



# SIXTH ESAAMLG STRATEGIC PLAN (2024/2025-2026/2027)



## ACRONYMS AND ABRIEVIATIONS

<b>AML/CFT/CPF</b>	<b>Anti-Money Laundering/Combating the Financing of Terrorism/Combating Proliferation Financing</b>
<b>ESAAMLG</b>	<b>Eastern and Southern Africa Anti-Money Laundering Group</b>
<b>FATF</b>	<b>Financial Action Task Force</b>
<b>FIU</b>	<b>Financial Intelligence Unit</b>
<b>FSRB</b>	<b>FATF Style Regional Body</b>
<b>FUR</b>	<b>Follow up Report</b>
<b>GIZ</b>	<b>German International Cooperation for Development</b>
<b>ICRG</b>	<b>International Cooperation Review Group</b>
<b>ICT</b>	<b>Information Communication Technology</b>
<b>IWT</b>	<b>Illegal Wildlife Trade</b>
<b>ME</b>	<b>Mutual Evaluation</b>
<b>MER</b>	<b>Mutual Evaluation Report</b>
<b>ML</b>	<b>Money Laundering</b>
<b>MOU</b>	<b>Memorandum of Understanding</b>
<b>PPSD</b>	<b>Public Private Sector Dialogue</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>TF</b>	<b>Terrorist Financing</b>
<b>THB</b>	<b>Trafficking in Human Beings</b>
<b>VASP</b>	<b>Virtual Asset Service Providers</b>

## *Introduction*

1. This is the ESAAMLG's sixth Strategic Plan. The Plan sets out priorities and activities to be achieved by the Council of Ministers, the Task Force of Senior Officials, the Member Countries, the Steering Committee and its sub-committees and the ESAAMLG Secretariat. It is designed to build on the successes achieved and lessons learnt from the challenges encountered in the implementation of the Fifth Strategic Plan (2020/21-23/24) by strengthening the priorities, objectives, and activities of the ESAAMLG.
2. The fifth Strategic Plan had nine key strategic objectives, namely:

- **Sustaining effective Post Evaluation Implementation of AML/CFT recommendations arising from the first round of assessments.**
- **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.**
- **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 and increase the visibility of ESAAMLG in the Region.**
- **Strengthening and enhancing regional and international cooperation among member countries.**
- **Enhancing ESAAMLG's cooperation and participation in AML/CFT regional and international initiatives.**
- **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.**
- **Promoting the Implementation of risk-based AML/CFT measures which support implementation of financial inclusion initiatives.**
- **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.**

3. There has been considerable progress in achieving the objectives of the fifth Strategic Plan despite the challenges faced including the COVID-19 pandemic and resource constraints. The main outcomes of the 2020-2023 Strategic Plan are shown on the Table below:

No.	Strategic Objective	Outcomes
1	Sustaining effective Post Evaluation Implementation of AML/CFT recommendations arising from the first round of assessments.	<ul style="list-style-type: none"> <li>• Completed the ESAAMLG Follow-up Process under its First Round of MEs.</li> <li>• Reviewed and approved 36 FURs without requests for rerating.</li> <li>• Approved and published 12 FURs with requests for rerating which all passed Global Network Quality and Consistency Review.</li> <li>• Assisted 3 countries to exit the Fourth Round ICRG Monitoring Process after successfully finalising their agreed Action Plans with the FATF.</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Approved and published 7 MERs (i.e Tanzania, Mozambique, South Africa, Eswatini, Kenya, Namibia and Angola) which all passed Global Network Quality and Consistency Review.</li> <li>• Finalised the MER of Lesotho for discussion at the September 2023 meeting.</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Approved and published 1 typologies study on <i>"Illicit Dealings in Gold, Diamond, Rubies and Associated Money Laundering and Terrorist Financing"</i>.</li> <li>• Commenced 1 typologies project.</li> <li>• Organised more than 5 workshops and webinars focusing on handling cases of ML/TF and associated predicate offenses (e.g. IWT and</li> </ul>

