



AML-CFT ESCAY NEWSLETTER

JUNE – SEPTEMBER 2024

FINAL WORD FROM THE PROJECT DIRECTOR



Frédéric Bayard

AML-CFT ESCAY Project Team Leader

All good things come to an end. And the AML-CFT ESCAY Project is no exception. After two very successful years, our project comes to an end this September.

We hit the ground running in October of 2022, building on the successes and milestones achieved through two preceding phases (AML-CFT in GHOA, 2015-2019 and AML-THB 2019-2022). And with this new project in 2022, we focused on targeting Illicit Financial Flows, generated by all forms of transnational organized crimes (TOC).

From the onset, we deliberately engaged an all-inclusive approach, bringing in all stakeholders of the criminal justice system. At our project launch workshops in Kenya and Mauritius, we brought together Heads of Financial Intelligence Units, Heads of Directorates of Criminal Investigations, Heads Immigration authorities, Heads of Asset Recovery Agencies, and the Directors of Public Prosecution of the thirty-three countries that were now within our mandate.

We started as we intended to continue, by applying a multi-agency approach to “follow the money,” targeting operational institutions and their practitioners. Each training envisaged and organized, was built on FATF recommendations and intermediate results: We brought together all the relevant actors in each country, responsible for combating illicit financial flows, mostly public officials from law enforcement agencies, prosecution, justice sector, immigration services, asset recovery, banking, and financial sector, among others.

The decision to involve and train practitioners was to ensure the sustainability of the project’s achievements. It was also to ensure that we delivered trainings and trainings of trainers to those who would transfer knowledge gained to their institutions, including to police and prosecution academies.

Despite various challenges, we are happy with the successes achieved over the last eight years, where from our base in Nairobi, we have worked throughout Eastern, Central and Southern Africa regions and Yemen.

Thanks to you all, we have achieved more than our initial projections! This is partly because we have adapted our programs to meet emerging needs, including but not limited to:

- The signing of Memoranda of Understanding between many partner states. During our trainings, countries signed bilateral MoUs, committing to work together, formally, and informally, to provide mutual legal assistance and information sharing. Many more bilateral agreements were made between regional institutions and between individual officers especially during our regional workshops.
- We spearheaded the development of Inter-agency Guidelines on the investigation and prosecution of Terrorism and terrorism related cases in Kenya and Tanzania. The two countries adopted and published the Guidelines handbooks for use by investigating and prosecution officers. This marked a crucial step towards harmonising style and approach of fighting organised crime across investigating and prosecution institutions.
- More recently, we supported the development of national Training curricula in financial investigations for five countries namely: Kenya; Uganda; Tanzania; Malawi and Zambia. With our assistance, each country developed a complete curriculum on financial investigations, adapted to suit their respective country’s gaps and needs. The finalised curricula were adapted and are at various stages of adoption for use in the respective countries’ institutions, including police and prosecution academies.

Final word from the director continuation



Addressing AML CFT ESCAY Launch in Mauritius and Meeting of Heads of Asset Recovery Agencies

With many African countries having to comply with international standards and requirements for financial investigations related to organized crime, this development has been a vital tool to begin to fill this gap. The programs, fully funded by the training institutions and totally in line with FATF Action Plan recommendations, will ensure the sustainability of the gains made. The curricula are also available as a template for use by other countries in the region who have expressed interest in developing a national curriculum on financial investigations.

In the end, we now look back and reflect on our achievements to learn and to help us prepare for what is coming. This is a great moment of retrospection; not just for us as an entire project team, but also for our implementing authority, for our funders, our company of incredibly talented experts from various international organizations with whom we have worked. Indeed, it is a significant moment for us to leave Nairobi after these eight intense and rich years. It is also a moment for us to consider what lies ahead. The closing of the door on the AML-CFT ESCAY project but also the opening a new, bigger door – SECFIN. Still under construction, EU-funded SECFIN is poised to be a much bigger project, covering all of Africa, and will collaborate with partner governments to tackle illicit financial flows in and out of the continent.

So here we are, at the doorstep of something much bigger and even better!

