



ESAAMLG STRATEGIC PLAN

APRIL 2017 - MARCH 2020

Introduction

1. ESAAMLG's Third Strategic Plan 2012-15 was approved by the Council of Ministers at its meeting in August 2012. It was developed to consolidate the activities and initiatives undertaken under the Second Strategic Plan 2009-2011. It indicated the strategic direction which the ESAAMLG would pursue to attain its objectives and carry out its functions as an FATF Style Regional Body. The plan had nine key strategic objectives, namely-

- Effective post evaluation implementation of AML/CFT measures in member countries;
- Sustaining the evaluation and monitoring of ESAAMLG members' compliance with the international standards against money laundering and terrorist financing under a second round of mutual evaluations;
- Increase and sustain the knowledge of money laundering and terrorist financing trends and techniques in the region in order to effectively contribute to regional and international AML/CFT policy formulation;
- Expansion of ESAAMLG membership;
- Strengthening regional and international cooperation among member countries;
- Enhancing ESAAMLG's cooperation and participation in AML/CFT regional and international initiatives;
- Prioritising and consolidating regional AML/CFT capacity building, training and awareness raising programmes;
- Promoting the Implementation of AML/CFT measures and financial inclusion;
- Consolidating the sustainability and efficiency of the Secretariat;

2. The Strategy allocated responsibilities to different stakeholders i.e. The Council of Ministers, Member Countries, the Task Force of Senior Officials, the National Multidisciplinary Committees and the ESAAMLG Secretariat. On balance, there has been considerable progress in achieving the objectives of the strategy by each of the above stakeholders. One of the major outcomes of implementation of the Strategy is the completion of the first round of mutual evaluations under the FATF 2004 Methodology with the adoption of the mutual evaluation reports of Angola and Rwanda by the Council of Ministers at the September 2012 and 2014 meetings in Maputo and Angola, respectively. The Council of Ministers also adopted the mutual evaluation report of Ethiopia in 2015, undertaken using the FATF new Methodology (2013). During the Council Meeting in Namibia in 2013, the Council approved the ESAAMLG Second Round Mutual Evaluation and Follow-Up Procedures which are currently being used to assess and monitor member countries' compliance with the Revised FATF Standards.
3. Under the 2012-15 Strategic Plan, ESAAMLG achieved much progress in expanding its membership. Angola, Ethiopia and Rwanda were admitted as members of ESAAMLG despite the pulling out of Comoros to join GIABA mainly due to language constraints. At its August/September 2014 meeting in Angola, the Council approved the applications for observer status by Burundi, Madagascar, Portugal and the Regional Centre on Small Arms and Light Weapons. Implementation of the 2012/15 Strategic Plan saw six member countries: Kenya, Tanzania, Ethiopia, Namibia, Angola and Zimbabwe, exiting the ICRG monitoring process after successfully finalizing their action plans. Only the jurisdiction of Uganda is still under the FATF ICRG monitoring process.
4. In addition to the above achievements, the Council of Ministers approved typologies reports on, *"Money Laundering through the Real Estate Sector"*, *"Money*

Laundering/Terrorist Financing through the Money/Value Transfer and Currency Exchange Service Providers”, “Money Laundering through the Securities Industry in the ESAAMLG Region”. It also adopted the draft typologies report on “Poaching and Illegal Trade in Wildlife and Wildlife Products and Associated Money Laundering in the ESAAMLG Region”.

5. Another prominent highlight of the 2012-2015 Plan was the approval, in 2014, of the Working Group on the Efficiency Scrutiny of the ESAAMLG and its Terms of Reference. The Efficiency Scrutiny Working Group produced a report that was approved by the Council in 2015, during the Johannesburg Meeting. The main focus of this exercise was to determine whether ESAAMLG as an FSRB, is adequately resourced and appropriately structured to address the challenges of implementing the Revised FATF Standards, as well as participating and contributing effectively to the AML/CFT Global network. The mandate of the Working Group was further extended by one year to August/September 2016 to allow the Working Group finalise outstanding issues and with the Secretariat develop a costed implementation plan for approval by the Council. To enable the results of the Efficiency Scrutiny Exercise to be incorporated in the Fourth ESAAMLG Strategic Plan, the implementation of the Strategic Plan 2012/15 was extended for a further year.
6. Despite all the achievements mentioned above, some objectives still remain to be achieved and have been carried forward to the Fourth Strategic Plan 2017-20, which is expected to be approved by the Council of Ministers at its meeting in September 2016.

