



UNODC

United Nations Office on Drugs and Crime

IN-DEPTH EVALUATION OF THE GLOBAL PROGRAMME AGAINST MONEY LAUNDERING, PROCEEDS OF CRIME AND THE FINANCING OF TERRORISM (GPML/GLOU40)

BACKGROUND AND CONTEXT

Summary of the project purpose

The Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML/GLOU40) encourages policy development on anti-money-laundering (AML) and countering the financing of terrorism (CFT), raises public awareness about the cross-cutting aspects of money laundering and the financing of terrorism, contributes to the strengthening of governance measures and anti-corruption policies, and acts as a centre of expertise on AML and CFT. It is pivotal to UNODC's mandate to prevent drug offences and other crimes.

The objectives

The overall objective of GPML is to "Assist Member States to prevent and suppress illicit financial flows (IFF) from drugs and crime and to implement UN conventions and internationally accepted standards for anti-money laundering and the counter-financing of terrorism (AML/CFT)".

GPML seeks to strengthen the capacity of Member States to establish comprehensive and effective regimes against money-laundering and the financing of terrorism in accordance with relevant General Assembly (GA) resolutions. It also contributes to SDG 16.4, which calls for significant reduction in "illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime" by 2030.

Purpose of the evaluation

The evaluation was undertaken to assess the progress made, as well as to draw lessons and chart future directions for the programme and UNODC management, since previous evaluation in 2010.

Methodology of evaluation

The evaluation covered the period of March 2011 to August 2017, using a mixed-methods approach with adequate triangulation to arrive at credible, reliable and unbiased findings.

Primary sources of information were 78 interviews with stakeholders, a survey completed by 106 respondents (53% response rate), focus group discussions and observations on missions to Cyprus, Colombia, Panama, and South Africa as well as at the FATF private sector forum in March in Vienna and the ESMALAAG meeting in Arusha, Tanzania. Secondary sources included a significant number of project documents and archival data available from partner organizations.

RESULTS

The main findings

The evaluation found that the project objectives were consistent with the UNODC's mandates and global priorities in the area of AML/CFT and that they matched the needs of beneficiaries. GPML is an important part of the global AML/CFT regime. It has worked on developing national programmes that support a risk-based approach to prevention and detection, and help improve prosecution outcomes in the areas of AML/CFT. Further, within the limits of its own mandates and resources, the project has been reasonably flexible in responding to evolving needs and new threats.

GPML's activities were carried out on time. GPML has witnessed a major expansion and associated increase in expenditure over last two years. While granular data to determine its cost-effectiveness was not available, it appears that the GPML is using its resources efficiently. Opportunities for further improvement exist, though, especially in the use of eLearning modules. While GPML's flagship mentorship programme is expensive, the programme has utilized a Training-of-Trainers approach in some projects to be more cost-effective.

GPML has established working partnerships within and beyond UNODC. These arrangements have helped GPML achieve its results, however more opportunities exist that need to be explored. A key obstacle in this area is fund-raising and competition for funds between internal and external players.

INDEPENDENT EVALUATION UNIT BRIEFS

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QUICK FACTS

COUNTRIES:

Global

EVALUATION TEAM:

Dr Punit Arora (team leader)
Ms Eleni Tsingou
Ms Eva Otero
Mr Carlos Asenjo Ruiz (IEU)

PROGRAMME DURATION:

Phase I: 1997- 2008
Phase II: 2008- 2019

PROGRAMME CODES:

GLOU40

PROGRAMME COORDINATOR:

Mr. Oleksiy Feshchenko

DONORS:

Belgium, Canada, Colombia, Cyprus, Denmark, France, Germany, Ireland, Italy, ITTO, Japan, Liechtenstein, Luxembourg, Norway, Russia, South Korea, Sweden, Switzerland, UK, USA (INL), and the World Bank.

PROGRAMME BUDGET:

US\$ 55,900,334
Programme budget in 2011/17: US\$ 13,576,326

IMPLEMENTING AGENCIES:

The Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism, UNODC

EVALUATION REPORT:



<https://tinyurl.com/GPML-eval>

The global institutionalization of AML/CFT policies, regulation and legislation entails a need for sustainable AML/CFT provisions. The programme is an important contributor to sustainability, although effectiveness depends on capacity development, which needs continued support. GPML, through its mentorship programme, networks such as ARINSA, Training-of-Trainers activities, and work with FIUs is actively contributing to national ownership of AML/CFT frameworks. GPML itself cannot be sustained without continued support, especially as it does not benefit from regular budget contributions. While that is true of UNODC as a whole, GPML in particular is extremely vulnerable to changes in donor priorities, especially the anticipated decrease by the Programme's biggest donor.

