NEWSLETTER
ON THE FIGHT AGAINST MONEY LAUNDERING
AND TERRORISM FINANCING IN WEST AFRICA

Edition – June 2009
Available at http://www.imolin.org

Introduction

Dear Readers,

This is the first UNODC Newsletter that will keep you abreast of developments concerning anti money laundering and counter terrorism financing in West Africa.

This publication coincides with the recent placement of a regional anti-money laundering/counter terrorism financing (AML/CFT) advisor in West-Africa, with specific focus on the development of financial intelligence units (FIUs).

UNODC AML/CFT programme in West Africa located in UNODC Regional Office in Senegal (ROSEN) provides sound operational-oriented advice to national counterpart and international partners. To build effective AML/CFT and anti-corruption systems, UNODC AML/CFT programme, which comprise the Global programme against Money-Laundering and ROSEN, ensures close coordination with the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA) in the delivery of technical assistance to the West African countries.

Calendar

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<th>1. GIABA Plenary Meeting (11th Technical Commission)</th>
<th>2. Sensitization Seminar on the draft AML/CFT Act</th>
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<td>Date: 4-5 May 2009</td>
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<td>Place: Bamako, Mali</td>
<td>Place: Freetown, Sierra Leone</td>
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<td>Organisers: GIABA,</td>
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<th>3. Egmont Group Plenary Meeting</th>
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<td>Date: 25-28 May 2009</td>
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<tr>
<td>Place: Doha, Qatar</td>
<td>Place: Lyon, France</td>
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<td>Date: 9-10 June 2009</td>
<td>Date: 17-19 June 2009</td>
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<td>Place: Dakar, Senegal</td>
<td>Place: Abidjan, Côte d’Ivoire</td>
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<th>7. Seminars on Transnational Organized Crime</th>
<th>8. Joint UNODC-Guardia di Finanza Assessment missions in Senegal, Guinea Bissau, Mali and Sierra Leone</th>
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9. Training of GIABA’s Evaluators

Date: 27-31 July 2009
Place: Monrovia, Liberia
Organizers: GIABA

10. Seminar on AML/CFT and the real estate agencies

Date: 20 July 2009
Place: Dakar, Senegal
Organizers: CENTIF Senegal

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Benin

Benin adopted an AML legislation in October 2006, thus transposing the AML uniform law drafted by the Central Bank of West African States (BCEAO). The country is a Member State of the West Africa Economic and Monetary Union (WAEMU). However, the country has not yet domesticated the financing of terrorism uniform law which was adopted by the WAEMU Council of Ministers in March 2008. Benin also established a National Financial Intelligence Processing Unit (CENTIF) which is now operational. Its members have been designated and nominated and a launching seminar was organized in Cotonou from 2 to 4 March 2009. Its premises have just been refurbished. Benin will be evaluated by GIABA in the beginning June 2009.

Burkina Faso

Burkina is equally a member of the WAEMU. It transposed the AML Uniform Law in 2006 and set up a financial intelligence unit (CENTIF) by Decree dated 20 June 2007. The FIU is operational. However its mandate does not yet cover the financing of terrorism, pending transposition of the CFT Uniform Law. In February 2009, the World Bank and GIABA jointly conducted a mutual evaluation of Burkina’s AML/CFT system.

Cape Verde

Cape Verde adopted its first anti money laundering law on 31 October 2002, though this text was replaced by the Law N°38/VII/2009 of 20 April 2009. This law aims at preventing and repressing money laundering, yet does not cover terrorism financing. The Cape Verde Unidade de Informacao Financeira (UIF) was created by the Decreê-Law n°1/2008 of 14 January 2008. The UIF is an autonomous unit within the Central Bank and its authority includes both money laundering and terrorism financing. Cape Verde ratified the 1999 New York Convention on 10 May 2002. Also, an AML/CFT Inter-Ministerial Committee was established, with representatives of the Ministries of Finance and Interior, as well as the Central Bank. An AML
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Committee

Côte d'Ivoire

On 2 December 2005 Côte d’Ivoire adopted a Law against money laundering, by transposing the WAEMU Uniform AML Law. Since then a financial intelligence unit (CENTIF) was established and it became operational in March 2008. Ivory Coast also has a National Committee in charge of following up GIABA activities and of developing AML/CFT policies. In this regard it already developed a comprehensive Action Plan. Among the priorities is the transposition of the CFT Uniform Law. GIABA is scheduling a mutual evaluation mission to Côte d’Ivoire in November 2009.

