



**The Work Programme of ESAAMLG
Secretariat for the Financial Year 2009/10**

Introduction

1. This proposed Work Programme for ESAAMLG Secretariat for Financial Year 2009/10 builds on and is intended to sustain the achievements that ESAAMLG has made in the implementation of the Group's first Three Years Strategic Plan 2005/08. This will be the first annual work programme for implementing the Second Three Years Strategic Plan (April 2009 – March 2012).

2. The activities to be implemented would enable ESAAMLG to consolidate itself as an effective FATF Style Regional Body (FSRB) undertaking all the core activities expected of an FSRB, including sustaining and completing the Mutual Evaluations using the 2004 Methodology, following up the evaluations through update reports, and deepening the typologies work. ESAAMLG will apply for the Associate Membership of the FATF during the year 2009/10. The activities would also involve actions that would expand the membership to involve other countries in the region which are of strategic importance to the Group. ESAAMLG will increase its efforts to attract regional and international organizations which are interested in the work of ESAAMLG to join the Group as observers.

Context

3. In the Financial Year 2009/10 ESAAMLG will begin the implementation of Second Three Years Strategic Plan. This Strategic Plan focuses on realizing ESAAMLG's vision of developing a strong and dynamic FATF Style Regional Body committed to eradicate money laundering and terrorist financing in the Eastern and Southern Africa Region and the mission of consolidating and sustaining the combined efforts to combat money laundering and terrorist financing in the region through effective implementation of AML/CFT standards in all ESAAMLG member countries. The Work Programme proposed for 2009/10 Financial Year is geared towards realizing this.

4 The ESAAMLG Strategic Plan (April 2009 – March 2012) has nine Strategic objectives:

- Development and review of implementation of national AML/CFT Strategies.
- Sustaining the evaluation and monitoring of ESAAMLG members compliance with the international standards against money laundering and terrorist financing.
- Undertake research and analysis exercises to better understand money laundering and terrorist financing risks and vulnerabilities in the region and effectively contribute to regional and international AML/CFT policy formulation.
- Expansion of ESAAMLG membership.
- Strengthening regional cooperation among member countries.
- Strengthening ESAAMLG cooperation and participation in AML/CFT global environment.
- Consolidating regional AML/CFT capacity building, training and awareness raising programme.

- Sustaining the provision of AML/CFT advisory services to member countries.
- Consolidating the sustainability and efficiency of the Secretariat.

5. The principal objective of the ESAAMLG Secretariat's work programme for 2009/10 is to enable ESAAMLG to operate fully as an Associate Member of the FATF. The Work Programme seeks to implement activities which will ensure actual and effective implementation of the FATF standards in all member countries. This will be achieved through a number of activities.

6. One of the foundation blocks for developing an effective national AML/CFT system is a national strategy that provides the vision for how a jurisdiction would develop an AML/CFT system that takes account of the national circumstances. National Strategy development has been an activity that ESAAMLG member countries have been engaged with for most of the last three years. Little success has been achieved. One of the activities in the Work Programme for 2009/10 is for the Secretariat to proactively help member countries, on request, to review and finalize their national strategies using the FATFs Guidance for implementing the FATF Standards in Low Capacity Countries. As many of the member states undergo evaluations, the recommendations of these evaluations and an analysis of specific risks and vulnerabilities faced by the country will be used to assist countries finalize the strategies.

7. Another major activity will be the conclusion of the round of Mutual Evaluations using the 2004 Methodology and close monitoring and support of follow up actions by member countries after evaluations. By the beginning of the Financial year 2009/10 when this work programme will begin, 10 countries would have been evaluated using the 2004 Methodology. A programme of follow up action has been initiated through submission and discussion of follow up reports every year by all member countries who have been evaluated. For the 2009/10 Work Programme, efforts will be made to finalize the round of evaluations. Two evaluations will be undertaken. The Work Programme will also concentrate on assisting or supporting member countries to follow up their AML/CFT evaluations by implementing the recommendations contained in the evaluation reports, taking into account the constraints obtaining in each member country.