As of October, our office is moving to Pretoria, South Africa. Our team, representing CIVIPOL France, will majorly work with the countries of the Southern Africa region.

Yet, our achievements - and many technical assistance sessions, jointly provided in collaboration with ESAAMLG to many countries facing disagreements of the FATF Grey List - have laid an important cornerstone for the new project to come.

The new project will be larger, more complex and will offer the broadest possible portfolio in terms of technical assistance, high and low intensity training with a broad of demand-driven offerings. And indeed, it will also have a strong component targeting civil society. Nevertheless, several partner countries have already expressed great interest in us supporting them to replicate the development of the Guidelines, the drafting of national curricula and the training of trainers. Therefore, this is where we will start!



Addressing AML CFT ESCAY Project Launch and Continental meeting of Africa's Attorney Generals Mombasa Kenya

AML - CFT ESCAY PROJECT IN NUMBERS

OCTOBER 2022 - SEPTEMBER 2024



TOTAL PROJECT ACTIVITIES



>60

Series of in-person and virtual training sessions, workshops, conferences across Africa

PARTICIPATING INSTITUTIONS



>200

Financial intelligence units, law enforcement agencies, prosecution departments and many others, including the private sector.

PARTICIPATING COUNTRIES



34

33 countries in east, central and southern Africa; and Yemen

NUMBER OF PARTICIPANTS



>3000

Professionals from various sectors, including finance, law enforcement, immigration, prosecution, asset recovery, and private sector actively involved in AML/CFT field.

MEN



61%

WOMEN



39%

Participating Institutions:

Anti-Corruption Agencies • Asset Recovery Agencies • Banks • Central Banks • Customs Agencies • DNFBP • DNFBP Supervision • Financial Supervision FIUs • Immigration • Intelligence services • Judiciary • Law Enforcement Agencies • Prosecution • Revenue Agencies • Others (Including EU Delegations and embassies, international organisations, regional organisations)

AML-CFT ESCAY PROJECT 2022-2024

INTERPRETATION OF THE NUMBERS



By
**Michael Black, AML-CFT ESCAY
Project Monitoring & Evaluation
Officer**

Since the start of the AML-CFT ESCAY Project in October 2022, the project team successfully trained over 2000 participants, building capacity to combat financial crimes and safeguard the integrity of financial systems across the 34 countries covered by the project.

The trainings benefitted officials from hundreds of organisations including financial intelligence units, law enforcement agencies, prosecution departments and many others, including the private sector.

This broad engagement highlights the project's role in taking a multi agency approach and in fostering a more effective response to the complexities of financial crime across all relevant actors, both in reinforcing skills, but also by strengthening interagency and international cooperation.

Participants' feedback in the surveys has been overwhelmingly positive, particularly regarding the practical application of the skills and knowledge gained. Many professionals report that the training has already begun to shape their work in meaningful ways. For example, some law enforcement officers report feeling better equipped to track illicit financial flows, while prosecutors have gained confidence in handling complex money laundering cases.

This practical impact is a testament to the project's success in not just delivering theoretical knowledge, but also enabling participants to apply these lessons directly in their workplaces.

However, participants also highlighted some potential areas for improvement, especially in terms of training delivery. While virtual sessions have certain advantages, notably allowing for much easier and wider participation, many attendees expressed a strong preference for in-person training, primarily because of issues with internet connectivity and the reduced interaction available in online trainings.

Looking ahead, the next phase of the project could expand on these successes by offering more specialized and in-depth training on high-demand topics such as TBML and virtual assets to meet beneficiaries' needs.

Additionally, there is an opportunity to further address gender disparities in the field of AML-CFT. The ESCAY project has constantly encouraged female participation in its activities, which has borne fruit, as there has been a significant female presence at its trainings. However, at 40% of total participants, women's participation remains below parity, so a successor project must make a continued effort in encouraging equitable participation.



“ Money trails never lie, and financial investigations are the path to exposing the truth behind organized crime.



“ 'Participants' feedback in the surveys has been overwhelmingly positive.

