Combating Illicit Financial Flows
Global Programme „Combating Illicit Financial Flows“
Issue, Relevance, Methodology
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1. Definition
2.1 Relevance: Facts and Figures

~540 Bn. USD annually

Africa: ~407 Bn. USD between 2001-2010

~1500 – 2000 Bn. USD In 2009

Corruption

Bribery

Arms/Narcotics Trafficking

Organised Crime

TAX EVASION

Commercial Activities
2.1 Relevance: Facts and Figures

Illegal outflow
From developing and emerging countries

Globally only 1% of IFF confiscated or frozen

IFF
ODA


(UNODC, 2011)
2.2 Relevance: Effects of IFF on Development

- Impacts states at three levels:
  - Domestic Resource Mobilisation
  - Stability, rule of law, security
  - Undermines productivity and Inclusive growth
2.3 Relevance: IFF in International Politics

- G20 / Compact with Africa
- Germany Marshall plan with Afrika"
- Agenda 2030
- OECD
- Addis Tax Initiative
- AU Agenda 2063
3.2 Programme: Methodology

GP has been commissioned to conduct activities in three areas:

- **Advising relevant authorities** on new formats for detecting and tracing IFF including money laundering.

- **Developing capacities of authorities** for international cooperation in criminal matters and Asset Recovery

- **Supporting national and international cooperation** by German federal ministries
3.2 Programme: Methodology

Three main areas of intervention in partner countries:

- **Prevention** e.g. through
  - risk analysis
  - adoption of compliance standards
  - Information exchange
  - transparency standards

- **Financial Investigation** e.g. through
  - Intergency networks
  - investigation capacity building
  - investigative journalism

- **Asset Recovery** e.g. through
  - Mutual legal assistance
  - Capacitating Asset Recovery Offices
  - Asset recovery networks
3.2 Programme: Methodology – Implementation Model:

- Anti-money laundering and financial transparency standards
- IFF risk analyses
- Strengthening in country and regional networks to combat money laundering and terrorist financing
- Strengthening financial and non-financial institutions supervision

- Strengthening public prosecution
- Improving procedures for legal assistance requests
- Supporting regional Asset Recovery Networks

Prevention

Inclusive Growth

Combatting Illicit Financial Flows

Financial Investigation

Stabilization

Asset Recovery
3.3 Programme: Implementation
3.3 Programme: Implementation

**Global Programme IFF and regional partners**

- GP Combating IFF project offices
- Project Regional cooperation for the sustainable management of mining, Andean Countries
- Project Regional resource governance in fragile states of West Africa
- “Project Governance Support Programme”
- ESAAMLG and ARIN-EA, East and Southern Africa
- GAFILAT, Latin America

**GERMANY**
- Inter-ministerial Dialogue
- Serious Game: “Follow the money”
- Africa-Europe Dialogue on Asset Recovery

**WESTERN BALKAN**
- FI/AR trainings
- Counter cross-border cash smuggling
- Establishment of joint investigation teams (JIT)

**KENYA / AFRICA**
- Inter-agency trainings FI / AML
- Africa Academy on Tax and Financial Crime Investigation
- Beneficial Ownership Transparency / Due Diligence
- ARIN-EA, ESAAMLG

**PERU / LATIN AMERICA**
- Sectorial AML - Risk Analyses
- Update national AML plan
- GAFILAT
- Transfer Pricing,
- Beneficial Ownership Transparency
3.3 Programme: Implementation

Activity examples in partner countries:

- **Prevention:**
  - Integrity Checks in Sierra Leone and Risk Analysis in Latin America

- **Financial Investigation:**
  - IFF investigation training in Africa, Latin America and Western Balkans
  - Training investigative journalism in MENA Region

- **Asset Recovery** e.g. through
  - Support to ARIN-EA, BARIN.
3.5 Africa Hub Activities and effects so far

A. Prevention
ESAAMLG/Compliance
• Trained 35 Assessors on AML-CFT Compliance
• Production of a pocket size STRs reporting guide –with IMF
• 50 Officers from Financial Institutions sensitised on AML reporting
• Jointly with World bank supporting preparatory work for Kenya National Risk Assessment

Beneficial ownership transparency-Kenya
• Facilitating stakeholders consultation on BO requirements’
• Development of subsidiary guidelines on BO
• Record cleaning and digitization to prepare for the BO register
• Assessment for requirements to establish BO register-South Africa
3.6 Africa Hub Activities and effects so far

A. Financial Investigation

FIU Support

• DNFBPS sensitization on STRS and reporting obligations on AML CFT (Accountants, Lawyers, Real Estate)
• Financial Institutions sensitization on STRs and reporting obligations on AML-CFT
• Development of FIU Placement Framework to enhance analytic capacity and south to south learning

Enhancing investigation capacities

• Replication of the Multi Agency Task force (MAT) Investigation approach in the ARINEA region-reduce costs of investigation and overlaps
• Replication of Multi-Agency Structure for ARINEA in the region (Kenya, Ethiopia, Rwanda, Djibouti, Southern Sudan, Burundi)
• Training on Financial Investigations -Asset Tracing
3.6 Africa Hub Activities and effects so far

A. Asset Recovery

ARINEA AND EAAACA

• Jointly with EU, World Bank, UNODC and Interpol trained 170 officers on Asset Recovery and Forfeiture
• Development ARINEA/ EAAACA Strategic Plan and Mutual Legal Assistance framework for asset recovery
• Finalization of ARINEA Secure Information Exchange Website
• Facilitation of ARINEA's Focal Persons meetings on tracing and Asset Recovery
• Inter-regional workshop on MLA & Asset Recovery With German Experts and CARIN
3.4 Programme: Development

- GP IFF has been extended until 02/2019 (10 months) as „single measure“ of the Polifond.
  - Tentative budget: €1,7 million
- As of 02/2019 GP IFF is expected to be continued as IZR-programme for a term of 3 years.
- Increasing reliance on its own national project staff.
  - Activities in West-Balkans have commenced and are in the process of developing their full potential.
  - Cross boarder-picking national lessons to the sub-regional and to the global level-Complimenting bilateral interventions
Thank You!