Global Programme for “Combating Illicit Financial Flows“

Kenya, 14.03.19
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1. Definition

ILlicit Financial Flows

- Counterfeit Medicine
- Embezzlement
- Extortion
- Corruption
- Arms/Narcotics Trafficking
- Organised Crime
- Human Smuggling/Trafficking
- Commercial Activities
- Tax Evasion
- Trade Mispricing
- Conflict of Interest
- Bribery
2.1 Relevance: Facts and Figures

- **Africa:**
  - ~407 Bn. USD between 2001-2010

- **Annual:**
  - ~540 Bn. USD

- **2009:**
  - ~1500 - 2000 Bn. USD

- **Relevance:**
  - Facts and Figures
2.1 Relevance: Facts and Figures

Illegal outflow
From developing and emerging countries

- $970 Bn.
- $620 Bn.
- $124 Bn.

Globally only 1% of IFF confiscated or frozen

(UNODC, 2011)

ODA

IFF

2.2 Relevance: Effects of IFF on Development

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

- G20 / Compact with Africa
- „Marshallplan mit Afrika“
- Agenda 2030 (Sub Goal 16.4)
- OECD/ G20 BEPS Action Plan
- Addis Ababa Action Agenda/ Addis Tax Initiative
3.1 Programme: Current Status

- **Aim:** The systems for the cross-sectoral fight against illicit financial flows on national, regional and international level are strengthened.
- **Budget:** 6.5 million Euro.
- **Term:** 05/1015-02/2021.
3.2 Programme: Methodology

GP has been commissioned to conduct activities in three areas:

- **Advising relevant authorities** on new formats to detect and trace IFF including money laundering.
- **Developing capacities of authorities** for international cooperation in criminal matters and AR
- **Supporting national and international cooperation** by German federal ministries
3.2 Programme: Methodology

Four main areas of intervention in partner countries:

- **Prevention** e.g. through
  - transparency standards
  - information exchange
  - risk analysis

- **Financial Investigation** e.g. through
  - interagency networks
  - investigation capacity building
  - investigative journalists

- **Asset Recovery** e.g. through
  - Mutual legal assistance
  - Asset recovery networks

- **Policy coherence** e.g. Through
  - Interministerial dialogue
  - Best practice promotion
3.2 Programme: Methodology – Implementation Model:

- Anti-money laundering and financial transparency standards
- IFF risk analyses
- Strengthening regional networks to combat money laundering and terrorist financing
- Strengthening financial institutions financial supervision & DNFBPs compliance

- Strengthening financial investigation agencies
- Fostering investigative journalists
- Supporting national, regional and global inter-agency networks

- Strengthening public prosecution
- Improving procedures for legal assistance requests-MLA
- Supporting regional Asset Recovery Networks
3.3 Programme: The Team

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15.10.2018
Combating Illicit Financial Flows
3.3 Programme: Implementation in partner countries

- GERMANY
- MACEDONIA
- PERU
- KENYA
- Tunisia

GP IFF and regional partners
Project Combating IFF
3.3 Programme: Implementation

- GP IFF offices and national partners
  - Governance Support Programme, South Africa
  - ESAAMLG and ARIN-EA, East and Southern Africa
  - GAFILAT, Latin America
  - GIABA-North and MENA-FATF West Africa

Implemented by:
- GIZ Deutschland (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH)
- Federal Ministry for Economic Cooperation and Development
3.3 Programme: Implementation
Activity examples in partner countries:

- **Prevention:**
  - FATF standards compliance
  - NRA-Risk Analysis in Latin America
  - Beneficial Ownership transparency

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

- **Asset Recovery** e.g. through
  - MLA Support to ARIN-EA, BARIN, ARINWA
  - Case review and trial advocacy work
3.4 Programme: Development

- Current Term: 02/2019-12/2021 (3 years)

- New regional focus on Western Africa and the MENA region
Thank You!

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