8. Many of ESAAMLG member countries are at various stages of developing AML/CFT institutions. Among the key institutions which member countries are developing is Financial Intelligence Units. The Egmont Group is developing a comprehensive outreach programme to assist development of FIUs in the Africa Region. There are ongoing consultations between the Egmont Group Secretariat and the ESAAMLG Secretariat to develop a programme of work to assist and support FIU development in the region. Activities during the 2009/10 Work Programme will focus on this area.

9. Capacity to implement effective AML/CFT systems still remains low in member countries. Training to enhance different capacities will form part of the work programme.

10. There continues to be changes in the ML and TF risks, threats and vulnerabilities that the region is facing. As technologies and profiles of criminality change the techniques of money laundering will change. The Work on typologies would therefore feature prominently in the 2009/10 work programme.

11. The Work Programme for 2009/10 will also have activities that are intended to sustain the efficiency of the Secretariat in delivering its services to member countries. At the August

2009 Council of Ministers meeting the Council will approve Accounting and Procurement manuals which would have been developed in the course of 2008/09 Financial year. The Council will also approve a Staff Scheme of Service Manual. These working documents would enable the Secretariat to operate as a professional body and to more effectively discharge its responsibilities to member countries.

12. The Secretariat's Website is been developed to enable it to benefit the membership more widely through providing information on AML/CFT systems in member countries. Already a number of evaluation reports are posted on the Website. The content is been enriched to cover AML/CFT events happening in the region and globally. AML/CFT laws and regulations of member countries will also be posted on the Website.

13. In the course of 2009/10 the Website will be developed further to enable it to be used for dissemination of information, including Meeting documents. This will enable the organization to reduce the cost of printing papers during Task Force and Council of Ministers meetings.

14. In order for ESAAMLG Secretariat to serve its membership more effectively, Information and Communication Technology (ICT) will have to play a major role in its programme operations. Currently ESAAMLG Secretariat does not have an ICT Strategy. This needs to be developed if ESAAMLG is to sustain the efficiency of its Secretariat. The Management Audit Report for the Financial Year 2007/08 has pointed out this as one of the areas that require attention. It has put a number of recommendations on the way forward. For the 2009/10 Work Programme, the Secretariat will develop an ICT Strategy taking into account the recommendations of the Auditors. It is proposed that this activity be developed through out sourcing the expertise.

Programme Activities

15. The work programme activities to be undertaken by the Secretariat are presented under the following programmes:

Organizing and Managing the Mutual Evaluations and Development Strategy Implementation Assessments (DSI)

16. Mutual Evaluation and DSI Assessments and the follow up to these assessments will be the major activities undertaken by ESAAMLG in 2009/10. The key activities under this Programme in 2009/10 will include:

- Organizing follow up actions and monitoring progress in the implementation of the recommendations of the Evaluation Reports of Botswana, Lesotho, Malawi, Namibia, Seychelles, South Africa, Uganda, Zambia and Zimbabwe..
- Organizing and managing two mutual evaluations and one DSI Assessment. There is an indication that most member countries now prefer to undertake the full evaluation. Given that the FATF has issued the Guidance for Mutual Evaluations and implementing the FATF standards in low capacity countries, the Secretariat will encourage all member countries who have not been assessed to do so to enable ESAAMLG to complete this Round of Mutual Evaluations by 2011. The Secretariat will urge member countries to include their countries in the schedule for Mutual Evaluation/Assessments that will be approved by the Council of Ministers at the August 2008 Meeting.