The Gambia

The anti money laundering law of The Gambia was adopted in 2003, thus amending an earlier law of 2001. A Financial Intelligence Unit and an Inter-Ministerial Committee on AML/CFT still need to be formally set up and to become operational. Also counter terrorism financing legislation does not yet exist in the country.

Ghana

Ghana formally adopted an AML law in January 2008. Even though this law provides a framework for establishing a financial intelligence unit, such a structure has not yet been created. The Ghana authorities indicated their intention to establish the future FIU within the Central Bank. Ghana does not yet constitute an AML/CFT Inter-Ministerial Committee and does not have a comprehensive strategy to address action in this regard.

Guinea (Conakry)

Guinea promulgated its anti money laundering law on 24 October 2007. This document does not cover terrorism financing. A National Technical Commission is in charge of discussing AML/CFT issues. Anti Money Laundering activities are currently coordinated under the Financial Police, which is part of the Ministry of Security. The FIU is not formally established yet, though it is expected that it will be created as a separate unit within the police services.

Guinea Bissau

As a Member State of WAEMU, Guinea Bissau transposed the Uniform Law against money laundering in 2006. The CFT Uniform Law has not yet been transposed. Guinea Bissau formally established a financial intelligence unit, whose members have been nominated. However the operations of the FIU have been suspended, pending identification of new premises. Also, Guinea Bissau formally created a National Inter-Ministerial Committee, though it is unclear what activities were developed by that Committee.

Liberia

Liberia has a legal framework on anti money laundering since 2002. Even though this law does not contain a clear legal basis for the creation of a Financial Intelligence Unit, the Liberian authorities indicated their intention to set up such an entity within the Central Bank, similar to the system that is being set up in most of the other anglophone countries in the region. Liberia does not yet have legislation on counter terrorism financing. Also as such there is no AML/CFT Inter-Ministerial Committee, even though a number of selected government agencies have held meetings in order to discuss i.a. UNSCR 1373.

Mali

On 29 December 2006, Mali adopted an anti money laundering legislation, thus transposing the WAEMU Uniform AML Law. Mali has a counter terrorism law, but the specific provisions of the CFT Uniform Law are still pending transposition. The Malian Authorities set up a Financial Intelligence Unit (CENTIF) on 10 August 2007. The FIU is now operational. There is no formal AML/CFT Inter-Ministerial Committee.

Niger

Niger transposed the WAEMU Uniform AML Law into domestic legislation in June 2004. There is no legal basis yet for dealing with counter terrorism financing issues, pending transposition of the Uniform CFT law. The Financial Intelligence Unit (CENTIF) was established in 2005, but destroyed by a fire in August 2007. In the mean time the CENTIF started operating again. The CENTIF moved to new premises in June 2009.

Sierra Leone

On 21 July 2005, Sierra Leone adopted a Law against money laundering. However, in order to better meet international AML standards and to extend it to counter terrorism financing, a draft AML/CFT bill is currently being elaborated. The Bank of Sierra Leone (BSL) coordinates this initiative. Sierra Leone set up a Financial Intelligence Unit as part of the Banking Supervision Department. The FIU started receiving and analyzing suspicious transaction reports, and has been receiving currency transaction reports as well. Moreover, an AML/CFT Inter-ministerial Committee holds regular meetings under the Chairmanship of the Governor of the BSL.

Togo

Togo transposed the WAEMU Uniform Law against money laundering in June 2007. Togo did not yet transpose the Uniform CFT Law. An inter-ministerial Committee was set up in January 2007. The Financial Intelligence Unit (CENTIF) is in the process of being operational. Its members have been nominated, and premises have been identified.