7. The Fourth Strategic Plan aims at consolidating the achievements of the third three years strategy. The plan will run through the period when ESAAMLG is undertaking the second round of Mutual Evaluations of its member countries. The Fourth Three Years Strategic Plan 2017/20 has strategic objectives that are intended to move ESAAMLG to the level of performance expected by the FATF and the global AML/CFT community. The Strategic Plan has benefited from the outcome of the Efficiency Scrutiny exercise. Strategic issues raised and recommendations made by the Efficiency Scrutiny Working Group will assist in consolidating the sustainability and efficiency of ESAAMLG and its Secretariat.

Contents of the Strategic Plan 2017 -2020

8. The Strategic Plan 2017-2020 describes ESAAMLG's:
 - Vision;
 - Mission;
 - Strategic objectives and their expected outputs; and
 - Strategies to achieve these objectives.

ESAAMLG STRATEGIC PLAN

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VISION STATEMENT

A strong and dynamic FATF Style Regional Body committed to prevent and combat money laundering and terrorist financing in the Eastern and Southern Africa Region.

MISSION STATEMENT

To consolidate and sustain the combined efforts to combat money laundering and terrorist financing in the Eastern and Southern Africa Region through effective implementation of AML/CFT international standards in all ESAAMLG member countries.

STRATEGIC OBJECTIVES

1. Sustaining effective Post Evaluation Implementation of AML/CFT measures in member countries under the first round of assessments.
2. Sustaining the second round of assessments and monitoring of ESAAMLG members' technical compliance with the FATF Recommendations and the Effectiveness of their AML/CFT systems.
3. Increase and sustain the knowledge of money laundering and terrorist financing trends and techniques in the region in order to effectively contribute to regional and international AML/CFT policy formulation.
4. Expansion of ESAAMLG membership and increase the visibility of ESAAMLG in the Region.
5. Strengthening and enhancing regional and international cooperation among member countries.
6. Enhancing ESAAMLG's cooperation and participation in AML/CFT regional and international initiatives.
7. Prioritizing and consolidating regional AML/CFT capacity building, particularly for assessing ML/TF risks and adopting risk based approach to implementation of AML/CFT Standards.
8. Promoting the Implementation of risk-based AML/CFT measures which support implementation of financial inclusion initiatives.
9. Consolidating the sustainability and efficiency of ESAAMLG and its Secretariat through implementing the recommendations of the Efficiency Scrutiny Working Group approved by the Council in August 2015

IMPLEMENTATION PLAN TO ACHIEVE THE STRATEGIC OBJECTIVES

1. Sustaining the Effective Post Evaluation Implementation of AML/CFT measures in member countries under the first round of assessments

***Expected output:** Complete post evaluation implementation of all member countries assessed under the first round of mutual evaluations by 2022 so that each member country has an effective domestic AML/CFT regime consistent with the FATF 40 Recommendations – The International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation.*

Strategy

The strategy for achieving the above objective will comprise:

- Assisting member countries which are still subject to follow-up process under the first round of assessment to develop enhanced and realistic action plans to address outstanding deficiencies highlighted in their MERs in a prioritised and sequenced manner.
- Member countries maintaining monitoring systems on the execution of their national implementation plans, and submitting progress reports, which will also contain achievements and challenges to the Secretariat a month before the meetings of the Task Force and the Council of Ministers.
- The Secretariat supporting and promoting the work of ESAAMLG Review Groups for monitoring the post evaluation implementation of the FATF standards in ESAAMLG member countries.
- The Task Force and Secretariat, monitoring and evaluating progress under the implementation plans and compiling a report to the Council of Ministers to consider possible intervention where there is no significant progress in the

execution of the implementation plans, which includes undertaking high level mission to the concerned member country and reporting to the FATF-ICRG.

- Overseeing the execution of national AML/CFT implementation plans of member countries through their National Multidisciplinary Committees.
- Member countries consulting and engaging with the private sector when reviewing their national implementation plans.
- Member countries identifying their technical assistance requirements and seeking such assistance as may be required to ensure effective execution of their implementation plans.
- The Task Force, working together with National Multidisciplinary Committees, to promote integration of AML/CFT issues into member countries' national development programmes such as financial sector reform and anti-corruption measures, to encourage joint action with key role-players and allocation of necessary budget at national level.

2. Sustaining the second round of mutual evaluations and monitoring of ESAAMLG members' technical compliance with the FATF Recommendations and the Effectiveness of their AML/CFT systems.

