



Independent Evaluation Unit

Evaluation of the Global Programme against Money-Laundering

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Summary table of findings, supporting evidence and recommendations

<i>Findings: identified problems/issues</i>	<i>Supporting evidence/examples</i>	<i>Recommendations</i>
1. GPML lacks a global strategy and hence a coherent global programme. As a result GPML has not been able to make long-term plans and commitments. GPML is not a global programme but supports activities globally.	GPML plans are developed on a yearly basis and cover short-term activities and the funding is also only assured for short-term periods. GPML work is heavily influenced by ad hoc decisions and demands from within UNODC and its activities are determined by the availability of donor funding.	GPML must develop a strategic plan that provides guidance to the Global Programme against Money-Laundering, address the long-term global priorities, secure longer term funding as well as reduce frequency of ad hoc decisions.
2. GPML core budget is very limited and supports only one official at headquarters. The rest of the AMLU staff and activities are financed from extrabudgetary resources provided by donors on a short-term basis. As a result GPML is activity oriented and its plans are developed on a yearly basis.	The three regional coordinators and the activities are funded on a yearly basis, dependent on the generosity of donors. No resources are available that allow for long-term planning or the development of a truly global programme. The security of staff and commitments at the field level are impacted by the limitations/non-availability of core funding.	UNODC should increase the GPML core funding to allow for more stable funding and longer term planning. An increase in core funding would create more security for staff, enable the GPML to plan and commit to a truly global programme.
3. All GPML staff except for the mentors are located at the headquarters in Vienna. This makes communication with the field difficult and participation of field offices sometimes impossible. GPML lacks presence at the field level and hence its activities are centralized.	A total of four professional staff is located at headquarters. This number is inadequate to cover the whole world from Vienna. The centralization of staff results in extensive travel and inadequate global coverage. Non-representation in the field leads to poor or non-participation by field offices in anti-money-laundering activities.	The structure and configuration of GPML and AMLU should be enhanced by providing core funding and hence allowing for 5 staff to be located in field offices, 10 mentors to be strategically deployed in the regions and a core staff of 5 to be located at headquarters to support regional coordinators and plan global activities.
4. The mentor initiative while small (has employed a total of 8 mentors) is recognized by donors and the recipient countries as an effective and efficient mechanism of delivering assistance through the transfer of skills, sharing of information and providing technical support to Member States.	The recipient countries in the Caribbean, East and Southern Africa and Asia and the Pacific region confirm that there has been transfer of skills as evidenced by the development of legislation, FIUs, successful investigations and confiscation of proceeds from criminal activities. Current donors want to continue to support the mentor initiative because of its success and new donors would also like to provide more funding for the initiative.	GPML should expand the mentor initiative and link this initiative to country and regional activities by developing a strategic plan and comprehensive global programmes that enable the donors to fund the whole package (mentors and activities).
5. The evaluation established that GPML current activities are having an impact. The GPML has been recognized by its current donors as a leading United Nations programme against money-laundering. The beneficiary countries also expressed satisfaction with the quality of assistance that has been provided.	GPML current activities provide support to countries on legislation development, short-term experts, long-term mentors, training the judiciary, investigators and prosecutors and policy makers. The Programme assists in the establishment of FIUs and other anti-money-laundering institutions. There is evidence from the assisted countries that investigations and successful prosecution and confiscation of assets and proceeds of crime are being achieved.	The current GPML activities need to be continued and consolidated by developing a strategic Global Programme against Money-Laundering. The GPML provides support to countries through its activities.

<i>Findings: identified problems/issues</i>	<i>Supporting evidence/examples</i>	<i>Recommendations</i>
6. The UNODC within the United Nations system has the mandate to deal with anti-money-laundering issues and yet the resources allocated to it and to the GPML are limited. However the issue of anti-money-laundering and financing terrorism touches on the work of other United Nations entities that have more resources than UNODC. The GPML within the United Nations is recognized as a leader in this field and as a repository of information on anti-money-laundering.	Duplication of activities being carried out by other United Nations entities. Anti-money-laundering activities are not always coordinated within the United Nations system. Anti-money-laundering activities in UNODC are not always channelled through GPML. In general synergies are not created within the United Nations system in addressing anti-money-laundering issues.	GPML must reach out and develop or enhance joint initiatives and partnerships as well as coordinate with other United Nations entities and other international institutions involved in anti-money-laundering activities. Synergies must be built between the various United Nations entities, other international institutions and GPML in order to create greater impact.
7. The use of UNOPS contracting arrangements enable GPML to place mentors in the field in a timely manner. However, support for mentors by UNOPS once they are in the field is lacking.	Mentors have had problems with payment of salaries and other entitlements. No adequate arrangements have been made with host countries to facilitate working and living arrangements. Mentors are not clear about whom to contact when they have problems.	UNODC should evaluate the quality and cost of services being provided by UNOPS. Further, there should be an evaluation of personnel practices, timely responsiveness and quality of support of the United Nations Office at Vienna personnel function to determine why managers choose UNOPS given some of the problems experienced.
8. There is poor communication and lack of information at the field level about GPML field activities. This leads to non-participation by field offices in GPML activities. Field offices are unable to provide answers or respond to requests from countries. This leads to confusion at the field level and in the countries that are supported by GPML.	Regional offices in South Africa and East Africa were unaware of GPML activities taking place in their areas of representation. There was no field participation in GPML activities. In the Asia and the Pacific region some AML projects were started by donors and field offices without full knowledge or involvement of GPML headquarters.	Locate GPML staff in regional/field offices to ensure joint and full participation in AML activities by field offices and AMLU. Locations of GPML staff in field offices will improve communication and help with a better flow of information.

Key:

- AMLU = Anti-Money-Laundering Unit
- FIU = Financial Intelligence Unit
- GPML = Global Programme against Money-Laundering
- UNODC = United Nations Office on Drugs and Crime
- UNOPS = United Nations Office for Project Services

Summary

The broad objective of the Global Programme against Money-Laundering is to strengthen the ability of Member States to fight money-laundering and, in general, to assist them in depriving persons of the proceeds of their criminal activities. The Programme has been a dynamic one since its inception. Each year, comprehensive work plans have been prepared that incorporate new issues and ideas. The work plans have been increasingly demanding, as the United Nations Office on Drugs and Crime (UNODC) has strived, through the Global Programme, to make the United Nations a key participant in and contributor to the worldwide strategy against money-laundering. Through the Programme, technical assistance has been provided to Member States in Asia, Eastern Europe, the Middle East, sub-Saharan Africa, Latin America and the Caribbean. The Global Programme is the only source of technical cooperation with a global mandate to deal with all aspects of the fight against money-laundering and the financing of terrorism. It provides a repository of best practices and information in those areas and promotes their dissemination through various initiatives. Its general thrust in the area of technical cooperation focuses on assisting legal, financial and law enforcement authorities to develop the necessary infrastructure to counter money-laundering and the financing of terrorism. Specific initiatives are built around raising awareness, building institutions and training. The Anti-Money-Laundering Unit of UNODC has developed and maintained strategic relationships and conducted many joint projects in partnership with international organizations and donors working to counter money-laundering.

The Global Programme against Money-Laundering has developed into a successful programme, using a total of eight mentors so far to provide support for States wishing to develop their anti-money-laundering programmes. The mentor initiative, while small, has proven to be a cost-effective approach for the Global Programme and donors to address those needs. Key stakeholders interviewed during the present evaluation all agreed that the mentor programme was one of the most effective methods of delivering long-term, sustainable technical assistance. The mentor programme guarantees local support to States and transfers skills to regional and local experts, hence producing efficient and sustainable results for the anti-money-laundering programme. It is considered by the donors who support the Global Programme to be the best method for giving States or regions the personal, long-term and sustained high-quality support required. A substantial portion of anti-money-laundering resources in the field is devoted to mentoring in order to bring targeted assistance directly to the recipients; the Global Programme now has as many professionals in the field as at UNODC headquarters. The impact of the Programme would be greater if more mentors were deployed to support countries and regions.

The Global Programme has made a positive contribution as part of the driving global force in the fight against money-laundering. Its products include awareness-raising, training classes, seminars, computer-based training, mentoring, development of legislation and establishment of financial intelligence units (FIUs). The support to States, through drafting and supplying model money-laundering legislation has provided many of them with the knowledge and ability to begin the legal process of developing their own legislation. Additionally, the Programme has provided technical assistance through short-term experts and longer-term mentors to

guide States in finalizing the process. The Programme is poised to be the coordinator within the United Nations of the efforts to continue this critical part of the process, which will allow the States concerned to be totally self-sufficient with comprehensive and sustainable anti-money-laundering programmes. The impact of the work accomplished through the Global Programme is that it has enabled States that knew little or nothing about money-laundering to begin programmes and activities against it. In addition, the citizens of those States have been made aware of what money-laundering is and how they can participate in the fight against it. This impetus should become a selling point for the Programme to potential donors.

To continue support under the Global Programme in the most effective way, UNODC is committed to continued development of the mentor initiative. As demands continue to increase, the Global Programme must also grow to allow it to provide the necessary support. With the proper resources, structure and strategic plan, the mentor initiative will become an increasingly effective tool for the Global Programme in reaching its strategic global objectives.

The recommendations that the evaluation determined would provide the United Nations the maximum benefit from the Global Programme against Money-Laundering in the future are presented below.

Strategic planning

At present, only a few donors, such as Canada, France, the United Kingdom of Great Britain and Northern Ireland and the United States of America, and collaborating partners, such as the Commonwealth Secretariat and the World Bank, provide funding for activities under the Global Programme against Money-Laundering. Many donors do not consider preventing money-laundering a priority and some are prohibited by their legislation to fund the Programme, as it is regarded as pertaining to law enforcement. Given those limitations, the funding circumstances of the Programme have not permitted long-range planning beyond a period of one year. As a result, it has not been practicable to develop existing activities into a longer-term programme that is guided by a long-term strategy. The present report recommends, inter alia, a funding approach that would permit such planning, the capacity for which is very much desired by the staff of the Anti-Money-Laundering Unit.

The Global Programme against Money-Laundering, as well as all major programmes within UNODC, should develop and maintain a detailed strategic plan that addresses long-term global objectives and strategy. The development of the strategic plan should be preceded by an analysis of strengths, weaknesses, opportunities and threats (SWOT) that would assess those aspects for the Programme. The strategic plan should ideally include an analysis of the needs of each State that requires assistance to counter money-laundering. The SWOT analysis and the strategic plan should enable the identification of significant additional resources and hence raise the chances for increased, long-term funding. The strategic plan will also reduce ad hoc activities that are often imposed on the Anti-Money-Laundering Unit.

Increased core funding

The core funding of the Global Programme against Money-Laundering provided by the United Nations should be increased to allow for operations to be planned and commitments to be made over longer periods of time. A significant portion of the funding should continue to come from donors as well as through co-sponsored projects, but the Programme should not be required to scavenge for outside funding each time a new initiative or need is identified. The expansion of core funding should come from four possible sources: (a) additional core funding from UNODC once the strategic plan is finalized; (b) reallocation by present donors of some current bilateral funds to UNODC, to be used by the Global Programme to provide the former recipient States with technical assistance; (c) use of the new strategic plan and the results of the present evaluation to attract new donors; and (d) some of the developing countries, such as the Persian Gulf States, could fund their own regional or national mentors, as has already happened in one case.

Through the mentor initiative, the Global Programme has developed a product that present donors are eager to use. A dependence on too few donors can cause problems as the priorities for donors can change quickly, negatively affecting the Programme. The Programme needs to diversify its funding sources as indicated above and elsewhere in the present report. The current staff of the Anti-Money-Laundering Unit should all be funded from core funding. The above proposal is made based on the conviction that more funding could be raised if a more strategic approach to the Global Programme against Money-Laundering was adopted. The additional positions of regional representatives should be funded from core resources to allow for the changes and additions that may occur in the donor funding of the mentor programme. The current and additional mentors, as well as the positions of mentor coordinator, administrative assistant and computer-based training coordinator should be financed from donor funds as part of the project budgets.

Enhanced structure of the Global Programme

The structure and configuration of the Global Programme need to be enhanced to take advantage of the great accomplishments and standing of the Programme acquired over the past seven years. The Programme should be expanded to include at least five core-funded regional anti-money-laundering coordinators. The regional coordinators would be located in strategic regional offices to supply the greatest support to the mentor programme, and to other country-specific needs, to provide liaison with field offices and to collaborate in identifying new opportunities. The mentor initiative should be expanded to provide a minimum of 10 mentors in support of country programmes identified in the strategic plan. The core staffing of the Anti-Money-Laundering Unit in Vienna should continue to provide leadership to the global effort, be the think tank that produces the strategic plan and provide global coordination. This presence should be strengthened by establishing the position of a coordinator for the regional staff and mentors and an administrative assistant. A coordinator for computer-based training should also be created to support its dissemination. Expansion of the Unit will enhance the capacity of the Programme to ensure that those States needing technical assistance programmes receive them and will enhance the global profile of the Programme among the key stakeholders as it is recognized as the “leader” in providing technical assistance

initiatives that might create new opportunities for other United Nations programmes to exploit. The final number of staff for the Programme and their location should be determined by the type, volume and distribution of the work and resources generated by the strategic plan.

Expand the mentor initiative

The mentor programme, while small (eight mentors to date), produces efficient and sustainable results for the Global Programme against Money-Laundering and is considered by the donors to be the best method for giving States sustainable, high-quality support. That fact should be used by the Anti-Money-Laundering Unit as a selling point to potential donors by incorporating it into the strategic plan. A clear link should be established in the strategic plan between the mentors and national and regional activities. The mentor initiative should be expanded to provide 10 active mentors in regions and countries around the world. This would improve the support to the global anti-money-laundering efforts and bring many more Member States up to the proper global standards. This would also guarantee to the donors that the Global Programme has the capacity to provide assistance to the States that the donors are supporting bilaterally. Current arrangements with the United Nations Office for Project Services (UNOPS) for hiring mentors provide for quick, efficient and flexible retention of much sought after international experts, although there is room for improvement in UNOPS service delivery to mentors once the contracts are in place.

Continuation of operations under the Global Programme

It is critical that the work presently being developed and accomplished by the Anti-Money-Laundering Unit should be continued, because it is creating an impact in Member States (see paras. 19-23). From the perspective of the United Nations, the Programme has become the best global programme available to provide immediate and sustained support to States through the dedicated work of all members of the team. The sound decisions and initiatives developed in the past (as reflected in the present report) have become crucial for many States and therefore merit the continuation and recommended expansion of the ongoing activities under the Programme.