IN FOCUS

Demand-Based Technical Assistance by the EU Funded AML-CFT ESCAY Project



By
Tuemay Aregawi Desta
Senior Technical Advisor

The European Union funded AML-CFT Project in Eastern, Southern and Central Africa and Yemen (AML-CFT ESCAY) Project has been providing needs-based technical assistance to different countries of the region. As reported in the last two issues of our newsletter, [issue 2](#) and [Issue 3](#), the AML-CFT ESCAY Project has been providing tailored technical assistance to multiple jurisdictions based on their prioritised demands.

The Project has given priority to jurisdictions that are currently under the Financial Action Task Force (FATF)'s International Cooperation Review Group (ICRG) process or those highly likely to fall to the ICRG process. To this effect, the Project has extended its support to Namibia, Rwanda, South Africa and South Sudan, in partnership with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

Here's a summary of the actions undertaken by the Project between June and September 2024, in support of the selected countries

NAMIBIA

On 23 February 2024, the FATF placed Namibia under the Grey List, for its shortcomings in compliance with international Anti-Money laundering (AML), Combating the Financing of Terrorism (CFT), and Combatting Proliferation Financing (CPF) standards. Substantial recommended actions have been so far implemented; however, Namibia has important remaining areas of its action plan that should be implemented to address the limitations and comply with the FATF standards. The Financial Intelligence Centre (FIC) of Namibia requested the European Union Delegation (EUD) in Windhoek for technical assistance.

Following Namibia's request, and after a series of consultations, the AML-CFT ESCAY Project agreed to provide limited TA on areas covering Immediate Outcomes (IO) 6, 7, 9 and elements of IO8 to which the Namibia FIC agreed.

The overall objective of this limited technical assistance was to reinforce Namibia's operational and practical capacity in financial intelligence analysis, effective use of financial intelligence, and effective investigation and prosecution of money laundering, terrorist financing and related crimes as well as tracing and recovery of proceeds of crime.

The Project, in partnership with ESAAMLG and FIC Namibia, organised two mutually reinforcing training courses:

- Financial intelligence analysis and effective utilisation of financial intelligence, on 8-12 July 2024 in Windhoek. This training was attended by officers drawn from the FIC, Police Force, prosecution, anti-corruption, revenue agency, Bank of Namibia, Financial Institutions Supervisory Authority and other relevant agencies.
- Investigation and prosecution of ML/TF and asset recovery, scheduled for 09 – 13 September 2024. Also jointly organized with the FIC and ESAAMLG, the training is expected to bring together about 40 trainees drawn from the FIC, law enforcement agencies, national prosecution, anti-corruption and other competent authorities.



RWANDA

Rwanda was recently assessed on its AML/CFT system, and its Mutual Evaluation Report (MER) endorsed by the ESAAMLG in April 2024. Among others, the MER identified several deficiencies concerning risk-based AML/CFT supervision (IO3) and preventive measures (IO4) that Rwanda needs to address.

In its effort to implement the key recommended actions outlined by the MER, the Central Bank of Rwanda, requested the AML/CFT ESCAY Project for technical assistance to strengthen its risk-based AML/CFT supervision of the financial sector. The bank supervises wide range of institutions in addition to the new demand to inspect Virtual Assets Service Providers, VASPs.

In response, the AML/CFT ESCAY Project carried out a scoping mission and agreed to provide limited technical assistance to Rwanda to strengthen its risk-based supervision of the financial sector. The scope of the assistance includes:

1. Develop necessary manuals, models and guidelines: The project developed and submitted

i) A comprehensive risk-based AML/CFT supervision manual.

ii) A Risk mapping tool (model).

iii) Risk mapping tool guidance.

iv) Off-site inspection guideline handbook?

v) Onsite inspection guidance.

vi) Related templates and tools. Almost all documents have been reviewed and accepted by the team of experts at the Central Bank of Rwanda.

2. Organise training on risk-based AML/CFT supervision

We hosted a users' training on the risk mapping matrix/model has been virtually in an interactive session to guide the Bank's officials on how to flexibly use the model to assess risks. A comprehensive training on risk-based AML/CFT supervision has been scheduled for 16 - 20 September 2024 in which about fifty trainees are expected to attend.