***Expected output:** Complete evaluation of at least 12 member countries by 2020 under the second round of mutual evaluations using the revised FATF ME Methodology and increase technical compliance with FATF Standards and level of effectiveness of AML/CFT systems of member countries.*

Strategy

The strategy for ensuring that lessons learnt from country assessments under the first round of mutual evaluations are implemented to achieve the above objective will comprise:

- Urging member countries to undertake a national ML/TF risk assessment to identify and assess ML/TF risks at national, sectoral and individual institution levels and develop appropriate policy and legislative responses to manage those risks.
- The Secretariat coordinating technical assistance to assist member countries in conducting ML/TF risk assessment and provide guidance on how to implement the international standards in their specific circumstances and to work on all aspects of setting up an effective AML/CFT regime.
- Member countries consulting and engaging with the private sector when conducting national risk assessments.
- Member countries developing and implementing risk-based approach to implementing the FATF Recommendations to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the risks subsisting in a country.
- Member countries continuing to participate in an on-going programme of mutual evaluations conducted in accordance with the ESAAMLG mutual evaluation procedures and within the Schedule of Mutual Evaluations as approved by the Council of Ministers.
- Member countries providing follow up reports indicating the progress they are making in moving towards compliance with the FATF Recommendations and effectiveness of the AML/CFT systems.
- The Secretariat continuing to effectively manage a programme of mutual evaluations, comprising programme formulation, administrative support,

adherence to quality control standards and conduct follow-up on recommendations.

- The Secretariat, with the support from donors, will provide preparation and post mutual evaluation support and, where required, training for ESAAMLG members undergoing mutual evaluations.
- The Secretariat will coordinate review mechanisms through the Expert Review Group process to ensure and maintain the quality and consistency of ESAAMLG mutual evaluation reports.
- The Council will adopt and implement new post-evaluation reporting mechanisms to follow up on action taken by member countries in response to the second round of mutual evaluations.

3. Increase and sustain the knowledge of money laundering and terrorist financing trends and techniques in the region through research and analysis in order to effectively contribute to regional and international AML/CFT policy formulation

Expected output: Conduct at least one typologies study per year and prepare comprehensive reports on common money laundering and terrorist financing trends and techniques in the region that will influence policy action in member countries and contribute to the global AML/CFT standard setting process.

Strategy

The strategy to achieve this objective will comprise:

- Identifying existing and emerging ML/TF risks and vulnerabilities that potentially lead to generation of proceeds of crime in the region.
- The Council of Ministers approving priority regional ML/TF typologies and research work programmes on an annual basis.
- The Task Force, in conjunction with the Secretariat, working through the Typologies Working Group to continue studying regional existing and emerging ML/TF risks and vulnerabilities for member countries to consider putting counter measures in place. This will include setting up of sector specific typologies projects and research teams to undertake in-depth ML/TF studies.
- Encouraging the FATF, other FSRBs and supporting nations and organisations to collaborate in ESAAMLG research and analysis of typologies projects.
- The Secretariat managing the organisation of the work of the Typologies Working Group in accordance with the approved mandate of typologies studies for completion and submission of typologies reports to the Task Force and Council of Ministers.
- Sharing the ESAAMLG ML/TF Typologies reports internationally with similar AML/CFT organisations as part of broader contribution to global efforts such as the FATF Annual Typologies Reports to enable formulation of effective international AML/CFT policies. Equally, the Secretariat will distribute such typologies information and the implications thereof for the region to keep member countries informed and encourage their participation in such exercises and apply, where appropriate, lessons learned.
- The Secretariat organising Typologies meetings and joint meetings with FATF and other FSRBs to discuss the emerging ML/TF typologies.

4. Expansion of ESAAMLG membership and increase the visibility of ESAAMLG in the region.

***Expected output:** A big, strong and unified region that implements and complies with global AML/CFT standards to minimise the risk of money laundering, terrorist and proliferation financing in the region*

Strategy

The strategy for enlarging membership of the Group will comprise:

- The Secretariat, in conjunction with the Task Force of Senior Officials, considering eligible countries in Eastern and Southern Africa to apply for membership.
- Member Countries encouraging non-member countries in the Eastern and Southern Africa region to cooperate in the fight against ML/TF.
- The Secretariat managing the implementation of 'trail-in' process as approved by the Task Force and the Council of Ministers for new member countries intending to join the ESAAMLG.
- Exploring the options and cost implications of introducing other languages such as French and Portuguese as official languages of the ESAAMLG.
- Developing and enforcing the Language Policy which will enable retention of member countries within the ESAAMLG FSRB.
- The Secretariat continuing to welcome regional and international organisations and cooperating nations involved in AML/CFT work who wish to join ESAAMLG as Observer members.

