc. showed improved performance in the EFCC's operations.

352. Similarly, in response to a request received from the FIU of Côte d'Ivoire, in May 2014 GIABA Secretariat extended a grant of US$20,000 to the country to build the capacity of officials of the FIU and law enforcement agencies. It is expected that the grant will enhance the operational efficiency of the benefiting agencies and, ultimately, enhance the country's AML/CFT regime.

CAPACITY ENHANCEMENT PROGRAMS

National Financial Intelligence Analysis Training for the FIU of Liberia, Monrovia, Liberia

353. GIABA organized a National Training on Financial Intelligence Analysis for the Financial Intelligence Unit of Liberia, in Monrovia, Liberia. The training was the concluding part of a mentorship program provided to the FIUL by GIABA, 2–4 April 2014. The main objective of the training was to enhance the capacity of the FIUL to provide credible financial intelligence that will foster investigation and prosecution of ML/TF cases, as well as, facilitate recovery of proceeds of crime in Liberia.

354. The training was attended by 20 participants, comprising senior officials from the FIUL, law enforcement agencies and regulatory authorities responsible for financial analysis.

355. The program focused on the revised FATF Recommendations, financial analysis, and domestic cooperation and information exchange. The training sessions were interspersed with interactive/practical exercises and experience-sharing sessions to drive home the points.

356. Major recommendations made at the training were that GIABA should provide necessary support to the AML/CFT Inter-Ministerial Committee to enhance domestic coordination; sustain capacity development of critical stakeholders, including law enforcement agencies and the FIU to enhance their operational efficiencies; and support sensitization of reporting entities to deepen their compliance, especially with respect to reporting suspicious transactions.

Financial Sector Chief Executive Officers Dialogue Program, Monrovia, Liberia, 8 April 2014

357. GIABA organized a one-day Financial Sector Chief Executive Officers Dialogue Program for the leadership[103] of regulatory authorities and financial sector operators in Monrovia, Liberia. The main objective of the program was to enhance partnership and cooperation among CEOs of the Liberian Central Bank, FIUL and financial institutions to promote implementation of AML/CFT measures in Liberia's financial sector.

358. The program was attended by 23 participants from the Central Bank of Liberia, FIUL, commercial banks and insurance companies.

359. The program focused on the revised FATF Recommendations (Implications for Regulatory Authorities and Financial Institutions) and AML/CFT Supervision and Regulation: Balancing Cost of Compliance with Profit Motive. There were also panel discussions/interactive sessions led by four experts from the Central Bank of Liberia, FIUL, Ecobank and Mutual Benefits Assurance Company. Pertinent recommendations made at the forum were that GIABA should sustain sensitization of financial institutions to enhance their compliance with AML/CFT standards and support the proposed Financial Sector Chief Executive Officers Dialogue Forum when it is established.

National Training on Financial Investigation Techniques for Senegal and Mali

360. As part of the capacity-building for law enforcement agencies, GIABA organized training on financial investigation techniques for Senegal (February 2014) and Mali (June 2014).

361. The objective of these training programs, which involved 30 participants in each country, was to enable staff and officials in charge of criminal investigations and prosecutions to adopt modern financial investigation techniques for ML/TF.

362. The key recommendations made by the participants were mainly on the need for GIABA to continue organizing specialized training sessions in all member States in order to promote a standard method of investigation across member States, and deploy technical tools to facilitate investigations, particularly the Interpol I-24/7 systems and CEN-COM of the World Customs Organization.

103 Chief Executive Officers and Directors in charge of supervision and/or AML/CFT regulation from the Liberian Central Bank, capital market and insurance sector regulatory authorities; and Chief Executive Officers and Executive Directors with responsibilities for AML/CFT from financial institutions (banks, capital market and the insurance companies).

National Training for DNFBPs on AML/CFT for Niger and Mali, May and June 2014

363. GIABA, in collaboration with the FIUs, organized awareness-raising workshops for the benefit of DNFBPs in Niger (May 2014) and Mali (June 2014).

364. The objectives of the workshops were to sensitize DNFBPs as gatekeepers on the importance of taking AML/CFT issues seriously, deepening their understanding of the FATF recommendations and enhancing their capacities to detect and report suspicious transactions related to ML/TF, as well as to underscore the role of the regulatory, supervisory and self-regulatory institutions.

365. The key recommendations made by the participants were mainly for GIABA to organize such programs for each specialized DNFBP sector separately, to enable them to take effective ownership and ensure better management of ML/TF risks with the aim of strengthening the mechanisms for the prevention of ML/TF in their sectors.

National Workshop on Detecting Illicit Cross-Border Movement of Cash and Bearer-Negotiable Instruments for Border Law Enforcement Agencies, Lagos, Nigeria

366. The main objectives of the workshop were to: (i) improve the capacity of border law enforcement agencies to detect illicit cross-border movement of cash and bearer-negotiable instruments (BNIs), including the detection and disruption of terrorist funds; (ii) sensitize participants on how to effectively manage (monitor and control) cross-border movement of cash and BNIs in line with international best practices; and (iii) strengthen cooperation and collaboration between competent authorities for the effective management of cross-border movement of cash/BNIs in order to deepen the implementation of AML/CFT measures.

367. The workshop, which was facilitated by the GIABA Secretariat, was attended by 44 participants drawn from the Nigeria FIU, EFCC, Nigeria Customs Service, Nigeria Immigration Service and National Drug Law Enforcement Agency.

368. Following the presentations, panel discussions and participants' contributions, the following observations were made:

a) Cash remains strategically important to trade in the region and Nigeria in particular. However, cash transactions are vulnerable to ML/TF and pose unique challenges to the identification, tracing and recovery of laundered proceeds of crime, and to the effective implementation of AML/CFT measures.

b) Currency Declarations are a veritable source of information that if properly harnessed could further enhance national efforts in detecting and curbing money laundering and terrorist financing. Participants acknowledged the progress made by Nigeria in this regard, but noted that for best results the existing currency declaration/disclosure regime needed to be strengthened.

c) Domestic cooperation and collaboration, especially in information exchange, between relevant authorities are critical to detecting, deterring and disrupting illicit cross-border movement of cash or BNIs. In this regard, the need for feedback and acknowledgment of the contributions of stakeholders in joint operations was noted as necessary in order to enhance inter-agency cooperation and collaboration. Similarly, it was observed that the Federal Airport Authorities and other agencies with strategic responsibilities in the management of the airport need to be sensitized and co-opted into similar trainings and into the AML/CFT Inter-Ministerial Committee.

d) The currency declaration/disclosure regime has implications for national AML/CFT efforts and thus should be strengthened in order not to serve as a weak link.

e) The NFIU plays a central role in mainstreaming the currency declaration/ disclosure regime into national efforts aimed at curbing ML/TF.
f) Taking the proceeds of crime, including illicit cash/BNIs from the criminals, is key to an effective AML/CFT regime. In this regard, law enforcement agencies are urged to conduct parallel financial investigations alongside criminal investigation of suspects.
g) The following were noted as good prospects for the currency declaration/ disclosure regime in Nigeria: increased interest and commitment of the political authorities, especially in providing necessary guidelines and resources; the online filing of declaration/disclosure information to the NFIU/Central Bank of Nigeria; and the rising compliance levels or passengers' willingness to make declarations
h) Factors that pose challenges to the effective control and management of cross-border movement of cash/BNIs in Nigeria are: weak or outdated legal framework (particularly the Customs Excise and Management Act); weak inter-agency cooperation; porous national borders; lack of currency detection scanners; weak human capacities; the lack of limit for physical cross-border cash transportation; poor feedback mechanism; unrestricted movement of private jets; uncooperative attitude and/ or preferential treatment accorded to key political office holders/PEPs/VIPs; increasing use of precious stones/metals by travellers; poor intelligence on cross-border bulk cash/BNIs movement as well as the cash nature of the nation's economy.

369. Based on the above observations, participants made the following recommendations:
a) Competent authorities should strengthen inter-agency/international cooperation and collaboration, especially in sharing information to facilitate detection/ investigation and prosecution of illicit cross-border movement of cash/BNIs as well as confiscation of associated proceeds of crime.
b) Government should provide adequate resources and necessary support to border law enforcement agencies and the judiciary to enhance their capacities (human and institutional – currency detectors, computers, etc.) in order to effectively prevent, detect, investigate and prosecute illicit cross-border movement of cash/BNIs.
c) Government, through the Ministry of Finance, should issue clear directives mandating all political office holders, especially governors and ministers, to make their declarations in person.
d) The capacity of the NFIU should be improved to effectively analyse currency declaration/disclosure information and disseminate the resulting intelligence in support of national AML/CFT efforts.
e) The Nigeria Customs Service and other key stakeholders should carry out sensitization of the general public/ travellers on their obligations to declare/ disclose; they should also enforce the administration of Declaration Forms on board aircraft by airline operators to enhance compliance with the nation's anti-corruption and AML/CFT efforts.
f) Managers of border law enforcement agencies should enhance engagement with the leadership of the National Assembly to fast-track the amendment and passage of the Customs Excise and Management Act, the Whistle Blower Protection Bill and other relevant legal frameworks that will empower them to carry out their statutory responsibilities in line with international standards. Similarly, the Money Laundering Prohibition Act 2012 (as amended) should be amended to limit the threshold of physical bulk cash transportation to US$10,000.
g) The Government e-payment program should be strengthened, while the Central Bank should be given all the necessary support to implement the ongoing cashless policy and other related initiatives to facilitate migration to a cashless economy.

AML/CFT Compliance Seminar for Regional Compliance Officers of Guarantee Trust Bank, Lagos, Nigeria, 16 August 2014

370. Staff of the GIABA Lagos Information Centre participated in a training Seminar organized for the regional staff in charge of compliance in the Guarantee Trust Bank on 16 August 2014 in Lagos, Nigeria. The objectives of the training were to increase the knowledge of compliance officers in dealing with the complex requirements of the AML/CFT international standards and to strengthen the effective implementation of AML/CFT norms in the Bank in order to ensure its compliance with its AML/CFT obligations in its spheres of operations.

GIABA–SCUML Strategic Partnership to train DNFBPs on their Roles in the Efficient Implementation of AML/CFT Measures in Nigeria, held in Lagos, 25–27 August 2014

371. Staff of the GIABA Information Centre, Lagos, partnered with the Special Control Unit against Money Laundering (SCUML) in a three-day seminar. The objectives of the Seminar were to sensitize the participants on their AML/CFT obligations; deepen understanding of the DNFBPs on the negative consequences of ML/TF on their businesses and the society; and strengthen the commitment of the DNFBPs towards efficient implementation of AML/CFT measures. About 100 DNFBPs were represented in the seminar, covering lawyers, accountants, casino/hotel operators, jewellery and luxury goods sellers, vehicle dealers, properties and housing estate businesses, and a few financial institutions.