		THB) prevailing in the ESAAMLG Region
4	Expansion of ESAAMLG membership and increase the visibility of ESAAMLG in the Region.	<ul style="list-style-type: none"> <li>• Admitted 2 countries (Eritrea and South Sudan) as full members.</li> <li>• Admitted 1 organisation as an ESAAMLG observer.</li> <li>• Burundi's application to be an ESAAMLG member will be considered at the September 2023 meeting.</li> <li>• 1 country's application to be an observer will be considered at the September 2023 meeting.</li> </ul>
5	Strengthening and enhancing regional and international cooperation among member countries.	<ul style="list-style-type: none"> <li>• Signed 4 MoUs and commenced the process of signing 2 MoUs with organisations working on AML/CFT matters.</li> <li>• Organised more than 40 working group meetings and workshops to enhance regional and international cooperation among member countries.</li> <li>• Developed a guidance to assist the FIUs in producing quality financial intelligence.</li> </ul>
6	Enhancing ESAAMLG's cooperation and participation in AML/CFT regional and international initiatives.	<ul style="list-style-type: none"> <li>• Participated in the FATF Working Group and Plenary Meetings.</li> <li>• Participated at FSRBs forums initiated by the GIZ.</li> <li>• Admitted as a member of the United for Wild Life (UfW).</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Consolidated the technical assistance and training (TA &amp; T) needs of 15 member countries.</li> <li>• Facilitated more than 3 bilateral meetings between member countries and TA providers.</li> <li>• With the assistance of our technical assistance partner, developed a</li> </ul>

		<p>toolkit to guide member countries on assessing ML/TF risks on legal persons and arrangements.</p>
8	<p>Promoting the Implementation of risk-based AML/CFT measures which support implementation of financial inclusion initiatives.</p>	<ul style="list-style-type: none"> <li>• Developed a work programme to promote financial inclusion and applying risk based approach and updated the De-Risking Survey in the Region.</li> <li>• Facilitated more than 3 workshops to capacitate the supervisory authorities on risk-based supervision.</li> <li>• Organised the fifth PPSD with a theme on regulating virtual assets and virtual asset service providers.</li> </ul>
9	<p>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.</p>	<ul style="list-style-type: none"> <li>• Initial stages of capacitating the Secretariat by agreeing on staff compliment and increase in budgetary resources.</li> <li>• Operationalised the new governance structure and amended the MoU to reflect this,</li> <li>• Moved the Secretariat to a new building to have more office spaces.</li> </ul>

4. As shown on the Table above, one of the major outcomes of implementation of the Strategic Plan is the completion of the ESAAMLG Follow-up Process under its First Round of MEs and proceeding to conduct the Second Round of Mutual Evaluations under the FATF 2013 Methodology. ESAAMLG member countries are currently being monitored under these procedures. Successful implementation of the fifth strategic plan has mainly resulted in ESAAMLG member countries enacting or amending laws and formulating AML/CFT/CPF strategies dedicated to countering ML and TF and increasingly PF while noticeable efforts were noted in improving effectiveness of

their AML/CFT systems. Implementation of the 2020/21-2023/24 Strategic Plan saw Botswana, Mauritius and Zimbabwe exiting the FATF's Fourth Round ICRG Monitoring Process after successfully finalising their agreed Action Plans with the FATF. Uganda, South Sudan, Tanzania, Mozambique and South Africa are currently under the fourth round FATF ICRG monitoring process.

5. The Sixth Strategic Plan will run through the period when ESAAMLG will finalise undertaking the Second Round of Mutual Evaluations of its member countries and commence its Third Round of MEs. The ongoing assessments of Rwanda and Eritrea will be completed under the Sixth Strategic Plan. There are also different ongoing projects in relation to AML/CFT looking at new technologies, regional strategic analysis report, ML/TF risks, methods and trends on cross border cash transportation which are expected to be completed in the six strategic cycle.

*Contents of the Strategic Plan 2024/25; 2025/26 and 2026/27*

6. The Sixth ESAAMLG's Strategic Plan 2024/25; 2025/26 and 2026/27 describes ESAAMLG's:
  - a. Vision;
  - b. Mission;
  - c. Strategic objectives and their expected outputs; and
  - d. Strategies to achieve these objectives.

## ESAAMLG STRATEGIC PLAN

2024/25; 2025/26 and 2026/27 (APRIL 2024 - MARCH 2027)

