



DISRUPTING CRIMINAL TRAFFICKING AND SMUGGLING NETWORKS THROUGH INCREASED ANTI-MONEY LAUNDERING AND FINANCIAL INVESTIGATION CAPACITY IN THE GREATER HORN OF AFRICA

(AML-THB in the GHOA)



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AML-THB NEWSLETTER

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MESSAGE FROM THE PROJECT DIRECTOR



Hello to all, and Happy Birthday to the AML-THB Project!

Our Project Coordinator, Federico Argentino, reports on the achievements of our first year later in this edition – but yes, it has been a year since we launched the AML-THB Project adventure thanks to the EU Emergency Trust Fund for Africa (EUTF).

There have been so many happenings since then – many training activities, so many new contacts made in just one year. So, thank you, Federico, for reminding us in this anniversary edition of all we have achieved!

With respect to this edition, first, allow me to personally thank the President of the Financial Action Task Force (FATF), Dr Marcus Pleyer, for his contribution to these pages. In his article, after establishing our shared regional priorities and objectives, he goes on to describe the FATF's most important objectives and concerns at the global level.

This complex, sensitive strategic geopolitical vision is then taken up and developed further by EUTF Director, Hans Christian Stausboll, who then shares the EU's recommendations on how to disrupt the business models of criminal networks.

The third high-ranking personality in this edition the Executive Secretary of ESAAMLG, Dr Eliawony Kisanga, shares his vision in which he sees the vision of a continental FSRB (Financial Style regional bodies) working to prevent financial crimes, acting in close collaboration with the FATF and participating actively in our trainings. On behalf of you all, I would like to thank these dignitaries for their encouragement and wise advice.

It is precisely thanks to this sound advice that we have been able to launch all our training activities. Tuemay Aregawi, our Senior Technical Advisor, reports on the tactical and operational objectives of the e-Training for Financial Intelligence Units on Financial Analysis (Round II), which took place online at the end of August.

Next, Basem Dabwan, President of the Yemeni FIU, whom I thank here for his outstanding commitment in the face of the tremendous challenges in his country, reports on the Yemeni FIU's strategies for achieving their objectives in this hostile environment.

Once again, Happy Birthday to the AML-THB Project! Thanks to all of you for your unfailing loyalty, your support and your professionalism. Thank you for your contributions in the fight against money laundering which contribute, as you know, to the financing of terrorism.

In my previous message, I promised you some intense articles in forthcoming editions. I will leave you to be the judge of this latest issue of our Newsletter, but I do hope you enjoy reading it!

Frédéric Bayard



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WHY HUMAN TRAFFICKING NEEDS TO BE A HIGH-RISK CRIME: FATF



Marcus Pleyer
President of the Financial Action Task Force (FATF)

Human trafficking is big business. Dubbed a 'low-risk, high-reward' crime, it is one of the most profitable criminal activities in the world but perpetrators face comparatively little risk of a conviction. This needs to change.

Disrupting the illicit funds that fuel human trafficking and modern slavery is vital to saving lives. The nations of the Greater Horn of Africa (GHOA) region have long been a source, transit hub and destination point for victims of trafficking. Some national authorities have grappled with this fact but struggled in the face of complex challenges. That is why the Financial Action Task Force (FATF) is here to support countries in the battle against human trafficking and help target the financial flows linked to this abhorrent form of exploitation.

The annual proceeds from people smuggling and forced labour exceed US\$150 billion according to estimates. Most victims of human trafficking are women and girls, with thousands forced into prostitution.

Across the GoHA region, victims are exploited, not just in illegal operations but also by legitimate businesses. The money that fuels human trafficking is laundered by professional organisations and financial institutions, who are complicit, knowingly or unknowingly, in the destruction of innocent lives. Largely a cross-border activity, FATF-partners have noted that internal trafficking is also an issue, particularly of young girls from rural areas to major cities.

In the past two years, more migrants and refugees have travelled by boat to Yemen from the Horn of Africa than have crossed the Mediterranean. This is despite numerous risks, including protracted conflict, a cholera epidemic and now the turmoil caused by COVID-19. The majority aim to reach Saudi Arabia and are unaware of the security situation in Yemen, according to the International Organization for Migration. Upon arrival, many face the risk of violence, torture, sexual abuse and trafficking.

Human trafficking cases are often very complicated to investigate as the crime can be masked by other offences, such as illegal immigration. It can also be difficult to secure prosecutions due to the practical challenges involved in cross-border investigations. In order to help, the FATF

has examined the financial flows and identified key issues to detect trafficking. See our paper: Financial Flows from Human Trafficking.

Globally, the understanding of money laundering risks that are linked to human trafficking remains limited. An in-depth understanding of the illicit finance risks particular to your region is an important first step. Without a good understanding of the risks, countries cannot effectively take mitigating action.

Countries need to boost capacity and find the political will to enforce effective changes. Passing laws is not enough – countries also need to make sure that law enforcement agencies have the funding, skills and expertise necessary to use the law effectively to conduct financial investigations, and to seize and confiscate the proceeds of human trafficking and other serious organised crimes.