Table 5.1: Capacity-building support provided to member States by GIABA 2011–2014

		ANNEE				TOTAL
S/N	Member State	2011	2012	2013	2014	
1	BENIN	39	34	63	12	148
2	BURKINA FASO	63	45	59	16	183
3	CABO VERDE	20	29	32	7	88
4	COTE D'IVOIRE	61	128	35	42	266
5	THE GAMBIA	38	50	94	28	210
6	GHANA	278	191	512	32	1 013
7	GUINEA	25	166	16	7	214
8	GUINEA BISSAU	100	18	230	10	358
9	LIBERIA	28	124	50	56	258
10	MALI	56	29	25	77	187
11	NIGER	38	141	22	79	280
12	NIGERIA	353	1021	1055	131	2 560
13	SÃO TOMÉ & PRÍNCIPE		45	10	9	64
14	SENEGAL	223	116	75	62	476
15	SIERRA LEONE	97	19	274	8	398
16	TOGO	52	44	27	16	139
17	OTHER INSTITUTIONS	135	210	253	108	706
TOTAL		1 606	2 410	2 832	700	6 848

Chart 5.1: Capacity-building support provided to member States by GIABA 2011–2014

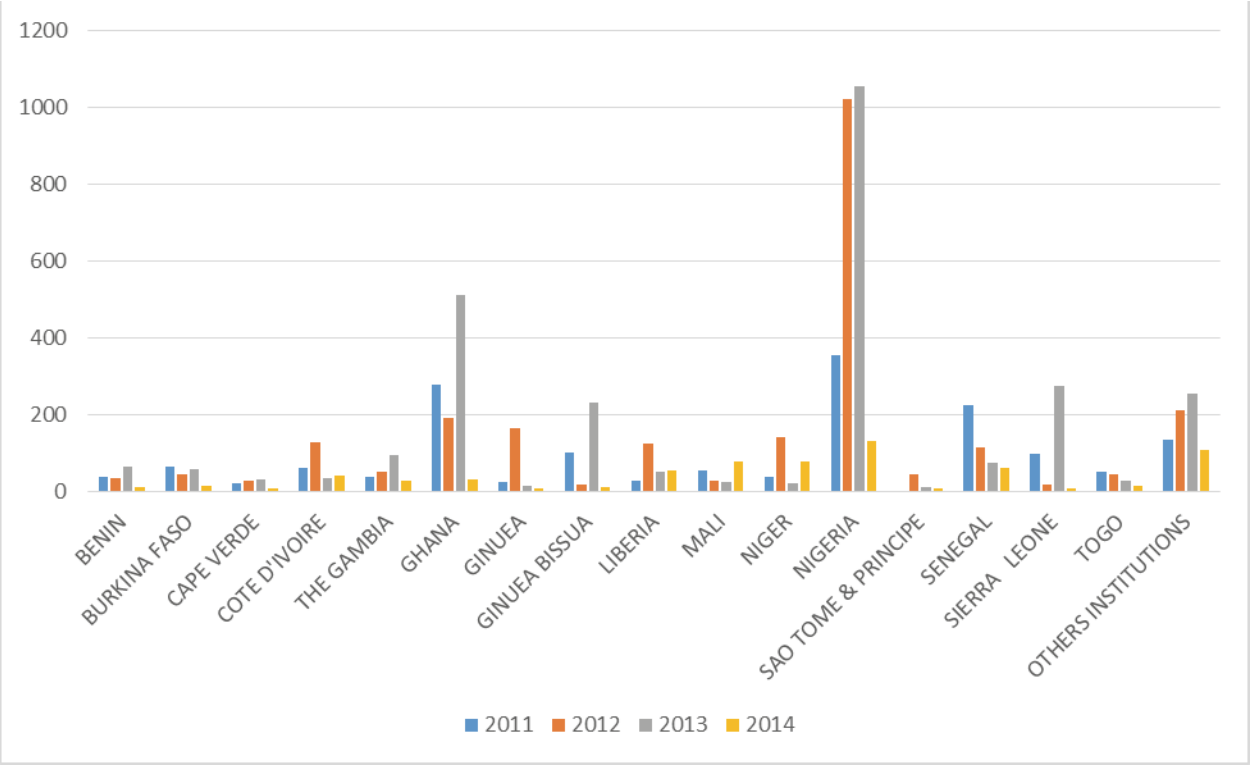
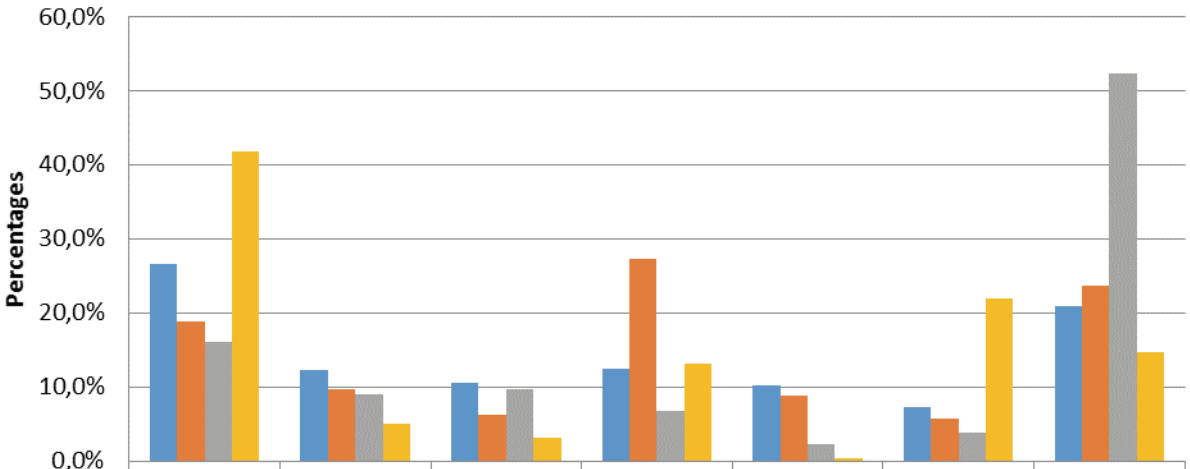


Table 5.2: Beneficiaries by Sector

S/N	Member State	ANNEE				TOTAL
		2011	2012	2013	2014	
1	Regulatory Authority	426	452	456	292	1 626
2	Banking Sector/Financial Instituions	196	233	255	35	719
3	DNFBPs	168	148	276	22	614
4	Ministries (Economic, Security, Judicial)	200	656	191	92	1 139
5	Judiciary	163	211	66	3	443
6	Law Enforcement	117	139	107	153	516
7	Others (Civil Society, Media, etc.)	336	571	1 481	103	2 491
TOTAL		1 606	2 410	2 832	700	7 548

Chart 5.2: Beneficieries by Sector

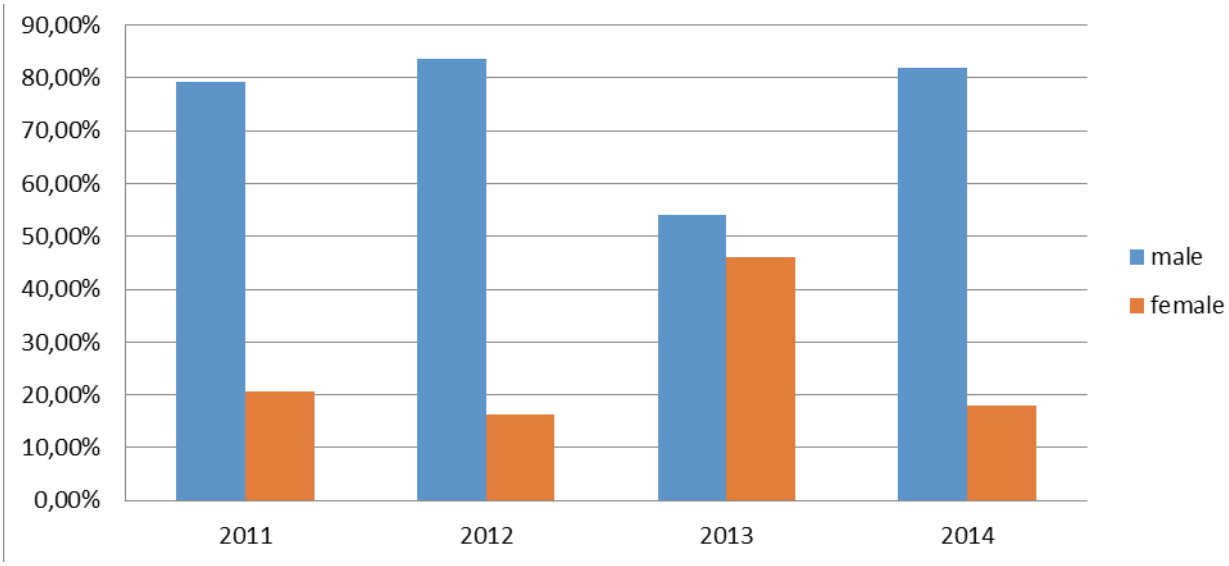


	Regulatory Authority	Banking Sector/Financial Instituions	Other Fin Institutions (DNFBPs)	Ministeries (Economic, Security, Judicial)	Judiciary	Law Enforcement	Others (Civil Society, Media, etc)
2011	26,5%	12,2%	10,5%	12,5%	10,1%	7,3%	20,9%
2012	18,8%	9,7%	6,1%	27,2%	8,8%	5,8%	23,7%
2013	16,1%	9,0%	9,7%	6,7%	2,3%	3,8%	52,3%
2014	41,7%	5,0%	3,1%	13,1%	0,4%	21,9%	14,7%

Table 5.3: Beneficiaries by Gender

		ANNEE				TOTAL
S/N	GENDER	2011	2012	2013	2014	
1	Male	1273	2017	1533	539	5362
2	Female	333	393	1299	161	2186
TOTAL		1606	2410	2832	700	7548

Chart 5.3: Beneficiaries by Gender



372. Tables 5.1 and 5.2 show that 2011 to 2013 have been marked with a steady rise in the provision of technical assistance to member States. In 2013, a total of 2,832 people benefited from GIABA TA.