- Apart from organizing and managing the evaluations of 2 member countries, the Secretariat will also prepare and manage the process of discussing and adopting the Evaluation of Tanzania, and the AML/CFT Assessments of member countries undertaken by the World Bank or the IMF. The IMF has made enquiries on the likely dates for the evaluation of Mozambique to determine whether the ESAAMLG AML/CFT Evaluation can be used during the planned FSAP Assessment of the country. It is proposed that the evaluation of Mozambique takes place at the beginning of 2009/10 Work Programme. The IMF has also indicated that it will carry out an assessment of the Union of the Comoros in May 2009 and has invited ESAAMLG to participate in the assessment. The report will be discussed at the August 2009 Task Force meeting.
- Following the issuing by the FATF Guidance on Evaluation and implementing FATF Standards in low capacity countries, the Secretariat will develop a programme to assist ESAAMLG member countries to address the challenges of post evaluation implementation of FATF standards, taking into account national circumstances.

Typologies of Money Laundering and the Vulnerability of the Region

17. The Typologies Working Group will continue to develop work on major typologies of Money Laundering and Terrorist Financing that pose threats to the Region. The Group is expected to prioritize future typologies work at the August 2008 meeting and identify two topics that in-depth studies will be undertaken during the FY 2009/10.

18. The Secretariat will:

- Facilitate the undertaking of these studies. Activities will include providing support to the Typologies Working Group through identifying the most relevant typologies subjects for priority action; co-ordinating the preparation of studies including providing research support, facilitating the holding of meetings of the project teams and finalizing papers for the Typologies Working Group; and organizing and managing a Typologies Meeting.

The Links Between Corruption and Money Laundering

19. The Report on the Links between Corruption and the Implementation of Anti Money Laundering Strategies in ESAAMLG Region will be presented to the Task Force and the Council of Ministers during the August 2008 Meeting. The Report makes a number of recommendations on actions that member countries and ESAAMLG as a Group needs to take.

20. The Secretariat will:

- Facilitate the undertaking of any further work of implementing the recommendations of this Report in the context of its Typologies Work Programme.

Development of National Anti Money Laundering/Combating Financing of Terrorism (AML/CFT) Strategies

21. In order for ESAAMLG member countries to develop effective AML/CFT systems it is necessary that the systems are consistent with the specific structural peculiarities and vulnerabilities of the country. A national strategy that articulates this is a necessary tool for implementation. The first strategic objective of the Second Three Years Strategic Plan is Development and review of implementation of national AML/CFT Strategies. The development of these strategies has been a very slow process in ESAAMLG. The FATF Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards within Low Capacity Countries is expected to assist countries to review their ML and TF risks and vulnerabilities and develop appropriate strategies. The Secretariat will support and promote work at regional and national level to explore and address specific AML/CFT implementation issues in ESAAMLG members including risk profiles and resource constraints which may undermine speed of implementation.

22. in 2009/10 the Secretariat will:

- Work directly and proactively to assist member countries to implement the various elements of the strategy.
- Publish the strategies on the ESAAMLG Website
- Continue to provide assistance and support in the implementation of the strategies.

Organizing and Providing Advisory Services to Member countries in the Development of AML/CFT Systems and Institutions

23. The Secretariat is frequently asked advice and assistance by member countries who are in the process of developing their AML/CFT systems. The Secretariat can provide advice or support on request in a range of ways. A number of ESAAMLG members are at various stages of developing their AML/CFT institutions. For many countries in the region, the development of FIUs has been a challenge which has attracted the need for support through cooperation. The Egmont Group is developing a comprehensive outreach programme to assist development of FIUs in Africa Region in cooperation with FSRBs. Two meetings have been held between the Egmont Group Secretariat and ESAAMLG Secretariat to explore ways in which this assistance can be provided to the ESAAMLG region. In the 2009/10 Work Programme this activity will continue and a programme to assist FIUs in the region developed. One of the initial activities is to develop a comprehensive needs assessment for all countries developing FIUs. This will be followed with development of a mechanism to co-ordinate assistance. In 2009/10 the Secretariat will:

- Provide research support/services to member countries in the process of developing AML/CFT systems and institutions, including when developing FIUs.
- Facilitate the sharing of experience and linking member countries to various organizations that can provide assistance directly.
- Undertake a comprehensive needs assessment for all countries developing FIUs.

