



IWT Challenge Fund Project Information

Project reference	IWT021: Following the Money: Disrupting Wildlife-Linked Illicit Financial Flows in Kenya/Tanzania/Uganda
Project title	Following the Money: Disrupting Wildlife-Linked Illicit Financial Flows in Kenya/Tanzania/Uganda
Country/ies	Kenya, Tanzania, Uganda
Contract holder Institution	Royal United Services Institute
Partner institution(s)	Environmental Investigation Agency, INTERPOL, Mars Omega, Standard Chartered Bank
IWT grant value	£158,984
Start/end dates of project	01/04/2016 – 31/03/2018 (This end date was proposed in a change request form submitted 10/11/17 – decision pending)
Reporting period (e.g. April 2016-Mar 2017) and number (e.g. Annual Report 1,2,3)	April 16 – September 17; Annual Report 1
Project leader name	Tom Keatinge
Project website	N/A
Report author(s) and date	Tom Keatinge and Cathy Haenlein, with involvement of several key partners, 17/11/2017

1. Project rationale

This project addresses the low-risk financial environment that allows criminal actors to profit from IWT. Specifically, it builds capacity to enforce IWT-linked anti-money laundering (AML) legislation in Kenya, Tanzania and Uganda, and to prosecute on this basis. This is much needed: IWT is financially driven crime generating \$7–23 billion annually. Little is known about the money flows it generates in source/transit areas in East Africa. The 2015 Global Center on Cooperative Security report on illicit financial flows in East Africa cited IWT only in passing. In East Africa, financial investigation capacity remains limited, with the Financial Action Task Force (FATF) singling out Kenya, Tanzania and Uganda in the early 2010s for strategic AML deficiencies, including those tied to IWT.



All 3 governments have since shown political will to meet international standards. Yet limited awareness of AML risks amongst law-enforcement and judicial authorities continues to impede financial approaches. Notably, in investigating IWT, the financial leads available to track high-level facilitators are rarely followed; arrests are generally limited to low-level actors caught with wildlife products in hand. Meanwhile, in prosecuting IWT, wildlife acts are used almost exclusively: in Kenya, Tanzania and Uganda, opportunities to use the weightier penalties and asset forfeiture provisions offered by AML legislation are generally not taken.

This low-risk environment assures East Africa’s status as the largest poaching and trafficking hub for ivory, and an important hub for rhino horn. Kenya and Tanzania, for example, accounted for 64% of all large ivory seizures from 2009-11. The impact on animal populations has been severe: Tanzania, for example, has lost 60% of its elephants since 2009. Uganda, for its part, acts as a key transit hub for ivory moving from Central Africa to coastal exit ports.

Illicit financial flows tied to IWT also undermine governance and development. Global Financial Integrity estimates that Africa loses \$60billion per year to illicit financial flows – dwarfing inflows of overseas aid. Beyond damaging poverty-alleviation efforts, these flows hollow out national institutions, financial resource bases, and the state’s ability to provide public services. Across East Africa, poaching also dispossesses communities whose livelihoods rely on wildlife tourism.

In an effort to respond to this situation, this project focuses on a neglected component of IWT, aiming to build capacity in Kenya, Tanzania and Uganda to detect and prosecute IWT-linked money laundering, which stalls development and entrenches poverty. It does so by piloting a new approach: a strategic assessment around IWT-linked financial flows followed by multi-agency training, bridging law-enforcement, banking, wildlife, justice and customs agencies.

The expected outcome is that training improves government agencies’ capacity to investigate and prosecute financial crime tied to IWT. This will create a ‘higher risk’ environment for traffickers, disrupting their activities and hastening a drop in poaching. Beneficiaries will include trainees through enhanced capacity to track money laundering tied to IWT. Meanwhile, the enhanced capacity to disrupt IWT-linked money flows will positively impact other beneficiaries, as it reduces the hiring of poachers, leading to a drop in poaching, benefiting communities who depend on wildlife tourism. Beyond rural source areas, citizens will also benefit from the reduced damage to governance and public finances made by IWT-linked illicit money flows.

2. Project partnerships

The project has involved extensive collaboration with formally named project partners, local stakeholders and technical experts. Named project partners include the Environmental Investigation Agency (EIA), Interpol, Mars Omega and Standard Chartered Bank (SCB).