SOUTH AFRICA



South Africa has been on the grey list since February 2023. Among others, the FATF statement noted that South Africa needed to “demonstrate sustained increase in investigations and prosecutions of serious and complex money laundering and the full range of Terrorist Financing activities”. South Africa's FIC expressed interest to receive trainings on converting intelligence to evidence, investigating complex ML and TF, and the effective use of beneficial ownership data for ML/TF investigation and prosecution

In response, the Project agreed to organise a training on investigating and prosecuting complex ML cases in which the other areas of interest would also be included. This training is scheduled for 23-27 September 2024 in Johannesburg or Pretoria. This training will be organised in partnership with ESAAMLG and in line with the FATF action plan and findings of the MER.

SOUTH SUDAN

South Sudan is still under the grey list for- multiple strategic deficiencies. The Project provided technical assistance to South Sudan to support operationalization of its FIU, including training newly recruited officers on financial intelligence. This contributed to the FIU starting to receive and analyzing suspicious transaction reports and disseminating financial intelligence reports to competent authorities. South Sudan's FIU further requested for support in conducting a national training for in-country assessors.

In response, the Project, in partnership with ESAAMLG Secretariat, agreed to organise and deliver the training on 16 - 20 September 2024 in Juba. The training will be fully facilitated by authorised ESAAMLG trainers who can provide assessors' training based on FATF standards. The training is expected to bring together 40 officers drawn from multiple relevant agencies.



PICTORIAL HIGHLIGHTS

THE PROJECT OVER 2 YEARS



Frédéric Bayard poses with Chief Justices from around Africa at a conference in Mombasa, Kenya



Signing of MoU between CIVIPOL and Central Bank of Kenya



Official Launch of the AML-CFT ESCAY Project in Nairobi, in January 2023



Participants and representative of EU Delegation to Namibia, during second round of training and special Technical assistance to Namibia, in September 2024



Setting the stage for SECFIN - CIVIPOL and GIZ present SECFIN to ESAAMLG Delegates and Task Force of senior officials in August 2024, Mombasa Kenya



Setting the stage for SECFIN - Meeting with visiting FIAP Team in Nairobi



Closed door meeting between AML CFT ESCAY Project and Kenya's Director of Public Prosecutions



TOT Training in Uganda for officials who developed curriculum on financial investigations for Kenya, Uganda, Tanzania, Malawi and Zambia



Setting the stage for SECFIN - Meeting with visiting Dutch Prosecution office officials, at our offices in Nairobi



Setting the stage for SECFIN - Meeting with visiting Swedish Tax Authority officials, at our offices in Nairobi

PICTORIAL HIGHLIGHTS

THE PROJECT OVER 2 YEARS



Project leader Frédéric Bayard meets with other team leaders of CIVIPOL projects based in East Africa



Frédéric Bayard addresses participants at Continental a meeting of Africa's Attorney Generals, which was also second launch of AML-CFT ESCAY Project, Mombasa Kenya



Hon Mahen Seeruttun, the Mauritius Finance Minister, addresses delegates during the AML-CFT ESCAY Project launch in Mauritius



Frédéric Bayard addresses delegates during the third AML-CFT ESCAY Project launch and Meeting of Africa's Heads Asset Recovery Agencies in Mauritius



AML CFT ESCAY Project Launch and workshop for Heads of Africa's Asset recovery agencies - Mauritius



Launch of inter agency Guidelines Handbook on investigation and prosecution of terrorism cases in Tanzania



Tanzania's head of Public Prosecution, Sylvester Mwakitalu (R) displays the Inter Agency Guidelines Handbook on investigation and Prosecution of terrorism cases, during its launch in Tanzania



Launch of inter agency Guidelines Handbook on investigation and prosecution of terrorism cases in Kenya



Katrin Hagemann, EU's Deputy ambassador to Kenya, poses with Kenya's (fmr) Governor of Central Bank and (fmr) Director of Public Prosecutions during the launch of the Inter Agency Guidelines on investigation and prosecution of terrorism cases