- Develop and enhance the working relations with the Egmont Group Secretariat to develop a programme of Capacity Building in emerging FIUs.
- Making contributions to national capacity building and awareness raising workshops.

Organization and Management of Mutual Evaluation and other Training Events

24. Training remains one of the key activities that would enable ESAAMLG member countries to incrementally develop capacities to implement viable and comprehensive AML/CFT systems. In 2009/10 the Secretariat will organize one Mutual Evaluation Training Workshop to increase and upgrade its cadre of evaluators using the 2004 Methodology.

25. The Secretariat will continue to organize other regional and national training programmes, collaborating closely with technical assistance providers. In 2009/10 activities will include:

- Organizing one mutual evaluation training. It is expected that 40 regional AML/CFT experts will be trained. The Secretariat will solicit the support of the World Bank and the FATF Secretariat in delivering this programme.
- Organizing in collaboration with the Commonwealth Secretariat AML/CFT training workshop for regulators.
- Organizing in collaboration with the Egmont Group Secretariat and a technical assistance provider a regional workshop on FIU development.
- Collaborate in any other trainings organized by TA providers at regional and country level.

Work Programme to improve Regulations and Raise the Standards of the Non-Profit Organizations (NPO) Activities in the ESAAMLG Region

26. The Non-Profit Organization Sector in the region is a large sector that remains vulnerable to misuse by money launderers and those who finance terrorism. The level of regulation of the sector differs from one jurisdiction to another. This poses a serious threat to the financial sector of the region. Special Recommendation VIII obliges all member countries to develop programmes which address the AML/CFT threats posed by the NPOs.

27. The Secretariat in collaboration with the UK's Charity Commission developed a programme of work to address the deficiencies that exist in the sector that was approved by the Council of Ministers at their 7th Meeting in Gaborone. The Secretariat in collaboration with the Charity Commission has initiated a review of the NPO laws and regulation during the current work programme in 2008/09.

28. In 2009/10 the Secretariat work programme will include:

- Completion of the review of NPO laws and regulations.
- Training to help countries to plan their reviews and initiate programmes to raise standards.
- Building or improving existing register of NPOs.

- Using the registers and collecting necessary information on the activities, size and other relevant features of NPOs.
- Using and sharing information to improve standards.
- Review of vulnerabilities and high risk categories.

- Initiating consultations including recommendations on registers and handling of information.

Organization and Management of the Task Force of Senior Officials and Council of Ministers Meetings

29. The Task Force of Senior Officials meets twice a year and the Council of Ministers meets once. The Task Force or the Council may meet in exceptional circumstances in an extraordinary meeting. The Secretariat will:

- Research and prepare all documents for the Task Force and Council of Ministers Meetings.
- Liaise with the Hosting Countries and organize and manage meetings of the Working Groups, Task Force of Senior Officials and Council of Ministers.

Monitoring Global AML/CFT Developments and Representing and Promoting Cooperation between ESAAMLG and other Organizations involved in AML/CFT

30. ESAAMLG participates in the FATF Plenary meetings as an FSRB. During 2009/10 it will be an Associate Member of the FATF. Associate membership will provide more opportunities for officials from member countries of ESAAMLG to attend the FATF Plenaries and gain knowledge on the work of the FATF in setting AML/CFT global standards and implementing the standards. The Secretariat represents ESAAMLG, reports on developments in the region as well as responds to any requests for information. Apart from the FATF Plenary Meetings, ESAAMLG is also invited to meetings of other organizations working in the same area of work and where there are mutual benefits in the participation of ESAAMLG.