Nations must also ensure that those businesses most often used to facilitate money laundering – such as banks, lawyers, accountants and company formation agents – are properly regulated and supervised.

Under the current German Presidency, the FATF is prioritising action to help identify the illicit financial flows linked to migrant smuggling. While this crime is different to human trafficking in a number of ways, the two offences are closely interlinked, with the same organised criminal gangs, which are driven by cynical profits, often being involved.

No one pretends there are easy solutions. However, by working together, law enforcement agencies will be able to detect more cases, rescue more victims, carry out more arrests and successfully put criminals behind bars. It is time to turn the tables and make human trafficking a 'high-risk, low-reward' crime.

See our paper on Financial Flows from Human Trafficking here

<https://www.fatf-gafi.org/media/fatf/content/images/Human-Trafficking-2018.pdf>.

DISRUPTING THB AND SOM 'BUSINESS MODELS': THE AML APPROACH



Hans Christian Stausboll,
Manager of the EUTF, Horn of Africa Window

The trafficking in human beings (THB) and the smuggling of migrants (SoM) have a direct impact on individual lives, family and community cohesion, as well as on countries' prospects of achieving social and economic development. Tackling THB and SoM is then quite naturally a priority for the European Union (EU), and the EU Emergency Trust Fund for Africa (EUTF) is perhaps one of the most concrete and telling expressions of the EU's commitment.

Since 2015, the EUTF has supported numerous initiatives in the Horn of Africa to address the diverse causes of instability, irregular migration and forced displacement. Adopting a comprehensive approach, the EUTF has been particularly supportive of government efforts to improve stability, security and resilience as a way to fight these phenomena.

Yet, our efforts to efficiently tackle human trafficking and smuggling could not be complete without addressing another, interconnected challenge: the ever-growing flow of illicit money that these criminal activities generate.

In a recent report, the United Nations Conference on Trade and Development (UNCTAD) revealed that Africa is losing nearly US\$89 billion per year in illicit financial flows (IFF). This figure corresponds to 3.7% of Africa's GDP and is more than it receives in development aid.

While IFF sources in the continent are varied, THB and SoM occupy a prominent place together with other criminal activities. According to the United Nations Office on Drugs and Crime (UNODC), the economic return of migrant smuggling along selected routes in 2016 could have ranged between US\$5.5 billion and US\$7 billion globally.

Even if the lack of appropriate data makes it difficult to grasp the extent of the challenge, experts and practitioners agree that, in East Africa and the Horn, these figures have skyrocketed in recent years.

Indeed, and despite the progress made by many countries, THB and SoM have become multi-million businesses run by well-organised networks connected throughout the region and the world. If the massive profits generated by these crimes are often reinjected into countries' economies through money laundering techniques, evidence suggests that they have also been increasingly used to finance other criminal activities, such as terrorism.

The focus of counter-smuggling and trafficking responses needs to be directed towards the networks causing the greatest harm while protecting the victims. One of the most efficient ways to do this is to disrupt the criminal networks' business models, notably by reinforcing or setting up mechanisms to prevent the free circulation of the profits they generate.

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The AML-THB Project embodies this approach, coupled with continued efforts to put in place more coordinated responses to address complex crimes like THB and SoM. Indeed, when faced with a challenge that no country alone can handle, only by acting together can we find efficient and durable solutions.

Since 2019, the AML-THB project has been able to bring together a number of key stakeholders across and beyond the Horn and enhance their efforts and capacities to 'follow the money' generated by these dirty businesses.

The Project's robust collaboration with financial intelligence units, law enforcement agencies, judicial institutions, but also regional organisations (such as EAC and IGAD) and the Financial Action Task Force (FAFT)-style regional bodies (notably the ESAAMLG and MENAFATF) show that we have been able to create a real community of interest and practice in the fight against money laundering and IFF in the region.

As UNCTAD stresses in its report, the creation of regional knowledge-networks "to enhance national capacities to tackle proceeds of money laundering and recover stolen assets are crucial in the fight against corruption and crime-related IFFs".

It is greatly satisfying to read that the goals and actions promoted by the AML-THB Project, together with our national and regional partners, already reflect the priorities Dr Pleyer has set for his presidency of the FATF. This brings greater force to our collective commitment to disrupt the business models of human traffickers and smugglers, and ultimately to our efforts to mitigate one of the main sources of capital drain in the region.



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AML-THB PROJECT'S 'E-TRAINING FOR FINANCIAL INVESTIGATIVE UNITS ON FINANCIAL INFORMATION ANALYSIS'



Opening remarks by Dr Eliawony J. Kisanga, Executive Secretary of the ESAAMLG

Mr Frederic Bayard, Director of the EUTF funded Anti-Money Laundering and Trafficking of Human Beings (AML-THB) Project for the Greater Horn of Africa; project team members of the AML-THB Project and facilitators of the e-training, and all participants:

It is a great pleasure for me to make these remarks at the opening ceremony of this important e-training on financial information analysis for financial intelligence units (FIUs) on Financial Information Analysis and let me begin by extending my thanks to you all for your initiative in organising this important training and for inviting me to make these remarks on behalf of the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG).