Joint initiatives and communication

Expansion of the Programme will require enhanced coordination with other United Nations entities, as well as with other anti-money-laundering bodies throughout the world. The need to counter money-laundering and financing of terrorism is now recognized as touching and having an impact on many programmes and crime issues that in the past were not envisioned. Areas within the United Nations, such as the International Atomic Energy Agency, the United Nations Children's Fund, and the Food and Agriculture Organization of the United Nations are among those with increasing links to UNODC and are critical to the future of the global fight against money-laundering. Issues of financing of terrorism should also provide an added impetus to potential donors to view money-laundering as a priority. However, management should refrain from imposing new initiatives and activities if no additional resources are assigned to new efforts. Any new initiatives should be guided by the strategic plan to be produced by the Anti-Money-

Laundrying Unit. In addition, the Unit should enhance its internal communications within UNODC so as to ensure that all those who need to know are informed and those who need to participate are involved in decision-making.

Other major issues

The evaluation established that the mentors are not always properly supported under current UNOPS arrangements. Based on current levels of UNOPS service delivery to mentors, UNODC needs to evaluate the quality of services being provided by UNOPS to them. The evaluation must assess whether UNODC is getting value for money as well as how best the mentors could be supported. Contract limitations can restrict long-term planning and should be reviewed to determine if better support could be obtained from other contract structures, without losing the speed, efficiency and flexibility currently offered by UNOPS arrangements.

The regional component created as part of the new structure proposed in recommendation 3 will allow for increased communication at the field level as well as more direct contact with the States in need of programme support. This would also eliminate the conflict among programme responsibilities that is being experienced in the Asia-Europe Meeting (ASEM) process.

Financial impact of recommendations

The Global Programme lacks sufficient resources for programme support and activities that would enable the Anti-Money-Laundering Unit to support programme activities efficiently as well as create greater impact. The current salary costs for the Unit will remain the same, but should come from core funding totalling approximately \$600,000 per annum. The five regional coordinators will cost approximately \$785,000 per annum, plus \$36,100 initial installation costs, which should also be core funded. The 10 mentors will cost \$1,700,000 per annum and, along with the Vienna-based regional/mentor coordinator, administrative assistant and computer-based training coordinator costing \$263,000, will be paid from donor funds. The donors need to recognize that, while earmarked funding is critical to the success of projects, the Unit cannot provide the much needed programme support unless funding is provided for this as well. It should, however, be noted that these staff costs will only be justified if and when the overall funding for activities under the Global Programme is significantly increased.

Issues for the future

The following are identified additional actions and decisions to be taken:

(a) Existing cooperation between the Global Programme and the Egmont Group of Financial Intelligence Units should be enhanced, in particular in the context of the training working group, to support the sustainability of country FIUs;

(b) Global accomplishments under the Programme need to be better publicized;

(c) The Global Programme needs to be more multidisciplinary, balancing inputs from the financial sector, FIUs, law enforcement, prosecutors and the judiciary;

(d) The Global Programme should cooperate with evaluation teams for other organizations working to counter money-laundering, such as the Financial Action Task Force against Money Laundering (FATF) and the World Bank.

The Global Programme has achieved a position that supports Member States in their quest to join the global fight against money-laundering. In order to take the Programme forward and to reach new heights, a strategic plan needs to be developed that provides guidance to the Programme in the future. The United Nations and UNODC need to recognize the accomplishments of the Programme and the global position it has acquired (with very limited resources) and hence provide it with the support, structure and funding to continue and enhance the global fight against money-laundering.

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I. Introduction

A. Background and context

1. The Global Programme against Money-Laundering was established in 1997 in response to a mandate derived from the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.¹ The Political Declaration adopted by the General Assembly at its Twentieth Special Session, devoted to countering the world drug problem together (General Assembly resolution S-20/2, annex), and the measures for countering money-laundering also adopted at that session (General Assembly resolution S-20/4 D), strengthened the Global Programme's mandate in 1998. The United Nations Convention against Transnational Organized Crime (General Assembly resolution 55/25, annex I) widened the definition of money-laundering to include the proceeds of all serious crime and gave legal force to a number of issues addressed in the 1998 Political Declaration. In 2001, the need to counter the financing of terrorism added another aspect to the goals and objectives of the Global Programme.

2. The broad objective of the Global Programme is to strengthen the ability of Member States to fight money-laundering and, in general, to assist them in depriving persons of the proceeds of their criminal activities. Since its inception, the Programme has provided technical assistance to Member States in Asia, Eastern Europe, the Middle East, sub-Saharan Africa, Latin America and the Caribbean. The Programme has produced a number of studies on various aspects of money-laundering and also manages the International Money-Laundering Information Network (IMoLIN) and the associated Anti-Money-Laundering Information Database (AMLID) on behalf of a number of international organizations.

3. The Global Programme has developed a highly successful initiative using mentors to provide support for States developing their anti-money-laundering programmes. Other organizations in the international anti-money-laundering community, including the International Monetary Fund (IMF) and the World Bank, have adopted the United Nations Office on Drugs and Crime (UNODC) model for their own technical assistance. The term or concept of "mentor" is used generically in UNODC, but it does not always carry the same meaning when it is used by various programmes, units or sections. In the context of the Global Programme against Money-Laundering the term "mentor" refers to an expert under a contract issued for the Programme to provide technical cooperation expert advice to a State or group of States on a long-term basis (normally 12 months or more). The concept is to have an expert resident in a country or region and, hence, easily accessible to the clients. The purpose is for the mentor to transfer skills to local people making sure that they are able to do the job themselves at the end of his or her contract and, hence, ensure sustainability. The mentor also provides technical backstopping to the activities of the Programme.

B. Purpose and objectives

4. The purpose of the evaluation was to establish what the Global Programme against Money-Laundering had achieved and if it had attained its objectives since it

was established in 1997. The evaluation assessed the extent to which the Programme was meeting the needs of the beneficiary States and whether the strategy and implementation arrangements were appropriate to meet the expectations of both the beneficiary States and the donors. It evaluated to what extent resources were utilized efficiently to produce sustainable outcomes, what the Programme had achieved in terms of results and outcomes, what impact was being created and whether it was sustainable.

5. The evaluation sought to draw lessons and identify best practices that could be used to improve programme and project design, management and the setting of new priorities that fully met the needs of beneficiary States. The terms of reference for the evaluation are attached at annex I. A list of individuals interviewed during the evaluation is attached at annex II.

C. Executing modality and managerial arrangements

6. The Global Programme is currently managed by the Anti-Money-Laundering Unit of UNODC, comprising a Chief, three Money-Laundering Advisers, a Programme Assistant, an Information Network Assistant and a Secretary. The Advisers are responsible for coordination in their respective regional areas and, along with the Chief, are the primary direct points of liaison with the beneficiary States and donors. The Unit is located in Vienna within UNODC and maintains communication with other areas directly involved in money-laundering issues, such as the Legal Advisory Section of UNODC and the secretariat of the International Narcotics Control Board. As the Global Programme and the issue of anti-money-laundering have evolved, a requirement has arisen to coordinate with many other United Nations entities dealing with crimes that produce proceeds that are laundered, making a presence at headquarters imperative. The Advisers and the Chief share the responsibility for selection, deployment and coordination of mentors for the mentor initiative.

D. Scope

7. The evaluation:

(a) Measured the outcomes, impact and sustainability of the benefits of the Global Programme and assessed its concept, design, implementation, results and outputs;

(b) Covered the Programme from its inception in 1997 to the present and its entire geographical scope;

(c) Reviewed mentoring activities carried out in the period 2000-2004 as a case study, with geographical sampling of countries where mentors were deployed in the Eastern Caribbean, East Africa, Southern Africa and Asia and Pacific regions;

(d) Analysed and determined how efficiently programme planning and implementation were carried out, including how organizational structures, managerial support and coordination mechanisms supported the Programme;

- (e) Considered whether results were achieved and, if not, why not and determined if progress was made towards the achievement of planned results;
- (f) Examined whether the Programme was appropriate, relevant and effective in addressing identified needs and problems and if resources were efficiently utilized and produced the desired outcomes;
- (g) Evaluated how the Programme contributed to a priority area or comparative advantage for UNODC;
- (h) Assessed the role played by the field offices, beneficiary States and other partners, including various international organizations, in the development, implementation and management of the Programme;
- (i) Evaluated the Programme's contribution to human and institutional capacity development, especially in developing countries and countries with economies in transition, and whether that capacity was creating conditions for sustainability;
- (j) Studied the sustainability of results and benefits beyond UNODC funding and support;
- (k) Focused on the experience of beneficiary States with the Programme and their perspectives on the benefits received;
- (l) Considered the views and feedback from the donors and States that were giving assistance and assessed whether the needs of the beneficiary States were being met, given the conditions set by the donors;
- (m) Measured the costs of mentoring against the results achieved, the impact created and the sustainability of benefits as a result of human and institutional capacity developed by the Programme, in particular by the mentoring initiative;
- (n) Examined the impact being created by the Programme and how that was contributing to the international community's efforts to target the proceeds of crime.

E. Methodology

- 8. The methodology for the evaluation included the following:
 - (a) Interviews with key players;
 - (b) Field visits, where appropriate;
 - (c) Preview and analysis of documents;
 - (d) Participatory observations and rapid appraisals;
 - (e) Use of a case study approach to evaluate the mentoring initiative;
 - (f) Comparison with similar projects implemented by other international organizations;
 - (g) Presentation of the major findings to the Anti-Money-Laundering Unit, sharing the draft report and inviting inputs as a form of factual and social verification;

(h) Detailed questions designed to evaluate the mentoring and other aspects of the Programme.

II. Analysis and major findings

A. Overall performance assessment

9. The Global Programme against Money-Laundering has been a dynamic initiative since its inception. Each year, comprehensive work plans have been prepared that incorporate new issues and ideas. The work plans have been increasingly demanding, as the Programme has strived to make the United Nations a key participant in the worldwide strategy against money-laundering. The Anti-Money-Laundering Unit has developed appropriate, relevant and far-reaching global activities that have achieved amazingly effective results, considering that there is only one core funded position, the Chief of the Unit, and the Unit relies heavily on donor funding to accomplish most of what is achieved. The effectiveness of the programme is measured by the accomplishments of States that have been supported worldwide, in that those States have better established and more active anti-money-laundering systems today than existed before the programme was implemented. The accomplishments, for example, include the fact that many States in East and Southern Africa have developed or are developing anti-money-laundering legislation, financial intelligence units (FIUs) and other institutions to combat money-laundering. Other regions of the world, such as the Eastern Caribbean, Asia and the Pacific, have all demonstrated similar achievements. Further, the general public in those regions is now more aware of the problems of money-laundering and has been galvanized to support efforts against it. The mentor initiative has proved to be a cost-effective approach for the Global Programme and donors to address the needs of States. Key stakeholders who were interviewed during this evaluation all agreed that, the mentor programme was one of the most effective methods of delivering long-term sustainable technical assistance. Because of this success, other donors and agencies now want to enter into partnerships with UNODC and fund the mentor initiative and related anti-money-laundering activities. The key will be in linking the mentor initiative to the rest of the activities under the strategic plan.

10. It should be noted here that, while the Global Programme is performing well, it is nonetheless hampered by a lack of an adequate budget to support programme activities that are funded from earmarked funds. Further, the Programme priorities are sometimes distorted by new and ad hoc initiatives that are introduced by senior management without the corresponding additional resources. A strategic plan would help eliminate the ad hoc activities.

B. Attainment of objectives

11. The Programme fulfils its mandate principally through technical cooperation and research. Its general thrust in the area of technical cooperation focuses on providing assistance in terms of legal, financial and law enforcement support through awareness-raising, institution-building and training. This is done through short-term support, such as training and seminars. Examples include an international seminar on money-laundering, held in Brazil in 1999; two annual training

workshops for FIUs organized jointly by the Egmont Group and UNODC; the training provided in 2002 to prosecutors and law enforcement officers in Eastern Europe, Central Asia and countries of the former Soviet Union jointly with the United States Department of Justice Office of Prosecutorial Development, Assistance and Training (OPDAT); and the introductory workshops and legislative drafting assistance provided to Kyrgyzstan and Kazakhstan in 2003. Longer term support, in the form of mentors to countries and regions, is also provided. Research has been focused on work that adds to the body of information on contemporary issues relevant to money-laundering, including a paper prepared in 2000 entitled "Recovering stolen state assets: an overview"; a paper on Russian capitalism and money-laundering; a paper on countering money-laundering in the UNODC publication *Eastern Horizons*; and country briefings explaining money-laundering status, maintenance and improvement of relevant databases, analysis of data on specific aspects of money-laundering and provision of logistic support for technical cooperation activities. The research results are made available to Member States and this assists them as they develop and implement anti-money-laundering activities.

C. Achievement of programme results

12. The Global Programme is the only source of technical cooperation with a global mandate to deal with all aspects of anti-money-laundering and combating the financing of terrorism. It provides a repository of best practices and information on those issues and promotes the dissemination of the information through various technical initiatives, as well as through a web site and relevant databases. Its general thrust in the area of technical cooperation focuses on assisting legal, financial, judiciary and law enforcement authorities to develop the necessary infrastructure to counter money-laundering and the financing of terrorism. In addition, the Programme has been successful in helping States to establish and put in place anti-money-laundering legislation in line with the objectives defined by the General Assembly at its twentieth special session, in equipping States with knowledge and expertise to implement national legislation and in increasing the capacity of States to undertake financial investigations into money-laundering successfully. Annex III to the present report shows the progress made by States members of the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG) in passing legislation and ratifying international conventions related to money-laundering and the financing of terrorism. The evaluation team also saw evidence that the Eastern Caribbean and Asian regions were making progress. Specific initiatives are built around awareness-raising, institution-building and training. The Anti-Money-Laundering Unit has developed and maintained strategic relationships and conducted many joint activities with partner international organizations and donors working in this field. For instance, the Organization for Security and Cooperation in Europe (OSCE) has worked with the Unit to set up and run six national seminars, four in Central Asia and two in the Caucasus. This is in support of the 55 States members of OSCE. The Unit has also participated with the International Monetary Fund (IMF) on an assistance mission to Indonesia to draft legislation and bank regulations and to Andorra to assess their supervisory and institutional framework to combat money-laundering and the financing of terrorism. The mentoring initiative has provided support to ESAAMLG as a result of which South Africa has increased its contacts with the Group and is now actively participating in its activities. The

mentor in Southern Africa, through ESAAMLG, organized and participated in the mutual evaluation of South Africa. The evaluators were experts from the region who had been trained by the mentor under ESAAMLG programme activities. The evaluation gave the Government of South Africa a better understanding of how ESAAMLG worked, leading to South Africa becoming a member of the Financial Action Task Force against Money Laundering (FATF), which gave additional prestige to the entire region and to ESAAMLG as a mutual evaluation body. That a body of regional experts who can carry out mutual evaluations now exists is evidence of transfer of skills from the mentor to the local and regional experts.

13. Proper staffing of mentors is crucial in order for the mentor initiative to be successful. The Global Programme has been able to access resources from the contacts developed during other ongoing global anti-money-laundering activities and has done an exceptional job of finding the right person for the right job and ensuring they had the necessary anti-money-laundering experience.