373. GIABA also took into account gender participation in its TA activities, which peaked in 2012 with more than 45% of women participating in activities directed at civil society organizations in the region. Reasons for the low implementation of TA in 2014 are explained by resource constraints which affected the activities of all ECOWAS institutions.

CONCLUSION

374. Since 2006, GIABA has carried out technical assistance programs to enhance the technical skills and expertise of member countries in the fight against ML/TF. In 2014, TA provision was considerably low, not so much because countries did not need the assistance, but because of limited and untimely resource flow and the Ebola outbreak. Much of community resources was directed to addressing regional peace-making and peace-building priorities in Mali and Guinea Bissau as well as in helping out with the Ebola situation in the affected countries.

375. It is essential to remind ourselves that a robust AML/CFT architecture is fundamental in the socio-economic development of GIABA member States. The Secretariat therefore tries to ensure that provision of appropriate technical assistance is sustained in order to minimize the risks of terrorist financing and laundering of criminal proceeds.

376. As the situation in the region gets better in the coming years, it is expected that TA provision will double in order to assist member countries to strenghen their AML/CFT systems. Between 2011 and 2014, a total of 7,548 officials have benefited from GIABA technical assistance in the area of AML/CFT, and over $5 million worth of equipment have provided to member States of the region to enhance their AML/CFT environment.

Chapter Six:

ADVOCACY AND CIVIL SOCIETY OUTREACH

377. Raising public awareness in the region on the adverse consequences of transnational organized crime and all forms of financial crimes is critical to the fight against money laundering and terrorist financing. Advocacy, civil society outreach and mobilization of stakeholders contribute significantly to raising the required consciousness leading national authorities and other stakeholders to take the necessary steps to develop appropriate policies and frameworks to effectively address the laundering of the proceeds of crime and the financing of terrorism.

378. In this regard, GIABA carried out a number of high-level advocacy visits to member States, organized civil society outreach programs and mobilized stakeholders to sensitize them about their roles and how they can participate and engage in the fight against ML and TF. This chapter gives an account of the advocacy visits, civil society outreach and stakeholder mobilization activities undertaken by GIABA in 2014.

HIGH-LEVEL ADVOCACY MISSIONS

379. Director General's courtesy call on the Secretary General of the Ministry of Finance, Republic of Senegal, Dakar, Senegal, 24 February 2014

380. The Director General of GIABA paid a courtesy call on the Secretary General of the Ministry of Finance of the Republic of Senegal on 24 February 2014, as a familiarization visit and in order to strengthen collaboration between the Secretariat and its host country. Discussions during the meeting focused on the host country's support to GIABA and the strengthening of collaboration with Senegalese key stakeholders in the fight against ML/TF.

Director General's courtesy call on UNODC, Dakar, Senegal, 15 May 2014

381. The Director General of GIABA paid a courtesy call on the UNODC Resident Representative, Mr Pierre Lapaque, on 15 May 2014, at the UNODC Regional Office based in Dakar, Senegal. Discussions during the visit focused on strengthening cooperation between GIABA and UNODC; GIABA's assistance to GABAC (Groupe d'action contre le blanchiment d'argent en Afrique centrale – a similar organization to GIABA for the Central African countries); the need to enact and/or strengthen criminal asset recovery legal frameworks; capacity-building and promoting the networking of the key stakeholders in asset recovery in GIABA member States; UNODC's upcoming specific strategies in post-conflict countries such as Côte d'Ivoire, Guinea Bissau and Sierra Leone as well as high-sea illicit acts in the Gulf of Guinea.

Director General's courtesy call on the Authorities of Niger, Niamey, 6 May 2014

382. On the margins of GIABA's 21st Technical Commission and 13th Ministerial Committee Plenary Meetings, held in Niamey, Niger, the

Director General of GIABA met with the Prime Minister, His Excellency Mr Brigi Rafani, and the Minister of Justice, the Attorney General and spokesperson of the Government of the Republic of Niger and the Cabinet Director of the Minister of Finance.

383. The visit to the Nigerien authorities was to commend them for their support towards the hosting of the May 2014 Plenary meetings and the efforts made by the FIU of Niger. The major points of discussion during the visits were:

a) Participation of the Prime Minister and GIABA line ministers at the Plenary meetings;
b) Second round of mutual evaluations;
c) GIABA's assistance to the revision of relevant Niger legal framework;
d) Promotion of networking among GIABA member States' judicial police officers;
e) To advocate for FATF and EGMONT Group participation in organized advocacy visits to the parliaments of GIABA member States and governments;
f) Strengthening of the involvement of other ECOWAS institutions and agencies in GIABA's meetings.

STAKEHOLDERS' VISITS TO GIABA

Courtesy call by the Director General of the Nigerian Institute of Advanced Legal Studies on the DG of GIABA, Dakar, Senegal, 17 January 2014

384. The Director General of the Nigerian Institute of Advanced Legal Studies, Prof. Epiphany Azinge, a Senior Advocate of Nigeria, paid a courtesy call on the Director General of GIABA on 17 January 2014. The purpose of the visit was to present the institute's publication titled Money Laundering Law and Policy. The publication is part of efforts to deepen knowledge on AML/CFT in the region.

Courtesy Call by the Ambassador of Cabo Verde on the Management of GIABA, Dakar, Senegal, 25 April 2014

385. The Ambassador of Cabo Verde, Mr César Monteiro, paid a courtesy call on the Management of GIABA on 25 April 2014. The objective of the visit was to establish contacts with the new leadership and discuss ways of strengthening cooperation between GIABA and Cabo Verde in the fight against ML/TF. Other issues discussed are on the type of technical assistance provided to GIABA member States; the European Union cocaine route project; the FATF revised standards; the second round of mutual evaluations, and the courtesy call to be paid by GIABA's Management to the ECOWAS Ambassadors accredited to Senegal and on the need for increased commitment to the ECOWAS Vision 2020.

Visit to the GIABA Secretariat by the Vice-President of the ECOWAS Commission, Dakar, Senegal, 29 April 2014

386. The Vice-President of the ECOWAS Commission visited the GIABA Secretariat on 29 April 2014. He met with the Deputy Director General, Mr Brian Sapati, and the two discussed a wide range of issues, including financial resources challenges, the ongoing reform process, the infrastructure and transportation connectivity of ECOWAS member States and the harmonization and alignment of strategic plans of all ECOWAS institutions and agencies with the 2016–2020 agenda of the ECOWAS Commission.

Courtesy call by the Managing Director of Ecobank on the DG of GIABA, Dakar, Senegal, 27 May 2014

387. The Managing Director of Ecobank Senegal, Mr Yves-Coffi Quamdessou, paid a courtesy call on the Director General of GIABA on 27 May 2014. Discussions centred on the strengthening of customer service relationships, the strengthening of cooperation between GIABA and Ecobank, and training in AML/CFT for bank staff.

Citibank delegation Visit to the GIABA Secretariat, Dakar, Senegal, 11 June 2014

388. The Managing Director of Citibank, Ms Khady Dior N'Diaye, paid a courtesy call to the Director General of GIABA on 11 June 2014. Discussions focused on AML/CFT issues, in particular capacity-building, compliance issues, financial inclusion and the importance of a risk assessment/risk-based approach to supervision and the overall management of financial institutions.

HSBC delegation visit to the GIABA Secretariat, Dakar, Senegal, 4 December 2014

389. A three-man delegation from HSBC visited the GIABA Secretariat on 4 December 2014. Discussions focused on GIABA's role in the implementation of AML/CFT standards in the region, achievements, observed gaps, financial crime trends and AML/CFT regulatory requirements expected to be implemented by HSBC. The GIABA team emphasized the need for HSBC to collaborate and cooperate with relevant national authorities, including the FIUs. GIABA also called on the HSBC delegation to pay particular attention to the following pertinent issues: correspondent banking relationship; customer due diligence/enhanced due diligence/beneficial ownership; transactions associated with PEPs; transaction monitoring; filing of STRs; and risk assessment.

ADVOCACY VISITS, SENSITIZATION AND MOBILIZATION OF STAKEHOLDERS

Advocacy Visit to the Special Fraud Unit of the Nigeria Police, Lagos, Nigeria, 3 June 2014

390. The Information Manager of the GIABA Information Centre, Lagos and his staff paid an advocacy visit to the Special Fraud Unit (SFU) of the Nigeria Police on 3 June 2014. The GIABA delegation used the opportunity to brief the leadership of the SFU on the expansion of the PEPs and the need for the SFU to continue to play its critical role in combating cyber fraud and other financial crimes. The GIABA delegation was informed that the SFU had established an AML unit in its Lagos Office, and that the unit receives financial intelligence from the NFIU, while high-profile PEP cases are forwarded to the EFCC for action. The SFU requested for GIABA's support in the building of human resource capacities for its AML unit.

Advocacy Visit to the Nigerian Stock Exchange, Lagos, Nigeria, 4 June 2014

391. Staff of the GIABA Information Centre, Lagos, visited the Head of the Legal and Regulation Division of the Nigerian Stock Exchange (NSE) on 4 June 2014. The purpose of the visit was to solicit the support of the NSE Management in forestalling criminal elements from using the platform of the Stock Exchange to launder ill-gotten wealth. While commending the NSE for establishing the Committee of Compliance Officers of Capital Markets, the Information Manager of GIABA Information Centre, Lagos, called for safeguards against suspicious transactions, the need to identify PEPs, and the importance of tracking and sharing information with stakeholders. The Head of the Legal and Regulation Division noted that the NSE takes the issue of safeguards against ML/TF seriously; he has created a web portal for whistle-blowers to anonymously report malpractices in the capital market to the NSE and called for the enactment of enabling laws to protect whistle-blowers.

Advocacy Visit to the Lagos Chamber of Commerce and Industry, Lagos, Nigeria, 17 June 2014

392. The Information Manager of the GIABA Information Centre, Lagos, led an advocacy visit to the Lagos Chamber of Commerce and Industry on 17 June 2014. The Information Manager highlighted the important milestones reached in the fight against ML/TF in West Africa. GIABA also used the opportunity to charge the Chamber to remain committed to their AML/CFT obligations as a Specialized Professional Body and to collaborate with GIABA in its efforts.

Advocacy Visit to the Nigerian Institute of International Affairs, Lagos, Nigeria, 18 June 2014

393. Staff of GIABA at the Information Centre, Lagos, paid a courtesy call on the Director General of the Nigeria Institute of International Affairs on 18 June 2014. Discussions during the visit centred on the need to curb the financing of terrorism and harness the international support available. The DG promised to appoint a Research Fellow in the institute to specialize in GIABA activities and further proposed having a joint seminar on GIABA activities to involve the Foreign Policy and Diplomatic communities.