Senegal

Senegal transposed the WAEMU Uniform AML Law back in 2004. This was complemented with the adoption, in March 2009, of the Uniform Law concerning the fight against terrorism financing, which transposes the WAEMU Uniform CFT Law. Senegal’s Financial Intelligence Unit (CENTIF) was created by Decree n° 2004-1150 of 18 August 2004. It is fully operational and actively involves in training and awareness raising with reporting entities. The Senegalese CENTIF was admitted as an Egmont Member FIU in May 2009. Senegal does not have an Inter-Ministerial Committee, though plans to set up such a committee soon.

Economic and Financial Crimes Commission (EFCC) is in charge of fighting money laundering and other forms of financial crime in Nigeria. The Financial Intelligence Unit (NFIU), which is established within the EFCC, was admitted as an Egmont Group member in May 2008. An AML/CFT Inter-Ministerial Committee was created and inaugurated in July 2008. The Committee meets every three months.

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## CALENDAR OF MUTUAL EVALUATIONS

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<td>Mali</td>
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<td><a href="http://www.giaba.org/media/M_evaluation/MALI_word_MER_english.pdf">http://www.giaba.org/media/M_evaluation/MALI_word_MER_english.pdf</a></td>
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**source:** [www.giaba.org](http://www.giaba.org)

## ECOWAS Political Declaration and Action Plan

On 19 December 2008, the Heads of State and Government of the Economic Community of West African States (ECOWAS) endorsed a Political Declaration on the Prevention of Drug Abuse, Illicit Drug Trafficking and Organized Crimes in West Africa. This Declaration proclaims ECOWAS’ strong commitment to fighting illicit drug trafficking, organized crime and related crimes. Among others, it calls upon its Member States to adopt a wide scope of predicate offences for money laundering to cover all acquisitive offences, to establish specialized law enforcement units and to strengthen their intelligence capacity in the area of transnational organized crime.

The derived ECOWAS Regional Action Plan is articulated around thematic areas, including mobilization of political leadership and the allocation of adequate national resources and an adequate legal framework for effective criminal justice administration and effective law enforcement and national/regional cooperation. Among the activities to be developed under the Action Plan is the creation and strengthening of dedicated financial intelligence units.
The UNODC is one of the partner organizations involved in the implementation of this Action Plan, which serves as a wider framework for its cooperation with ECOWAS.

**UNODC National Integrated Programmes**

The Regional Action Plan to address the Growing Problem of Illicit Drug Trafficking, Organised Crime and Drug Abuse in West Africa, and the Political Declaration, prepared with the technical support of UNODC and adopted during the 35th Ordinary Summit of ECOWAS Heads of State and Government in Abuja on 19 December 2008, constitute the strategic and operational framework for the efforts on countering drug trafficking and organised crime in West Africa. In this context, the development and execution of National Integrated Programmes (NIPs) constitutes the key element of the Regional Action Plan.

The National Integrated Programmes on fighting Illicit Trafficking and Organised Crime (NIPs) are developed through a comprehensive and participative approach. Their objective includes placing fight against illicit drug trafficking and transborder crime in the context of countries’ global development strategies. Security and the rule of law being a prerequisite for durable development, it is important that the countries of the sub-region tackle the problems related to information management, coordination among all law enforcement agencies (police, gendarmerie, customs, etc.), the effectiveness of the justice system, the reform of the prison system and money laundering on the same time. Obviously, all these different aspects of the fight against organised crime are closely linked, and a disfunctioning of one element of this chain leads to a total absence of results.

The Regional Office of UNODC engages with the ECOWAS States to formulate integrated programmes. The various steps include an assessment mission/drafting of a strategic and operational document, a workshop to validate the draft and to mobilise resources, and its implementation. This is a very participative process, that mobilises all domestic and international partners that can play a role in the fight against illicit drug trafficking and transnational organised crime. It also contributes to the awareness raising at the highest level of national authorities, and most of all to negotiate the allocation of appropriate domestic budget for the fight against drugs and organised crime. The NIP also constitutes an excellent coordination tool, as it effectively involves all partners.

The NIPs are the foundation of the regional response to the threat posed by organised crime. Regional cooperation has to be based on solid national responses and the NIPs consolidate and strengthen all domestic structures involved in the fight against drugs and organised crime.