D. Implementation

14. The Global Programme has been implemented by the Anti-Money-Laundering Unit through daily dealings with donors, partners and the States needing support around the world. The Unit has been instrumental in the establishment and ongoing work of regional bodies, such as the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force (CFATF), the Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) and ESAAMLG, that have become part of the implementing mechanisms to counter money-laundering and the financing of terrorism. The Unit assisted in the establishment of the Intergovernmental Task Force against Money Laundering in Africa (GIABA), which has started a project to create an information database based on money-laundering trends in West Africa. The Unit determines the needs and potential solutions, then works with donors or joint partnerships to create the best method to provide the required support. This information is then used to generate specific proposals, which are approved and implemented. The establishment of mentoring positions demonstrates the effectiveness of this process. Since its establishment, the Global Programme has entered into contracts with seven mentors, for various assignments in Africa, five offshore centres in the Eastern Caribbean (Dominica, Granada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines), Antigua and Barbuda, Barbados, Canada, Fiji, Jamaica and the Marshall Islands. The contracts have varied in length from 3 months to 2 years, depending on donor funding and the needs of the host countries. All the mentors have been successful and mentoring has become the most favoured method of support for many of the donors. More benefit could be derived from the mentor initiative if the work of the mentors was developed into part of a long-term strategic plan that identifies priorities and makes budgetary provisions for anti-money-laundering activities. Currently, the mentors have to raise resources for themselves to undertake their activities. Potentially, it is possible that the mentors might raise resources for activities that are peripheral to the main thrust of the Global Programme.

15. Long-term commitments, of at least 6-12 months, allow the mentor to establish credibility, develop close working relationships and maintain effective

communication, all of which are essential in gaining the respect of the key stakeholders who can open doors for implementing anti-money-laundering programmes. The mentors can adjust the activities to meet the needs of the clients because they are based in the country or region, have experience with other technical assistance projects previously sponsored by specific States and develop a better appreciation for the environmental conditions under which the host countries are working. The neutrality of the United Nations alleviates any concern of the host country that the Programme or the mentor might have a hidden agenda, which is something that host countries say they are concerned about when bilateral advisers are provided. This is a strong selling point for the Global Programme. The Anti-Money-Laundering Unit should take advantage of this and work with the donors who provide bilateral assistance to countries and tap into these funds by being able to provide technical cooperation expertise through the mentors.

E. Institutional and managerial arrangements

16. The Anti-Money-Laundering Unit is located in Vienna at UNODC headquarters and, under the 2003 reorganization of the Office, is part of the Rule of Law Section of the Human Security Branch of the Division for Operations. Although many of the areas with which the Unit must maintain a close relationship are in other parts of UNODC, the Unit maintains close liaison through direct contact with the staff of other units. The Unit maintains a close working relationship with the Legal Advisory Section, which has been instrumental in helping the Unit to support many States by providing model legislation and technical legal advice, and with the activities of UNODC under the Global Programme against Corruption, in particular on joint asset recovery initiatives. The evaluation determined that the Unit is properly located within the headquarters of UNODC, even though the majority of the activities it supports globally are in the field. The staff has been required to undertake extensive travel in support of the needs of countries. However, Vienna is an efficient central location for travel and the invaluable interaction with other UNODC programmes, as well as with key anti-money-laundering interlocutors in Europe such as FATF and the Egmont Group, has made Vienna the most efficient location for the proper administration of the Global Programme against Money-Laundering. UNODC headquarters also offers excellent and timely information technology technical support for the IMoLIN web site and massive AMLID database under the Programme, which require regular upgrades to keep pace with developments in efforts to counter money-laundering and the financing of terrorism. However, the absence of staff of the Anti-Money-Laundering Unit in the field does have a negative impact on the ability to create the necessary linkages with UNODC field offices. This is a gap that the Unit needs to address.

17. Although the Unit is designated as the anti-money-laundering unit of the United Nations, that role is not always respected by the entire Organization. In one identified instance, the Asia-Europe Meeting (ASEM) project in South-East Asia, a money-laundering programme is being developed internally by UNODC and the communication with the Global Programme against Money-Laundering is limited. This is a 3-year money-laundering project funded by the European Union and the United Kingdom of Great Britain and Northern Ireland, focusing on six jurisdictions specifically for anti-money-laundering development, but the United Nations experts

(the Global Programme) have little to do with the project. This project is anomalous, as UNODC has no substantive role, the donors having hired a technical adviser prior to awarding the administrative component of the project to UNODC. However, although contracted to provide logistical support only, the field office has been drawn into substantive tasks in order to speed up implementation. In future, UNODC should ensure that it only undertakes projects for which it can control the speed and quality of implementation and that it is involved from the earliest stage of project design, when UNODC's many levels of expertise are essential. The ASEM project is also an excellent example of management overlap within UNODC, because the Philippines is one of the States that will receive training from ASEM, yet the Global Programme is placing a mentor there, at the request of one of its donors, and there has been little communication coordinating the two initiatives. It is unknown how or why management reached the decision not to have the Global Programme play a more prominent role in the ASEM project, which is clearly within the Programme's mandate. It would seem that the logical approach to this project would have been to have it managed by the Global Programme with the support of the regional UNODC office.

18. While the Anti-Money-Laundering Unit is properly located in Vienna and within UNODC, more could be done to translate its physical location into efficient internal communication. There is evidence that not all those in UNODC who need to know and participate in the activities of the Global Programme know about the Unit's work, nor have they participated in the development of the work plan and projects. In two identified cases, the UNODC Regional Office for Southern Africa, in Pretoria, and the UNODC Regional Office in Nairobi, both knew very little or nothing about the activities of the Unit on money-laundering in their regions. In Nairobi, only recently had contact been made between the Regional Office and the mentor in Dar es Salaam. No contact had been made by the Regional Office for Southern Africa with the Anti-Money-Laundering Unit. The two regional offices have not participated in the development of activities of the Global Programme in their regions. The same lack of information or contact was expressed in Vienna. Some units and regional coordinating units at headquarters had not participated in development of Global Programme initiatives. Physical proximity does not always translate into good communication or ensure coordination. Although the Unit has developed excellent communication and cooperation with external bodies and agencies, it is incumbent upon the Unit and the respective United Nations units and field offices to correct these gaps in communication.

III. Outcome, impact and sustainability

A. Outcome

19. The products of the Global Programme are varied, including training classes, seminars, computer-based training, model legislation, databases and mentoring. As the work to combat money-laundering has evolved, the Programme has changed to reflect the support needed by the countries concerned. Initially, the major focus was to support training of various components of anti-money-laundering efforts of States and to provide model legislation where needed. This was initially an effective tool, but it was recognized that an additional approach, that of using mentors, would be

more effective to achieve sustainability. Although the mentor initiative has been very successful, the other tools remain viable in certain circumstances where a State is starting to develop its anti-money-laundering systems and the decision of which tool is appropriate is still vested in the Anti-Money-Laundering Unit.

20. UNODC is committed to continued development of the mentor initiative, but the demands on the Global Programme continue to increase. The evaluation determined that additional resources are required to ensure the Programme is delivered properly. With the proper resources, structure and standard operating procedures, the mentor initiative will become an increasingly more effective tool in reaching the strategic global objectives under the Global Programme. With the resources dedicated to the Programme thus far, there has been a direct impact on many States by helping them to be removed from the FATF list of non-cooperative countries and territories. Another example is that of one African country, where three successful cases of anti-money-laundering resulted in seizure by the State of assets and proceeds of crime including money, 14 vehicles and other property. States have been assisted in developing and implementing legislation and hence meeting the objectives of the special session of the General Assembly, as well as the requirements of United Nations conventions and instruments. Assisting States to meet the objectives defined at the special session and their obligations under international instruments is a major achievement and an indicator of the impact that is being created through the Global Programme.

21. As indicated earlier, the Anti-Money-Laundering Unit has assisted States to establish FIUs and other structures that enable them to deal practically with money-laundering problems. Through these efforts, individual States are contributing to finding solutions to the global problems of money-laundering and the financing of terrorism.

22. Other outcomes of the Global Programme are the development of national and regional institutional and human capacities to combat money-laundering. This has been demonstrated in the Eastern and Southern Africa region, the Caribbean, the Middle East, the Russian Federation and the Asia and Pacific region, where national and regional experts now carry out anti-money-laundering activities following the training and skills transfer organized under the Global Programme. In addition, the Anti-Money-Laundering Unit has established relationships with research institutions and, hence, has been able to tap into the research results of those institutions and provide the information to States. The case of the Institute for Security Studies in South Africa is a good example of such cooperation, where the results of money-laundering research have been used by ESAAMLG.

B. Impact

23. The Global Programme has been a positive driving global force in the fight against money-laundering. The support to States through drafting and supplying model anti-money-laundering legislation has provided many States with the necessary support to begin the legal process of developing their own legislation. Additionally, technical assistance is provided under the Programme through short-term experts and longer-term mentors to guide States in finalizing the process. This was evident in particular in the Caribbean, where a mentor was placed to support

Dominica, Grenada, Saint Kitts and Nevis and Saint Vincent and the Grenadines when they were placed on the list of non-cooperative countries and territories by FATF in 2002. During the mentor's tenure and through his direct involvement, all were removed from the international "black list" within six months. This is an example of recognizing a need, responding to it with timely, effective support and fostering a significant result needed by the world in the fight against money-laundering. A letter dated 4 June 2003 from the Director of the FIU in Saint Vincent and the Grenadines, recognizing the Global Programme as the primary reason that that FIU was operational and successful, demonstrates the impact that the Programme has had (annex IV). Similarly, the Marshall Islands were removed from the list immediately after a three-month mentorship from the Global Programme adviser for the Pacific. In Africa, through the mentor's efforts, States are now putting in place legislation, establishing FIUs, adopting regulations and developing strategies and action plans designed to combat money-laundering and theft of state assets. A sense of direction is now emerging that was not there before. Financial institutions are now aware of money-laundering and have started to put in place mechanisms to detect and report suspicious transactions. Furthermore, law enforcement and the judiciary are developing capacities to deal with the menace of money-laundering. Mauritius and South Africa are good examples of places where FIUs have been established and are now operational. Both States now offer assistance to other States in the region. South Africa has been admitted to FATF as a result of activities under the Global Programme and Zambia has been able to increase its success in investigating and prosecuting money-laundering offenders. In Mauritius, four cases of money-laundering are now under prosecution. In Fiji, the mentor has spent over 9 months of his contract concentrating on Fiji, which had no money-laundering cases before his arrival and now has four, as well as requests for mutual legal assistance treaties, seizures of assets, changes to anti-money-laundering legislation and a commitment by local judicial and law enforcement authorities to fight money-laundering. These sustainable results have been reached because the mentor was given sufficient time to work directly with the local people involved in the anti-money-laundering process. In Eastern and Southern Africa, the mentor has been able to assist ESAAMLG and enable all of the 14 States in the region to join the regional body, sign the associated memorandum of understanding, participate in anti-money-laundering activities and contribute resources to fund the secretariat. The mentor also facilitated the efforts of the ESAAMLG secretariat to become operational.

C. Sustainability

24. The Global Programme has focused much of its mentor efforts on support to States in their endeavours to develop FIUs as part of their money-laundering strategy. The FIUs that have had mentors aiding their development have generally grown to the level where they can sustain their operations without continued support. As an example, the FIU in Antigua and Barbuda is sustaining operations both technically and financially as a result of coordination work that has helped them to complete part of a major investigation where significant assets were seized and used in support of their continued efforts. In Zambia, the Government provided 110 staff members to establish the investigation unit. The confiscated 14 vehicles previously mentioned were given to the unit to augment its capacity. Some States

that have been helped through the process of passing anti-money-laundering legislation and creation of operating FIUs will now need additional help to conduct criminal investigations and prosecutions. The Global Programme is poised to be the coordinator of the support efforts to continue this critical part of the process, which will allow the States to be totally self-sufficient with completely sustainable anti-money-laundering programmes. As mentioned above, the mentorship initiative is generally viewed as successful and a major pillar of the Global Programme against Money-Laundering. However, in order for the mentorship initiative to transfer skills, meet the needs of Member States and guarantee sustainability, it must be supported and strengthened by regional expert mentors. In the Eastern and Southern African region, this has been partially achieved through training in and performance of mutual evaluation. The approach, however, needs to encompass other areas, such as development of legislation, investigations, prosecution and the judiciary. The use of national and regional experts is crucial to the success of the mentor initiative. There are also indications that ESAAMLG will be able to sustain its activities because the budget for the secretariat is well within the resources being raised from member contributions. The Global Programme has also increased chances of sustainability by supporting the development of regional institutions, training and the development of national structures to implement anti-money-laundering legislation.

IV. Lessons learned and best practices

A. Lessons learned

25. The following lessons can be drawn from the evaluation:

(a) The long-term mentor initiative provides the most comprehensive and sustainable outcome for a country or region. The programme has been praised by beneficiary countries and donors alike and could be used as a model for other United Nations programmes (see annex V);

(b) The Global Programme against Money-Laundering is the only global programme within which there is an ability to identify, develop and promote issues and activities, such as the offshore forum, the cash-based economies programmes and the computer-based training module on anti-money-laundering. Other UNODC programmes could learn from that experience and adapt the approach to their specific needs;

(c) Joint implementation with other United Nations components and field offices can be very effective, but only with good communication. In principle, placing staff members and advisers in the field and in field offices, which was pioneered under the Global Programme, can work well. However, great care must be taken in staff selection to ensure that candidates have the personal skills to undertake the sometimes delicate tasks associated with inter-agency coordination;

(d) Mentors require dedicated administrative support and clearly developed terms of reference, including on-site support to avoid the difficulties the mentors in Jamaica and East and Southern Africa experienced at the beginning owing to poor administrative arrangements (e.g., late arrival of salary payments, issues of diplomatic status, etc.). Furthermore, it may take up to 12 months for a mentor to be

accepted and for him or her to understand the socio-political situation of the environment in which he or she is working; this also validates the need for long-term mentors;

(e) Providing one State with the ability to properly conduct anti-money-laundering activities also increases support for other States, which then benefits work against money-laundering worldwide. For example, under the Global Programme, the United Arab Emirates received assistance to develop legislation and then to make high-level presentations at important meetings. Subsequently, the United Arab Emirates was the first State in the region to implement anti-money-laundering legislation and set up an FIU and is now assisting other countries in the region. Some of this work has been developed as a result of the assistance received under the Global Programme. Barbados has successfully set up an anti-money-laundering system and is now being used as a hub to provide assistance to other countries in the region. South Africa, after its acceptance into FATF, is providing help to other ESAAMLG member States;

(f) Assisting a country in developing its capacity in one area, such as its investigation capacity, without developing capacity in other related and complementary areas, such as prosecution and the judiciary, can lead to frustration and even undermine excellent work done by one institution. Capacity development must encompass all the relevant, related and complementary institutions if an impact is to be achieved;

(g) Creating a hybrid by utilizing an international mentor and local expertise creates conditions for empowerment and skills transfer that meet the needs of countries and guarantee sustainability. The mentorship initiative has been most effective when it has answered methodological questions rather than attempt to provide answers to every specific country situation;

(h) Developing global activities without a guiding strategic plan limits what can be achieved and what resources can be raised and creates vulnerability to ad hoc demands.