EIA has worked closely with RUSI on the assessment and training phases, contributing in-depth knowledge of the dynamics of IWT in all countries. Most prominently, EIA’s investigatory expertise has allowed it to contribute technical modules and case studies to training courses. EIA experts have designed and delivered modules on both public- and private-sector courses, covering ‘Setting the Regional and Global Scene’ around IWT and ‘Understanding Trade and Shipping’. On all courses to date, EIA have shared real-world case studies of the use of financial intelligence linked to IWT, and have participated actively in facilitating group exercises.

Interpol provided an expert trainer to public- and private-sector portions of the Kenya course, contributing to group sessions and delivering key modules. As noted in the proposal, Interpol’s contribution to the courses is pro bono; it was in this way that they supported the Kenya course. In Uganda, however, the additional local training and pro bono support available (see below) was such that RUSI did not depend on Interpol facilitation to the same extent. A decision was made to refrain from imposing on Interpol Nairobi’s overstretched time for the Uganda course.

Mars Omega took part actively in the assessment phase of the project. This involved providing its JIGZAW system to capture and evaluate information gathered on illicit money flows linked to IWT, as well as providing support on the system’s use. During this phase, Mars Omega also contributed additional sources of information of relevance to the assessment. As per the proposal, Mars Omega’s involvement was limited to this phase, which concluded in Q2.

SCB has contributed to the project pro bono, as detailed in the project proposal, by providing expertise to the assessment phase and to the design of training courses. However, it has also gone further, with expert trainers delivering modules pro bono on private-sector courses. In both Kenya and Uganda, SCB’s Head of Financial Crime Compliance gave detailed presentations on the challenges IWT poses to banks and SCB best practice. SCB slides containing this content were provided to all private-sector participants.

RUSI has also collaborated with a range of other bodies: the project is by nature collaborative, given the focus on bringing together institutions across sectors. Many relationships have grown from time spent conducting over 100 interviews in the assessment phase, across all sectors (Annex 4). Particularly fruitful relationships have developed with 4 organisations and 2 independent experts: the EU’s AML/CFT in the Horn of Africa (HoA) programme, International Fund for Animal Welfare (IFAW), Uganda Conservation Foundation (UCF), PAMS Foundation, and experts Elizabeth Gitari and Cortney Brown. All have seen value in the project and have become informal partners integral to the successes witnessed.

In Kenya, for example, the EU AML/CFT in the HoA programme provided their Team Leader pro bono as an expert trainer. They will do the same in Tanzania and will cover venue costs to make a *residential* course possible. In Kenya, IFAW contributed pro bono to course logistics and to ensuring attendance from key officials. In Kenya and Uganda, Elizabeth Gitari took on a critical training role as host and facilitator; Cortney Brown assumed a similar role pro bono in Uganda. Also in Uganda, UCF worked on training logistics and ensured exceptional public-sector attendance. In Tanzania, PAMS Foundation has worked closely on course planning and will cover costs to enable a residential course to take place.

Beyond these partnerships, the project has collaborated positively with all institutions that sent trainees to the courses. Interactions did not take the form of a simple issuance of invitations; in all cases, consultation via meetings took place to establish needs and interests. This led to higher than expected attendance: 8 public-sector agencies and 14 banks in Kenya, and 9 public-sector agencies and 10 banks in Uganda (Annexes 6-7).

RUSI believes that the extent and quality of these partnerships has been one of the project’s core strengths. RUSI has taken great care to maintain relationships – for example, it has set up enduring email/Whatsapp groups with trainees (Annex 22). Often, partnerships grew from local demand (e.g. inclusion of the Law Development Centre in Uganda). RUSI has also welcomed involvement by all stakeholders in decision-making, course design and delivery. For example, courses have been tailored considerably based on partner and stakeholder feedback, and local experts have led numerous sessions, sharing local expertise and challenges. In all cases, international and local trainers have collaborated well, with no issues encountered.

3. Project progress

3.1 Progress in carrying out project Activities

Activity 1.1: Strategic assessment of the scale and dynamics of illicit financial flows linked to the IWT based on desk-based research, fieldwork and interviews, using JIGZAW analysis tool.
Activity 1.2: Mapping exercise analysing and documenting capacity in wildlife, law-enforcement, customs, financial and justice institutions in Kenya, Tanzania and Uganda to tackle wildlife-linked illicit financial flows – based on desk-based research, fieldwork and interviews.
Activity 1.3: Analysis and documentation of findings in preliminary research report, for later publication within the project’s final report.