As you know, FIUs are important elements in the fight against money laundering and terrorism financing (ML/TF) and their associated predicate offences (including trafficking in persons and migrant smuggling) by adding value to the process through: their analytical functions (operational, tactical and strategic analysis); information exchange both domestically and internationally; as well as the development and implementation of national policies for anti-money laundering and countering the financing of terrorism (AML/CFT).

Training programmes for FIUs that are based on a needs-oriented approach are not only an important tool for fighting ML/TF and other financial crimes but are also probably equally important for improving the working and living conditions of millions of people in Africa by fighting the prevailing predicate offences such as corruption and trafficking in persons.

I believe that the bringing together of FIU analysts and experts in one workshop at this crucial moment is itself part of a winning strategy for defeating trafficking in persons and associated ML in the Greater Horn of Africa. I am pleased to note that the e-training is designed to reinforce the investigative capacity of the analyst to be able to:

- Better understand the cycle of intelligence and describe the main functions, as applied to financial analysis;
- Appreciate and exercise strategic and operational/tactical intelligence analysis methods/techniques as applied to financial analysis; and
- Better understand trafficking in human beings and migrant smuggling and their associated money laundering and terrorism financing 'red flag' indicators.

Since the launching of the ESAAMLG in 1999, there are now 18 existing and operational FIUs within the region. Each FIU is statutorily mandated, having its own legal personality and the mandate to exercise both core (receiving, analysing, disseminating and requesting) and non-core functions. I am glad that four members of the ESAAMLG are benefiting from the EU programme. I hope that in future more ESAAMLG member countries can also benefit from programmes of this nature.

I believe that the bringing together of FIU analysts and experts in one workshop at this crucial moment is itself part of a winning strategy for defeating trafficking in persons and associated ML in the Greater Horn of Africa.

We have learned from experiences gained in many ESAAMLG member countries that disseminating quality intelligence information is not an easy matter at all. Why is this so? What can be the reasons that law enforcement agencies do not effectively use intelligence results coming from the FIUs in the ESAAMLG region? Is the quality of the intelligence information really as good as we like to believe? Do they meet the needs and preferences of the other competent authorities for which it is aimed? Do we sufficiently know and understand the needs of the competent authorities for proper evidence gathering? Do we know and understand the constraints and how the FIUs are coordinating with other competent authorities? Do the FIUs receive or provide regular feedbacks or what are the problems perceived by the other competent authorities on using financial intelligence? There are a range of factors, which determine effectiveness of the whole system in using financial intelligence and fulfilling the needs of the competent authorities by the FIUs.

As a matter of fact, many first and second round mutual evaluation reports (MERs) of the ESAAMLG countries highlight a number of significant challenges in national AML/CTF systems in general and the FIUs in particular in implementing the Financial Action Task Force (FATF) Standards. The MERs point out the challenging state of existing AML/CTF regimes and frequently highlight the lack of effectiveness of their respective national FIUs when evaluating FATF Recommendation 26 (under the old FATF Methodology), which is now Recommendation 29 and its Interpretive Note (under the Revised Methodology), as well as Immediate Outcome 6 in relation to the use of financial intelligence. The key challenges to effectiveness include:

- Lack of a wide range of interagency cooperation;
- Not keeping comprehensive statistics;
- Factors that may negatively affect the operational independence and autonomy of the FIUs;
- Resource and capacity constraints among the various competent authorities, including FIUs;
- Lack of FIUs' analysis capacity from all perspectives (operational, strategic and tactical); and
- Other factors affecting the AML/CFT system or structure of the member jurisdiction including corruption, etc.

Since its establishment in 1999, the ESAAMLG has assisted FIUs within the region in addressing the challenges they face as a platform for sharing best practices and experiences, as well as by encouraging member countries to improve their FIUs' performance through the provision of a technology assessment and transfer (TA&T) and proper monitoring and evaluation (M&E) follow-up processes. It has also conducted studies on 11 typologies, including on the topic 'Trafficking in persons and associated money laundering in the ESAAMLG region'. The ESAAMLG's report on human trafficking observed that:

- The ESAAMLG region is a source, transit hub and destination point for trafficking in persons. East African countries and South Africa are noted as the predominant transit and destination countries, respectively.
- Although trafficking is largely a cross-border activity, there is growing evidence that internal trafficking, particularly of young women from rural areas to the major cities, is on the rise.
- The main factors contributing to the increasing international and domestic prevalence of trafficking

in persons include: low socio-economic development, political instability and disparities in income levels within member countries.

- Charges, investigations and prosecutions relating to the offences of trafficking in persons and associated ML are found to be insufficient to effectively combat the problem. This has in turn made trafficking in persons a low risk but high profit-making criminal activity, encouraged by the lack of appropriate legislation and institutional capacity.