Advocacy Visit to the Securities and Exchange Commission, Lagos, Nigeria, 20 June 2014

394. Staff of the GIABA Information Centre in Lagos paid an advocacy and sensitization visit to the Securities and Exchange Commission (SEC) in Lagos (Nigeria's capital market regulator) on 20 June 2014, and met with senior officials of the institution. The GIABA team used the opportunity to brief the officials on GIABA and its activities; highlight ways by which the SEC could ensure that the capital market is protected from abuse by money launderers, and called on the regulator to ensure deeper collaboration with all stakeholders in order to make the capital market industry safe from ML/TF. The SEC team informed the GIABA delegation that their institution has been up and doing in its fight against ML/TF and is working particularly closely with the NFIU, SCUML and EFCC; has fully adopted the risk-based approach to supervision; issued manuals on AML/CFT and general operations to all capital market operators; and called for ways by which GIABA could participate in the knowledge-sharing platforms of the SEC in Lagos and Abuja.

Advocacy Visit to the Economic and Financial Crimes Commission, Lagos, Nigeria 25 June 2014

395. The Information Manager of the GIABA Information Centre, Lagos, met with the Head of Operations of the EFCC in Lagos on 25 June 2014. The Information Manager underscored the importance of not just prosecuting the predicate offences, but also the money laundering aspect of the cases, and to proceed to asset recovery following conviction, noting that asset recovery is highly important in the fight against money laundering. The EFCC Head of Operations congratulated GIABA on its activities and promised greater collaboration between his office and GIABA.

Regional Sensitization Workshop on AML/CFT for Civil Society Organizations, Abidjan, Côte d'Ivoire, 26–27 March 2014

396. As part of its continuous efforts to engage and strengthen partnership with the civil society organizations (CSOs) in the fight against ML/TF, GIABA organized a regional sensitization workshop on AML/CFT in Abidjan, Côte d'Ivoire, on 26–27 March 2014.

397. The aim of the program was to sensitize CSOs on ML/TF issues and their negative implications in the region; establish links and a solid network of CSOs and get their members actively committed to their roles in disseminating AML/CFT messages to the grassroots.

398. The workshop was attended by 52 participants representing ECOWAS leading CSO platforms, forums, movements, networks of associations, radio networks, regional networks, networks of women and networks of students. They are active in good governance, transparency and justice, corruption, human rights, peace and security, sustainable development, drugs and crime, economic activities, citizenship and youth employment, among others.

399. The presentations made at the event focused on:

a) Overview of ML/TF and the international initiatives;
b) GIABA's mandate, role, activities and its relationship with CSOs;
c) Enhancing national coordination in AML/CFT;
d) Role of CSOs in the fight against ML/TF;
e) Combating corruption through effective AML/CFT regimes;
f) CSOs: the new watchdogs;
g) Mobilizing stakeholders for the consolidation of the rule of law and promoting sustainable development in the ECOWAS Region.

400. The major outcomes were:

a) Institutionalization of the annual CSO seminar;
b) Facilitation of the establishment of the CSO West African network committed to the fight against money laundering;
c) Endorsement of partnership with OXFAM.

GIABA AML/CFT Open House Forum for Youth on Transnational Organized Crimes, Monrovia, Liberia, 7 April 2014

401. As part of GIABA's commitment to raise awareness among all stakeholders, it organized the 8th edition of the AML/CFT Open House Forum for Youths in Monrovia, Liberia, on 7 April 2014. The theme of the Forum was 'The Role of Youth in Combating Transnational Crimes in the Society' and was aimed at raising awareness and mobilizing youth, the media and the civil society to contribute to the fight against the ills of ML/TF in the society, especially among youth. Two hundred participants, consisting of students of tertiary institutions, CSOs, other youth groups and the media attended the program, along with top government officials and representatives of regulatory agencies involved in the fight against ML/TF in Liberia.

402. The highlight of the event was the establishment of AML/CFT Student Clubs (AML/CFT-SC) in tertiary institutions. The AML/CFT-SC will be a vanguard of advocacy in attitudinal change and in reducing the rate of financial and economic crimes in the society. The participants are required to take up the task of championing the sharing of information among their peers and being good examples in the society.

CONCLUSION

403. The effectiveness of any AML/CFT regime hinges on the commitment of all stakeholders to fulfil their roles and meet their obligations. This can only happen when the stakeholders clearly understand the roles and obligation and develop the capacity to fulfil them.

404. It is with this in mind that the GIABA Management has focused on leading high-level advocacy and stakeholder mobilization mission to member States to mobilize and inform them of their roles and obligations on AML/CFT as well as on emerging issues and threats.

405. The year 2014 has seen a sizeable amount of GIABA's resources invested in this activity, which is expected to have a spiral positive effect on the overall AML/CFT efforts in the region.

Chapter Seven:

REGIONAL INTEGRATION, INTERNATIONAL COOPERATION AND PARTNERSHIP

406. Money laundering and terrorist financing are global phenomena that require regional and international cooperation and partnership if they are to be combated effectively. Against this background, GIABA organized a Technical Assistance Forum during the 22nd Plenary Meeting of the Technical Commission to strengthen collaboration with development partners and ensure effective coordination of technical assistance provided to member States. The Secretariat also collaborated with some partners to organize joint programs during the year and to continue to forge regional partnerships and international cooperation in order to enhance the implementation of an AML/CFT regime throughout the region. Details and outcome of the meetings and related activities in this regard are given below.

GIABA Statutory Meetings

407. Despite the outbreak of Ebola in West Africa in 2014, GIABA successfully organized its Statutory Meetings. The 21st and 22nd Plenary Meetings of the Technical Commission (TC) were held in May and November 2014, respectively, to discuss progress made by member States in the implementation of AML/CFT measures. Specifically, the TC/Plenary meetings discussed technical reports presented by the GIABA Secretariat and follow-up reports made by member States to ascertain levels of progress and compliance with the FATF standards, as well as reports of GIABA research and typologies studies. Similarly, the 13th GIABA Ministerial Committee meeting was held in May 2014 to consider and approve the decisions of the 20th and 21st Plenary meetings and considered other issues presented to it. Details and outcome of the meetings of the 21st and 22nd Plenary meetings and the 13th GMC meeting are given below.

The 21st Technical Commission/ Plenary Meetings, Niamey, Niger, 5–9 May 2014

408. The 21st Plenary Meeting of the Technical Commission was held from 5 to 9 May 2014 at the Hotel Gaweye, Niamey, Niger. The Plenary took a number of decisions on the basis of the recommendations of the WGMEI and directed concerned GIABA member States to take action in the short and medium terms towards strengthening their AML/CFT systems. The decisions and directives are aimed at ensuring that the member States are in compliance with international standards. Specifically, the Plenary placed Benin, Togo, Liberia, Cabo Verde, Nigeria, Senegal and São Tomé and Príncipe on the expedited regular follow-up process and directed them to submit their next follow-up reports in May 2015. Similarly, Guinea Bissau, Guinea, Sierra Leone, and The Gambia were retained on the enhanced follow-up process and directed to submit their reports to the Plenary in November 2014.

409. A major highlight of the Plenary was the Secretariat's presentation of a memorandum on application for membership of GIABA by the Comoros Islands. The memorandum provided information on the emergence of the national AML/CFT of the Comoros Island, and the efforts so far made by that country to strengthen its AML/CFT regime. The country has so far been an observer in GIABA. The Secretariat presented a calendar for the second round of mutual evaluation of member States, as directed by the 20th Plenary meeting. Also, the Director General's Summary Report was presented to the Plenary. Both the Summary Report and the calendar were deliberated upon and adopted by the Plenary.

410. The 4th meeting of the Forum of Financial Intelligence Units of GIABA member States was held as part of the preliminary meetings leading to the 21st TC meeting. Major highlights of the meeting are as presented under the regional FIU Forum above.

GIABA 13th Ministerial Committee Meeting, Niamey, Niger, 10 May 2014

411. After the conclusion of the 21st TC/Plenary meetings in Niamey, Niger, the 13th Meeting of the GMC was held on 10 May 2014 at the Hotel Gaweye, Niamey, Niger. The meeting, chaired by the Deputy Minister of Finance of the Republic of Ghana, Hon. Mr Kweku Ricketts-Hagan, approved the calendar for the second round of mutual evaluations set to commence in the first quarter of 2016. It also adopted the Director General's Report and the Reports of the 20th and 21st TC/ Plenary Meetings.

412. The meeting also commended the GIABA Secretariat for developing the calendar and considering acceptable parameters for reaching consensus on the schedule for the next round of the evaluations. It requested the Secretariat to provide member States with the necessary guidance to facilitate their readiness for the evaluation exercise.

413. The meeting considered the application for membership from the Comoros Island.

414. The Director General applauded the Committee for the impressive attendance and their commitment, and assured them of GIABA's continuous commitment to the fight against ML/TF in the region through strengthening its operations and continuous provision of technical assistance to member States. His Excellency Brigi Rafini, Prime Minister of the Republic of Niger, declared the meeting open.

The 22nd Technical Commission/ Plenary Meetings, Dakar, Senegal, 10–14 November 2014

415. The 22nd Plenary Meeting of the TC was held on 10–14 November 2014 in Dakar, Senegal. It was preceded by meetings of the WGMEI, Forum of Heads of Financial Intelligence Units in West Africa and the Technical Assistance Forum with Development Partners, which were held on 10–12 November 2014. Guinea, Liberia and Sierra Leone were unable to attend the meetings due to travel restrictions placed by the host country on countries most affected by Ebola.

416. The Plenary considered and adopted the reports of the 22nd TC/Plenary of GIABA. The following were the outcome of the meetings:

a) Adoption of the follow-up reports of Guinea Bissau, The Gambia, Côte d'Ivoire, Burkina Faso, Ghana, Mali and Niger;
b) Signing of Agreement with the European Union under the 10th European Development Fund for supporting AML actions in the region;
c) Adoption of DG's summary activity report;
d) Adoption of summary country reports;
e) Adoption of the Process and Procedures of GIABA for the conduct of the second round of mutual evaluations of its member States, scheduled to commence in 2016;
f) Adoption of change of name of WGMEI to Evaluation and Compliance Group (ECG);

g) Adoption of an exit process of GIABA member States from the follow-up process in the context of the first round of mutual evaluation leading to the second round;
h) Adoption of the report of the co-chairs of the Working Group on Risks, Trends and Methods;
i) Adoption of a memorandum on support to member States for the conduct of typologies;
j) Adoption of the report of the 22nd GIABA Technical Commission/Plenary.