B. Best practices

26. The Anti-Money-Laundering Unit has been staffed with a minimal number of technical staff but has been able, through hard work and creative thinking, to establish a niche within the global community dealing with efforts to counter money-laundering. The Unit is uniquely qualified, and is recognized within the United Nations system, as the entity that can place the most suitable expert within a jurisdiction to provide the specific technical expertise, training and support to allow Member States to become active and productive players in the international fight against money-laundering. In the quest to provide this support in the most efficient and effective manner possible, the Unit has developed a long-term mentor initiative that donors are keen to fund and States are elated to receive. Evaluators saw the success of this initiative across the world. Each country benefited tremendously from the mentor initiative and provided important positive feedback, both through the evaluators and the donors. The Unit should be complimented on the selection of the mentors, because the high quality results arose from the “good fit” of the right expert being assigned to the right job.

27. Another activity developed under the Global Programme is the computer-based training module dealing with money-laundering. This project was piloted with spectacular results in Fiji in 2003. The success of the computer-based training pilot project makes it one of the most exciting future projects under the Global Programme and the demand will be very high based on the feedback to date. The computer-based training project was initiated, developed and piloted by the UNODC Regional Office. The Anti-Money-Laundering Unit was involved in the project at a later stage as it assisted in quality assurance of the anti-money-laundering computer-based training. The success of the project is demonstrated by the fact that 120 key stakeholders contributed to the product, making it a major sustainable anti-money-laundering activity being provided under the Global Programme, and by the fact that it has generated donors willing to fund its enhancement and production in additional languages. Additionally, the mentor made a valuable contribution to ensuring the success of the project, because he was on the ground providing the coordination, tutoring and follow through necessary at the beginning of the project. The computer-based training project was highlighted by the APG secretariat in its response to the present evaluation (annex VI).

C. Constraints

28. Through the Global Programme against Money-Laundering, UNODC has become a major participant in the global fight against money-laundering; it has not developed the necessary strategic plan that would enhance that position, however. As a result, this has been accomplished with only one person in the Anti-Money-Laundering Unit filling a core funded position, because no core funding has been provided. The Programme, although highly successful and internationally recognized for excellence, operates predominantly through the use of donor funding that is identified for a specific project or activity and that is usually for a limited duration. The Programme stands at a crossroads where demand for the mentor initiative exceeds supply because it is not linked to the larger picture, which the Anti-Money-Laundering Unit should develop. If a global strategic plan were developed and hence permanent funding for a set level of operation without regard to donor support were available, more of this demand could be met and much of the expansion would be supplied by willing donors. This would allow longer term planning to be conducted and provide a stability to the Programme that would demonstrate to the world that, not only is the Global Programme against Money-Laundering currently the best supplier of support, but it will be available in the future for Member States to rely upon for the technical help they need.

29. A global operation has been conducted under the Programme without the benefit of permanent staffing in the field, relying only on coordination efforts from UNODC in Vienna. This has been an efficient and effective way to conduct the Programme with a very small staff; however, there have been constraints in the field, in particular because of poor communication between the Anti-Money-Laundering Unit and the field offices.

30. While maintaining the necessary core headquarters presence, an increase in the size of the permanent component of the staffing would mean that a greater number of staff could be placed out in the field, closer to the countries being supported. This would enhance coordination with countries directly and would also improve

coordination with field offices and other United Nations programmes that have significant components in regional or country offices.

31. Some problems have been identified with the administration of the mentors. The management of mentor contracts by UNOPS must improve in order to give the mentors the level of support they need to do their job comfortably. UNOPS allows UNODC to place mentors in position much faster than would otherwise be possible, but subsequent support has sometimes proved to be inadequate. In one example, because of poor support a mentor had no diplomatic status, was not recognized by the United Nations field office in some locations, including the United Republic of Tanzania, and was generally unclear about his/her rights and entitlements. The mentors should have the opportunity to provide input to the terms of reference at an early stage. A detailed on site assessment of needs must be conducted before a mentor is placed, which will of course require additional resources. An evaluation of each mentor assignment, with input from all stakeholders, should be completed at the end of a mentor's term.

V. Recommendations

A. Major management recommendations

1. Strategic planning

32. UNODC needs to define a strategic framework to guide the Anti-Money-Laundering Unit in its programme planning for the activities and projects under the Global Programme. Detailed strategic plans that address long-term global objectives and strategy should be developed for all major programmes within UNODC. The United Nations has 191 Member States, and those in need of assistance deserve to have a strategic plan to assist them in their development of anti-money-laundering systems. A programmatic and strategic approach is needed so that there can be follow up where required. The first step towards developing a strategic plan for anti-money-laundering efforts should start with a comprehensive SWOT analysis. The Anti-Money-Laundering Unit should consider entering into contracts with at least two external experts to facilitate the SWOT analysis. The analysis would enable the Unit to assess the strengths, weaknesses, opportunities and threats to the Global Programme and hence allow the Unit to map out new directions and identify new challenges and new funding sources for inclusion in the strategic plan. The SWOT findings should be taken into account in developing the strategic plan, which should also include a general anti-money-laundering plan for each country to be assisted, covering drafting and approval of legislation, establishment of an FIU, formation of a law enforcement contingent that is trained and able to conduct anti-money-laundering investigations, and creation of qualified prosecutors and judicial systems to prosecute the criminals and administer seized assets. An assessment should be made to determine where each country falls within the plan and a country strategy created to focus the resources and activities under the Programme. For example, if a country has passed an anti-money-laundering law but does not have an FIU to gather intelligence to begin an investigation, a decision could be made to support that country in establishing an FIU through the mentor initiative.

33. The Global Programme should be used to forge a greater strategic role for UNODC by using the Programme's independent status to carry out research into important anti-money-laundering issues, then focus and lead international efforts in dealing with them. This was very effective in the Offshore Forum, which began in 1999, and with the current cash-based economies initiative. Partnerships in activities with other organizations, while important for the work of the Anti-Money-Laundering Unit, should be entered into taking care to respect this independent status. It is an attribute that should not be yielded lightly or allowed to be subsumed into the identity of other partner organizations, particularly in areas where the Unit has taken the lead in establishing a concept or initiative.

34. The SWOT analysis should include identifying what other organizations, such as IMF or the World Bank, are doing in the region and country. This would make the Global Programme more relevant and address the issues where it has comparative advantage. It would also enable opportunities to be identified while addressing the threats. The SWOT analysis will assist the Unit in determining if and how much additional resources could be raised for the Programme. The strategic plan for the Global Programme would then be very much tailored to the findings of the SWOT.

35. An established Regional and/or Mentor Coordinator position could be the focal point for the strategic plan, as well as be responsible to provide support to mentors, market the Programme, secure funding from donors, coordinate activities with other technical assistance providers, identify experts, conduct needs analysis for missions and negotiate with host countries. All of the above will require additional resources, an issue addressed in the following section.

2. Expansion of core funding for the Global Programme against Money-Laundering

36. The core funding for the Global Programme provided by the United Nations should be expanded and be part of the strategic plan to allow for core operations to be planned over longer periods of time and allow for longer term commitments to be made to Member States in need. As stated by one donor to the Programme, the Global Programme "should not have to rely on donor funding and more of the United Nations regular budget should be allocated to allow them the ability to carry out anti-money-laundering projects, which by their nature are usually longer term projects." This provision of stable core funding should be directly linked to the strategic plan and such an approach will enable the Anti-Money-Laundering Unit to assist countries to meet their needs.

37. A significant portion of the funding should continue to come from donors, as well as joint co-sponsored projects, but the Anti-Money-Laundering Unit should not be required to scavenge for outside funding each time a new initiative is identified. Donor funding can continue to be a significant support mechanism because, as the United States State Department spokesperson noted, the card index maintained for the Global Programme is "an amazing tool and keeps it as the premier leader in supplying technical expertise where it is needed in the world." With a more comprehensive strategic plan in place, as well as core funding ensuring a continuation of programme objectives, the major donors could be convinced to identify funding that will be available over a longer period than a one year budget cycle, which is currently the norm.

38. As part of the budget process, the amount of funding for specific projects such as placing a mentor in an area should be part of an overall plan and include administrative costs. An amount equalling approximately 20 per cent of the total should be budgeted to provide for administrative support for the position or project. This would allow the management of the Global Programme flexibility with the ability to combine this administrative funding from various projects to pay for additional support personnel required or to provide for critical travel and periodic meetings of the mentors.

39. Under the Global Programme, a product has been developed that the present donors are eager to use, but the key is identifying the right donors in the region and globally. As the mentor system relies on donors, this can cause problems as the priorities for donors can change quickly. This can be seen in the Caribbean where support has fallen off as donors have changed their focus to Afghanistan and Iraq. If this happens before the initiatives can reach sustainability, it may create difficulties for UNODC unless it has the capacity to support the initiative itself. There are three ways of increasing donor support to the Global Programme and to the mentor initiative in particular. Given the strategic plan to be developed by the Anti-Money-Laundering Unit, current donors should be urged to re-allocate to UNODC some of the anti-money-laundering bilateral resources, so that the Global Programme can be the implementing institution using the mentors that the donors are already paying for. The Unit, using the Global Programme strategic plan, should sell the Global Programme to new and potential donors who up to now have not made anti-money-laundering a priority. Finally, efforts should be made to work with countries and regions that are able to fund their own mentors, but that would need other support.

3. Structure of the Global Programme against Money-Laundering

40. The structure and configuration of the Global Programme against Money-Laundering and the Anti-Money-Laundering Unit need to be enhanced to take advantage of the great accomplishments and standing that the Global Programme has developed over the past seven years. There must be a determined commitment that UNODC will stand in its rightful place as the major global coordinator of anti-money-laundering issues in support of Member States. The important functions that are currently being managed through the Global Programme need to continue but, to allow for long-term commitment, all the current Anti-Money-Laundering Unit staff need to be permanently funded from core funding and there needs to be a significant increase in the assets in the field. As shown earlier, this increase must be directly linked to the volume of work emanating from the strategic plan and the resources that are raised as a result of a related campaign. The Global Programme should be expanded to include at least 5 core-funded regional anti-money-laundering coordinators, who would be located in strategic regional offices to supply the greatest support to the mentor initiative and other country-specific needs. The mentor initiative should be expanded to provide at least 10 mentors in support of country programmes identified through the present evaluation and the strategic plan. The evaluation found that suggested regional locations in Asia and the Pacific, the Russian Federation, the Middle East, Africa and Central and South Asia would be desirable, but the specific placement of the anti-money-laundering coordinators and the mentors should be made only after the complete analysis of country status and needs has been completed under the strategic planning process outlined in recommendation 1. To provide adequately for support of these additional field

assets, a regional and/or mentor coordinator as a technical position should be added to the Anti-Money-Laundering Unit at UNODC headquarters, along with one administrative support person. These positions can be funded as outlined in recommendation 2. A position to coordinate the computer-based training programme needs to be added at headquarters. This position can also be funded as shown in recommendation 2 from project funding. The core funded permanent positions would increase from the current level of only the Chief to a total of 11 positions with 6, including mentor administrative support, located in Vienna and 5 located in regional field positions (annex VII). The actual management structure must be determined by UNODC senior officials to provide for optimal manageability and coordination. It has been stated by a number of country and donor representatives that the mentor initiative has been highly successful and must be the way that support is structured in the future and that they, the donors, are willing to provide the funding for this type of expanded structure. Above all, however, the final numbers and location of staff must be determined by the volume and distribution of work emanating from the strategic plan.

41. Expansion will enhance the ability to ensure that those countries needing technical assistance programmes receive them. Furthermore, it will enhance the profile of the Global Programme among the key stakeholders globally by becoming recognized as the leader in providing technical assistance initiatives that may create other opportunities for other United Nations programmes.

4. Expanding the mentor initiative

42. The mentor initiative produces the most efficient and sustainable results for the Global Programme and is considered by the donors to be the best method for giving countries or regions personal, long-term and sustained high-quality support. In recommendation 3, it is recommended that the structure of the mentor programme provide for 10 active mentors. Mentors would be located to cover single or multiple countries as appropriate and as determined by the use of the strategic analysis in accordance with recommendation 1. A detailed and funded work programme for the mentor should constitute pre-requisites for the mentor initiative.

43. It is recommended that the following actions be taken to allow for this important programme to move forward with the maximum effectiveness:

(a) A specific country on-site analysis of needs, with participation of the mentor if possible, should be conducted before a mentor contract is finalized. This will assist reaching terms of reference for the project in consultation with the hosts (government representatives, police, judiciary, etc.), donors and other stakeholders to ensure that realistic objectives are set for the terms of reference. This process will assist buy in by all parties, help to achieve agreement on the terms and identify specific deliverables that the mentor will be responsible for during the contract. The analysis should also examine the need for any equipment, office space, accommodation and transportation and address any security and safety concerns;

(b) An evaluation process for each mission should be implemented involving all stakeholders. This will allow for feedback, recommendations and monitoring of objectives achieved. A final exit briefing for the mentor should be included;

(c) Communication between UNODC headquarters, mentors and field offices should be improved by developing processes for information-sharing,

perhaps monthly conference calls, advisories and an annual retreat involving Anti-Money-Laundering Unit staff and managers and mentors could be implemented;

(d) There should be increased emphasis on ensuring that UNODC field offices are aware of activities under the Global Programme in the region and that they participate in the development of activities that fall under their jurisdictions;

(e) An information packet should be provided to mentors upon engagement. This would include United Nations policies and procedures and other information that may be needed, with telephone lists, medical benefits and the Global Programme and other anti-money-laundering activities previously conducted in the region.

