Countering Illicit Finance
Continuing to Support Ethiopia in Strengthening its Anti-Money Laundering and Countering the Financing of Terrorism Regime

OCTOBER 2015

BACKGROUND

In recent years Ethiopia has undergone rapid economic growth and been increasingly integrated into regional and international financial systems. Recognizing the country may experience increased vulnerability to illicit financial flows (IFFs)—which are commonly defined as money or capital that is illegally earned, transferred, or utilized—the Ethiopian government made a high-level political commitment to enhance its national anti-money laundering and countering the financing of terrorism (AML/CFT) regime. Since the passage of its first AML-relevant law in 2009, Ethiopia has made significant progress in strengthening legislative frameworks and technical expertise, as well as raising awareness among AML/CFT stakeholders and increasing engagement with regional and international AML/CFT bodies. As a result of these achievements, Ethiopia was removed from the Financial Action Task Force’s (FATF) ongoing AML/CFT monitoring process in October 2014.

Such progress has positioned Ethiopia to emerge as a key player in developing a regional strategy to combat IFFs. In order to ensure that Ethiopia’s gains translate into sustained implementation of AML/CFT efforts, a focused capacity-building and technical assistance program will build upon existing momentum to support the continued development of AML/CFT work in Ethiopia. From a regional perspective, a stronger AML/CFT regime in Ethiopia may contribute to the disruption and mitigation of IFFs across the Greater Horn of Africa.

ABOUT THIS PROJECT

Beginning in 2016, Ethiopia will undertake a two-year capacity-building and technical assistance program, supported by the Government of Denmark, to strengthen its AML/CFT regime and curb IFFs. Implemented in partnership with the Global Center on Cooperative Security, the 30-month program will focus on assisting local stakeholders, primarily the Ethiopian Financial
Intelligence Center and Ministry of Justice, in developing stronger capacities to deter, detect, and combat illicit financial flows and to strengthen Ethiopia’s role in regional AML/CFT efforts.

The program builds upon work conducted during a prior technical assistance program with this purpose, also supported by the Government of Denmark and facilitated by the Global Center, and is designed to achieve four mutually reinforcing outcomes:

- Maintain and deepen compliance with FATF Recommendations
- Enhance investigation and enforcement capacities to protect against illicit financial flows
- Heighten public awareness among AML/CFT stakeholders
- Increase Ethiopian engagement in regional AML/CFT cooperation

ABOUT THE GLOBAL CENTER ON COOPERATIVE SECURITY

The Global Center is a nonprofit, nonpartisan policy and research institute that partners with governments, international organizations, and civil society to develop and implement comprehensive and sustainable responses to complex international security challenges through collaborative policy research, context-sensitive programming, and capacity development. The Global Center has been working in the Greater Horn of Africa for over seven years on research and programming related to anti-money laundering and countering the financing of terrorism, criminal justice, and countering violent extremism.

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