The AML/CFT programmes of ESAAMLG also include assisting its members in making amendments to or enacting legislative and institutional frameworks for the establishment of effective operational and independent FIUs in the region. In a bid to enhance cooperation amongst FIUs within ESAAMLG, members also agreed to form an FIU Forum during the Task Force of Senior Officials meeting held in Zanzibar, Tanzania in April 2011. The primary aim of the Forum is to promote cooperation and provide a platform for information exchange amongst FIUs of ESAAMLG member countries. Since the establishment of the FIU Forum as one of the standing working groups of ESAAMLG, a number of activities have been carried out successfully, including:

- Producing 'Best Practice Guidance Notes' to assist members on the safeguarding and protection of FIU information;
- Producing a rationale for joining the Egmont Group;
- Signing the 'Johannesburg Declaration on the Exchange of FIU Information';
- Producing 'Guidelines on the ESAAMLG FIU Analysts Placement Programme'; and
- Currently, developing two ongoing research projects, namely the 'Guidelines for Writing FIU Typology Reports', and 'Best Practices for Producing Quality Intelligence Information'.

The Forum is also being used as a platform for sharing FIUs' experiences, challenges and their mechanisms for addressing FIUs challenges. In addition to the Forum, ESAAMLG also holds a Heads of FIUs (HoFIUs) meeting, which is used as a platform for raising operational issues affecting ESAAMLG FIUs. Both the FIU Forum and the HoFIUs meetings are also platforms for discussing FIU developments (including for strengthening their analysis capacity) and addressing Egmont Group membership issues concerning identified deficiencies in the effective use of financial intelligence once it has been disseminated to the various competent authorities.

ESAAMLG is also implementing its FIU development programmes by organising different training workshops and

courses in collaboration with various partners, including the FATF, the Egmont Group, the Egmont Centre of FIU Excellence and Leadership (ECOFEL), the Common Market for East and Southern Africa (COMESA), and with German donor organisation, the GIZ. I hope that in future we will be able to directly cooperate with the AML-THB Project in developing activities that would also directly benefit our member countries.



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In conclusion to these remarks, I would like to emphasise that once we are sure the trainings are of good quality and meet the users' needs, the next challenge is to design a strategy for transferring knowledge. In this regard, there should be quantitative and qualitative targets for the proper M&E of the results of these trainings. This will only work if all the training participants are actively involved throughout the whole training course so that they can then transfer their knowledge to their colleagues afterwards. I am hopeful that the present e-training will help everyone in this respect. It is my hope that all of you will come out of this training better able to analyse financial information and that this will benefit your respective FIUs and the region in general in the fight against money laundering and terrorism financing as well as all associated predicate offences, particularly trafficking in persons and migrant smuggling.

Again, on behalf of all ESAAMLG countries benefiting from this training, I would like to thank you for this initiative, and I wish you all great success going forward.



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E-TRAINING FOR FINANCIAL INTELLIGENCE UNITS ON FINANCIAL ANALYSIS

SECOND ROUND: 24–28 AUGUST 2020

Tuemay Aregawi,
Senior Technical Advisor, AML-THB Project

Background

The AML-THB Project has been engaged in designing and delivering capacity building activities since its kick-off in November 2019. The project has continued delivering e-learning courses following the emergence of the COVID-19 pandemic and the subsequent restrictions imposed by governments. As recommended by the Financial Action Task Force (FATF), countries are required to establish financial intelligence units (FIUs) that serve as central authorities on national anti-money laundering (AML) and counter financing of terrorism (CFT) measures. FIUs play a central role in linking reporting entities and the criminal justice sector together. FIUs are entrusted to collect suspicious transaction reports (STRs) from designated reporting entities and take on financial analysis to decide whether the reports should be subjected to further investigation and prosecution. Effective financial intelligence analysis and investigation are vital tools for identifying and disrupting criminal networks and their financial flows, and in producing actionable intelligence and evidence. FIUs are required to have the necessary capabilities to effectively analyse and disseminate analytical products that guide strategic and operational AML interventions.

As reported in the Project's Newsletter Issue No. 5 of August 2020, a regional e-training programme on financial analysis was successfully held from 27 to 31 July 2020 for financial analysts drawn from five FIUs in the Greater Horn of Africa (GHOA) region and from five other observer

FIUs from eastern and southern Africa. However, several FIUs asked the Project for more training, particularly those who had missed the first round. Consequently, the Project organised a second round of training on the same topic. The second-round training programme was updated and improved based on post-training feedback from the first round and inputs from the pre-training survey. This course was explicitly designed to focus on the required practical skills of operational and strategic analysis, and to include more details on the red flag indicators of money laundering risks from the crimes of trafficking of human beings (THB) and smuggling of migrants (SoM).

Objectives and results of the training

The overall objective of the training is to reinforce the financial intelligence analysis capability of FIUs and thus contribute to the enhancement of their AML effectiveness. The training was planned to enable participants to:

- Better understand the cycle of intelligence management and describe the main functions, processes and techniques applied in each step;
- Appreciate and exercise strategic and operational/tactical intelligence analysis techniques as applied to financial analysis;
- Understand and exercise the skills and techniques of assessing the risk of STRs in general, and the money laundering risks of financial flows of THB/SoM in particular;
- Recognise 'red flag' indicators of money laundering from the proceeds of THB/SoM; and
- Comprehend the basic concepts of THB/SoM and the characteristics of criminal networks, their operations and financial flows.