Activities 1.1–1.3 were completed in the timescale planned. Under Activities 1.1 and 1.2, an extensive assessment was undertaken, involving desk research and interviews in Kenya, Tanzania and Uganda. The latter involved a research trip in May–June 2016, which saw two staff conduct 80 interviews with ministries, wildlife agencies, anti-corruption bodies, financial intelligence units (FIUs), central banks, FATF-style regional bodies, commercial banks, prosecution services, international organisations and NGOs (Annexes 4-5). These were followed by phone interviews with experts elsewhere for further context, bringing the total to 100 interviews (Annex 4). JIGZAW was used to collate findings from all sources.

Findings on both the scale and dynamics of illicit money flows tied to IWT (1.1) and the capacity in place to address them (1.2) were then mapped and analysed. In doing so, findings were laid out in a preliminary report (1.3), which was later developed into a RUSI Occasional Paper (Activity 3.3 – see Annex 23). The first core finding detailed in 1.3 was the lack of a detailed picture of how money linked to IWT moves in any of 3 countries studied. This forms part of a broader theme: interviews covering destination states showed a similar dearth of knowledge. This owes to a second core finding, namely the lack of capacity in target countries to use financial tools to investigate IWT or to use financial evidence in court.

Activity 2.1: Collaborative design, production and sharing of training modules with all partners involved in training development and delivery, and relevant Kenyan, Tanzanian and Ugandan agencies.
Activity 2.2: Delivery of 24 days of hands-on multi-agency training in Kenya, Tanzania and Uganda to participants from both the public and private sectors.
Activity 2.3: During the training courses, design and collaborative production of standard operating procedures (SOPs) to endure beyond the project’s end.

Activity 2.1 was completed in the time planned. Courses were developed collaboratively, with project partners, technical experts and local partners designing key modules and circulating for feedback (Annexes 9-10). The course was designed as an 8-day curriculum, as follows:

- Days 1-4: Public-sector course
- Day 5: 1-day private-sector workshop
- Day 6: 1-day mixed public-private workshop
- Days 7-8: Mentoring (select public-sector participants).

The training was designed to include theoretical sessions on the fundamentals of AML, local AML regimes and dynamics of IWT, as well as practical sessions on preparing cases and network analysis, among others. Throughout, IWT case study exercises were run, requiring trainees to enact the theoretical/technical content learned. All content was designed flexibly, with modifications by country (see Annexes 10-11).

Under Activity 2.2, courses were run in Kenya and Uganda in January–March 2017 (Annexes 10-13). In Uganda, training was delivered to 51 delegates from 9 state agencies and 10 banks (Annex 6). Public-sector trainees hailed from the Uganda Wildlife Authority (UWA), Natural Resource Conservation Network (NRCN), Uganda Revenue Authority, Office of the Director of Public Prosecutions (ODPP), Judiciary, Financial Intelligence Authority (FIA), Bank of Uganda, Law Development Centre, and Ministry of Tourism, Wildlife and Antiquities. Engagement (public and private) was highly positive, with clear appetite for the training. Sessions to facilitate exchange between wildlife and financial bodies were clearly needed: a lack of familiarity between UWA and FIA was apparent from day 1. Knowledge gaps were also addressed in the use of AML legislation on IWT cases. Meanwhile, there was clear desire to grasp how public and private sectors could cooperate, on which Day 6 focused.

Feedback and pre- and post-surveys showed clear learning outcomes (Annex 15). Prominently, learning occurred around means used to launder proceeds of IWT and the functions of an FIU. For example, knowledge among public-sector trainees of the use of mobile money to move proceeds grew from 50% pre-course to 80% post-course. Awareness of the duty of an FIU to respond to law enforcement requests rose from 60% to 80%. Awareness of the obligation of bureaux de change to report to the FIU grew from 72% to 92%. Finally, course satisfaction ratings (with training topics, content, discussion quality, case studies and group exercises) were high: averaging 4.4 and 4.8 out of 5 in public and private sectors, respectively. Comments on surveys and orally in sessions mirrored these findings (Annexes 16-17).

Following the training, 2 mentoring days were spent constructively. On 17 February, 3 days before the course, 3 individuals had been arrested in Kampala with 1.3 tons of ivory (the 'Kromah case'), with a subsequent house search yielding circa 500 documents, including company formation documents, shipping documentation, transfer receipts, and other corporate and personal data. For 2 days, the project team mentored the UWA and NRCN trainees responsible for the case on interpreting the financial leads present (Annex 18). At time of writing, positively, AML charges are being pursued and the case has been transferred to the High Court, awaiting a first hearing date (Annexes 19, 28).