- Recruit a Technical Assistance and Outreach Expert who will promote the work of ESAAMLG through attendance and making presentations at conferences and meetings of relevant regional organisations.
- Raise the profile of ESAAMLG by providing inspiring and dynamic information through the website on the activities of ESAAMLG.

<p>5. Strengthening regional and international cooperation among member countries</p>
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Expected output: Established Forums which will act as platforms to facilitate cooperation and exchange of information on specialised areas of expertise amongst member countries.

Strategy

The strategy to achieve this objective will comprise:

- Identify areas for which cooperation and coordination will play a pivotal role in enhancing or promoting effectiveness in the implementation of AML/CFT measures.
- The Secretariat providing support to the Forums/Working Groups whose main objectives are to promote cooperation and provide a platform for information exchange amongst member countries.
- Member countries supporting the work programme of the Forums and other initiatives of the Forums.
- The Secretariat organising and providing support for the development of FIUs in member countries to enhance cooperation and exchange of information in the region.

- The Secretariat working closely with the Egmont Group Secretariat to facilitate attainment of Egmont Group membership by emerging FIUs in the region to broaden the scope for cooperation on information sharing and exchange.
- Encouraging competent authorities in ESAAMLG member countries to consider and agree on entering into a memorandum of understanding for cooperation and exchange of information to combat money laundering and terrorist financing in the region.

Where requested, the Secretariat will facilitate the promotion of cooperation on a bilateral or multilateral basis.

6. Enhancing ESAAMLG's cooperation and participation in AML/CFT regional and international initiatives and ensuring that the interests of the region are considered in all FATF policy or standard setting initiatives.

***Expected output:** Improved and effective participation in the AML/CFT global network meetings, activities and other international AML/CFT initiatives.*

Strategy

The strategy for ensuring the relevance of the Group will comprise:

- Enhancing the working relations between the Secretariat and multilateral, international institutions and partner nations on AML/CFT issues.
- The Secretariat participating in international standard setting initiatives including representation in FATF Plenary, Typologies and Working Group meetings.
- The Secretariat encouraging and facilitating member countries to directly participate in FATF activities.

- The Secretariat circulating to member countries documents prepared by the FATF seeking comments from the global network members and coordinate comments on such documents for submission back to the FATF.
- The Secretariat guiding member countries on areas of focus in the documents from the FATF and indicate areas which are of particular concern to the region.

<p>7. Prioritising and consolidating regional AML/CFT capacity building, training and awareness raising programmes</p>

***Expected output:** Sustainable and effective national AML/CFT institutional and personnel development.*

Strategy

The strategy for achieving this objective will comprise:

- Recruit a Technical Assistance and Outreach Expert/Coordinator who will coordinate technical assistance and training requirements of member countries.
- The Secretariat, through the Technical Assistance Coordinator, collating the training and technical assistance requirements and facilitate transmission of the requirements to technical assistance and training providers on an ongoing basis.
- Engage the private and academic sectors to make presentations or conduct training on AML/CFT issues.
- The Council of Ministers approving annual AML/CFT priorities for the region to assist the Secretariat in prioritising regional capacity building and enhancement initiatives based on regional risks and vulnerabilities identified in the first round of mutual evaluations and through typology studies.

- Encouraging member countries to review the adequacy of their domestic laws and regulations that relate to such vulnerable areas as the NPO Sector to protect it from money laundering and terrorist financing abuse.
- The Secretariat organising and providing support for the development of financial intelligence unit in each member country. It will organise and facilitate specialised technical assistance and other FIU capacity development and enhancement programmes, including interdisciplinary FIU-law enforcement and FIU-obliged entity workshops to enhance communication, in accordance with member countries' needs.
- The Secretariat organising and facilitating expert training/workshops, including for supervisors, investigators, prosecutors and other law enforcement agencies, at country and regional levels at the request of the member countries and in accordance with the work programme of the ESAAMLG.
- The Secretariat managing mentoring programmes for evaluators and evaluators' participation as observers in evaluations/assessments carried out by the FATF, other FSRBs as well as the IMF and the World Bank.
- The Secretariat organising and facilitating mutual evaluation training courses yearly to enhance and maintain the balanced pool of evaluators capable of undertaking mutual evaluations.
- The Secretariat developing and maintaining a 'virtual' network to ensure that the cadre of evaluators are fully appraised of latest developments and encouraged to pass on their knowledge to develop other expertise in their country. The ESAAMLG web page will be improved to support the resource network.
- Member countries continuing to undertake national skills and capacity audits for submission to the Secretariat, which will maintain a regional database of skills.
- The Secretariat maintaining, with the assistance of the National Multidisciplinary Committees, a regional overview and coordinating mechanism for technical

assistance and training based on training needs provided by National Multidisciplinary Committees and national skills audits, including workshops to train AML/CFT experts in the region.