31. In 2009/10 the Secretariat will:

- Continue to research on global AML/CFT developments and their implications to member countries and make recommendations on actions the region and individual member countries needs to take.
- Represent the ESAAMLG in the meetings of the FATF and any other meetings of mutual benefit and report back to ESAAMLG and follow up on any issues of benefit to the region.
- Report on the AML/CFT developments in the ESAAMLG region.

Website and Information and Communication Technology (ICT) Development

32. In 2008/09 the Secretariat is developing the structure of the ESAAMLG Website to build it into a principal tool of communication for ESAAMLG. It is expected that all adopted evaluation reports and completed National AML/CFT Strategies will be posted on the site during 2008/09. Apart from the Website, to enable ESAAMLG Secretariat to serve its membership more effectively Information and Communication Technology will increasingly have to play a major role in its programme operations. This is an area of work that would be addressed in 2009/10.

33. In 2009/10 the Secretariat will:

- Continue to further develop the Website, particularly its content. It will post all the AML/CFT laws and regulations currently existing in member countries.
- Publish adopted evaluation reports and completed national AML/CFT Strategies.
- Post annual progress reports of AML/CFT developments in member countries.
- Develop the site for use in dissemination of meetings documents.
- Develop an ICT strategy

Implementation of the Recommendations of the Efficiency Scrutiny of the Secretariat

34. The work programme for 2008/09 has began to implement the recommendations of the efficiency scrutiny approved by the Council of Ministers in August 2007. An Accounting Manual, Procurement Manual and a Staff of Scheme of Service Manual will be considered by the Task Force at its March 2009 meeting. Any further work recommended by the Task Force will be completed and the manuals presented to the Council of Ministers for approval in August 2009. To further develop the ESAAMLG Secretariat as a professional organization, during 2009/10 a Job Evaluation Exercise will be conducted to benchmark the Jobs in ESAAMLG Secretariat with what is obtaining in regional organizations of similar nature, as recommended in the Efficiency Scrutiny Report.

Expansion of ESAAMLG Membership and Observers

35. One of the objectives of the ESAAMLG 1st Three Years Strategic Plan is encouraging non – ESAAMLG members in the region to cooperate in the global fight against money laundering and terrorist financing and to join ESAAMLG. Four countries were targeted by the Plan to be attracted to join ESAAMLG – Angola, Democratic Republic of Congo (DRC), Madagascar and Union of Comoros. The Union of Comoros was admitted as an observer at the March 2008 Task Force meeting.

36. Consultations are taking place with the other three target countries namely Angola, Democratic Republic of Congo (DRC) and Madagascar.

37. Consultations have also taken place with other organizations undertaking similar work and from whom ESAAMLG can benefit through their participation in ESAAMLG as observers.

The World Customs Organization has submitted an application requesting for observer status. This application will be brought to the attention of the Task Force at the August 2008 meeting.

38. In 2009/10 the Secretariat will:

- Liaise with Comoro to develop a programme of activities to develop its AML/CFT systems to prepare it to join ESAAMLG as a full member.
- Liaise directly with the other target countries and work towards getting their applications considered by the Council of Ministers at its meeting in August 2009.
- Expand the outreach to other potential collaborating nations and organizations, encouraging them to apply for observer status. These applications will also be considered by the Council at its meeting in August 2009.

Mobilization of Extra – Budgetary Resources to Implement the Secretariat’s Work Programme.

39. The Secretariat needs to sustain the implementation of its work programme to meet the objectives of the strategic plan and to operate as a fully functioning FSRB and Associate Member of the FATF. The budget of the Secretariat which is predominantly composed of the subscriptions by member countries and regular contributions received from collaborating nations and organization is inadequate to meet all the costs of delivering an expanding programme. There has been significant success in mobilization of extra – budgetary resources to undertake programmes. A number of capacity building programmes have been implemented with funding from the US Government, World Bank, and the Commonwealth Secretariat.

40. In 2009/10 the Secretariat will:

- Continue exploring other potential funding organizations for its programme of work and prepare project proposals for submission to the organizations.