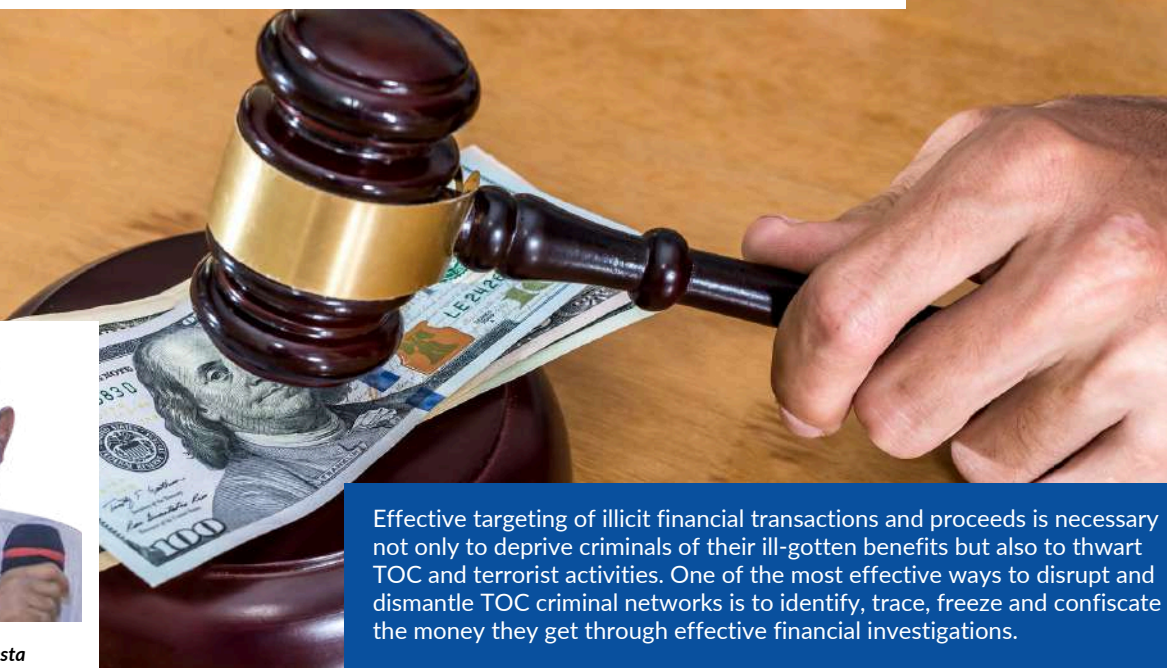
Launch of National Curriculum on Financial Investigations in Zambia

FINANCIAL INVESTIGATIONS

A VITAL TOOL TO COUNTER ORGANISED CRIME AND ILLICIT FINANCIAL FLOWS



By
Tuemay Aregawi Desta
Senior Technical Advisor



Effective targeting of illicit financial transactions and proceeds is necessary not only to deprive criminals of their ill-gotten benefits but also to thwart TOC and terrorist activities. One of the most effective ways to disrupt and dismantle TOC criminal networks is to identify, trace, freeze and confiscate the money they get through effective financial investigations.

The EU Council's [training manual](#) underscores the role and benefits of integrated parallel FI including collecting evidence on the perpetrator and the criminal offence (part of the traditional crime investigation), identifying amount and type of illicit properties and instrumentalities that are subject to confiscation, and determination of conditions for temporary measures (asset freezing, seizure and securing). Taking away profits from criminals removes the incentive to commit future crimes and denies the perpetrators the opportunity to infiltrate and corrupt the legal economy. FI is instrumental in realising the very principle of the rule of law and moral principle - that crime should not benefit anyone. FI can also contribute to compensation of victims of crime, witness protection and whistle blowers, using the finances recovered and confiscated assets.

With the growing market share of cryptocurrencies and other forms of virtual assets and risks of abuse by OCGs and their networks, FI remains critical. The share of all cryptocurrency activity associated with illicit activity rose for the first time since 2019, from 0.12% in 2021 to 0.24% in 2022. [Chainalysis](#) reported that even though the share of illicit cryptocurrency in percentage of the total transactions is still estimated to be low in terms of volume, it is increasing year on year - hitting an all-time high of \$20.1 billion in 2022[1]. The same report claimed that Criminals laundered \$8.6bn of cryptocurrency in 2021, up by 30% from the previous year. These assertions clearly show the vital importance of FI to counter TOC and IFFs in an integrated manner.