This training activity contributes directly towards the strengthening of national AML and the countering of illicit financial flows stipulated under Specific Objective 1 (SO1) by actively reinforcing the achievement of Output 1 of the Project. The training activity accentuates the overall realisation of the Project's theory of change as stipulated in the Project's Description of Activity (DOA).

Training delivery

The training was delivered by senior international experts with solid operational and training experience in the field. The training brought together 31 analysts and managers, of which five were female, from six FIUs in the GHOA region including Yemen, six observer FIUs and the Eastern and Southern Africa AML Group (ESAAMLG) Secretariat. The training was conducted via the Zoom Cloud Meeting online training application.

The programme was opened by HE Dr Kisanga Eliawony¹, Executive Secretary of the ESAAMLG, along with Mr Frederick Bayard, Team Leader of the Project. In his opening remarks, Dr Eliawony highlighted the regional criminal threats and the efforts to resist them being made by his organisation and its member states. The European Union Delegation representatives overseeing Kenya, Somalia and Yemen also attended the opening.

The training covered the following key themes, among others, supported by the FATF and Egmont Group training components:

¹ Excerpts from Dr Eliawony's keynote speech is posted in this Newsletter.

Institution	No. of trainees		
	Female	Male	Total
Djibouti	-	1	1
Ethiopia	-	2	2
Kenya	-	1	1
Somalia	2	8	10
South Sudan	-	1	1
Yemen	-	4	4
Comoros	-	1	1
Madagascar	1	1	2
Malawi	2	-	2
Mauritius	-	2	2
Mozambique	-	1	1
Seychelles	-	2	2
ESAAMLG Secretariat	-	2	2
	5	26	31

- The role of financial intelligence in the prevention, disruption, investigation and prosecution of criminal activity based on international recommendations;
- Concepts and definitions of intelligence, cycles of intelligence, types of intelligence analysis, information evaluation and sources of financial information;
- Operational analysis and STR risk-assessment;
- Strategic analysis and analytical products;
- Introduction to THB and SoM, and an overview of the criminal networks and their illicit financial flows in the GHOA region;
- THB/SoM money laundering and terrorism financing 'red flag' indicators; and
- The ESAAMLG's regional perspective on the financial analysis of money laundering the proceeds of THB and SoM.

The training sessions were enriched by several practical exercises and case studies as well as participant experience-sharing. A pre-session assessment using Mentimeter and Socrative interactive online applications enabled trainees to respond to selected questions online and analyse the answers given, thus allowing their level of understanding to be monitored and evaluated.

Post-training evaluation feedback

Feedback given by participants (via an online MS Survey questionnaire) rated the training even more highly than the first round of training in terms of relevance/importance, meeting its objectives and value addition in knowledge and skills. All 27 trainees who took part in the post-training evaluation responded 'Yes' to the relevance and importance of the training, and that they would recommend the training to others. Here follows a snapshot from the MS Survey analysis.

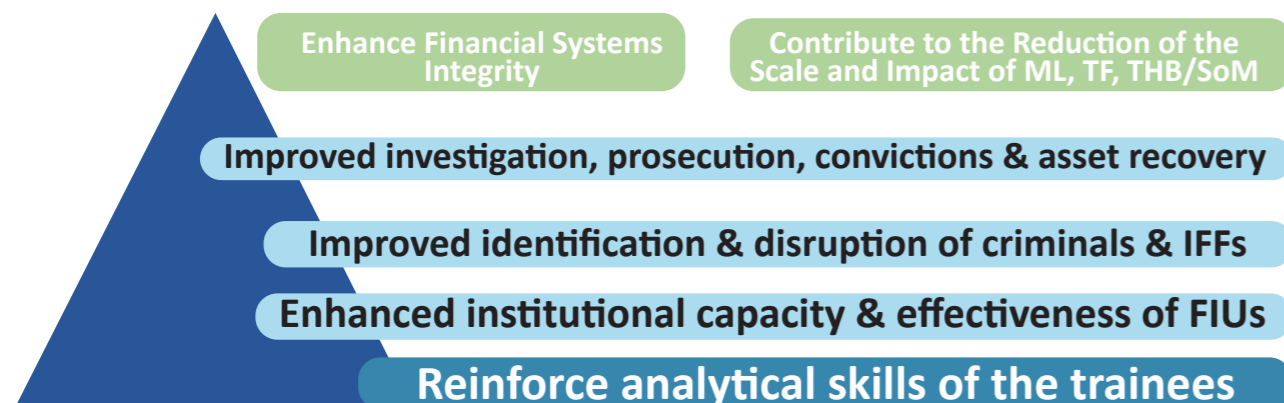
1. Achievement of objectives of the training



2. Value addition to knowledge and skills



Figure 1: Summary of the training result chain



THE ROLE OF THE YEMENI FIU AND THE NATIONAL COMMITTEE FOR AML/CFT IN COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM



Basem Dabwan,
Yemeni FIU President

The Yemeni FIU would like to extend its warmest greetings as well as its deepest gratitude for your constant support. Here's wishing you all the best in life and in business.