Technical Assistance Forum with Development Partners

417. The meeting of the Technical Assistance Forum was held on 12 November 2014, with GIABA member States in attendance except for Guinea, Liberia and Sierra Leone. Development partners and observers that attended the meeting included the African Development Bank, BCEAO, European Union, GABAC, FATF, UNODC, WAIFEM, World Bank, IMF and France.

418. Deliberations at the meeting covered presentations on funded projects (AfDB and EU projects). The joint EU–GIABA project financing agreement was signed during this session and updates on support to member States by technical and financial partners were provided. The need for collaboration and coordination between technical assistance providers was emphasized to avoid duplication and ensure efficient allocation of resources. The Secretariat is to liaise with the development partners to produce a consolidated framework for member States on how to access available funding windows of various donors. In addition, the Secretariat was enjoined to ensure that the funds are disbursed according to the needs and priorities of member States. The AfDB briefed the meeting on a funding window being proposed for Sub-Saharan Africa and that the fund would be channeled through GIABA and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to cover all their members.

419. A high point of the Forum was the signing of the EU–GIABA joint project financing agreement by Mr Adama Coulibaly, Director General of GIABA, on behalf of the President of the ECOWAS Commission, and Her Excellency Mrs Dominique Dellicour, the EU Ambassador to Senegal, on behalf of the European Commission.

REGIONAL COLLABORATIVE PROGRAMS

UNCTED–GIABA Workshop on Effective Monitoring of Alternative Remittance System to Prevent Terrorist Financing Abuse, Dakar, Senegal, 17–19 March 2014

420. GIABA, in collaboration with the United Nations Counter Terrorism Executive Directorate (UNCTED), organized a regional workshop on Effective Monitoring of Alternative Remittance System to Prevent Terrorist Financing Abuse for GIABA member States and other African Countries from 17 to 19 March 2014, in Dakar, Senegal. The workshop was jointly funded by UNCTED, the Netherlands, Germany, the Global Center on Cooperative Security and GIABA.

421. The objectives of the workshop were to identify the potential areas in which the alternative remittance sector is vulnerable to TF abuse and to facilitate discussions on ways to strengthen the existing regulatory framework by sharing good practices and promoting both financial inclusion and ongoing dialogue between regulators, law enforcement and the private sector.

422. The workshop was attended by 44 participants drawn from central banks, financial intelligence units, law enforcement agencies and selected remittance companies of Burkina Faso, Chad, Ghana, Mali, Mauritania, Niger, Nigeria and Senegal. Deliberations during the program focused on existing regional and national legislation and practices for regula-

tion and monitoring of alternative remittance services (ARS); financial inclusion; identification of gaps in the existing ARS regulatory framework; inter-agency cooperation among stakeholders as well as strategies and practices that will promote proportionate and balanced regulation of ARS.

423. To effectively regulate the ARS for AML/CFT, participants recommended that (i) member States should identify, license and encourage ARS providers to self-regulate; regulators should involve ARS operators in policy and regulatory matters while competent authorities should strengthen inter-agency cooperation and collaboration with the private sector (banks, DNFBPs and CSOs), promote financial inclusion policy; and enhance international cooperation in matters of AML/CFT; and (ii) GIABA should support member States to conduct national risk assessment to identify ARS providers outside the banking sector and the ML/TF risks they pose; to sensitize remitters with regard to ML/TF, and share best-practice guides, TF risk indicators and red flags in order to guide the remitters in their daily operations and in particular how to identify a suspicious activity or transaction.

GIABA/UNCTED Regional Workshop on the Obligation to Freeze Assets in Accordance with Resolution 1373 (2001) of the UN Security Council, Accra, Ghana, 7–9 April 2014

424. GIABA and UNCTED co-organized a regional workshop on the Asset-Freezing requirement of UNSCR 1373, for Anglophone member States of ECOWAS on 7–9 April 2014 in Accra, Ghana. The workshop was a follow-up to the asset-freezing workshop organized for ECOWAS member States of WAEMU in Dakar, Senegal, in December 2012.

425. The workshop, which was built on the outcomes of the global expert meeting on the asset-freezing requirement of UNSCR 1373 (2001) held by UNCTED in Amsterdam in October 2012, brought together technical experts from Australia, the United States, the United Kingdom, South Africa, Interpol, the UN Counter Terrorism Implementation Task Force, CTED, the World Bank, 1267 Monitoring Team, a panel of experts for Libya, the GIABA Secretariat, and representatives from the private sector in Ghana.

426. Twenty-four senior officials from ministries, departments, regulatory agencies, FIUs and law enforcement agencies responsible for the implementation of the freezing requirement of UNSCR 1373 in their countries attended the workshop.

427. The workshop was designed to strengthen the capacity of member States to implement effective asset-freezing systems in accordance with obligations pursuant to the UNSCR 1373 and draw participants' attention to the differences between UNSCRs 1267 and 1373 on asset-freezing regimes.

428. Experts from Australia, the United States, the United Kingdom and South Africa shared with participants the asset-freezing mechanisms in place in their countries. Representatives of member States described institutional, legislative and operational asset-freezing mechanisms in place in their countries and the challenges they pose for implementation. In collaboration with experts, delegates identified practical solutions for implementing effective asset-freezing regimes within their jurisdictions.

429. At the end of the workshop, and taking into account the weaknesses identified in the asset-freezing regimes and mechanisms of the participating countries, the UN Counter Terrorism Implementation Task Force made a presentation on its mandate and informed participants about a Task Force project on Training and Capacity Building on Designating Terrorist Individuals and Entities and Strengthening Asset Freezing Regimes and Mechanisms. The project aims to address any unresolved problems or gaps that may prevent countries from meeting their obligations under UNSCRs 1267 and 1373. Countries were invited to indicate their interest in participating in the pilot stage of the project.

Seminar on Good Governance and Active Citizenship for Sustainable Development and Peace in West Africa: Will 'the ECOWAS of Peoples' be the Answer?, Dakar, Senegal, 28 April 2014

430. The Deputy Director General of GIABA participated at the joint seminar by Oxfam International, the ECOWAS Commission and the Royal Netherlands Embassy which took place in Dakar, Senegal, on 28 April 2014, on the theme 'Good Governance and Active Citizenship in West Africa: will "the ECOWAS of Peoples" be the answer?', at the residence of the Ambassador of the Netherlands in Dakar.

431. The purpose of the seminar was to raise awareness on ECOWAS Vision 2020, for reflection and dialogue on civil society engagement in ECOWAS processes and on the state of cooperation between ECOWAS and its institutions and the community.

432. The Deputy Director General's presentation focused on the role of GIABA and activities undertaken with the CSOs in support of the fight against ML/TF since 2007.

WAIFEM Regional Course on Combating Money Laundering and Other Financial Crimes, Abuja, Nigeria, 12–16 May 2014

433. 410 GIABA supported the hosting of the WAIFEM Regional Course on Combating Money Laundering and Other Financial Crimes, designed to complement GIABA efforts, as part of its collaborative efforts to build the requisite AML/CFT capacity for officials of competent authorities and other stakeholders in the region. Discussions at the course focused on topical AML/CFT issues, with the ultimate objective of preventing the misuse of the financial systems and economies of member States for ML/TF. The Secretariat provided a resource person and sponsored two regional experts to facilitate at the workshop.

National and Regional Training Course Organized by ECOWAS and the ISS in Burkina Faso, Senegal, Mauritania and The Gambia

434. At the invitation of the South Africa-based Institute for Security Studies, Dakar Regional office, and within the framework of the ECOWAS Anti-Terrorism Action Plan, GIABA participated in national and regional training courses on the fight against terrorism, in Burkina Faso (May 2014), Mauritania (June 2014) and The Gambia (July 2014), respectively. All GIABA member States were represented at these training sessions, which brought together at every session about 40 participants drawn from law enforcement agencies.

435. The key objective of GIABA's participation in the delivery of the course was to show the role and actions of GIABA in the fight against terrorist financing. More specifically, it was designed to introduce participants to the techniques of financial investigations related to the tracing and recovery of assets belonging to terrorists and terrorist organizations and to share the findings of the joint GIABA–FATF study on the Typologies of Terrorist Financing in West Africa.

Training Workshop on Seizure, Confiscation and Recovery of Criminal Assets, Saly, Senegal, 24–27 March 2014

436. GIABA participated in the workshop organized by the Global Programme against Money Laundering of the UNODC on proceeds of crime and financing of terrorism, (held in Saly, Senegal, from 24 to 27 March 2014). The workshop was attended by 42 participants from GIABA member States and comprised representatives of judicial authorities, ministries of Justice, public prosecution authorities, FIUs and ministries of Finance. There were also representatives from the UNODC, GIABA, the Camden Asset Recovery Interagency Network (CARIN) and Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) secretariats,

the US State Department, the network of Prosecutors and Central Authorities, the StAR (Stolen Assets Recovery) initiative and the 'Cocaine Route' project of the EU on AML/CFT.

437. At the end of the workshop, recommendations were made to establish an ARIN-type network in West Africa that would provide GIABA member States with a structure to recover and manage confiscated assets. Modalities relating to the Secretariat and the chairmanship of the network would be discussed at a later date.

African Export-Import Annual Customer Due Diligence and Corporate Governance Forum, 28–29 October 2014, Dakar, Senegal

438. GIABA attended the African Export-Import Annual Customer Due Diligence and Corporate Governance Forum held in Dakar, Senegal, from 28 to 29 October 2014. GIABA made a presentation titled 'Customer Due Diligence in Africa: Gaps and Challenges'. The program was organized by the African Export-Import Bank in collaboration with BCEAO, the Government of Senegal, and CissCorp Holding International.

439. The meeting brought together experts from financial institutions, regulatory authorities, financial intelligence units and other corporate and international organizations across Africa. Discussions at the Forum focused on customer due diligence and corporate governance in Africa, with emphasis on possible solutions to the challenges faced by financial institutions and corporate entities on the continent. A key outcome of the Forum was the establishment of the African Customer Due Diligence Repository Platform. This Platform will serve as a central source of CDD information for African banks/financial institutions, and corporate entities and will be accessible by subscription. It is expected that the Platform will assist in reducing the costs incurred by financial institutions in meeting compliance requirements, including AML/CFT requirements, and in mitigating other negative impacts of current CDD requirements connected to African trade and trade finance.