To day, integrated programmes are being executed in Cape Verde, in Guinea Bissau and in Mali. In Cape Verde, the integrated programme against drugs and crime, known under the acronym « CAVE INTERCRIN », launched in October 2005, essentially aims at carrying out an operational strategy to control and prevent illicit trafficking and all forms of crime. Among others, it enables to strengthen capacities in terms of rule of law, and to put in place appropriated programmes for the reintegration of drug addicts. This programme, which is supported by the Governments of Cape Verde, The Netherlands, Luxemburg and Denmark, and by the European Union, enabled to strengthen the operational capacities of law enforcement agencies, to lay the foundations of the fight against corruption and money laundering, to provide Cape Verde with operational equipment, in particular equipment for a forensic laboratory, for collection systems of digital finger prints and for telephone taps. It
perfectly integrates within the strategic document of the United Nations System, *Unique Programme*, signed in 2008 as part of the United Nations reform, better known under the label « Delivering as One » in Cape Verde.

In Guinea Bissau, making the judicial police operational, reforming the prison system and creating a pool of specialised magistrates are major actions that will enable strengthening the rule of law in the wider framework of reforming security. The European Union, Portugal, Germany and the United Kingdom provide financial support for this programme.

The Programme for Mali is currently being launched, and enables to improve the operational capacity of the Malian Government to prevent its territory from being used for illicit trafficking and transnational organised crime. The expected results range from strengthening the coordination mechanisms and the infrastructure to fight against money laundering, to activities related to drug abuse and crime. The NIP in Mali benefits from funding by Italy, Denmark, Austria and Luxembourg.

In Togo, UNODC missions in November 2008 and March 2009 enabled to finalise a NIP. This programme aims *inter alia* at strengthening the capacity of the National Anti Drugs Committee and of agencies involved in illicit trafficking and in transnational organised crime, at providing support in the field of criminal justice, in addition to the existing programme on modernising the justice system in Togo, and at ensuring coherence of the ongoing reforms with the United Nations Conventions and Protocols on drugs, crime and terrorism. Also, the State’s capacity to prevent money laundering activities is addressed. A validation workshop and a round table with donors will be organised in July 2009.

NIPs are being formulated in Sierra Leone, in Ghana, in Burkina Faso and in Benin.

In close cooperation with the ECOWAS Member States and Commission, it is envisaged that by the end of 2010 all West African States will have developed their NIP.

NIPs remain the only durable response to the challenge posed by organised crime and illicit drug trafficking. They enable not only to put the fight against drugs at the heart of development strategies, but also to have a comprehensive approach and to establish methods of operational coordination.

**AML/CFT Model Law for common law legal systems**

In joint collaboration with the Commonwealth Secretariat and the International Monetary Fund (IMF), the United Nations Office on Drugs and Crime (UNODC) has finalized the model provisions for common law legal systems on money laundering, terrorist financing, preventive measures and proceeds of crime, and the provisions have been uploaded to the International Money Laundering Information Network (IMoLIN) (http://www.imolin.org). The model provisions are intended to be a resource in drafting legislation to address money laundering and the financing of terrorism. Taken together, the provisions incorporate a legislative base for many of the requirements of the relevant international instruments and the FATF 40+9 Recommendations. The provisions also strengthen or supplement these standards in some respects. They suggest an approach both to criminally confiscate and civilly forfeit proceeds, instrumentalities and terrorist property.

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State authorities considering the provisions should give careful consideration to adapt the underlying concepts and specific language in accordance with constitutional and fundamental legal principles respective of their systems. As well, the provisions may be supplemented with additional measures a State considers suited to effectively combat money laundering and the financing of terrorism in the national context. The provisions were drafted by a group of experts, including participants from the Commonwealth Secretariat, the International Monetary Fund and UNODC, that met in London in March 2008, in Washington D.C. in October 2008, and that finalized the provisions in April, 2009.

**GIABA Plenary Meeting, Bamako, Mali, 4-5 May 2009**

The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) held its 11th Technical Commission/Plenary meeting in Bamako, Mali, on 4-5 May 2009. Next to the GIABA Member States (Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo), a range of regional and international organizations attended as observers, including the African Development Bank, WAEMU, the FATF, the IMF, Interpol, UNCTED, UNODC, the World Bank, and the World Customs Organisation.