There is a large body of UN resolutions and other commitments binding UNODC and Member States to mainstreaming human and gender rights in its programmes and projects. While GPML's work contributes to UNODC achieving these mandates, it does not provide explicit information on these commitments and frameworks in its programme documents and reports. This is perhaps due to the fact that AML/CFT issues are mostly considered HRG-blind. The evaluation notes the need for the programme to provide more clarity on these issues (e.g. on data protection and information exchange).

Highlights of GPML-supported AML/CFT results in 2016
<ul style="list-style-type: none"> • Cash worth USD 1.2 million in 27 cases seized by Vietnam customs. • Ivory/ horn seizures in Cambodia (6 cases) and Viet Nam (12 cases). • Crime proceeds worth USD 8.6 million recovered by ARINWA countries (West Africa). • Crime proceeds worth USD 23 million seized by ARINSA countries (South Africa). • Crime proceeds worth USD 56 million frozen abroad by Kazakhstan.

Main conclusions

GPML is one of the flagship programmes of the UNODC, and it has made a significant contribution to tackling the challenge of AML/CFT around the world. Its efforts have contributed to changes in legislation and policies as well as built capacity of officials to effectively implement these policies in countries receiving its technical assistance. As a result of its mentoring, network development, training and other capacity development work, many countries exhibit better awareness and enforcement on money-laundering and financing of terrorism. While significant progress has been achieved, money laundering and financing of terrorism continue to be a significant challenge around the world. Further, as old loopholes are plugged, new ones emerge. As a result of stricter financial sector regulations, trade-based money laundering, cryptocurrencies and internet gambling appear to be the most prominent emergent challenges.

Key UNODC accomplishments

While, the complex nature of the intervention, along with multiplicity of players in the field, makes it hard to quantify the impact attributable to the project, however the pivotal role played by the project in bringing out these changes is quite evident. GPML has been effective in achieving its intended outcomes. It has contributed to generating awareness on the negative economic and social impact of money laundering and the financing of terrorism. It has also been an important player in promoting knowledge and expertise necessary to deal with AML/CFT, and has helped strengthen AML/CFT coordination and cooperation among Member States, international Organizations and regional bodies. GPML also has substantial

potential opportunities to explore, going forward. There are several money laundering and terrorist financing hotspots in the world in which GPML is yet to become operational. GPML has started providing assistance on cryptocurrencies, but is yet to focus on other emerging challenges such as trade-based money laundering.

SWOT Analysis for the GPML
Strengths
Mentoring system
Relationships with partners (e.g., FATF) and law enforcement agencies
UNODC network and credibility
Weaknesses
Insufficient financial resources
(Relatively) weak monitoring and evaluation
Opportunities
Emerging challenges in AML/CFT (e.g., Trade-based money laundering)
Partnership with other TA providers (e.g., WCO, CCP)
Greater integration with terrorism prevention and anti-corruption work
Increased use of eLearning
Threats/ Challenges
Unhealthy competition between various programmes for funding
Discontinuation of funding by important donors

Main Recommendations

GPML management needs to adopt a more strategic approach to identifying and targeting critical AML/CFT hotspots. It also needs to be alert to emergent challenges such as Trade-Based Money Laundering (TBML), internet gambling and cryptocurrencies. GPML should continue investing its efforts in promoting regional networks. It should also seek to broaden these networks by including local academic and research institutions for increased self-sustainability. It should continue exploring strategies to make mentoring as cost-effective as possible. Mentoring efforts should be complemented with Training-of-Trainers, eLearning and other means to promote cost effectiveness. To benefit from eLearning, GPML should mandate its use for as many activities as possible. UNODC management should also periodically undertake strategic assessments for ensuring that its product-market fit remains valid. These assessments are necessary for repositioning and rebranding its programmes. GPML should undertake a gender analysis of the focus and priorities of GPML with a view to ensuring its explicit consideration to the impact of activities and results on men and women.

LESSONS LEARNED AND BEST PRACTICES

GPML made a very effective use of mentoring to build capacity of member states, especially that of law enforcement agencies and Financial Intelligence Units, on AML/CFT effectiveness. However, mentoring is an expensive capacity development strategy. Given resource limitations, GPML has deployed some cost-effective methods such as eLearning, Training-of-Trainers, and development of regional networks (e.g., ARINWA and ARIN-AP). This is a best practice that GPML should continue expanding, and that other programmes within the UNODC may do well to imitate.

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