5. Continuation of operations

44. It is crucial that the work presently being developed and accomplished by the Anti-Money-Laundering Unit be continued. The Global Programme has become the best global initiative available to provide immediate and sustained support to countries through the dedicated work of all involved with the Programme over the past seven years. A sample, but not all-inclusive, list of activities that must be continued comprises:

(a) Legal advice on anti-money-laundering legislation to include developing and providing model legislation to all countries needing such support. The model legislation will need to be kept under review to remain current;

(b) Playing a leading role in introduction of anti-money-laundering systems by direct contact and coordinating initial presentations and training for areas as they emerge as essential;

(c) Conducting anti-money-laundering research projects, which should be funded from United Nations core funding and augmented by donor funding, when required;

(d) Continuation of the IMoLIN and AMLID computer-based programmes, which have become the global repository for legislation, continuing work and status of countries. As a computer-based system supported by multiple other international organizations, it can only be operated by the United Nations, which has the credibility and non-political standing required to entice the sharing and input of the critical information;

(e) The Chief of the Anti-Money-Laundering Unit and headquarters technical staff must continue to provide the United Nations presence and needed input to the regional anti-money-laundering forums and bodies, such as FATF, APG, CFATF, ESAAMLG, GIABA and the Egmont Group. The Unit provides an important voice for the countries not represented in those forums, which affords a crucial connection to all of the other global projects being conducted and supported in the fight against money-laundering;

(f) With joint partners, continued provision of experts and coordination for training and seminars on identified regional and national anti-money-laundering issues. A key statement received from multiple donors was that it was greatly appreciated by both the donors and the beneficiary countries that the Global Programme is the sole source of qualified money-laundering experts to provide

expertise in the form of presentations and support in the various forums. This provides a unique perspective of the local issues together with the global understanding that can come only from those who are primarily located in the hub of all of the global activity;

(g) The computer-based training that has been initially developed requires continued efforts to be provided to needy jurisdictions and should continue to be a priority initiative. Some donors have pledged continued and even expanded support to allow this training to be made available globally;

(h) There is a need to have the Anti-Money-Laundering Unit attend and make presentations in the early stages of the development of the anti-money-laundering process globally.

6. Joint initiatives and communication

45. There needs to be enhanced coordination with other United Nations entities and other anti-money-laundering bodies throughout the world. Efforts to counter money-laundering and financing of terrorism are now recognized as touching many programmes and crime areas, including those of the International Atomic Energy Agency, The United Nations Children's Fund and the Food and Agriculture Organization of the United Nations that in the past were not envisioned. In combination with the improved communications from UNODC to these multiple United Nations programmes, it is absolutely necessary that throughout the United Nations it be recognized that the Global Programme is the essential hub for all anti-money-laundering information. It is important for the Organization to maintain a uniform message and level of information and that can only be accomplished if everything is coordinated and communicated through the Global Programme. The increased field component as outlined in recommendation 3 will make this coordination and communication goal easier to accomplish for the future and will eliminate confusion among countries and donors alike as to who is responsible for the United Nations anti-money-laundering programme. In addition, there is need to enhance internal communication with other relevant units at UNODC headquarters and improved communication between the Anti-Money-Laundering Unit and UNODC field offices is essential. The addition of regional coordinators in recommendation 3 will provide part of the solution, but an expanded effort by the Anti-Money-Laundering Unit in Vienna is also required.

7. Other issues related to the Global Programme against Money-Laundering

46. The use of UNOPS has been an essential part of allowing the Global Programme to place technical assistance mentors in the field in a timely manner. UNODC needs to evaluate the quality and cost of services being provided to mentors by UNOPS. In addition, they should evaluate the personnel practices, timely responsiveness and quality of support of the United Nations personnel function to determine why managers of projects have chosen UNOPS, even with its shortcomings, as the superior support function. It may be possible that a restructuring of the administrative and personnel part of the United Nations, combined with an alteration of the flexibility to administer critically timed needs, could allow for those offices to provide a more uniform and cost effective programme that is central to all the needs of the various programmes. This approach may solve problems where mentors receive inadequate support from UNOPS.

Contract limitations restrict long-term planning and should be reviewed to determine if longer contracts can be given and hence remove this bottleneck and promote and allow for longer term planning.

47. By co-locating these resources on site, regional offices will increase opportunities for greater involvement of the Global Programme in projects such as ASEM, optimize development of programmes such as the computer-based training programme and, most importantly, avoid situations as seen with the Regional Office for Southern Africa in Pretoria and the Regional Office for East Africa in Nairobi, where the lack of presence of the Global Programme has had an adverse impact on delivery of anti-money-laundering activities.

8. Financial impact of recommendations

48. The current salary costs for the Anti-Money-Laundering Unit will remain the same, but will come from core funding totalling approximately \$600,000 per annum. The five new regional coordinators, including salary, office and living expenses, will cost approximately \$748,000 per annum plus \$36,100 initial travel and installation costs paid by core funding. The mentors will cost approximately \$170,000 each, which is made up of \$150,000 (historically determined by the Anti-Money-Laundering Unit) plus \$20,000 in administrative costs for a total of \$1,700,000 per annum to come from donor funding. The additional staff in Vienna in support of the mentors and computer-based training will cost approximately \$263,000 per annum paid by donor funding (see annex VIII). This recommendation can be implemented in phases starting with including the present Anti-Money-Laundering Unit headquarters staff in the core budget and gradually creating the other posts as the budget and situation permits. The volume and distribution of work resulting from the strategic plan should determine the location and final numbers of staff operating under the Global Programme.

B. Issues resolved during the evaluation

49. In many areas around the world, countries have banded together to form regional bodies dealing with anti-money-laundering issues and to provide mutual support and evaluation. During the interview with one FIU director, it was recognized that the FIUs are not part of any regional anti-money-laundering body and no such body with which they specifically identified existed. Subsequently, along with the Anti-Money-Laundering Unit, work was commenced to give them the ability to participate formally in one of the established bodies.

50. Other specific needs and requests from countries were passed along to the Anti-Money-Laundering Unit and the Unit is actively working to supply the support required. In addition, there were also specific requests directed at other UNODC specialized units, such as the Laboratory and Scientific Section. These requests were channelled to the units and action is being taken to provide specific support. Requests were also made of the mentors and these were given to mentors and action is being taken.

51. During this evaluation, assistance was never offered but the fact that this evaluation took place raised expectations. There are great expectations from States, especially in the area of human and institutional capacity-building. A decision to do

nothing after undertaking this evaluation could seriously undermine the whole international anti-money-laundering initiative.

C. Recommended actions and decisions

52. The following are additional actions and decisions that should be taken in the context of the Global Programme:

(a) The Anti-Money-Laundering Unit should immediately initiate a SWOT analysis as a precursor to the Global Programme strategic planning process;

(b) There should be closer cooperation between UNODC and the Egmont Group, in particular with the training working group, to support the sustainability of country FIUs;

(c) UNODC needs to publicize global accomplishments under the Global Programme better;

(d) Anti-money-laundering initiatives under the Global Programme need to be multi-disciplinary with inputs from the financial sector, FIUs, law enforcement, prosecutors and the judiciary, as well as inputs from other UNODC units and sections;

(e) UNODC, through the Anti-Money-Laundering Unit, should play a part in evaluation exercises undertaken for organizations such as FATF and the World Bank.

VI. Conclusions

53. The Global Programme against Money-Laundering has become the main source of technical assistance support from the United Nations for the global community. The Anti-Money-Laundering Unit has conducted seminars and training and has provided legal and technical support in every region of the world, while simultaneously focusing on specific regional areas and countries through mentors to move them forward in their fight against money-laundering. The management and the staff located in Vienna has worked effectively to take their very limited core funding and supplement it with donor funding and joint co-sponsored initiatives to have a significant impact on the global fight against money-laundering. The Anti-Money-Laundering Unit team has worked to provide model legislation to States needing money-laundering laws; has provided initializing training to raise awareness to the critical need to address money-laundering; has provided mentors to aid in the establishment and subsequent sustainable functioning of FIUs, and has provided experts to train law enforcement and judicial elements to deal with the investigation and prosecution of money-laundering violations.

54. Through the knowledge gained working around the world, the Anti-Money-Laundering Unit staff have recognized major areas requiring coordination and focus of money-laundering efforts. From this knowledge, they have developed and coordinated the work of many parties globally as they created the United Nations Offshore Forum to deal with offshore entities and a recently started programme on cash-based economies. Without the Anti-Money-Laundering Unit to identify these

areas and spearhead the development of programmes to deal with them, the global fight against money-laundering would be moving at a much slower pace and would not be having the impact that it has currently achieved.

Notes

¹ United Nations, *Treaty Series*, vol. 1582, No. 27627.

Annex I

Terms of reference for the evaluation of the Global Programme against Money-Laundering and the case study of the mentor initiative

Project Title: Global Programme against Money-Laundering

Project Number: GLO/B79

I. Background

1. The Global Programme against Money-Laundering was established in 1997 in response to a mandate derived from the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.^a The Political Declaration adopted by the General Assembly at its twentieth special session, devoted to countering the world drug problem together (General Assembly resolution S-20/2, annex) and the measures for countering money-laundering also adopted at that session (General Assembly resolution S-20/4D) strengthened the Programme's mandate in 1998. The United Nations Convention against Transnational Organized Crime (General Assembly resolution 55/25, annex) will widen the definition of money-laundering to include the proceeds of all serious crime and will give legal force to a number of issues addressed in the Political Declaration of 1998.

2. The broad objective of the Global Programme against Money-Laundering is to strengthen the ability of Member States to fight money-laundering and, in general, to assist them in depriving persons of the proceeds of their criminal activity. Since its inception, the Programme has provided technical assistance to Member States in Asia, Eastern Europe, the Middle East, sub-Saharan Africa, Latin America and the Caribbean. The Programme has produced a number of studies on various aspects of money-laundering and also manages the International Money-Laundering-Information Network (IMoLIN) and the associated Anti-Money-Laundering-Information Database (AMLID) on behalf of a number of international organizations.

3. The Programme fulfils its mandate principally through technical cooperation and research. Its general thrust in the area of technical cooperation focuses on assisting legal, financial and law enforcement authorities to develop the necessary infrastructure to fight money-laundering. Specific initiatives are built around raising awareness, building institutions and training. The research activity has focused on work that adds to the body of information on contemporary issues relevant to money-laundering, the maintenance and improvement of relevant databases, the analysis of data on specific aspects of money-laundering and the provision of logistic support for technical cooperation activities.

^a United Nations, *Treaty Series*, vol. 1582, No. 27672.

II. Expert advisers in the field

4. The use of longer-term experts in the field, or mentors, was pioneered within the United Nations Office on Drugs and Crime (UNODC) by the Global Programme and dates from 1999. Feedback from the assisted States, in particular in the form of requests for continuation of this type of assistance, has been very positive. Donor countries, as well as partner organizations such as the Commonwealth secretariat and the World Bank, have been increasingly supportive of this approach and wish to fund or continue to fund mentors.

5. In view of the apparent wish of both beneficiary and donor countries to continue mentoring, it is in the interest of all parties concerned to ensure that this initiative is meeting its objectives and that any necessary adjustments to the implementation arrangements are put in place. Therefore all parties would want to know what mentoring has achieved and what impact it is creating, as well as to know if the benefits will be sustained.

III. Purpose of the evaluation

6. Firstly, the purpose of the evaluation is to establish what the Global Programme against Money-Laundering has achieved and if it has attained its objectives. The purpose of the evaluation is to assess the extent to which the Programme is meeting the needs of the beneficiary countries and whether the strategy and implementation arrangements are appropriate and the approach relevant to the needs of beneficiary countries and the expectations of donors. Further, it is to determine whether resources are utilized efficiently to produce sustainable outcomes. What has the Global Programme achieved in terms of results and outcomes and what impact is being created and is it sustainable?

7. The evaluation was foreseen as a thematic evaluation in 2003 and was postponed to 2004. The in-depth thematic evaluation is part of the new strategic approach to evaluation being implemented by UNODC. Further, the evaluation seeks to draw lessons and best practices that can be used to improve programme and project design and management and the setting up of new priorities that fully meet the needs of beneficiary countries.

8. The stakeholders of the evaluation are UNODC, beneficiary countries, donors and the international community. The evaluation will focus on assessing the experience of beneficiary countries with the Global Programme and their perspective on the benefits received. The evaluation will also seek the views of donors.

IV. Scope of the evaluation

9. The evaluation will:

(a) Measure the outcomes, impact and sustainability of the benefits of the Programme. It should also assess the project/programme concept and design, implementation results and outputs;

(b) Cover the Global Programme against Money-Laundering starting from 1997 when it was established to the present. The geographical coverage will be global;

(c) Include mentoring in the period 2000-2004 as a case study. The geographical coverage will be sampled countries where mentors were deployed in the Eastern Caribbean, East Africa, Southern Africa and the Asia and Pacific region;

(d) Analyse and determine how efficiently programme planning and implementation were carried out. (This will include how organizational structures, managerial support and coordination mechanisms supported the Programme);

(e) Consider whether the results have been fully achieved, and if not why not, and determine if progress has been made towards their achievement;

(f) Consider whether the Programme is appropriate, relevant and effective in addressing identified needs and problems and if resources are efficiently utilized and producing the desired outcomes;

(g) Consider whether and how the Programme contributes to a priority area or comparative advantage for UNODC;

(h) Determine the role played by field offices, beneficiary countries and other partners (including various international organizations) in the development, implementation and management of the Programme;

(i) Assess the Programme's contribution to human and institutional capacity development, especially in developing countries and countries with economies in transition and whether that capacity is creating conditions for sustainability;

(j) Determine the sustainability of results and benefits beyond UNODC funding and support;

(k) Focus on the experiences of beneficiary countries with the Global Programme against Money-Laundering and their perspectives on the benefits received;

(l) Seek the views and feedback from the donors and the States that have given or are giving assistance. Since the Programme is directed by requests from Member States and based on the donor's direction, it will be critical to establish if the needs of beneficiary countries are met, given the donor conditions;

(m) Measure the costs of mentoring against results achieved, impact created and sustainability of benefits as a result of human and institutional capacity developed by the Programme, but in particular by the mentoring initiative;

(n) Determine the impact that is being created by the Programme and how this is contributing to the international community's efforts to target the proceeds of crime.

V. Evaluation methods

10. The evaluation methods will include the following:

(a) Review and analysis of documents (secondary resources);

- (b) Interviews with key informants and key players (person-to-person or by telephone);
- (c) Field visits;
- (d) Participatory observation and rapid appraisal;
- (e) Case study approach to mentoring;
- (f) Comparative analysis with similar projects implemented by other international organizations;
- (g) Sharing the draft report and inviting inputs as a form of factual and social verification;
- (h) The evaluation team to develop a methodology to evaluate mentoring and related instruments for the overall Programme evaluation.

VI. Composition of the evaluation team

11. An independent evaluation team that has had no prior involvement with the Global Programme during its design and implementation phases will carry out the evaluation.
12. The evaluation team will be composed of two external evaluators and evaluation officers from the Independent Evaluation Unit. The external evaluators will be professionals who have expert knowledge and experience in money-laundering and crimes related to money-laundering. Experience in evaluation will be an asset but not a requirement as the team members from the Independent Evaluation Unit will provide the complementary skills and expertise in evaluation.
13. The evaluation will also use local consultants or assistants, where appropriate, to collect information and administer a questionnaire as directed by the evaluation team.

VII. Evaluation budget

14. The estimated resources available to carry out the evaluation are \$60,000. This is inclusive of fees for consultants and assistants, travel and daily subsistence allowance for the team.