INTERNATIONAL MEETINGS

Egmont Committee and Working Group Meeting, Budapest, Hungary, 16–19 February 2014

440. The Egmont Working Group and Committee Meetings were hosted by the Hungarian FIU on 16–19 February 2014, at the Marriot Hotel, Budapest, Hungary. The meetings brought together Egmont member FIUs and observer organizations, including FSRBs for in-depth discussions and training in order to further the development of the international FIU network.

441. Among other things, the meetings considered applications from ten candidate FIUs for membership of the Egmont Group. Three candidate FIUs were recommended to the Heads of FIUs for consideration and approval; five had moderate shortcomings, including FIUs' tasks on terrorist financing, issues relating to confidentiality and pending draft laws that needed to be cleared, while two had significant concerns, including the legal basis for the organizations and structure of the FIUs. Membership for the FIUs in the last two categories were put on hold pending the resolution of the concerns.

442. Four GIABA member States' FIUs were among candidate FIUs discussed by the Outreach and Legal Working Groups during its meeting. Status of membership application of member States' FIUs is highlighted below:

- Ghana FIC: Ghana is addressing the outstanding issue (reviewing AML/CFT legislation to address observed deficiencies relating to terrorist financing in connection with UNSCR 1373). The country was asked to provide the Legal Working Group with the revised text for review before June 2014. Progress in this will determine admission or otherwise of the FIU at the upcoming Egmont Plenary. The FIUs of the United States and Nigeria sponsored Ghana's application for membership.
- Cabo Verde FIU: An onsite visit was scheduled for the fourth week of September 2014. The FIUs of Portugal and Brazil sponsored the membership application of Cabo Verde.
- Niger FIU: An onsite visit was postponed to 2015. The FIUs of Senegal and France sponsored the membership application of Niger.
- Nigerian FIU: Conditions necessitating the disconnection of the FIU from the Egmont Secure Web were judged to no longer exist. The FIU will be reconnected after the review of the legal provisions relating to the operational autonomy of the NFIU.

443. The DG of GIABA also met with the Executive Secretary of the Egmont Group, Mr Kevin Stephenson, on the margins of the Egmont Committee and Working Group meetings on 18 February 2014. The meeting served as both a formal courtesy call by the DG and an opportunity to discuss areas of bilateral cooperation and collaboration between GIABA and the Egmont Secretariat. Discussions during the meeting focused on proposal to the Egmont Secretariat by the Côte d'Ivoire FIU to host the 2016 Egmont Plenary; the Executive Secretary's participation in the GIABA Plenary in November 2014; GIABA engagement with development partners in promoting AML/CFT implementation in member States; and co-hosting of Operational Training sessions planned by GIABA for its November 2014 Plenary.

22nd Egmont Group Plenary, 1–6 June 2014

444. For the purpose of enhancing its role in strengthening FIUs in member States, GIABA attended the 22nd Egmont Plenary meetings held in Lima, Peru.

445. Major outcomes of the Plenary included the signing of 60 bilateral cooperation agreements among Egmont members and admission of eight new FIUs into the Egmont Group. Five of the new members are from Africa, with one (Ghana) coming from West Africa. This development brings the total number of Egmont Group members globally to 147, with seven in GIABA. Also, the Heads of FIUs approved the revised Egmont Strategic Plan (2014–2017) and the new Egmont Support and Compliance Process and Membership Procedure; it suspended the FIU of Syria from the Egmont Group for continued non-payment of membership contributions and endorsed a new regional footprint to enhance greater cooperation with the FSRBs.

446. The Director General and President of Côte d'Ivoire FIU met with the Executive Secretary of the Egmont Group, Mr Kevin Stephenson, on the margins of the Egmont Plenary meetings on 5 June 2014, to follow up on an earlier application submitted by the FIU of Côte d'Ivoire to host the 2016 Egmont Plenary as well as DG's earlier requests for the Executive Secretary to attend GIABA's November 2014 Plenary, visit authorities of two member States, and co-organize operational training sessions planned by GIABA for its November 2014 Plenary.

CONCLUSION

447. It is essential to keep in mind that as transnational organized crimes, money laundering and the financing of terrorism may be successfully defeated only through international cooperation and collaboration. GIABA is therefore committed to strengthening regional and international cooperation and partnerships in order to ensure that the West African region is protected from organized and financial crimes and the activities of criminal groups who may exploit the region for their nefarious activities. In particular, regional coordination is geared towards ensuring that criminals who commit financial crimes in one member State cannot hide in another country to enjoy their loot.

Chapter Eight:

ACTIVITIES OF ADMINISTRATIVE SERVICES ANDOF THE MONITORING AND EVALUATION UNIT

INTRODUCTION

448. The year 2014 was a year of leadership change in GIABA. After almost eight and nine years at the helm of GIABA's affairs, Dr Abdullahi Shehu (Nigeria), who had been the Director General since mid-2006, and Dr Elizabeth Diaw (Senegal), who had been the Deputy Director General since 2004, vacated their positions on 31 January 2014. They were replaced by Mr Adama Coulibaly (Côte d'Ivoire) as Director General and Mr Brian Sapati (Ghana) as Deputy Director General.

449. In 2014, The Community witnessed difficulties in mobilizing sufficient resources to finance its budget. The difficulties were brought about largely by the failure of some member States to send in their community levy and the increase in spending on peace keeping and security/stabilization missions. As a result, budget performance for the region stood at 57% as at the end of December 2014.

Organizational Structure

450. The organizational structure remained the same in 2014 as presented in the appendix attached to this report. However, the institutional reform is expected to lead to a reorganization of GIABA's structure in order to refocus it to its core mandate.

Staffing

451. Due to the ongoing restructuring and institutional reform processes and the freeze on recruitment imposed by the Council of Ministers, there was no recruitment carried out in GIABA in 2014, except that of a consultant who was contracted specifically to provide support for the development of the 2015–2018 GIABA Strategic Action Plan, and the appointments of a Special Assistant and an Executive Assistant to the new Director General and of an Executive Assistant to the Deputy Director General.

Staff Retreat and other Social Activities

452. In line with its usual practice, but under its new leadership, GIABA organized its annual staff retreat from 31 July to 2 August 2014 at Framissima, Palm Beach Hotel, Saly Mbour, Senegal, on the theme 'A Shared Vision 2018'. This is unlike the previous years when staff retreats were devoted only to institutional practice, culture and behaviour. The retreat was a joint one, comprising both professional and general service staff.

453. The main objective of the retreat was to bring staff to adopt the vision of the new leadership. Specifically, the objectives were to assess how staff feel about working as teams in their workplace environment in order to identify the strengths, weaknesses, opportunities and threats of GIABA, and to propose alternative ways of achieving the desired change.

454. It was expected that the retreat had afforded the new leadership the opportunity to understand the strengths of and challenges facing GIABA. The expected outcome was that the relationship between Management and staff would be strengthened and consolidated, a shared vision for GIABA would be developed and its implementation processes defined.

455. The sessions during the retreat were presided over by the DG, Mr Adama Coulibaly and facilitated by the DDG, Mr Brian Sapati. The retreat was attended by 65 staff of the organization and two GIABA consultants.

International Women's Day, 8 March 2014

456. The date of 8 March has been set aside annually to focus attention on gender equality and women's rights. This is also a key area in ECOWAS's regional integration program that is intended to demonstrate Management's commitment to gender balance, as well as the protection and promotion of women's rights. Mr Sapati presided over the activities organized to mark the day. Most of the male counterpart staff attended the event. The day was celebrated with a guest presentation on family and work lives, followed by a lunch and cocktail reception. Mr Sapati assured the female staff of the full support of Management, and acknowledged their tremendous contribution to the success of GIABA.

Staff General Assembly

457. As part of the effort to promote a cordial relationship between Management and other staff, general assemblies were held twice in 2014. These provided an avenue for constructive dialogue between Management and other staff members. This is part of the internal communication mechanism set by the Executive Management to discuss matters such as the Health Insurance Scheme, staff assessment processes, and general staff relationships. Accordingly, two staff general assemblies/town hall meetings were held in February and October 2014 to provide room for feedbacks to Management. Usually, Management addresses issues raised instantly or makes promises to look into the matters.

End of Year Celebration

458. Every year GIABA organizes a Christmas tree celebration with presentations of gift items. The 2014 celebration was organized for 19 December. At the occasion, the DG presented Christmas gifts to all the children of GIABA staff in order to express GIABA's appreciation to families of staff members for the support they gave to GIABA. Staff, invitees and their children enjoyed shows and leisure at the event.

Staff Training Program

459. GIABA's annual training plan is a comprehensive document which is derived from the vision, mission, mandate, objectives and programs of the institution. The plan is based on clearly identified priorities as captured in the GIABA 2011–2014 Strategic Plan and its components. Need assessments, available resources, processes, implementation mechanisms, and monitoring and evaluations determine training activities for each operational year.

460. It should further be noted that GIABA has a dual mandate: as an FSRB and as a program-based specialized ECOWAS institution and as technical assistance provider. The TA mandate is justified by the low capacity of member States and the complexity of the ML/TF phenomena.

461. Under its 2011–2014 Strategic Plan, GIABA has responded to the main recommendations arising from the independent evaluation of the 2007–2009 Strategic Plan and the needs expressed by its various stakeholders. The strategic program areas outlined in the Plan reinforced the need for continuous upscaling of the theoretical and practical knowledge, the professional behaviour and motivation, and the mobilization of GIABA human capital in compliance with international best practices.

462. In order to ensure the availability of adequate human capacity, the Management of GIABA have processed information from various sources such as the outcome of each staff member's performance assessment, a benchmark of best practices, and an analysis of major trends in knowledge, skills and attitude that will be needed to support the execution of its mandate. Because of limited funds, the 2014 Training Plan was not fully implemented.

ECOWAS Institutional Reform Project

463. Following a decision by the Authority of Heads of State and the Government, the Council of Ministers set in motion a framework for carrying out ECOWAS institutional reform. The process commenced with the appointment of Maxwell Stamp, a UK-based consultancy firm, to lead the reform. The initial report of the consultants was presented for consideration and decision at the 73rd meeting of the ECOWAS Council of Ministers held in Abuja in November 2014.