8. Promoting the Implementation of risk-based AML/CFT measures which do not inhibit other equally important policy initiatives such as financial inclusion policies.

***Expected output:** Adoption and implementation of AML/CFT measures commensurate with the nature and level of ML/TF risks which will promote complementarity between AML/CFT Standards and financial inclusion.*

Strategy

- Encourage member countries to carry out national ML/TF risk assessment and/or sectoral ML/TF assessment.
- Through the Technical Assistance and Training Coordination Forum, facilitate availability of technical assistance for countries in respect of countries which do not have the capacity to carry out ML/TF risk assessments.
- Encouraging member countries to review, and where necessary, develop AML/CFT policies and amend their AML/CFT laws and regulations to bring them in line with the outcome/ findings of ML/TF risk assessment.
- Working in collaboration with the Alliance for Financial Inclusion (AFI), ESAAMLG will promote financial inclusion and the effective implementation of the FATF Standards.
- The Secretariat supporting the Working Group on Risk, Compliance and Financial Inclusion established to coordinate and oversee proposals and activities between ESAAMLG and AFI.

- Encourage implementation of recommendations of the Report on *Public and Private Surveys on Financial Integrity and Financial Inclusion Frameworks and Compliance Practices*.
- The Task Force supporting and participating in ESAAMLG's work programme to promote Financial Inclusion and Implementation of FATF Standards in the ESAAMLG Region.

9. Consolidating the sustainability and efficiency of ESAAMLG and its Secretariat through implementing the recommendations of the Efficiency Scrutiny Working Group approved by the Council.

***Expected output:** Enhanced capacity of the Secretariat in terms of human and technical resources necessary to support ESAAMLG's activities and raise its profile in the region and within the AML/CFT global network.*

Strategy

The sustainability and efficiency will be consolidated through the following:

- The Task Force providing necessary support for the implementation of recommendations made by the Efficiency Scrutiny Working Group relevant to efficiency of the Secretariat.
- Secretariat initiating amendments to the MoU in line with recent changes in the AML/CFT/PF landscape as well as improving the effectiveness of the ESAAMLG.
- The Task Force reviewing the Headquarters Agreement to reflect recent changes within the ESAAMLG region.
- The Secretariat working with the Efficiency Scrutiny Working Group and the Task Force to establish a robust Secretariat Governance structure that will address all the current governance gaps.

- The Secretariat implementing the proposed organogram that will take into consideration all staffing, human resources and administration issues commensurate with the current size of the ESAAMLG membership.
- Secretariat enhancing the current Information Communication and Technology systems, processes and infrastructure for ESAAMLG and ensuring that it is kept current.
- Secretariat working with the Task Force and the Council of Ministers in continuously reviewing the operations of the ESAAMLG Working Groups in order to align them with the mandates of the FATF Working Groups.
- Secretariat strengthening the ESAAMLG Associate Membership position by continuously interfacing with the FATF and increasing visibility regionally and internationally.
- Secretariat continuing to productively organise and manage the meetings of the Task Force of Senior Officials and the Council of Ministers.
- The Secretariat continuing to prepare and circulate papers for ESAAMLG meetings, including separate briefs for the Chairman of the Task Force and the President of the Council of Ministers, at least 4 weeks in advance of meetings.
- The Secretariat reaching out to other FSRBs' for additional coordination, support and assistance when feasible, to include the development of mentoring relationships between FSRBs and between assessors when conducting mutual evaluations.
- The Secretariat coordinating and/or facilitating donor funding on AML/CFT activities in the region.
- The Secretariat continuing to improve accounting systems and to respond in writing to external audit observations and recommendations within 30 days of the receipt of a written audit report.

Conclusion

Since it was first established, ESAAMLG has developed positively as an FATF Style Regional Body. The fourth Strategic Plan seeks to consolidate and sustain efforts to implement the revised FATF 40 Recommendations in all member countries in a combined effort to combat money laundering and terrorist and proliferation financing in the Eastern and Southern Africa Region. The Strategic Plan also seeks to develop systems and processes that would enable ESAAMLG to be an effective member of the FATF Global Network.