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### VISION STATEMENT

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

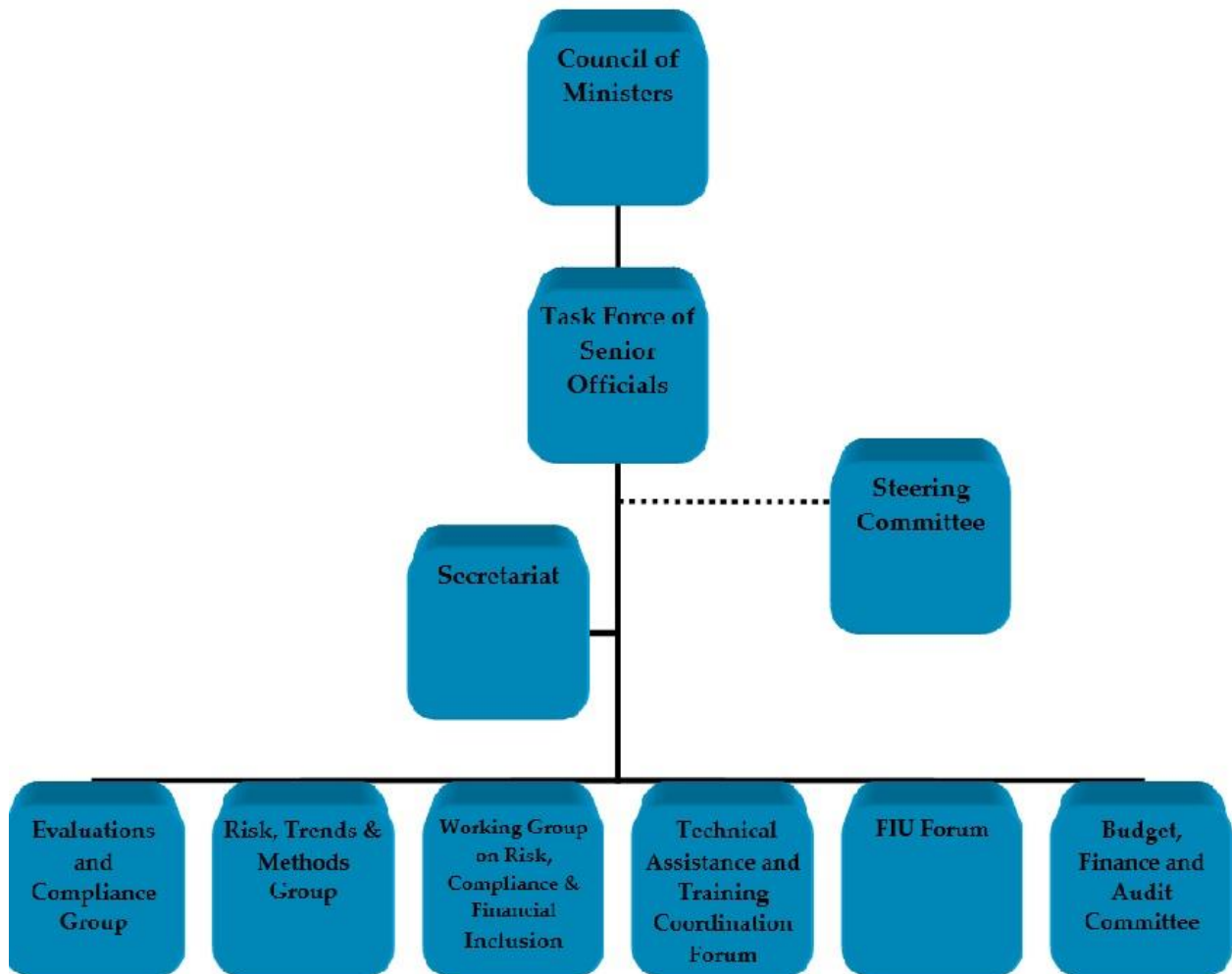
### MISSION STATEMENT

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



## ORGANIZATIONAL STRUCTURE

The following diagram provides the basic governance structure of the ESAAMLG which has been put in place to ensure smooth operation:



7. The Sixth Strategic Plan has strategic objectives that are intended to move ESAAMLG to the level of performance expected by the FATF and the Global AML/CFT/CPF Network.

#### **STRATEGIC OBJECTIVES**

- **Conduct quality assessment of the ESAAMLG member countries' AML/CFT systems for compliance with the FATF Standards.**
- **Conduct enhanced monitoring of ESAAMLG members' for improved AML/CFT systems in compliance with the FATF Standards.**
- **Promote the understanding of emerging ML/TF/PF risk in the ESAAMLG region through typologies studies on emerging risks.**
- **Enhance the international profile of the ESAAMLG through visibility and participation in global AML/CFT initiatives.**
- **Provide technical support to the ESAAMLG Member Countries for compliance with the FATF Standards including by prioritising countries subject to the International Cooperation Review Group (ICRG) process of the FATF and consolidating targeted regional AML/CFT/CPF capacity building, training and awareness raising programmes.**
- **Promote the implementation of risk-based AML/CFT/CPF measures in the ESAAMLG region which do not inhibit broader access to financial services including financial inclusion initiatives.**
- **Strengthen the operational capacity of the Secretariat for sustainable and efficient delivery of the mandate and vision of the ESAAMLG.**