In Kenya, training was delivered to a 43 delegates from 8 state agencies and 14 banks (Annex 7). Public-sector trainees hailed from the Kenya Wildlife and Forest Services (KWS and KFS), ODPP, Financial Reporting Centre (FRC), Asset Recovery Unit, Transnational Organised Crime Unit, Ethics and Anti-Corruption Commission, and Kenya School of Monetary Studies. Again, engagement was very positive, with both sectors showing strong appetite for the course. As in Uganda, there was a clear lack of familiarity in KWS and with the role of the FRC (Kenya's FIU), which took a proactive role in building knowledge, and proposing measures to bolster joint working. As in Uganda, knowledge gaps surrounded the use of AML legislation on IWT cases; much teaching focus was thus placed on powers under Kenya's Proceeds of Crime and AML Act (POCAMLA). Private-sector engagement was also strong, with the public-private workshop seeing fruitful debate and requests for regular follow-up dialogue.

Again, feedback and pre- and post-surveys showed clear learning. Notably, this took place around AML law: pre course, 50% of public-sector trainees knew of the option to use POCAMLA for IWT, rising to 94% post course. Similar learning concerned how funds from IWT move: up from 72% to 94% in the case of mobile money. Knowledge of the need for bodies other than banks to report to an FIU also rose: in the case of money remittance companies

from 44% to 94% and for bureaux de change from 67% to 82%. Course ratings were again high, at 4.4 and 4.6 out of 5 for public and private sectors (Annexes 16, 20).

In Kenya, the mentoring, however, posed greater challenges. Plans were confirmed to deliver 2 days to KWS officials, re-confirmed by an embedded IFAW mentor. However, on both days, mentees were called away to attend to an urgent audit. Mentors, however, used the hours they could not spend directly with mentees assessing KWS' investigatory setup and available tools. On this basis, they emailed all materials to mentees, following up to offer support.

In Tanzania, unavoidable circumstances have prevented the delivery of training. The course was postponed first due to an unforeseen restructuring of the National and Transnational Serious Crimes Investigation Unit (NTSCIU) and Police, and the emergence of strong political tensions. The course was rescheduled for August 2017, with delegates from 10 state agencies signed up (Annex 8). Yet 48 hours before trainers were due to fly, a further, very difficult decision was made to postpone, in light of the tragic murder of Wayne Lotter – director of PAMS Foundation and our key partner facilitating on-the-ground logistics. The team plans to rerun the course in February 2018, in a reduced format, pending Challenge Fund sign-off.

Under Activity 2.3, both courses run to date contained modules dedicated to the collaborative design of SOPs (Annex 21). The rapid reference guide 'Wildlife Offences In Kenya: Points to Prove' was used as a model to facilitate the exercise; the guide contains a series of SOPs but none, as yet, on financial investigation. In Uganda, no such guide exists, and the same document was used. In Tanzania, SOPs will be produced in the February 2018 course.

Activity 3.1: Analysis of lessons learned and best practice derived from project reporting, monitoring and evaluation over the course of activities 2.2 and 2.3 in collaboration with partner organisations and participants.

Activity 3.2: Drafting of full report – expanding upon the preliminary report produced in Activity 1.3 and incorporating best-practice, lessons learned and recommendations for investigating and prosecuting illicit financial flows linked to the IWT in the region and beyond in future programming.

Activity 3.3: Formal professional editing, production and printing of the report as a RUSI Occasional Paper, organisation of its launch at a dedicated and publicised major conference, and distribution via a multidimensional inter-regional dissemination strategy.

RUSI sought approval to proceed with Activities 3.1–3.3 despite delays under Output 2. All activities were completed by 30 September 2017. Under 3.1 and 3.2, the project team analysed and collated findings and lessons from the training and research. In doing so, the team reworked the preliminary report (Activity 1.3) into the 17,000-word Occasional Paper 'Follow the Money: Using Financial Investigation to Combat Wildlife Crime' (Annex 23).

Under Activity 3.3, the paper underwent formal peer review, editing and production. It was launched at a formal conference on Whitehall on 11 September 2017, where an expert panel discussed its findings. Besides RUSI, the panel included Mary Rice of EIA, Emma McClarkin MEP and Chris Batt of UNODC, with presentations released as an open-source video (Annex 24). The launch was well attended and the paper well received, by the IWT community and the press (see Associated Press, 'To Fight Wildlife Crime, Experts Say "Follow the Money"'). RUSI's Comms team managed dissemination, involving targeted mailouts and promotion via on/offline channels, from RUSI London and Nairobi. Beyond mailout recipients, the paper enjoyed high download rates, and generated wide social-media activity (see Section 3.2).