General information

The Yemeni FIU was established by Prime Minister's Decree No.350 of 2010. To enhance its independence, the unit has a separate location and an independent budget, as per Article 48 of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Law No.1 of 2010 and its amendment. The Central Bank of Yemen covers the FIU's annual budget in accordance with this Law.

At the end of 2015, the President of Yemen made the decision to relocate the national capital from Sana'a to Aden, and almost all Yemeni government institutions have relocated there accordingly. However, the Yemeni FIU and the National Committee for Combating AML/CFT were not able to move their offices due to certain security and political issues. As a result, Prime Minister Decision No.1 of 2020 was issued regarding the restructuring of the Yemeni FIU, and Prime Minister Decision No.31 of 2019 was issued to regulate the restructuring of the National Committee for Combating ML/FT and the appointment of its members, and also to authorise the National Committee to begin exercising its functions from Aden.

The Yemeni FIU is staffed with expert employees from the onsite banking examination, legal departments and from the National Committee for Combating AML/CFT in Sana'a. Administrative employees are qualified with business degrees, including an ex-university professor with a PhD in information technology.

Since the decision to restructure the FIU and the National Committee away from the temporary capital in Aden, we have dedicated time and effort to reorganising our work plans by:

- Establishing websites for the FIU and the National Committee for AML/CFT, which are reference hubs for the authorities concerned with combating AML/CFT on related national laws, circulars and instructions;
- Circulating the FIU's official emails as suspicious transactions reports, and sending information requests to banks, foreign exchange bureaus and reporting agencies;
- Circulating records of the entities and persons covered by UN Resolutions Nos 1373 and 1267 to banks and foreign exchange bureaus, as well as adding newly reported entities to the local sanctions list, which is also then circulated;

- Working together with the banking supervision sector and the Prosecutor General to make onsite visits to more than 180 foreign exchange bureaus in Aden and to a number of governorates in order to ensure their compliance with exchange regulations and the AML/CFT regulations. These visits resulted in the closing of more than 80 foreign exchange bureaus for their violation of related laws and regulations;
- Issuing new requirements for foreign exchange bureaus seeking new or renewed licences necessary for a strong and effective system to combat ML/FT;
- Conducting more than 15 training workshops for banks and foreign exchange bureaus during 2020, through which we aimed to raise awareness of ML/FT and the need to limit and combat the spread of this crime; and
- Bringing lawsuits to the Attorney General against three local banks after their delayed responses to FIU inquiries concerning measures identified in AML/CFT legislation.

While we have certainly made modest achievements, the following challenges remain:

- The country is currently experiencing very complex and challenging security, political, economic and financial conditions.

- Operations have been disrupted because of the ongoing multi-sided armed conflict and the subsequent division of government institutions.
- There is a lack of adequate and qualified staff to carry out their jobs efficiently and effectively.

Despite all these obstacles, we are working hard to disrupt the crimes of ML/FT and the negative effects resulting from these crimes on all aspects of life in Yemen. Accordingly, the Yemeni FIU's vision and long-term plan includes:

- Completing the process of joining the Egmont Group of Financial Investigation Units;
- Building FIU staff capacity;
- Signing memoranda of understanding (MoUs) with other regional FIUs to enhance international cooperation and the exchange of financial information;
- Signing MoUs with local stakeholders to enhance cooperation in the AML/CFT fight;
- Raising awareness among all concerned stakeholders of the ML/FT risks through workshops and training courses; and
- Increasing the number of FIU employees to enable them to carry out their assigned duties efficiently and effectively.



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HAPPY FIRST ANNIVERSARY TO THE AML-THB IN THE GHOA PROJECT!

State of play and the way forward

Federico Argentino,
Project Coordinator of the AML-THB Project

The EU-funded Anti-Money Laundering/Trafficking in Human Beings and Smuggling of Migrants in the Greater Horn of Africa (AML-THB in the GHOA) Project, implemented by Civipol (the technical cooperation operator of the French Ministry of the Interior), is a continuation of the previous EU-funded project, the Anti-Money Laundering/Countering Financing of Terrorism (AML-CFT) Project, which was run by Civipol from January 2015 to June 2019.

I'm pleased to report that the challenge of maintaining the momentum from one project to the next has been managed positively. While the AML-THB Project is somewhat similar to the previous project, its objectives are distinct, with its activities aimed at increasing the capacity of civil servants and their institutions in AML and in countering illicit financial flows (IFF). Particular attention is given to the nexus of IFF with human trafficking. The European Union Emergency Trust Fund (EUTF), through the AML-THB Project, aims to bring continuity to its support at GHOA regional level, and to improve investigation methods used against the cross-border criminal organisations profiting from irregular migration, human trafficking and other types of organised crime.