## IMPLEMENTATION PLAN TO ACHIEVE THE STRATEGIC OBJECTIVES

### **1. Conduct enhanced monitoring of ESAAMLG members' for compliance with the FATF Standards.**

*Expected output: ESAAMLG member countries demonstrate improved compliance with the FATF Standards through timely remediation of post-mutual evaluation deficiencies.*

#### Strategic Activities

The activities that will be performed to achieve the desired outcomes include:

- Member Countries initiate activities with the support of the Secretariat to promote the understanding and implementation of the deficiencies identified in their own mutual evaluation reports.
- Member countries provide comprehensive Follow-Up Reports with quality and relevant information on progress made on remediation of deficiencies in the mutual evaluation reports.
- The Secretariat to support capacity-building activities for Review Groups to improve technical expertise for analysis of the member countries' FURs in line with the quality and consistency standards of the Global Network.
- Secretariat will build targeted engagements with the FATF Secretariat for improved peer-to-peer learning and information sharing activities on review of Follow-Up Reports.

**2. Conduct enhanced monitoring of ESAAMLG members' for improved AML/CFT systems in compliance with the FATF Standards.**

***Expected output:** Produce timely mutual evaluation reports on AML/CFT member countries' compliance with the FATF Standards which meet with the quality and consistency standards of the Global Network.*

**Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- Secretariat will work closely with the FATF Secretariat and other technical assistance providers to improve the capability of the ESAAMLG Secretariat staff on carrying out of mutual evaluations in the Third Round of the ESAAMLG Mutual Evaluation Schedule.
- Secretariat will develop and implement an annual work programme on mutual evaluation of Member Countries for timely completion of mutual evaluations.
- Secretariat will carry out timely and quality pre-mutual evaluation activities to prepare member countries due for mutual evaluation in accordance with the ESAAMLG mutual evaluation procedures.
- Secretariat will, with the support of the FATF Secretariat and technical assistance providers, organise and conduct FATF Standards Training Course and Assessors' Training to produce a sufficient pool of Assessors.
- Secretariat will mobilise extra-budgetary resources within and outside ESAAMLG members for broader capacity-building initiatives in support of the mutual evaluation programme.

**3. Promote the understanding of emerging ML/TF/PF risk in the ESAAMLG region through typologies studies on emerging risks.**

*Expected output: ESAAMLG member countries demonstrate good understanding of ML/TF/PF risks arising from typologies reports for implementation of risk-based AML/CFT measures consistent with each member country's' risk and context.*

**Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- Secretariat will strengthen its capacity for organising and managing typologies work and, where relevant, in collaboration with CONSUNs.
- Secretariat support member countries' initiatives for identifying and conducting topical typologies on methods and trends on ML and TF.
- Initiate activities with the FATF, the Egmont Group of FIUs and other relevant bodies for collaboration on typologies studies on emerging ML/TF risks.
- Secretariat to build an effective mechanism of monitoring the use of the findings of the ML/TF risk typologies by member countries to promote risk understanding and implement proportionate mitigation measures at a national level.

**4. Enhance the international profile of the ESAAMLG through visibility and participation in global AML/CFT initiatives.**

***Expected output:** ESAAMLG is able to effectively represent its priorities and contribute to global efforts on AML/CFT matters by participating in AML/CFT/CPF global network meetings, activities and other international AML/CFT/CPF initiatives*

**Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- 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/PF.
- The Secretariat continuing to welcome regional and international organisations and cooperating nations involved in AML/CFT/CPF work who wish to join the ESAAMLG as Observer members.
- Raise the profile of the ESAAMLG by providing inspiring and dynamic information through the website on the activities of ESAAMLG.
- Identify areas for which cooperation and coordination will play a pivotal role in enhancing or promoting effectiveness in the implementation of AML/CFT/CPF measures.
- The Secretariat providing support to the Forums/Working Groups/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/Working Groups/Groups 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 and Egmont Centre of FIU Excellence and Leadership (ECOFEL) to facilitate attainment of

Egmont Group membership by 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 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.
- Enhancing the working relations between the Secretariat and multilateral, international institutions and partner nations on AML/CFT/CPF issues.
- The Secretariat and member countries 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 and other FSRBs 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.
- Secretariat strengthening the ESAAMLG Associate Membership position by continuously interfacing with the FATF and increasing visibility regionally and internationally.