The Plenary was opened by the Malian Minister of Finance and Economy, whereas Mr. Norman S. Wokoma, GIABA National Correspondent for Nigeria and Head of the Nigeria FIU chaired the meetings. Nigeria currently holds the Chairmanship of the Economic Community of West African States (ECOWAS).

The Director General of GIABA reported on the publication on their website of the GIABA Annual Report for 2008, of the Mutual Evaluation Reports of The Gambia, Mali and Cape Verde, as well as of a typologies report on ML in the real estate sector. He also updated the Plenary on the training programmes organized by GIABA since the last Plenary targeting judges, financial investigators, FIUs, compliance officers and financial institutions. The Secretariat staff has been expanding, which required them to relocate to new premises. The main challenges and priorities for 2009 include the establishment of AML/CFT inter-ministerial committees and FIUs.

GIABA commissioned a number of reports and studies. One is a ML Risk/Threats Assessment in West Africa, for which an interim report was submitted by a UK based consultancy firm. The consultants, who were confronted with the unavailability of substantial quantitative data, were asked to resubmit a draft report by the end of July 2009 and a final report in September.

Other ongoing study focusses on the informal sector finance and the fight against money laundering and terrorism financing in the WAEMU zone, and on the corruption – money laundering nexus. The latter analyses patterns of large scale corruption on the basis of country contributions from Benin, Côte d’Ivoire, Ghana, Guinea Bissau, Liberia, Nigeria, Senegal and Sierra Leone. Some preliminary conclusions are that countries do not have definitive data collection systems (for court cases, convictions, etc.); that corruption is very wide spread, in particular in countries with weaker democratic systems; that corruption is particularly present in the public sector; that many actors are not aware of existing mutual legal assistance agreements; and that the overall weakness and lack of independence makes law enforcement particularly vulnerable to bribery.
The Plenary discussed and adopted the Mutual Evaluation Reports of Niger and Guinea Bissau. The reports are expected soon to be published on the GIABA website. In addition, follow up reports were received from Sierra Leone, Senegal and Nigeria.

**Egmont Group Plenary Meeting, Doha, Qatar, 25-28 May 2009**

17th Egmont Group Plenary Meeting took place in Doha, Qatar from 24 to 28 May 2009. It was attended by over 300 participants representing Egmont member FIUs and numerous regional and international bodies working on AML/CFT issues, including the UNODC. The Prime Minister of the State of Qatar, in an address delivered by the Governor of the Qatar Central Bank, H.E. Sheikh Abdullah Bin Saoud Al Thani, called for “a greater commitment to the Egmont Group principles and international cooperation, as well as the expansion of the organization of the information sharing process among the FIUs around the world.” This was in recognition of the changes arising from the global financial crisis and the role the FIUs play in preserving the global financial system safety and stability.

During the meeting the following topics were discussed and decisions were taken:

- the CENTIF of Senegal was formally admitted as a member FIU, following the adoption of the CFT legislation in March of this year. Other new members are the FIUs of Fiji, Kyrgyzstan, Malawi, Macau, Mongolia, Saudi Arabia, Sri Lanka and St. Lucia. Egmont now consists of 116 FIUs worldwide;
- a record number of over 50 bilateral cooperation agreements were signed between Egmont members during the week;
- Mr. Luis Urrutia, Head of the Mexican FIU, was endorsed as Chair of the Egmont Group;
- during a meeting between Egmont Regional Representatives and observer FSRBs, the need was emphasized to coordinate efforts at a local and regional level to support the development of new FIUs and to build capacity of existing FIUs. A strategy to provide outreach assistance to FIUs in sub-Saharan Africa was endorsed, and commitment was expressed to focus on the development needs of FIUs in the Pacific;
- training sessions focused on topics of immediate operational concern to FIUs, such as statistical analysis; methods used to launder money through casinos, real estate and cash couriers; E-money laundering and trade-based money laundering; FIU feedback to reporting entities and protection of data as a challenge for this FIU feedback;

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