464. The reform process is designed to overhaul the manner of doing business in ECOWAS institutions and improve efficiency in mandate delivery. The Council of Ministers decided that the ECOWAS Commission and the consultants needed to do further work on the report by looking into the protocols, the roles of national units in the restructuring and some other recommendations before a final report is submitted to the Council at its next session in May 2015.

Information Communication Technology

465. Information Communication Technology (ICT) remains the backbone of GIABA's operations in administration and financial management as well as the implementation of programs. The ECOlink Project of ECOWAS is expected to give further impetus to GIABA's automation process when the SAP Enterprise Resource Planning software is fully deployed for use in 2015. In 2014, further progress has been recorded in ICT-related projects and the general operational environment as outlined below.

466. AML /CFT analytical software project: The ICT Unit, working in tandem with the appointed vendor, was able to conclude the deployment of AML/CFT analytical software to Liberia. The implementation for Guinea Bissau and Guinea had to be put on hold due to the outbreak of Ebola in Guinea, and, in the case of Guinea Bissau, due to lack of site readiness.

467. Deployment of currency and other contraband scanners: Following the request made by Council of Ministers for GIABA to extend the deployment of currency and other contraband scanners to all ECOWAS countries at the GIABA Ministerial Meeting held in Abidjan, Côte d'Ivoire, May 2013, a memo to that effect was presented and approved by Council of Ministers. Under the new project, the ICT coordinated the installation of a body scanner at the Nelson Mandela Airport, Praia, Cabo Verde and the Cotonou Cadjehoun Airport, Benin. The deployment to other countries is expected to continue in 2015.

468. Human Resources database: In recognition of the need to ensure that information about GIABA's human assets is readily available and accessible, a web-based, feature-rich, intuitive and multi-language Human Resource platform for managing staff data was developed in August 2014. This also serves as an interface for moving the data to the SAP Enterprise Resource Planning platform when deployed.

469. Procurement Portal: ECOWAS has adopted a new Tender Code and Procurement manual, which came into force in 2014. All procurement entities are expected to comply with its provisions, which include the hosting and maintenance of a procurement portal to serve as an interface for managing the procurement issues with clients. In line with this requirement, a Procurement Portal was developed and launched in December 2014. The portal is accessible as a stand-alone portal through GIABA's website (procurement.giaba.org). On the portal, vendors can access information on valid tender notices, register their firms/businesses with GIABA, and access ECOWAS official documents on procurement in order to familiarize themselves with the provisions. There is also a Knowledge Centre meant to disseminate information on matters relating to GIABA procurement outcomes and results.

470. Redesigning of the website: The GIABA website is the main tool for communication with its stakeholders, so has to remain constantly relevant and fresh. In order to further improve GIABA's communication with its stakeholders and other users, the website was redesigned to be deployed in 2015.

471. Other matters: The GIABA Local Area Network was also reconfigured in order to improve throughput and increase availability. Training was organized for secretaries and assistants to improve their IT Skills, while the Microsoft Office suite in use at the Secretariat was upgraded from version 2007 to 2013. A Computer-aided training on the use of the Microsoft office 2013, was developed in-house to facilitate the quick understanding of the new package by staff.

472. As part of the European Union Cocaine Route project, a workshop was held for trainees on the Computer Based Training modules on AML at the GIABA conference hall in October 2014. The ICT Unit supported the organization of the workshop and made a presentation on 'Computer Analysis Techniques and Cyber Crime'.

FINANCIAL MANAGEMENT

Funding

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

Source of Funds	Key Funding Activities
ECOWAS Community Levy funds	Staff salaries, program implementation, administrative and capital expenditure
São Tomé and Príncipe	contribution from São Tomé and Príncipe for membership of GIABA

474. In November 2014, GIABA signed a financing agreement with the European Union to the tune of three million euros to strengthen AML capacities in West Africa. The grant agreement for the project is expected to be signed in 2015.

475. In addition, a grant agreement to the tune of US$300,000 was signed by GIABA and the African Development Bank Group, which is meant to strengthen AML/CFT compliance in West Africa.

Budget Implementation

476. The 71st Ordinary Session of the ECOWAS Council of Ministers approved a budget of Units of Accounts (UA) 9,791,474 for the implementation of GIABA's 2014 activities, representing a 5% increase in funds made available to the institution over the previous year. This budget was expected to be financed at 97% (representing UA 9,491,474) from community levy and 3% (representing UA 300,000) from external funds. During the period under review, 57% of the budget provision was implemented.

Audit of Financial Statements

477. The external audit of GIABA's 2012 financial statements was completed in October 2012, by KPMG, Ghana, and the final report was submitted for consideration by the Audit Committee.

478. In addition to the annual audits conducted by external auditors, the Financial Controller of ECOWAS institutions conducted an on-site visit to examine GIABA's administrative and financial operations. The discussion of the Controller's report at the 71st ECOWAS Council of Ministers gave the opportunity to the DG to clarify issues raised by the Controller and to provide relevant information to ministers.

479. The Chief Internal Auditor also conducted an on-site visit in November 2014 to examine payment processes. As at the time of finalizing the 2014 Annual Report the reports are yet to be received.

Deployment of SAP Accounting Software for ECOWAS Institutions

480. In 2014 an ECOWAS inter-institutional project team was set up to develop a framework for the deployment of a SAP Enterprise Resource Planning platform in all ECOWAS institutions, including GIABA. The project is being implemented by ECOWAS and Deloitte Kenya. The SAP (renamed ECOlink) is aimed at strengthening transparency and accountability in ECOWAS institutions and will serve as a key tool in integrating and harmonizing management processes and in standardizing information.

481. With this resource, all business processes in GIABA will now be done in real time with effective checks and balances in place. This will also enable GIABA to prepare management and external reports in a timely and accurate manner for the consumption of partners and member States. It is expected that GIABA will go live in April 2015 and the first consolidated financial statements of ECOWAS will be prepared in December 2015.

Other activities

482. GIABA participated in the 2014 inter-institutional budget review meeting held at the ECOWAS Commission and the Administration and Finance Committee meeting in Abuja, Nigeria, on 1–5 December 2014. to consolidate the budget proposals from ECOWAS institutions presented for consideration and approval by the Council of Ministers. GIABA participated actively, along with other ECOWAS institutions, in the financial management reform process, including the ongoing implementation of the ECOlink platform.

Procurement Planning and Reporting

483. 460 The reforms in the Procurement Process are undoubtedly being embraced, slowly but steadily. The review process has exhaustively been concluded and the new Tender Code and Manual of Procedures successfully came into force from March 2014.

Monitoring and Evaluation Activities

484. The 2011–2014 Strategic Plan is being implemented through Strategic Program Areas, using a results-based management approach. This means that GIABA Secretariat is interested not only in the programs and projects it delivers, but also in the value added to the beneficiaries, as manifested by the results achieved.

485. The purpose of the GIABA monitoring and evaluation (M&E) results-based management approach is to generate and use performance information for:

- Learning and improving performance;
- Facilitate decision-making; and
- Accountability reporting to external stakeholders.

486. In order to measure the performance of member States and GIABA Secretariat on the realization of the strategic plan objectives, the M&E Office produces two reports a year (one covering the first six months of each year and the other covering the whole year).

The reports are based on the data collected from member States on the ML/TF-related activities they have carried out, and those carried out by the Secretariat.

Qualitative assessments of capacity-building activities

487. As part of the results-based management approach, the GIABA Secretariat developed an end-training/workshop evaluation form; several open-ended items were included. Participants were requested to comment on what they found most and least useful about the activity, and make suggestions for improving the delivery of similar activity in the future. Below is a brief summary of the comments made by the participants who responded to the questionnaires administered in 2014:

a) Found to be most useful: The most frequently observed comments were about the usefulness of specific knowledge areas and skill sets covered, as well as the expertise and facilitation skills of instructors. Next most frequently observed comments were on networking, knowledge-sharing, and interaction with peers. Related to this theme were respondents' favorable views about small-group work and the diversity and sharing of experiences among participants. In addition, participants appreciated the relevance of practical examples, hands-on activities, and the resources they received.

b) Found to be least useful – recommendations for improvement: Most frequently identified suggestions concerned time issues. Participants expressed a need for more time to cover some topics/workshops in depth. They also expressed a desire for additional practical case studies and examples.

c) Suggested future offerings: Participants' most frequent suggestion for future training possibilities was emphasis on emerging trends in AML/CFT strategies. Others suggested inclusion of more advanced-level workshops. Regarding future services, the most frequent suggestion was to provide a pool of experts who could be available to serve as mentors.

d) General conclusion: Overall, the GIABA Secretariat continues to meet its stated learning objectives of raising the awareness of and training AML/CFT stakeholders on the satisfaction of beneficiaries. However, in light of changes in international standards, continuous improvements are crucial. There is true of capacity building for stakeholders through concrete and case studies with examples.

Lessons Learned from the Program Execution

488. Funding limitation: ECOWAS has a funding limitation since its activities are mainly funded from contributions by member States. The late arrival of already pledged funding significantly delays the implementation of activities; funds received in the first quarter of the year or earlier mean that the GIABA Secretariat can be more effective than if funds arrive in the second half of the year.

489. Lack of mitigation strategy for managing risks: Best practice requires that the known and perceived risks be analyzed according to the degree and likelihood of the adverse results expected to take place. Thereafter, all such risks analyzed should be documented according to their levels of priority in a form known as the risk mitigation plan. After this, the development and integration of the corresponding risk mitigation strategies follow, and should be referenced against the previously prepared risk management plan.

490. Speed in the approval of memos: For greater efficiency in the implementation of programs of activities, it would be necessary to further speed up the memo approval process. The implementation of programs within prescribed time frames leads to economies of scale on implementation costs.

Challenges in Implementing M&E Results Based Management

491. Despite being essential for the sustainability of all AML/CFT initiatives, M&E Units lack financial resources for activities and information management. Good M&E requires a budget. M&E needs to be made a higher priority for the GIABA Secretariat in order for practitioners to do their jobs adequately.

492. Limited time is allowed for appropriate measurement of desired outcomes. There is a general need both to document and demonstrate GIABA's own performance to its stakeholders as well as to use the performance information to continuously improve.

493. There is lack of coherence across multiple data sets, and often limited availability of baseline data for target setting.

494. There is the need to strengthen collaboration and coordination among the various Directorates and M&E Units. Experience shows that by working together in an AML/CFT planning process, people develop an understanding of common challenges, of each other's capacities, and of organizational requirements. This helps to facilitate effective collaboration in implementation.

495. Information-sharing needs to be strengthened among the various directorates and M&E Units. It is a vital element in improving outcomes for all.

