

# EVALUATION BRIEFS

## INDEPENDENT PROJECT EVALUATION

# COMBATTING MONEY LAUNDERING AND TERRORISM FINANCING IN THE MEKONG (GLOU40)

**Region:** Mekong

**Duration:** January 2019 to June 2023

**Donors:** Swiss Government, State Secretariat for Economic Affairs (SECO)

**Evaluation team:** Rani Houry (Evaluation Expert) and Timothy Bacwa (Substantive Expert)

**Full report:**

[https://www.unodc.org/unodc/en/evaluation/reports\\_year\\_2024.html](https://www.unodc.org/unodc/en/evaluation/reports_year_2024.html)

## BACKGROUND AND CONTEXT

The United Nations Office on Drugs and Crime (UNODC) Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) implemented a \$1.6 million 42-month project "Combating Money Laundering and Terrorism Financing in the Mekong" funded by the Swiss Government, State Secretariat for Economic Affairs (SECO). The overall objective of the project was to assist Cambodia, Laos PDR, Myanmar and Vietnam to prevent and suppress illicit financial flows (IFF) from drugs and crime through raising knowledge, building capacities, reforming legal frameworks and enhancing national & regional coordination. The Final Evaluation assessed the performance of the project against the criteria of relevance, coherence, efficiency, effectiveness, sustainability, and human rights, gender equality, disability inclusion and leaving no one behind.

## MAIN FINDINGS

While there was no formal needs assessment done to inform the project design, the project was still found to be relevant and responsive to the needs and priorities of stakeholders given that the project had gained substantial experience in implementing earlier GPML interventions in the region since 2009. The project was also loosely structured which allowed for flexibility in responding to arising priorities. The project was found to be coherent due to its alignment with UNODC's strategic programming regionally and globally, as well as the strong partnerships developed during implementation (both within UNODC and with external partners) which helped to enhance the alignment of the project's delivery with regional and international priorities. The adverse impact of the COVID crisis led to a disruption in implementation during 2020 and 2021. A hybrid technical Assistance (TA) approach was adopted which enhanced efficiency in some cases, but also resulted in an uneven pace of implementation in some targeted member states. The project also had significant overhead costs exceeding 20% of the cost of delivery and experienced some practical limitations to its efficiency e.g bureaucracy in obtaining government approvals. On the other hand, the project's focus on expanding its partnerships and enhancing coordination among TA providers in the latter half of the project's duration, coupled with a well-managed handover process between the former and current mentor minimized potentially adverse impacts to project efficiency. The effectiveness of the project varied across its duration and the respective focus countries due to COVID restrictions and the level of institutional engagement with the project (which was largely driven by the respective countries engagement in the Financial Action Taskforce (FATF) Mutual Evaluation (ME) and International Cooperation Review Group (ICRG) processes). The project interventions contributed to increasing the knowledge of stakeholders,



Members of Customs at Wattay International Airport during live exercise day

and skills of law enforcement agencies, in targeted member state on illicit financial flows, money laundering and the financing of terrorism. The project also contributed to enhancing coordination at the national level. However, limited progress was observed in terms of reforms to the AML/CF legal frameworks, as well as advancing regional cooperation. While stakeholders were found to be committed to the overall results and objectives of the project, political will on implementation and reform is sometimes lacking at higher political levels and appears to be primarily driven by a country's engagement in FATF ICRG processes. The COVID crisis, coupled with the turnover in the Mentor position, adversely impacted the sustainability of project results. Nevertheless, the project developed a number of guides and manuals for stakeholders that enhanced its sustainability, but it could not facilitate the utilization of goAML tool. The evaluation also established that there was no direct focus on or mainstreaming of human rights and gender equality or inclusion of marginalised groups (including LGBTQI+ as well as people with disabilities) in the design and implementation of project activities. Having said that, the project team sought to promote female participation in the project's activities which resulted in over 22% female participation in the three years between 2020 and 2022.

## LESSONS LEARNED

- Outreach and a proactive approach to expand and develop partnerships can greatly enhance efficiency/effectiveness.
- Focusing on coordination can minimize the scope of duplication and make implementation more effective.
- An inter-agency approach to technical assistance yields a significantly higher contribution to national coordination than single-agency settings.

## GOOD PRACTICES

- Implementing an adequate hand-over whenever there are key changes in project management personnel can go a long way in mitigating any adverse effects that such a turnover could have.
- The long-term presence of a project manager/mentor in the Mekong region can significantly foster deep and meaningful relationships which enhance effectiveness of project activities overtime.

## METHODOLOGY

A mixed method approach involving both qualitative and quantitative methods was utilized in this evaluation to ensure an inclusive methodology as well as triangulated findings. Evaluation tools included a comprehensive desk review, in-depth semi-structured interviews, and an online survey translated into three languages. The evaluation was able to reach 46 stakeholders (25 males and 21 females) through semi-structured interviews and 60 beneficiaries (44 males and 14 females) through the online survey.



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## RECOMMENDATIONS

1. Enhance the design of future programs by conducting a formal needs assessment (using a wide base of information) to allow for a structured planned country specific approach.
2. Focus on building and maintaining relationships with high-level executives in future programming to facilitate their committed buy-in and participation.
3. Enhance the sustainability of future programming by adopting a ToT approach and institutionalizing the foundational training in the respective training academies present across the region
4. Build the capacity of FIUs and reporting entities in the private sector to fulfil their AML/CFT compliance obligations, using FATF's risk-based methodology
5. Proactively develop and leverage partnerships developed during the current and past project cycles in order to further enhance the effectiveness, efficiency and coordination of future programming
6. Continue enhancing coordination, focusing on regional coordination and cooperation.
7. Improve the overall monitoring & evaluation (M&E) of future programming in line with a well-designed log frame.
8. Include specific cross-cutting topics of specific human rights, gender equality, disability inclusion and leave no one behind in the project design and implementation.