VIII. Planning and implementation arrangements

15. The evaluation should be completed by 7 May 2004. The following time frame is suggested for the evaluation process:
 - (a) 31 January 2004: Preparation of the terms of reference and planning the evaluation;
 - (b) 6 February 2004: Discussion and agreement on final terms of reference with the substantive office;

- (c) 9-20 February 2004: Recruitment of consultants and establishing the evaluation team;
- (d) First week of March 2004: Review and analysis of documents at headquarters and developing terms of reference for the case study and evaluation instruments for the entire evaluation;
- (e) 8-10 March 2004: Briefings for the team at UNODC headquarters in Vienna;
- (f) 11-31 March: Execution of evaluation, including fieldwork and visits to both beneficiary countries and donors;
- (g) 1-9 April 2004: Presentation of findings and preparation of draft report and further discussions at headquarters and submission of draft report to staff working for the Global Programme against Money-Laundering;
- (h) 9-23 April 2004: Review of draft by stakeholders;
- (i) 26 April-7 May: Finalization of report by the evaluation team and final presentation;
- (j) 10 May 2004: Submission of final report and circulation.

IX. Deliverables of the evaluation

- 16. The evaluation will produce the following:
 - (a) A detailed evaluation plan (to be prepared by the team leader);
 - (b) Draft terms of reference for the mentor initiative case study (prepared by the team leader);
 - (c) A detailed evaluation methodology and evaluation instruments to be used (developed by the team);
 - (d) Presentations and workshops as appropriate;
 - (e) A draft report with findings, lessons learned and recommendations;
 - (f) A final report with findings, lessons learned and recommendations.

Annex II

Places visited and individuals interviewed during the evaluation of the Global Programme against Money-Laundering

Antigua and Barbuda

Person present:

Alexander Vandrepoole Deputy Director, Financial Intelligence Unit

Australia

Persons present:

Carolyn Davy Mentor for Jamaica (June 2000/May 2001)
Rick McDowell Director, Asia/Pacific Group on Money Laundering secretariat
Ric Power Mentor for Barbados (August 2002/August 2003)
Clive Scott Mentor for Antigua and Barbuda (July 2000/October 2002)
Bronwyn Somerville Asia/Pacific Group on Money Laundering secretariat

Barbados

Persons present:

Guyson Mayers Director, Financial Intelligence Unit
Diane M. Mendoza Financial Sector Supervision Adviser International Monetary Fund (Caribbean Regional Technical Assistance Centre)
Gordon Stirling Director, Narcotics Affairs Section, United States State Department (AID)

Canada

Person present:

Graham Pinner Mentor for Antigua and Barbuda, Barbados and Canada

Cook Islands

Persons present:

Cath Kara Head of Financial Intelligence Unit, Cook Islands
Honourable V. Vaeveware Minister of Police, Cook Islands
Pira Wichman Commissioner, Cook Islands
Bob Williams Bank Supervisor, Financial Supervision Commission

Fiji

Persons present:

Razim Buksh	Head, Financial Intelligence Unit, Reserve Bank of Fiji
Pita Bulamainavalu	State Prosecutor, Fiji Public Prosecutions Office
Mosen Driver	Assistant Commissioner, Fiji Police
Brett Jackson	Law Enforcement Liaison, Australian Federal Police, Australian High Commission, Fiji
Detective Inspector Luke Navela	Officer in Charge, Serious Crime Unit, Fiji Police
Bruce Russell	Mentor for Fiji (October 2002/present)
Andi Fong Toy	Director, Political, International and Legal Affairs Division, Pacific Islands Forum secretariat, Fiji

Indonesia

Person present:

Daniel Thelaskaf	Consultant
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Iran (Islamic Republic of)

Persons present:

Kaveh Moradi Sr.	National Programme Officer, UNODC
Mehrdad Razaiean	National Technical Officer

Iranian Judiciary:

	Reform Bureau (members of Judiciary and Presidential office)
Prof. Sahraian	Head, Research Team on Money Laundering in the Islamic Republic of Iran

Israel

Person present:

Yehuda Shaffer	Director, Financial Intelligence Unit
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Kenya

Persons interviewed:

Carsten Hyttel	UNODC Representative
Lazarus Keizi	Member, National Task Force, The Treasury, Ministry of Finance
Mr. Nyanjwa	Bank Supervision Department, Central Bank of Kenya
Mr. Nzomo	Director, Bank Supervision Department, Central Bank of Kenya
Daniel Taalam	Research Department, Central Bank of Kenya

Lebanon

Persons present:

Fouad Shaker Secretary General, Union of Arab Banks
Imad Amin Shehab Director, Union of Arab Banks

Interviews with:

Credit Card Services Company

Ziad Maalouf Internal Auditor
Mazen Rahman Chief Operating Officer

Blom Bank

Ramzi Tarabishi Principal Manager, Internal Control

Special Investigation Commission (FIU)

Mr. Baasiri Head of Special Investigation Commission
Tarek Zahran Director, Compliance

Lebanese Canadian Bank

Bachir Al-Nakib Manager, Compliance

Crédit Libanais

Mr. Nadim Chebeir Audit Manager

Banque de la Méditerranée

Samar Baasiri Head, Compliance

Liechtenstein

Persons present:

Rene Brulhart Head, Financial Intelligence Unit
H. S. M. Princess Maria-Pia Kothbauer Ambassador
Patrick Ritter Foreign Office

Mauritius

Persons interviewed:

Navin Beekarry Commissioner, Independent Commission Against Corruption
Dev Bikoo Director, Financial Intelligence Unit
Aja Daby Commissioner for Drug Assets Forfeiture
R. Gopalsingh Commissioner of Police
A. Hamuth Director of Public Prosecutions
Mamode Aniff Khodabocus Deputy Comptroller of Customs, Ministry of Finance

Yotsna Lalji	Assistant Executive, Financial Services Commission
Hon. Samiullah Lauthan, M.P., MSK	Minister for Social Security
Iqbal M. Rajahbalee	Chief Executive, Financial Services Commission
R. P. Ramlugun	Permanent Secretary, Ministry of Industry, Financial Services and Corporate Affairs

Namibia

Person interviewed:

Louis Du Pisani	Deputy Prosecutor, Office of the Prosecutor-General
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Russian Federation

Persons present:

Evgeny Grigoriev	State Drug Control Committee Chief, International Cooperation Department
Julia Kozlachkove	Detective, Operations Department
Mikhail Sumiu	State Drug Committee

*Separate meeting with the Financial Monitoring Committee
(the FIU in the Russian Federation):*

Mr. Osiprov	Head, Financial Monitoring Committee
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*Separate meeting with field office of the
United Nations Office on Drugs and Crime:*

Flavio Mirella	Representative
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Saint Vincent and the Grenadines

Person present:

Ms. Sinanon-Bollers	Director, Financial Intelligence Unit
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South Africa

Persons present:

Charles Goredema	Senior Research Fellow: Organised Crime and Anti- corruption Programme, Institute for Security Studies
Murray Michel	Director, Anti Money Laundering Programme, Finance Intelligence Unit
Ugi Zvekie	Representing Rob Bone, UNODC Representative

Thailand

Persons present:

Yngve Danling	Law Enforcement Expert, UNODC staff, Bangkok
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Seehanat Prayoonrat	Police Colonel, Anti Money Laundering Office
Claire Smellie	Project Coordinator, Asia-Europe Meeting
Adam Townsend	Global Programme against Money-Laundering, Bangkok
Narumi Yamada	Senior Programme Management Officer

United Arab Emirates

Persons present:

H. E. Sultan Bin Nasser Al Suwadi	Governor, Central Bank of the United Arab Emirates
H. E. Mohamed Ali bin Zayed Al Dalasi	Deputy Governor
Saeed Abdullah Al Hamiz	Executive Director, Banking Supervision and Examination
Abdul Rahim Mohammed Al Awadi	Assistant Executive Director (in charge of the Anti- Money Laundering and Suspicious Cases Unit)
Ahmed Al Ramzi	Head of International Division
Mohamed Galal Shoeib	Anti-Money Laundering and Suspicious Cases Unit
K. R. Kamath	Anti-Money Laundering and Suspicious Cases Unit

United Republic of Tanzania

Persons interviewed:

Wayne Blackburn	United Nations Mentor
Eliawony Kisanga	Commonwealth Secretariat, London
Fernie L. Kweka	Office Administrator, Eastern and Southern African Anti-Money Laundering Group (ESAAMLG)
Charles Lengalenga	Executive Secretary, ESAAMLG

United States of America (contacts by telephone)

Persons contacted:

John McDowell	Lead Anti-Money-Laundering Specialist, World Bank
Ed Rindler	United States State Department

Vanuatu

Persons present:

Peter Budd	Deputy Assistant Attaché, Australian High Commission, Vanuatu
Robert DiNiro	Commissioner of Police, Vanuatu Police
Andrew Milford	Bank Supervisor Advisor (International Monetary Fund (IMF) sponsored) Reserve Bank of Vanuatu

Viran Molisa State Prosecutor's Office and Advisor, Previous Director, Vanuatu Financial Intelligence Unit
Mike Wilson Liaison Officer, Australian Federal Police Force, Australian High Commission, Vanuatu

Yemen

Persons present:

Ahmed Abdul Rahman Al-Samawi Governor, Bank of Yemen (initially present)
Abdu Hizam Saif Manager, Banking Supervision, and Head of Anti-Money Laundering Unit
Mustafa Saif Kaid General Manager, Legal Affairs
Ahmed Al-Khawi Chair, Yemen Bankers Association

Separate meeting held with Arab Bank

Mahdi Alawi Regional Manager
Walid M. Al-Khalieleh Branches Operations Support Manager

Separate meeting held with International Bank of Yemen

Jaffer H. Monawer Deputy General Manager, Operations
Saeed M. Bazara Deputy General Manager, Corporate Banking
Mohammed A. S. Alqueirshee Deputy Manager, Retail Banking

Zambia

Persons present:

Debora Kangende Kadango Assistant Public Relations Coordinator, New Apostolic Church Zambia
Rose Mtonga Deputy Commissioner, Drug Enforcement Commission

Zimbabwe

Person interviewed:

Jackson Madzima International Criminal Police Organization (Interpol) Zimbabwe

Organization for Security and Cooperation in Europe (OSCE)

Person present:

Marc Baltes Deputy Coordinator of OSCE Economic and Environmental activities

United Nations Office on Drugs and Crime headquarters, Vienna

Persons present:

Anders Cedhagen	Money-Laundering Adviser (Legal)
Dominique Drouet-Schmutz	Programme Assistant
Elizabeth Joyce	Money-Laundering Adviser
Timothy Lemay	Chief, Anti-Money-Laundering Unit
Lars Lundsguard	Information Technology
Delphine Schantz	Money-Laundering Adviser
Catherine Volz	Chief, Treaty and Legal Affairs Branch
Andrew Wells	Senior Legal Advisor

Annex III

Implementation of legislation to counter money-laundering and financing of terrorism by States members of the Eastern and Southern African Anti-Money Laundering Group

<i>Country</i>	<i>Anti-money-laundering laws/ regulations (bill/act, date)</i>	<i>Countering financing of terrorism law (bill/act, date)</i>	<i>United Nations conventions (signed/ratified)</i>	<i>Mutual legal assistance (bill/act, date)</i>
1. Botswana	Proceeds of Serious Crime Act, 1990 (amended 2000) Banking Act of 1995 Banking (Anti-Money Laundering) Regulations of 2003 Corruption and Economic Crimes Act of 1994		1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 8/9/2000) Organized Crime Convention (<i>ratified</i> 29/08/02)	The Criminal Matter (Mutual Assistance) Act, 1990 Extradition Act, 1994, 1997
2. Kenya	Narcotic Drugs and Psychotropic Substances (Control) Act, 1994 (money-laundering criminalized for drugs only) Banking Act (Regulations), 2002 Anti-Corruption and Economic Crimes Act, 2003 Proceeds of Crime and Money Laundering (Prevention) Bill, 2004	Suppression of Terrorism Bill	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 27/6/2003) Convention against Corruption (<i>ratified</i> 9/12/2003)	Extradition Act Mutual Legal Assistance Bill
3. Lesotho	Financial Institutions Act, 1999 Anti-Money Laundering Guidelines, 2000 Prevention of Corruption and Economic Offences, 2000 Criminal Proceeds of Crime Act Money Laundering and Proceeds of Crime Bill, 2001	Countering the financing of terrorism incorporated into MLPC Bill, 2004	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 12/11/2001) Organized Crime Convention (<i>ratified</i> 24/9/03)	

<i>Country</i>	<i>Anti-money-laundering laws/ regulations (bill/act, date)</i>	<i>Countering financing of terrorism law (bill/act, date)</i>	<i>United Nations conventions (signed/ratified)</i>	<i>Mutual legal assistance (bill/act, date)</i>
4. Malawi	Money Laundering and Proceeds of Serious Crime Bill, 2002 Drug Abuse Bill	Anti-Money-Laundering Bill (includes provisions on countering the financing of terrorism)	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>accession</i> 11/08/2003) Organized Crime Convention (<i>signed</i> 13/12/2000)	Mutual Assistance in Criminal Matters Act, 1991 Extradition Act
5. Mauritius	The Financial Intelligence and Anti-Money Laundering Act, 2002 Anti-Money Laundering (Miscellaneous Provisions) Act, 2003 Financial intelligence and anti-money laundering regulations	Prevention of Terrorism Act	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>signed</i> 11/11/2001) Organized Crime Convention (<i>ratified</i> 21/04/03) Convention against Corruption (<i>signed</i> 9/12/2003)	Mutual Assistance in Criminal and Related Matters Act, 2003 Extradition Act
6. Mozambique	Act No. 19/1991 on drugs Banking Act No. 15/99 and its regulations Exchange Law No. 3/96 and its regulations Checks Act No. 5/98 and its regulations Central Bank Circular 01/EO1/2001 Central Bank Notice No. 11/GGBM/99 Central Bank Circular No. 12/DSB/91 Anti-Money-Laundering Act, 2002		1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 14/1/2003) Organized Crime Convention (<i>signed</i> 15/12/2000)	

<i>Country</i>	<i>Anti-money-laundering laws/ regulations (bill/act, date)</i>	<i>Countering financing of terrorism law (bill/act, date)</i>	<i>United Nations conventions (signed/ratified)</i>	<i>Mutual legal assistance (bill/act, date)</i>
7. Namibia	Financial Intelligence Centre Bill, 2002 Prevention of Organized Crime Bill, 2004	Combating of Terrorist Activities Bill	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>signed</i> 10/11/2001) Organized Crime Convention (<i>ratified</i> 16/08/2002) Convention against Corruption (<i>signed</i> 9/12/2003)	International Cooperation in Criminal Matters Act, 2001 Extradition Act
8. South Africa	Financial Intelligence Centre Act, 2001 Prevention of Organized Crime Act, 1998	Countering the financing of terrorism included in anti-money-laundering laws Separate terrorism legislation: The Protection of Constitutional Democracy against Terrorism The Prevention and Combating of Corrupt Activities Bill	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 1/5/2003) Organized Crime Convention (<i>ratified</i> 20/2/04) Convention against Corruption, (<i>signed</i> 9/12/2003)	International Cooperation in Criminal Matters Act Extradition Act
9. Seychelles	The Anti-Money Laundering Act 1996		1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>signed</i> 15/11/2001) Organized Crime Convention (<i>ratified</i> 22/4/2003) Convention against Corruption, (<i>signed</i> 27/2/2004)	
10. Swaziland	The Money Laundering (Prevention) Act, 2001 The Serious Offences (Confiscation of Proceeds) Act, 2001 Money Laundering and Financing of Terrorism (Prevention) Bill, 2004	Money Laundering and Financing of Terrorism Bill (to replace 2001 Anti-Money Laundering Act and make financing of terrorism a criminal offence)	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>accession</i> 4/4/2003) Organized Crime Convention (<i>signed</i> 14/12/2000)	The Criminal Matters (Mutual Assistance) Act, 2001

