Strengthening AML/CFT Capacities in the Greater Horn of Africa
TANZANIA AND UGANDA

BACKGROUND
In recent years a number of states in the Greater Horn of Africa have experienced a period of rapid economic growth and increasing integration with the global financial system. While these developments offer promise for poverty alleviation and progress toward several other sustainable development goals (SDGs), the region’s predominantly cash-based economies and newer financial regulatory structures contribute to a potential vulnerability to illicit financial flows (IFFs). In recognition of the economic impact that IFFs have—estimated at a loss of over 68 billion USD for Sub-Saharan Africa in 2012—many states in the Greater Horn have expressed a commitment to strengthen national anti-money laundering and countering the financing of terrorism (AML/CFT) regimes to more effectively curb these illicit flows.

Tanzania and Uganda are two jurisdictions that have demonstrated significant gains in AML/CFT in recent years. Tanzania was removed from the Financial Action Task Force’s (FATF) ongoing global AML/CFT monitoring process in June 2014, and since that time has conducted outreach to reporting entities regarding their obligations, and has seen a select number of money laundering cases go to prosecution. Uganda has also demonstrated resurrected political commitment to bolstering its AML/CFT regime, passing crucial legislation, and enhancing engagement with FATF and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) through the conduct of a mutual evaluation process.

Both countries are currently prioritizing the effective implementation of relevant legislative frameworks, compliance among reporting entities, development of advanced analytical capacities of FIU staff, and awareness raising both in and outside of the capitals on best practices for AML/CFT investigation and prosecution among law enforcement and judicial authorities. With Tanzania preparing to undergo its second ESAAMLG mutual evaluation in 2017, and both countries undergoing national risk assessment processes, it is crucial to encourage sustained political and operational attention to these issues.

ABOUT THIS PROJECT
To support continued national progress, the governments of Tanzania and Uganda will participate in an 18-month program, supported by the Government of the Netherlands, which aims to strengthen national AML/CFT capacities and promote enhanced regional cooperation. Implemented in partnership with the Global Center on Cooperative Security.
Security, the program will focus on supporting national stakeholders, primarily the Tanzanian Financial Intelligence Unit (FIU) and the Ugandan Financial Intelligence Authority (FIA), as they enhance their fulfillment of AML/CFT responsibilities.

The primary objectives of the program are to:

1) support Tanzania and Uganda in strengthening AML/CFT capacities to enhance supervision of the financial sector and curb illicit financial and trade flows;

2) support the transition of legislative frameworks and training material into effective and sustained implementation of AML/CFT frameworks through the development of action plans and promotion of peer learning and best practice exchanges; and

3) promote greater regional cooperation and coordination on AML/CFT across the Greater Horn by enhancing existing peer relationships and promoting increased cooperation and information sharing.

The program will include multiple interactive trainings for the FIU and FIA as well as other key interlocutors such as the Central Bank and other regulators, Ministry of Justice, revenue and customs authorities, financial institutions and reporting entities, law enforcement, and anti-corruption bodies.

Topics include sanctions and asset freezing obligations, sector specific risks for money laundering and terrorist financing, awareness raising on AML/CFT obligations for designated non-financial businesses and professions, new payment products and services, and AML/CFT supervisory mandates and procedures for regulatory and licensing agencies.

As part of this program, FIU and FIA staff will also participate in on-site information sharing visits with regional peer FIUs to exchange best practices for the effective implementation of AML/CFT frameworks. Additionally, FIU and FIA staff will regularly engage with a variety of global AML/CFT practitioners throughout the program who will offer insight into developing action plans and strategies that support the transition of training information into policies and procedures that tangibly enhance AML/CFT regime effectiveness and stakeholder compliance.

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