In general, effective FI can play a critical role in the success of achieving Immediate Outcome 7, 8, and 9 that aim at punishing perpetrators, depriving criminals of their illicit profits and deterring criminals. As underscored by multiple FATF standards and guidelines, investigative authorities are required to undertake parallel financial investigations to successfully prosecute and convict perpetrators as well as recover and confiscate proceeds and instrumentalities of crime.

To sum up, FI has enormous benefits in the fight against corruption, TOC, ML/TF and other serious crimes and to enhance overall effectiveness of national AML/CFT and counter IFFs by:

1. Identifying the extent of criminal networks and/or the scale of criminality
2. Tracing the proceeds of crime, terrorist funds or any other assets that are, or may become, subject to temporary measures and confiscation
3. Developing reliable and admissible evidence that can be used in criminal proceedings; and
4. Revealing undiscovered predicate offences and to identify other extended criminal networks and financiers.

“Money trails never lie, and financial investigations are the path to exposing the truth behind organized crime.”

Transnational Organised Criminal Groups (OCGs) and their syndicates pose serious threats to global security, financial integrity and overall governance. As defined by the United Nations [Convention](#) against Transnational Organised Crimes (TOC), the end purpose of OCGs is to obtain financial or other material benefits. Most of OCGs are primarily motivated by money, in all its forms.

Organised criminal activities generate hundreds of billions out of which a significant amount is laundered or illicitly transacted within or across borders. In 2017, a report by the Global Financial Integrity (GFI) estimated that OCGs and their networks generate between \$1.6 and \$2.2 trillion, dwarfing earlier estimations.

Proceeds of Organised crimes are also used to fuel conflicts, aggravating political instability and funding other serious criminal activities. The United Nations Conference on Trade and Development (UNCTAD) reported that the global scale of illicit financial flows (IFFs) is significantly high; with Africa losing US\$88.6 billion annually[1]. However, it is estimated that only less than 1% of global illicit finance is recovered[2]. This speaks volumes about the lack of effectiveness in tracing, investigating and recovering assets. Criminals are now abusing the crypto-asset platforms, which further call for building capabilities on digital financial investigation.

With this drawback, different international organisations appear to agree on the importance of financial investigations (FI), not only to investigate economic crimes, but also to dismantle other organised criminal groups, to trace and confiscate their assets. As clearly underlined by the Financial Action Task Force (FATF) in its provisions of Immediate Outcomes (IOs) 7, 8 and 9, competent national authorities are required to investigate and prosecute money laundering and terrorist financing as well as duly confiscate proceeds and instrumentalities of crime respectively. The FATF has also developed guidelines and good practices related to effective implementation of FI[1]. Similarly, the Council of Europe[2], Organisation for Security and Co-operation in Europe (OSCE)[3], and others have developed guidelines and resource packages related to FI, stressing its critical importance in the fight against forms of organised crimes.

The definition provided by FATF is more comprehensive in its scope and integrative in its purpose in investigating both the predicate offence and the proceeds of crime. Finance or material benefit derived from criminal activities includes all kinds of assets whether movable or immovable, tangible or intangible, physical or virtual and values in documents or other representations.

AML-CFT ESCAY

Eastern, Southern, Central Africa and Yemen



AML - CFT ESCAY PROJECT

Targeting Transnational Organised Crime and Terrorist Groups'
Illicit Financial Flows in East, Southern, Central Africa & Yemen



Angola



Botswana



Burundi



Cameroon



Central African Republic



chad



Comoros



DRC Congo



Congo



Djibouti



Equatorial Guinea



Eritrea



Eswatini



Ethiopia



Gabon



Kenya



Lesotho



Madagascar



Malawi



Mauritius



Mozambique



Namibia



Rwanda



Sao Tome & Principe



seychelles



Somalia



South Africa



South Sudan



Sudan



Tanzania



Uganda



Yemen



Zambia



Zimbabwe

THANK YOU!