<i>Country</i>	<i>Anti-money-laundering laws/ regulations (bill/act, date)</i>	<i>Countering financing of terrorism law (bill/act, date)</i>	<i>United Nations conventions (signed/ratified)</i>	<i>Mutual legal assistance (bill/act, date)</i>
11. Uganda	Anti-Money Laundering Bill, 2003 Central Bank anti-money-laundering guidelines to financial institutions and non-bank financial institutions Financial Institutions Bill, 2003 (not yet assented to by the President; has provisions that mandate financial institutions to comply with anti-money-laundering guidelines issued by Central Bank)	Prevention of Terrorism Act, 2002	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>ratified</i> 5/11/2003) Organized Crime Convention, (<i>signed</i> 12/12/2000) Convention against Corruption (<i>signed</i> 9/12/2003)	Extradition Act, 1964
12. United Republic of Tanzania	The Proceeds of Crime Act, 1991 Drugs and Prevention of Illicit Traffic and Drugs Act, 1995 The Gaming Act, 2003 Central Bank Circular No. 8 of 2000 Anti-Money Laundering Bill	Prevention of Terrorism Act, 2003	1988 Convention (<i>ratified</i>) Financing of Terrorism Convention (<i>accession</i> 22/1/2003) Organized Crime Convention (<i>signed</i> 13/12/2000) Convention against Corruption (<i>signed</i> 9/12/2003)	Extradition Act, 1965 The Mutual Assistance in Criminal Matters Act, 1991
13. Zambia	Prohibition and Prevention of Money Laundering Act (revisions recommended) Banking and Financial Services Act Know Your Customer Guidelines Draft Bank of Zambia Anti-Money Laundering Directives		1988 Convention (<i>ratified</i>) Convention against Corruption (<i>signed</i> 11/12/2003)	Mutual Assistance in Criminal Matters Act (replacement recommended)

<i>Country</i>	<i>Anti-money-laundering laws/ regulations (bill/act, date)</i>	<i>Countering financing of terrorism law (bill/act, date)</i>	<i>United Nations conventions (signed/ratified)</i>	<i>Mutual legal assistance (bill/act, date)</i>
14. Zimbabwe	The Serious Offences (Confiscation and Profits) Act, 1990 (criminalizes money laundering, covers all serious offences, provides for confiscation) Bank Use Promotion and Suppression of Money Laundering Act	Foreign Subversion Act Public Order Security Act	1988 Convention (<i>ratified</i>) Organized Crime Convention (<i>signed</i> 12/12/2000) Convention against Corruption (<i>signed</i> 20/2/2004)	Mutual Assistance in Criminal Matters Act

Key:	1988 Convention	=	United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (United Nations, <i>Treaty Series</i> , vol. 1582, No. 27627.
	Organized Crime Convention	=	United Nations Convention against Transnational Organized Crime (General Assembly resolution 55/25, annex I)
	Financing of Terrorism Convention	=	International Convention for the Suppression of the Financing of Terrorism (General Assembly resolution 54/109, annex)
	Convention against Corruption	=	United Nations Convention against Corruption (General Assembly resolution 58/4, annex)

Annex IV

Letter from the Director, Financial Intelligence Unit, Saint Vincent and the Grenadines, to the Anti-Money-Laundering Unit of the United Nations Office on Drugs and Crime*

Financial Intelligence Unit

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P.O. Box 1826
Kingstown
St. Vincent and the Grenadines

4 June 2003

Mr. Timothy Lemay
Officer in Charge
Global Programme against Money-Laundering (GPML)
United Nations Office on Drugs and Crime
Vienna International Centre
P.O. Box 500, A-1400
Vienna
AUSTRIA

Dear Mr. Lemay,

RE: UN FIU MENTORING PROGRAMME

As you would be aware, Mr. Ric Power was made available to the St. Vincent and the Grenadines' Financial Intelligence Unit (FIU) as our FIU Mentor, through the United Nations Office on Drugs and Crime, Global Programme against Money-Laundering (GPML).

I am pleased to report that since his attachment to our FIU, Mr. Power has made an immense and indelible impact on the operation and administration of our FIU.

Our FIU was established on 6 May 2002, and Mr. Power commenced his mentorship programme with us in or about September 2002. Mr. Power has therefore been a part of our organization during our still growing stages, when much emphasis was necessarily placed on achieving our best operational and organizational structures, and desired levels of efficiency and productivity. The presence of Mr. Ric Power as

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our FIU Mentor during this period, has been critical to our development and growth thus far.

Mr. Power has visited our FIU at regular periodic intervals during the period of his attachment. At the conclusion of every such visit, our FRI had benefited from Mr. Power's work with us. He has guided and assisted us with numerous administrative, technical and miscellaneous matters, involved in the operation of an FRI. Mr. Power has also been available on an ongoing basis by telephone or electronic mail, when out of St. Vincent and the Grenadines, to provide advice and guidance.

To date, Mr. Power has been instrumental in assisting us to put in place much of our internal procedures. Mr. Power's work with us has included but is not restricted to the following:

- assisting in formulating our Strategic Plan for the period 2003-2005;
- assisting in formulating "Standard Operational Procedures", ("SOPs"), including:
 - Suspicious Activity Report SOP,
 - Application for Court Orders SOP,
 - Request from a foreign FIU or law enforcement agency for assistance SOP,
 - Request to a foreign FIU or law enforcement agency for assistance SOP;
- assisting in devising an educational brochure on the role and function of the FIU vis-à-vis the obligations of the business and financial sectors, so as to raise awareness on the existence and functions of the FIU;
- analyzing FIU data, and compiling periodic analysis reports on suspicious activity reports received by the FIU;
- assisting all staff in dealing with live cases, related and unrelated to suspicious activity reports;
- producing specimen documents and installing them as templates with the FIU on the computer system;
- advising on the choice and creation of the most effective database system for the needs of our FIU; and
- devising an operations manual (presently ongoing).

As the foregoing illustrates, the FIU mentor programme with Mr. Power as our Mentor, has yielded very positive and beneficial results for our FIU. Certain fundamental operating procedures and systems that are intrinsic to the effective operation of an FIU, have been implemented at our FIU through Mr. Power. Mr. Power has been able to measure our progress against his recommendations made at his prior visit, at each subsequent visit to our FIU. He has been able to make suggestions for improvement drawing on our practical experiences.

In my role as Director of the FIU, I have found Mr. Power to be of invaluable assistance. It is commendable that Mr. Power has developed a sound working

relationship with each staff member, and has even worked extensively with our Administrative Assistant to assist in the physical and electronic organization of files. Mr. Power has been able to gain the confidence of the staff of the FIU with not only his wealth of experience and useful advice, but also with his easy manner and approach. All of his suggestions have been discussed extensively, and our FIU has never been pressured into adopting his recommendations, though invariably these have been adopted, after a purely democratic and interactive process.

I consider it worthy of mention that Mr. Power has accommodated our FIU at times when we have most required his presence. For example, Mr. Power has scheduled visits to our FIU to assist us in our preparation for the on site visit, by the Americas Review Group of the Financial Action Task Force (FATF), and was present at this visit at our request.

The experience of St. Vincent and the Grenadines FIU, with the United Nations FIU mentoring programme has been a productive and outstanding one. This mentoring programme has no doubt been a success story in St. Vincent and the Grenadines. As our FIU Mentor, Mr. Power has become a de facto member of staff.

Our FIU remains indebted to the GPML for providing this type of assistance to us and by its selection of a most appropriate resource person to execute the functions of FIU Mentor. Our FIU could not have progressed as we have without the valuable assistance and guidance of our FIU Mentor.

I thank you, on behalf of our FIU and on behalf of St. Vincent and the Grenadines, for the provision of the services of our FIU Mentor.

We look forward to a continued relationship with the GPML and the FIU mentoring programme.

With best regards,

Yours faithfully,

(Signed) Sharda Sinanan-Bollers

Director, Financial Intelligence Unit
St. Vincent and the Grenadines

Annex V

Letter from the United Nations Office on Drugs and Crime*

UNITED NATIONS
Office on Drugs and Crime

10 May 2003

Dear Ms. Noyan,

During my five + year tenure with UNODC in the Caribbean I have been able to see the anti-money-laundering mentorship programme at work in several Caribbean jurisdictions and more importantly the results attained through this form of direct assistance.

The region had the questionable reputation of seeing many of the jurisdictions (both independent and dependent) being branded as “non-cooperative” by the Financial Action Task Force of the OECD. Today, only one country remains on this list and it is likely to be removed very shortly thanks, in part, to the assistance provided by the mentors fielded by the Global Programme against Money-Laundering (GPML).

The first mentor arrived in Barbados in 2000 and assisted in establishing the FIU complete with operating procedures, training of its staff, advisory assistance for the revision of the anti-money-laundering legislation, facilitating membership in the Egmont Group, etc. The former Attorney General, currently Chief Justice of Barbados, Sir David Simmons, has repeatedly thanked UNODC in different public forums for the assistance provided. In the same year, a GPML mentor was posted in Jamaica to work with the Director of Public Prosecutions on casework and legislative amendments.

During a recent mission to Jamaica, Dr. Peter Philips, Minister of National Security, expressed his appreciation of the assistance and sought further assistance to advance civil forfeiture legislation. GPML also posted a mentor to Antigua and Barbuda, who has been able to draft legislative amendments that now place this country ahead of many others in the region in this specific field. In fact, Antigua and Barbuda, thanks to the assistance provided by the GPML mentor, was the first country to adopt asset forfeiture legislation. This same mentor has seen his contract extended with the funding being provided by the Government of Antigua and Barbuda. In the Dominican Republic, our mentor was also able to make many positive contributions that have, among other outputs, resulted in the adoption of comprehensive anti-money-laundering legislation. More recently, another Australian GPML mentor has been posted in Barbados to work alongside the FIUs in five jurisdictions in the Organization of Eastern Caribbean States.

The above is not intended to be an exhaustive list of achievements but rather illustrates the impact that the mentors have had and in that sense they have been widely recognized for the value that they have added in the institution-building and prosecution process.

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In drawing some lessons from the five mentors that have worked or are still working in the region, I would say that the following stand out:

(a) All five mentors have been of very high quality with extensive hands-on experience in their home countries. These highly experienced individuals at the top of their field provide quality work and bring with them the prestige that creates respect in the beneficiary State;

(b) The selection process has targeted top professionals, who are in short supply, are not easy to find and retain, and may be prepared to discount their usual premium price tag in their home jurisdiction;

(c) The mentors provide very specialized services, such as taking prosecutors through major cases or building FIU capacity, that require the establishment of a level of confidence, both within the institutions where they work and, perhaps more critically, in the financial services sector they deal with daily. This is also important to ensure that the results are sustainable, with the mentor in a position to provide advisory assistance when required. The presence of a mentor also provides the level of objective “scrutiny” that acts as a stimulant for action. Certainly for these types of mentorship, an assignment of a minimum of six months to one year reduces the risk of assistance that is superficial, a waste of the initial investment of time and money, and unsustainable in the long run;

(d) Reform as a process requires the participation of partners from many different institutions. The presence of a mentor in this multidimensional environment has assisted in building bridges between institutions that would not necessarily work alongside each other (honest broker role).

In closing, judging from the positive comments that I continue to receive from regional stakeholders, the mentoring approach has provided assistance where it is most required with measurable impact and we should continue the programme.

With best regards.

(Signed) Flavio Mirella
Representative a.i.

cc: Bernard Frahi

Annex VI

Evaluation of the Global Programme against Money-Laundering: comments received from the Asia/Pacific Group on Money Laundering secretariat*

I. Introduction

1. The following comments have been prepared in response to a direct request made by Tom Hansen, an evaluator for the “Evaluation of the Global Programme against Money-Laundering” (GPML). Mr. Hansen approached the APG secretariat for comment from the perspective of the secretariat having had several years of experience of working with the GPML.
2. The views expressed are not formal comments from APG, but represent feedback from the APG secretariat in relation to the matters Mr. Hansen raised. The comments are presented in the manner and sequence requested by Mr. Hansen.

II. Background: the APG

3. The APG is the FATF-Style Regional Body (FSRB) for the Asia/Pacific Region. The APG’s principal roles are to facilitate the regional implementation of the AML/CFT [anti-money-laundering/countering the financing of terrorism] global standards and to assess its members’ compliance with those standards. An agreed part of the regional role is to coordinate AML/CFT technical assistance and training (TA&T) across the Asia/Pacific.
4. As part of its program of activities, the APG conducts: an Annual Meeting of members and observers; an annual Typologies Workshop; an annual Forum on Technical Assistance and Training; and Mutual Evaluations (compliance assessments) of APG members. The APG also convenes Working Groups of members and observers to focus on priority work areas including typologies and AML/CFT implementation issues. The APG also provides in-country advice and support to APG members and observers.
5. The APG has 26 member and 13 observer jurisdictions and maintains active working relationships with many national, regional and international organizations with an interest in AML/CFT activities.
6. The APG region is characterized by significant points of diversity, including: the geographical spread of the APG region (eg, from the United States of America to Pakistan; and Mongolia to New Zealand); the size of jurisdictions (from small Pacific Island states eg, Kiribati, to very large jurisdictions eg, India); variations in cultural, political and economic systems; and a wide range of legal and governmental systems.

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III. GPML programme objectives

7. **GPML programme:** it is understood that the objectives of the GPML programme are to: encourage AML policy development; assist member States to draft and introduce legislation and to develop and maintain the mechanisms to combat ML; monitor and analyze AML problems and responses; raise public awareness about money laundering; and act as a coordinator of joint AML initiatives by the United Nations.

- **Comment:** The GPML programme objectives reflect the sequential development of an AML system in any jurisdiction. Delivery of assistance that reflects this sequencing will be more effective than simply addressing a United Nations Member State's technical assistance and training requests as they are individually received, or in an otherwise ad hoc manner. The approach could also recognize other regional AML TA & T coordination efforts.