Priorities of the Monitoring and Evaluation for 2015

496. Setting priorities is a key consideration in finalizing a self-assessment matrix. Given resource and time constraints, it will not be possible to monitor and evaluate everything that is considered relevant. Therefore, indicators that are identified for monitoring should be prioritized so that as resource constraints change, the M&E Unit can be assured that critical indicators will be monitored.

497. The following activities are critical for M&E Unit in 2015:

- Final independent evaluation of the GIABA 2011–2014 Strategic Plan;
- Three of GIABA programs to be internally evaluated on Directors' recommendation;
- Regular visits to the field to review existing M&E and management information systems of GIABA, implementing partners and identifying where support is needed.

CONCLUSION

498. Realizing GIABA's vision and achieving its mission require that innovative solutions will be needed for combating ML/TF, and that influencing policy decisions should be part of the efforts to achieve lasting change. Advocacy can be a powerful tool. It complements GIABA's work via direct service delivery, capacity-building, and technical assistance to support tangible improvements in the lives of communities in order to counter ML/TF.

Chapter Nine:

CONCLUSION, OPPORTUNITIES, CHALLENGES AND FUTURE PRIORITIES

499. Compared with the previous years, the year 2014, was a special one for GIABA in terms of the level of execution of the allocated budget, due to difficulties faced by the Commission in the mobilization of resources from the Community Levy (CL) and in the effective provision to ECOWAS institutions. Problems in the payment of the CL by States hampered the normal provision of financial resources to the Community. Moreover, the considerable increase in allocations to peace and security missions in the region rendered more acute the inadequacy of allocations for the implementation of the programs of institutions such as GIABA, the execution rate of whose budget was 57% compared with 90% in previous years.

500. The outbreak of the EBOLA virus led to restriction in movements across the region, and slowed down the pace at which programs were implemented. However, in spite of these difficulties, GIABA's performance was one of the best among ECOWAS institutions and agencies.

501. Considering that 2014 was the final year for the implementation of the 2011–2014 Strategic Plan, the results achieved show that some activities were not implemented and regarding those, the objectives of the Strategic Plan 2011-2014 have not been fully met. Luckily, 2015, the year in which the Strategic plan covering 2016–2020 will be developed, will offer the possibility for GIABA to continue with the implementation of the remaining activities of the Strategic Plan 2011-2014.

502. The major high points of 2014 for GIABA are: (a) successful transition to new leadership of the institution; (ii) substantial progress recorded by member States in addressing the identified deficiencies in their AML/CFT systems during the first round of Mutual Evaluation; (iii) the development of numerous capacity-building programs offered to member States by GIABA or in partnership with other stakeholders; (iv) improved coordination among national authorities on AML/CFT; (v) improved regional cooperation on AML/CFT matters; (vi) the development and adoption of the second round mutual evaluation calendar; (vii) and the signing of a financial assistance agreement with the European Commission to support AML efforts in the region to the tune of three million Euros over four years.

CHALLENGES AND OPPORTUNITIES

ECOlink

503. The ECOlink project presents itself both as a challenge and an opportunity. . The project is expected to transform the work environment, making it more efficient and standard across ECOWAS institutions and agencies. Before this is achieved, staff need to be well trained and motivated to work on the new platform. In that regard, to minimize risks linked to the weak capacity of staff and their resistance, an effective transition plan has to be put in place in order to continue ensuring the normal functioning of the institution.

Institutional Reform

504. The effective implementation of the institutional reform will have significant implications for GIABA, not least because positions will be changed or reshuffled and staff will have to be moved around. Settling into new positions or functions will take time. Even so, the institutional reform is an opportunity and a challenge for GIABA to reposition and balance the different services of the institution for effectiveness and efficiency. The leadership of the institution will once more assume its responsibility and show commitment to strictly implement the reform in keeping with GIABA's capacity for resilience.

Second round of mutual evaluations

505. With the approval of the calendar for the second round of mutual evaluations, GIABA is must organize to provide adequate support to prepare member States for the second round evaluation process. Under the new FATF methodology (2013), the process concerns technical compliance as well as effectiveness and the quality of the process, in light of said methodology. All countries are required to carry out national risk assessment on ML/TF in order to fully understand the challenges they face and plan to mitigate them. The readiness process is resource-intensive. Therefore, this program requires quality planning and GIABA must ensure member States implement it effectively.

Knowledge and understanding of the ML/TF problem

506. There are still gaps in our knowledge and understanding on the ML/TF threats we face in the region, and on the impact we are collectively making against those threats. We are still uncomfortable with the knowledge we have at hand and the understanding we have gained from that knowledge because of numerous factors that distort our facts: informal sectors, cash economies, corruption, etc. As a result, it is necessary to increase research but in a focused way in order to arrive at the proper understanding of the threats we face and the weaknesses inherent in our ME systems. This will make it possible to target GIABA interventions on top priorities for more visible outcomes. Provision of Technical Assistance

507. The provision of TA by GIABA consumes more than 70% of its budget and is the first pillar of its mandate. In this regard, apart from the resources allocated to GIABA based on the Community Procurement, there is need to widen its resource base to the grants of Technical and Financial Partners (TFPs) systematically. Beneficiaries of GIABA technical assistance must further improve effectiveness in accounting for their performance. While this external financial assistance should not replace community resources, GIABA ought to be more ready to better prepare its frameworks for action.

508. By widening technical assistance resource base, it also needs to increase its capacity to manage large. Partnership requires efficiency, GIABA must own these value so as to strengthen and make its achievements last.

Conviction rate and asset recovery

509. The number of convictions and recovery of assets linked to MLTF crimes remains very small in member States. In close cooperation with member States, GIABA must find a suitable solution to this low performance.

1. Priorities for 2015

510. The year 2015 is a buffer year before the next strategic cycle, which will be for five years (2016-2020). The new strategic plan is expected to be in harmony with the planning cycle of all ECOWAS institutions and is meant to be a response to the challenges identified earlier. Pending the effective implementation of the plan, 2015 will be devoted to the following priorities:

a. Completion of the implementation of the remaining projects or activities of the 2011–2014 Strategic Plan;
b. Conducting an independent evaluation on the implementation of the 2011–2014 Strategic Plan;
c. Development of the 2016–2020 Strategic Plan;
d. Preparations for the second round of mutual evaluations ahead of the pre-evaluation of member States;
e. Support to member states to conduct National ML/TF Risk Assessment;
f. Implementation of the ECOLINK project with the continuous building of the capacity of staff;
g. Implementation of the outcome of the ECOWAS institutional reform process;
h. Commencement of the implementation of the European Union Commission project under the 10th EDF;
i. Refocusing TA to ensure that the most critical AML/CFT needs are addressed and in countries where the results will make significant impact on the AML/CFT system;
j. Staff training in critical areas where gaps have been clearly identified.

INDEPENDENT AUDITORS' REPORT
INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING IN WEST AFRICA (GIABA) - (CONT'D)

Basis of Accounting

Without further modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist GIABA to comply with the Financial Regulations of the ECOWAS. As a result, the financial statements may not be suitable for another purpose.

Signed by: Nathaniel D. Harlley (ICAG/P/1056)
For and on behalf of:
KPMG: (ICAG/F/2014/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

10 November, 2014

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING IN WEST AFRICA (GIABA)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 UA	2011 UA
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	1,243,386	594,671
Receivables	5	142,960	124,904
Prepayment	6	107,558	101,832
		1,493,904	821,407
Non-current assets			
Infrastructure and Equipment	7	503,551	569,534
TOTAL ASSETS		1,997,455	1,390,941
LIABILITIES			
Current Liabilities			
Payables and Accruals	8	(844,670)	(842,865)
Employee Benefits	9	(1,075,082)	(596,565)
TOTAL LIABILITIES		(1,919,752)	(1,439,430)
NET ASSETS/(LIABILITIES)		77,703	(48,489)
NET ASSETS:			
NET ASSETS/(LIABILITIES)		77,703	(48,489)

.....
ALHAJI BARRY
ACCOUNTANT

.....
BABACAR NDIAYE
DIRECTOR OF ADMIN & FINANCE

The financial statements were approved by the Management of GIABA on 10/11/....., 2014.

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING IN WEST AFRICA (GIABA)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 UA	2011 UA
REVENUE			
Community Levy	10	8,682,432	7,793,480
Other Income	10	348,121	345,930
Total Revenue		9,030,553	8,139,410
EXPENSES			
Statutory Meetings	11	368,227	406,728
Salaries	12	1,753,801	1,546,272
Allowances	12	1,357,214	1,279,160
Staff Training		220,322	343,207
Medical Staff & Insurance		128,350	72,327
Rental and Maintenance	13	133,339	154,474
Vehicle Maintenance/Fuel/Insurance		49,258	28,981
Utilities		33,137	26,173
Supplies		27,817	55,038
Postage and Telecom		81,900	74,564
Travels	14	151,494	145,791
General Expenses	15	121,340	160,107
Depreciation	7	226,837	142,312
Exchange Loss	16	367,351	31,892
Programmes	17	3,883,974	4,179,312
Total Expenses		8,904,361	8,646,338
Surplus/(Deficit) for the year		126,192	(506,928)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 UA	2011 UA
Accumulated Fund at 1 January	(48,489)	458,439
Surplus/(Deficit) for the year	126,192	(506,928)
Balance at 31 December	77,703	(48,489)

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING IN WEST AFRICA (GIABA)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2012

	2012 UA	2012 UA	2011 UA	2011 UA
CASHFLOW FROM OPERATING ACTIVITIES				
Surplus / (Deficit)	126,192		(506,928)	
Depreciation	226,837		142,312	
Increase in Receivables	(18,056)		(13,375)	
Increase in Prepayments	(5,726)		(96,574)	
Increase in Payables	1,805		535,973	
Increase (decrease) in provision relating to employee benefit	478,517		288,891	
Profit on sale of fixed asset	(1,302)		(1,409)	
NET CASHFLOW FROM OPERATING ACTIVITIES		808,267		348,889
INVESTING ACTIVITIES				
Acquisition of infrastructure and equipment	(160,854)		(298,561)	
Receipts from Sale of Fixed Asset	1,302		1,409	
NET CASHFLOW USED IN INVESTING ACTIVITIES		(159,552)		(297,152)
Net Increase/Decrease in Cash Equivalent		648,715		51,737
Cash and Cash Equivalent at beginning of period		594,671		542,934
Cash and/Cash Equivalent at end		1,243,386		594,671



GIABA Secretariat

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