Institutional partners are similar for the two projects, with the exception of the new involvement of participating countries' national migration departments/offices. For this reason, it was important to ensure all activities kept moving smoothly from one project to the next while ensuring at the same time the start of a distinct new project cycle that included new goals, additional stakeholders and a new project team.

During the initial phase of the AML-THB Project, the management team adapted its priorities and working strategies. First, exchanges, official communications and visits to partner institutions and authorities of the region were launched to promote the new project cycle and guarantee the active involvement of all the beneficiary countries' institutional partners and stakeholders.

During the last quarter and beginning of 2020, the AML-THB Project managed to implement various activities smoothly. However, since mid-March, the Project has to adapt its working approach and strategy because of the advent of the COVID-19 pandemic. In agreement with the EU and Civipol, an 'emergency' flexible working plan was defined, which adopted a temporary e-learning methodology. As the pandemic progressed, the plan was finetuned and finalised, and the various national and regional e-activities have provided innovative contributions towards achieving the Project's objectives.

Regional institutional partners: Activities and recommendations

The Project 'kick-off' with: preliminary workshops (November 2019); a Joint Continental Workshop 'Strengthening Effective Targeting of Illicit Financial Flows from Money Laundering, Terrorist Finance and Trafficking in Human Beings' (December 2019) for 33 countries, organised by three EU-funded projects implementing activities on AML/CFT/THB on the African continent; and a first Regional Information Exchange on the 'Identification and Disruption of Human Trafficking and Smuggling Criminal Networks' (January 2020). These events were among the main activities that helped gather relevant information from stakeholders on how best to meet the AML-THB Project's objectives. As such, the institutional partners' recommendations are systematically taken into account when planning future activities. Relevant institutions understand the importance of looking at AML/THB from the double perspective of (1) stronger national commitment and coordination and (2) closer interaction with neighbouring countries.

A few in-person activities were able to take place before the pandemic lockdown. The first constructive collaboration with the Kenya Judiciary Training Institute (JTI) was conducted, with two activities for Kenyan judges and magistrates aimed at:

- Reinforcing and facilitating a better understanding of the links and connections among the crimes of AML, terrorism and trafficking in human beings;
- Providing strategies to counter these offences; and
- Explaining how to convert information gathered during intelligence investigations into evidence for judicial cases.

Pandemic impact: The Project strikes back!

The new plan and its activities

The definition of an agreed 'emergency' activity plan ensured the implementation of various 'virtual' trainings and webinars. The first e-learning activity was the Training of the Trainers (ToT) Refresher and Upgrade Course (stages 1 & 2). Targeting colleagues who had been awarded a Silver or Bronze certificate during the former AML-CFT Project, this ToT was organised in three stages (classes, mentorship and evaluation) aimed at reinforcing the participants' technical and methodological capacities. Those participants who successfully complete the three stages will be awarded a Gold Certificate, which will strengthen their roles as in-house trainers and thereby contribute to reinforcing their institutions' training capacities. They will also become acknowledged regional experts whom the AML-THB Project can consult when planning upcoming training activities. Stage 3 is expected to take place in October.

In line with the Project's Theory of Change, a first Regional Information Exchange was organised involving the 13 officials who, during the former AML-CFT ToT, were successfully awarded a Gold Certificate. This was a strategic initial step towards orienting Gold Certificate trainers to follow a more structured approach in information-sharing among institutions in the region. The activity was also intended to continue the process started during the AML-CFT Project to establish a committed pool of regional experts who are seriously engaged in carrying out their expertise, upgrading and extending their skills and promoting mutual experience/knowledge sharing.

Over the last three months, two financial intelligence analysis e-training events were held to reinforce the financial analysis capability of FIUs and thus contribute to the enhancement of their effectiveness in combating money laundering regionally. A regional webinar was also held with the aim of instructing investigators and intelligence officers on how to use AML practices to fight human trafficking and to strengthen collaboration between the investigators, intelligence officers and FIUs through existing legal and operational channels. Lastly, following an in-person event in Ethiopia in February, the second national training for the private sector on effective AML measures to disrupt THB took place in Kenya, online. The active participation of representatives from the Kenyan financial regulatory body (the Central Bank) helped to develop a closer dialogue between private and public actors to better understand their different perspectives. Please refer to previous issues (No. 3, 4 and 5) and to the article in this Newsletter for further information on each event. Our colleagues Tuemay, Alma and Tim have described these events in great detail.

In each of the e-learning events, participation has been active and dynamic, thanks to the proactive spirit of the experts and the Project's team, who managed to inspire enthusiasm and active participation in each training session. Bravi!

Our new channel of communication and exchange: e-newsletters

Among the first priorities of the pandemic phase, the immediate launch of an e-newsletter was considered essential. The first objective was to 'keep our connections active'. Since the AML-THB Project had only just started launching events and activities, the Project team realised that it was absolutely crucial to develop open channels of communication, disseminate information and to facilitate interactions and exchanges between our various partners, stakeholders and all other relevant actors dealing with the AML/CFT/THB issues connected to the Project. The newsletter aims to become a means of maintaining dialogue among institutions and of soliciting contributions from them.