8. **Mentoring programme:** it is understood that the objective of the mentoring programme is to provide in-depth sustainable assistance to United Nations Member States. This assistance is provided via the in-country placement of an expert to train personnel, advise in the conduct of money-laundering cases or establish institutions, eg, FIUs.

- **Comment:** The mentoring programme objective is consistent with the TA&T demands expressed by APG member and observer jurisdictions for customized, longer-term, in-country support that permits a more in-depth and sustainable approach to be taken, with follow-up training and assistance to be available if required.

IV. GPML programme activity in the APG region

9. **Model legislation:** the APG secretariat has taken a number of steps to share United Nations model legislation with its member and observer jurisdictions.

10. The APG secretariat has worked closely with the Asian Development Bank (ADB) in preparing and distributing the Manual on Countering Money Laundering and the Financing of Terrorism. Copies of the manual are available to all APG jurisdictions and the public via the APG web site. Paper copies of the manual have also been distributed to APG members via the 2003 Annual Meeting and Typologies Workshop. Model AML laws contained in the manual include:

- United Nations model legislation on laundering, confiscation and international cooperation in relation to the proceeds of crime (1999)
- United Nations model money-laundering and proceeds of crime bill (2000)
- United Nations model decree on the financial intelligence unit
- United Nations model mutual assistance in criminal matters bill (2000)
- United Nations model foreign evidence bill (1998)

11. The APG web site also has links for these model laws and also includes a link to the United Nations model extradition (amendment) bill (1998).

- **Comment:** Because of the quality and accessibility of these (and other United Nations models), the APG Secretariat has promoted them to APG members and observers and used them in various regional and individual jurisdiction seminars. They have been found to be very useful resources in assisting jurisdictions to introduce their own AML laws and systems.
- The GPML programme has provided several APG member or observer jurisdictions with model legislation and associated drafting assistance. In most instances this assistance has laid the foundation for the subsequent development of an AML system that will enable each jurisdiction to meet the global AML/CFT standards. In achieving this, the programme is also able to provide an opportunity to establish a consistent standard in both drafting and legislative approach across jurisdictions in the region with similar/compatible legal systems. This establishes an important underpinning to international cooperation in AML/CFT matters.

12. **Mentor programme:** there have been two AML mentor projects relevant to APG member and observer jurisdictions. Several APG Pacific Island jurisdictions and Canada (an APG observer) have benefited from this senior expert assistance. The APG secretariat is also aware of the effectiveness of the Programme from other regions. The assistance has covered FIU establishment and development support; law enforcement training; and assistance with AML-related case work.

- **Comment:** The mentor programme meets the demand from jurisdictions for donors to take a longer-term, in-country focus in the design and provision of technical assistance and training. In addition, the mentor programme provides a more culturally appropriate learning style for many APG jurisdictions, rather than the traditional short-term, multi-jurisdictional, “chalk and talk” training approaches usually favoured by donors.
- Given the diversity of the APG region, one of the strengths of the mentor programme is its ability to customize the design and delivery of TA & T to meet the specific needs of each jurisdiction, whilst still being able to provide joint training where this is appropriate and a specific benefit can be demonstrated. Where there is an individual jurisdictional focus, the mentor should be able to (and should have the resources to) view the jurisdiction holistically and target the assistance sequentially and incrementally to meet the unfolding needs as the AML system is developed. A further strength of the programme is that the mentor is available to train not only individuals, and groups of individuals, but also he/she is able to train the trainers. This produces genuinely sustainable results—particularly if follow-up assistance is continued over time.

13. **Computer-based training (CBT)**—the CBT programme experience in the APG region arose, initially, from the provision of CBT assistance to jurisdictions to assist in combating drug trafficking in the region. Subsequently, the United Nations developed a CBT product containing 13 AML modules. This product is currently being trialed in Fiji, apparently with the intention of making it more widely available in the region after the trial and evaluation have been completed. In addition, the ASEM Project, which has involved the preparation of TA & T needs assessment reports for six Asian ASEM member countries, has also endorsed provision of the CBT AML package to Thailand, Malaysia, Viet Nam, China,

Indonesia and the Philippines. For five of these jurisdictions, the CBT package will be translated into the appropriate language of the country.

- **Comment:** The APG secretariat understands that, even though the AML CBT is still only running as a pilot in Fiji, nevertheless there has already been a very enthusiastic and positive response to the training by government agencies and individual participants alike. The APG secretariat is also aware that the CBT programme has been successfully used in other regions.
- The training is well regarded. It is easily accessible; it is able to be customized to provide for cultural diversity, which is important in the APG region; it is self-paced, which is appropriate for jurisdictions that encompass wide variations in the AML/CFT knowledge and experience of their training participants; the technical content is reputable and meets a very high standard; the content is able to be relatively easily updated to take account of new information or changes in the global standards; regional provision of the CBT products can contribute to ensuring consistency of AML training across a region, subregion or country, which can go on to assist with international AML/CFT cooperation; CBT is seen as an efficient way to meet complex training demands (eg, in a vast jurisdiction such as China); and it is cost effective in jurisdictions with underdeveloped infrastructure.
- A cautionary approach however, would emphasize that whilst CBT is easy to deliver into a jurisdiction, the timing of the delivery still needs to be considered in the context of the sequential development of a jurisdiction's AML/CFT system.

14. **IMoLIN and AMLID**—APG members and observers are able to access the International Money-Laundering Information Network (IMoLIN) and, when authorized, the password protected Anti-Money-Laundering Information Database (AMLID). These sites offer APG members and the broader public information about national money-laundering laws and regulations and contacts points for cooperation between jurisdictions.

15. IMoLIN offers details of relevant AML research and references; regional lists of national legislation (incomplete); the full text of the United Nations model legislation on money-laundering for common law and civil law systems; a calendar of AML/CFT training events and conferences; and links to the web sites of related regional organizations, FIUs and AML relevant sites. AMLID offers authorized APG users analyses of anti-money-laundering laws and regulations, including two general classes of money-laundering control measures (domestic laws and international cooperation) as well as information about national contacts and authorities.

- **Comment:** There is a need for better awareness of IMoLIN and AMLID amongst APG member and observer jurisdictions. While the APG secretariat is unsure of the exact extent of uptake of this site, we understand that it could be more widely used. In particular, there is a need for the site to be more widely “marketed” to APG stakeholders and also to ensure all the relevant AML practitioners are able to be authorized to access AMLID. The secretariat is also aware that both databases have recently been extensively enhanced and will be more easily used.

- The APG is planning to provide an opportunity for an IMoLIN Training Workshop at the 2004 APG Annual Meeting in Seoul, 14-18 June, and to provide further information on IMoLIN to a range of APG stakeholders.

16. **Contribution to APG events and activities:** over the years, representatives from GPML and the United Nations Office on Drugs and Crime have attended APG Annual Meetings, the Annual Forum on TA & T and other APG events.

- **Comment:** The presence of GPML head office, regional and mentor programme representatives at APG events has proved to be a highly effective way for the two United Nations programmes to make a direct and joint contribution to the implementation of the AML/CFT global standards across the APG region, as well as to TA & T coordination and capacity-building. It also provides an important opportunity for APG members and observers to hear first-hand of the work of the GPML.
- The global perspective and decision-making capacity of the head office representatives is invaluable to APG policy development and TA & T coordination and forward planning. There is complementarity, and many areas of mutual interest, in the AML/CFT policy and implementation work of both the APG and the GPML. This is particularly relevant in relation to implementing United Nations and United Nations Security Council resolutions and the FATF 40 and 8 Recommendations.
- At the same time, the in-country knowledge and experience that the GPML mentors are able to bring to the meetings reinforces the AML/CFT implementation challenges faced by APG members and observers and enriches and refines the TA & T needs information that they provide.
- The APG meetings also provide however, an opportunity for the GPML representatives themselves to become better informed on the specific AML/CFT issues arising from the experience of approximately 40 jurisdictions across the Asia/Pacific region, and to be part of planning and developing responses.

V. Resource utilisation

17. Mentoring programme

- **Comment:** A short-term (up to 12 month) period may suit a single in-country attachment, but a longer period needs to be considered when the mentor is expected to cover several jurisdictions across a region, for example the South Pacific. The mentor, in consultation with each jurisdiction, ought to be able to make a forward plan for at least a 12-month period, with the ability to confirm appropriate follow-up beyond that period, especially if the assignment requires the establishment of institutions and/or training of personnel. In developing economies, with limited bureaucracies and underdeveloped infrastructures, progress in the delivery of effective TA & T is often hard won and it takes time if its impact is to be sustained beyond the period of the mentor's initial investment.

- Similarly, if the mentor’s assignment requires several “clients” within a region to be supported, then a realistic travel budget needs to be provided. At the heart of mentoring is the opportunity for the recipients to benefit from the in-country presence and sustained support of a senior expert. If the expert is not able to travel as and when necessary, then the crucial follow-up and reinforcement will be lacking and the programme may be less efficient in achieving its objectives.

VI. Impact on global, regional and local efforts and sustainability

18. **GPML programme:** from the APG secretariat’s perspective, several APG members and observers have benefited specifically from the GPML programme by means of comparative legal advice, establishment of FIUs and training and technical assistance; including Pacific Island countries, Pakistan, China, Malaysia, Thailand, Myanmar and Viet Nam.

- **Comment:** A number of jurisdictions in the Asia/Pacific region pay particular attention to United Nations decisions and resolutions, over and above the decisions of informal multilateral bodies such as the FATF. As a consequence, GPML’s involvement and assistance adds force and credibility to the APG’s (and therefore the FATF’s) efforts in the region. It has therefore helped considerably in obtaining political commitment and subsequent enactment of laws and in the establishment of AML systems.

19. **Mentoring programme**

- **Comment:** Sequential, customized and coordinated delivery of TA & T increases the sustainability of the capacity-building assistance provided. Each project is able to be integrated with and build upon previous ones and reflect the various stages of developing the jurisdiction’s AML regime. For example, law enforcement AML training should only occur once the AML law has been passed, rather than occur independently of it.
- Consistent with this need for sequential and coordinated delivery of TA & T, it would be useful for the wider GPML programme to consider locating a small multidisciplinary team of mentors in a region who are able to work together in providing assistance across the main AML sectors—policy and legislation; regulatory and financial sectors; and law enforcement. The team could also provide technical support in specific money-laundering cases that arise in a jurisdiction where there is a lack of professional experience and expertise.

VII. Lessons and best practice

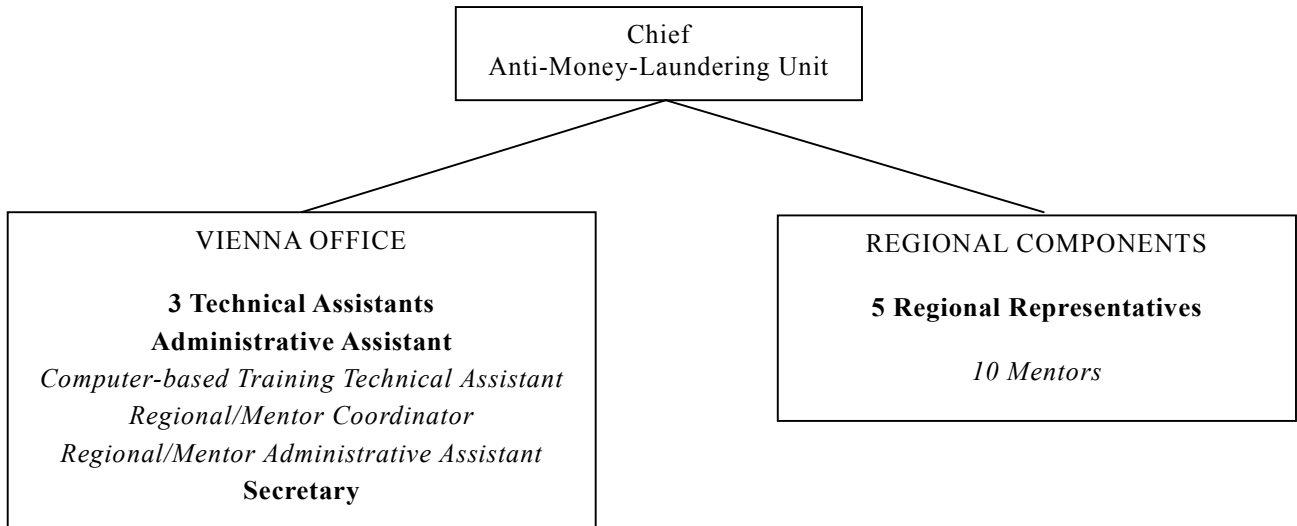
- **Comment:** From the APG secretariat’s own experience, it is vitally important to have a clear strategic direction and appropriate funding to carry out the goals of that strategic direction.

- In relation to the GPML, it is clear that it has provided some excellent AML products, particularly the mentor programme but it appears to have done so in the absence of a long term strategic plan supported by a predictable budget.
- The APG secretariat would suggest that the programme could be strengthened through the identification of those outputs for which the GPML has gained favourable feedback, and in which it has built up comparative experience and advantage, followed by preparation of a draft strategic plan covering a number of forward years. It might then be possible for sources of funding to provide a more secure and predictable budget for the programme.

APG secretariat
25 March 2004

Annex VII

Recommended staffing for the Global Programme against Money-Laundering



The positions shown in bold will be core-funded positions.

The positions shown in *italics* will be donor funded.

Annex VIII

Estimated cost figures for new staffing of the Global Programme against Money-Laundering

1. New positions in Vienna

<i>Position</i>	<i>Grade</i>	<i>Salary (United States dollars)</i>
Regional Coordinator	L-4	117 000
Regional Assistant	L-2	58 000
Computer-based Training Coordinator	L-3	88 000
	Total	263 000

2. Staff costs to be core funded (excluding Chief)

<i>Position</i>	<i>Grade</i>	<i>Salary (United States dollars)</i>
3 positions	L-4	
1 position	L-3	
1 position	G-6	
1 position	G-5	
1 position	G-4	
	Total	600 000

3. Costs of regional representative

<i>Item</i>	<i>Comment</i>	<i>Cost (United States dollars)</i>
Travel to/from duty station		5 000
Office rent/equipment		12 500
Household moving expenses	Varies with duty station	18 000
Assignment grant	Varies with duty station, incl. 1 month daily subsistence allowance and 1 month salary	16 000
Hardship premium	Unknown, but required for some duty stations	
Initial office costs		2 100
Yearly travel costs	Incl. trips to home/Vienna	20 000

Breakdown of above cost

<i>Item</i>	<i>Comment</i>	<i>Cost</i> <i>(United States dollars)</i>
Office expenses		
Initial set-up	Purchase of equipment	2 100
Shared cost	Office space	12 500
Cost of relocation		
Travel to/from		5 000
Initial set up cost		2 100
Assignment grant		16 000
Household move		18 000
	Total	36 100
Yearly cost		
Travel		20 000
Salary		117 000
Office		12 500
	Total	149 500