**5. Provide technical support to the ESAAMLG Member Countries for compliance with the FATF Standards including by prioritising countries that are subject to the International Cooperation Review Group (ICRG) process of the FATF and consolidating targeted regional AML/CFT/CPF capacity building, training and awareness raising programmes.**

***Expected output:** Technical support leads to stronger member countries' national AML/CFT capacity for improved compliance with the FATF Standards and, where applicable, contribute to completion of ICRG monitoring process of the FATF.*

### **Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- Secretariat will organise and manage technical assistance and training activities (e.g., identifying common challenges facing the member countries) in collaboration with the member countries and technical assistance providers including the CONSUNs.
- Secretariat will conduct activities on resource mobilisation to support capacity building initiatives particularly with CONSUNs.
- Secretariat will work closely with the FATF Secretariat to provide timely technical support and training to ESAAMLG member countries that are under the ICRG monitoring process of the FATF.
- Secretariat to support the member countries on in-country capacity building initiatives to strengthen national AML/CFT capacity including on ICRG process.



**6. Promote the implementation of risk-based AML/CFT/CPF measures in the ESAAMLG region which do not inhibit broader access to financial services including financial inclusion initiatives.**

***Expected output:** ESAAMLG member countries demonstrate balanced risk-based AML/CFT policies and plans which promote increased access by excluded sectors to formal financial services.*

**Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- Secretariat in collaboration with international bodies will support the initiatives promoting a balance between implementation of AML/CFT measures and access to financial services by excluded sectors.
- Secretariat monitors use of member countries' risk assessment(s) as the basis for implementation of AML/CFT measures commensurate with the risks identified.
- Secretariat working closely with member countries will organise and manage public-private sector partnerships to access to financial services by excluded sectors.
- Secretariat will work closely with relevant international bodies on promotion of financial inclusion within the member countries.

**7. Strengthen the operational capacity of the Secretariat for sustainable and efficient delivery of the mandate and vision of the ESAAMLG.**

***Expected output:** The Secretariat has sufficient capacity for effective delivery of the desired outcomes of the Strategic Plan.*

**Strategic Activities**

The activities that will be performed to achieve the desired outcomes include:

- Secretariat submits for approval by the Council of Ministers Annual Work Programme in line the Strategic Plan.
- Member Countries provide resources including payment of subscriptions in a timely manner.
- Member Countries support the expansion and promotion of the Secretariat technical staff as approved by the Council of Ministers.
- Secretariat identify activities which will require mobilisation of extra-budgetary resources in support of Annual Work Programme.
- Secretariat develops and implements capacity building programme for upskilling of staff particularly in respect of the Third Round of Mutual Evaluations.
- The Task Force and the Council providing necessary support and resources for the Secretariat to effectively implement approved work programmes.
- The Secretariat working with the ESAAMLG Steering Committee and the Task Force to implement a robust governance structure capable of addressing all emerging challenges for the organisation including the revision of the Secretariat's HR policies and procedures.
- The Secretariat continue implementing and improving 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.
- The Secretariat continuing to mobilise extra-budgetary resources for the implementation of the approved work programmes.
- Secretariat continuing to productively organise and manage the meetings of the Task Force of Senior Officials and the Council of Ministers as well as the Public-Private Sector Dialogues.

- The Secretariat continuing to prepare and circulate papers for ESAAMLG meetings 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 by maintaining data on ME work and undertaking benchmarking exercises.
- The Secretariat continuing to improve financial management systems including by comprehensively addressing External Audit Recommendations, setting up an internal audit function, working with the Budget, Finance and Audit Committee.

### *Conclusion*

Since it was first established, ESAAMLG has developed positively as an FATF Style Regional Body. The Sixth Strategic Plan seeks to consolidate and sustain efforts to implement the FATF 40 Recommendations (2012) in all member countries to enable the Region to effectively combat Money Laundering, and Terrorist and Proliferation Financing. The Strategic Plan also seeks to develop systems and processes that would enable ESAAMLG to be an effective member of the AML/CFT Global Network. It is anticipated that under the Sixth Strategic Plan countries will continue improving their level of effectiveness in addition to addressing all technical compliance requirements consistent with their risk profile and context. The Secretariat will present a briefing paper on the annual review of implementation status of the fifth Strategic Plan for discussion at the April 2024 meeting and implementation status of this Strategic Plan at each March/April Task Force meetings from 2025.