Opening new communication channels to maintain, even in the current unusual context, close dialogue and active interactions with the various stakeholders and partners involved in the Project



The complete set of newsletters is available (upon request) for interested parties who might not have received earlier issues

Conclusions

Over the first year of the AML-THB Project, the team has overcome various challenges, reached a number of milestones and successfully achieved some initial outcomes, including:

- Keeping the momentum going despite switching from the AML-CFT to the AML-THB Project;
- Gathering institutional partners' suggestions for training activities and events;
- Implementing the first regional and national training activities, notably in Ethiopia and Kenya;
- Starting to develop cooperation with the Kenyan JTI for coordinated national-level trainings on AML/CFT/THB issues;
- Encouraging a closer dialogue, and starting to identify collaborative opportunities, with the EGMONT Group, the Financial Action Task Force (FATF) and other relevant regional FATF bodies, the ESAAMLG and MENAFATF;
- Developing a new work plan that is sufficiently flexible to be reoriented to in-person events when this becomes possible;
- Opening new communication channels to maintain, even in the current unusual context, close dialogue and active interactions with the various stakeholders and partners involved in the Project; and
- Building on the successes of the previous AML-CFT Project, the community of stakeholders and experts has been widened to include those stakeholders interested and involved in issues to do with human trafficking.
- Going into our second year, the AML-THB Project aims to:
- Deliver a revised work plan of national and regional training activities and events;
- Advocate for and assess opportunities to develop relationships similar to the one initiated with the Kenyan JTI;
- Continue the strategy of developing relationships with the main regional bodies working in the AML/THB arena.

Finally, we do not know how the COVID-19 crisis will develop; for this reason, the Project team will remain at the ready to proactively adapt its approach and plan of activities to minimise the risks of disruption, and to make sure that the Project is able to move forward and maintain its core mandate in meeting the Project's targets and objectives whatever the prevailing situation.

'If you want to go quickly – go alone. If you want to go far – go together.' – African proverb

DATE	ACTIVITIES	Participants
2019		
28 AGO	Strengthening Ethiopia's Capacity and Regional Engagement to Counter Money Laundering and Illicit Financial Flows - ET	Team
2-6 SEP	38th ESAAMLG Task Force of Senior Officials Meeting - ESWATINI	Team
16-19 SEP	21st EAPPCO Annual General Meeting - REGIO-TZ	Team
23-24 SEP	Joint Regional Seminar on Financial Intelligence in Investigating Trafficking of Human Beings and Smuggling of Migrants - REGIO-KE	18
26-27 SEP	Heads of FIUs – GHoA Regional Forum	13
26-27 NOV	Pre-Kick Off Project Meeting	35
28 NOV	Kick Off Project Meeting	115
29-30 NOV	EAC Meeting	Team
10-12 DEC	Strengthening Effective Targeting of Illicit Financial Flows from Money Laundering, Terrorist Finance and Trafficking in Human Beings - CONTINENTAL	25
2020		
21-23 JAN	Information Exchange on Identification & Disruption of Human Trafficking & Smuggling Criminal Networks - REGIO-KE	93
11-12 FEB	Joint Regional High-level Conference convened by the OSCE on "Foreign Terrorist Fighters - Addressing Current Challenges" - AT	Team
10-12 FEB	National Training Workshop: The Role of Financial Services on Anti-Money Laundering and Counter Trafficking of Human Being – ET	41
26-28 FEB	National Training of the Kenyan Judiciary (Magistrates) - KE	34
2-4 MAR	National Training of the Kenyan Judiciary (Judges) - KE	27
8-26 JUN	ToT and Mentoring Course: Upgrading 'Silver' and 'Bronze' TOT trainees to 'Gold' Certified Trainers - Stage 1 TRAINING - REGIO-ONLINE	58
21-23 JUL	Regional Information Exchange: Gold Certified Trainers	13
27-31 JUL	Financial Intelligence Analysis Training - First - REGIO-ONLINE	23
24-28 AUG	Financial Intelligence Analysis Training - Second - REGIO-ONLINE	33
14-18 SEP	Private sector on effective AML measures to disrupt THB - KE	38
21-25 SEP	Regional webinar: enhancing collaboration between LEAs & FIUs - REGIO-ONLINE	27
JUL 20 SEP 20	ToTs and Mentoring Course: Upgrading 'Silver' and 'Bronze' TOT trainees to 'Gold' Certified Trainers - Stage 2 MENTORING - REGIO-ONLINE	40
5-14 OCT	ToTs and Mentoring Course: Upgrading 'Silver' and 'Bronze' TOT trainees to 'Gold' Certified Trainers - Stage 3 EVALUATION - REGIO-ONLINE	40
JUL 19 JUN 20	Institutional field visits: Kenya, Uganda, Ethiopia	
APR 20 SEP 20	Project Newsletters	
TOTAL		673



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