3.2 Progress towards project Outputs

Output 1: A strategic assessment provides an overview of knowledge of the problem to be tackled, in terms of the scale and dynamics of illicit financial flows deriving from IWT in Kenya, Tanzania and Uganda, and documents the capacity of relevant authorities to tackle these.

The baseline was one of highly limited published knowledge on financial flows linked to IWT. No papers covered the topic explicitly; instead, it was touched on in generic terms, in a small number of articles. This has changed and Output 1 achieved with the publication of a dedicated assessment of existing knowledge on IWT-linked financial flows and capacity to address them in the 3 focus countries. This forms the Occasional Paper 'Follow the Money: Using Financial Investigation to Combat Wildlife Crime'. In addition, prior to publication, the team sought to

share knowledge generated through 2 shorter interim articles: *Newsweek*, 'Follow the Money: How Financial Investigation Can Combat Poaching in Kenya', and *RUSI.org*, 'Wildlife Crime is Financial Crime: The Response Needs to Reflect This'.

In line with Indicator and Means of Verification (MoV) 1.1, evidence of this change includes the Paper (Annex 23), interim articles (Annex 25), and coverage of the paper's launch (Annex 24). Further evidence lies in accessed rates: the paper received 224 unique views and 263 page views in week 1, 522 unique and 615 page views in month 1, and 654 unique and 767 page views by time of writing (Annex 26). Finally, the paper resulted in 147 social-media interactions directly from RUSI tweets, and innumerable indirect tweets and mentions. When Googling 'follow the money' + 'wildlife crime' in the UK, the top 3 results are now project links (Annex 26). In line with Indicator and MoV 1.2, the paper and interim articles have been cited by domestic and international studies, and other projects have incorporated their findings into planning. This is verified by media citation, citation by other studies, and planning by other bodies. The AP article 'To Fight Wildlife Crime, Experts Say "Follow the Money"' was run by 128 outlets, such as Fox News, Yahoo.com (on its front page), LA Times and regional outlets across the supply chain (Japan Times, South China Morning Post, Arab Times etc) (Annex 26). For citation in other studies, see Asia/Pacific Group and UNODC, 'Enhancing the Detection, Investigation and Disruption of Illicit Financial Flows from Wildlife Crime', pp. 9, 17, 52. Finally, other projects have engaged with findings, as testified by requests by the World Bank's Global Wildlife Programme to discuss them, so as to incorporate them into planning. IFAW has also requested updates from the project, hoping to build findings into a guided financial investigation in Kenya. This feeds into Indicator and MoV 1.3, whereby findings are recognised by relevant international and governmental agencies and incorporated into planning. Beyond the World Bank and IFAW, project documents and follow-up interviews with Kenyan and Ugandan agencies reveal that Occasional Paper recommendations are being actively pursued as part of agency strategy. In Kenya, for example, KWS and the FRC are pursuing an MoU to guide cooperation, (see p. viii of the paper, Annex 23). In Uganda, meanwhile, both the pursuit of an AML charge on the latest large-scale case and the formation of a joint prosecution team between UWA, NRCN, ODPP and FIA echoes the Paper's recommendations (pp. viii, ix).

Output 2: Relevant financial, field and other officers from law-enforcement agencies and the private sector in Kenya, Tanzania and Uganda are specifically trained to more effectively collect and share financial intelligence to facilitate high-level investigations and prosecutions.

The baseline condition was one in which financial, field and other officers lacked training on financial approaches, impeding high-level investigations and prosecutions. This situation has changed and Output 2 partially achieved with the delivery of 16 days' training (with mentoring days completed by email in Kenya) – with 6 more to follow in February 2018. This will bring the training delivered to 22 days, rather than the 24 noted in Indicator and MoV 2.1. A change request was submitted in November 2017 to reduce the training in Tanzania from 8 to 6 days (and thus the total to 22 days) due to costs incurred in the postponement. If approved, the project is on track to meet Output 2 by March 2018. MoV for the 16 days' training delivered include project notes, photos, agendas, delegate lists and pre-/post-surveys (Annexes 6–18).

In line with Indicator and MoV 2.2, SOPs have been set up and formally documented in Kenya and Uganda, where formerly processes to guide financial investigation of IWT were patchy. In February 2018, these will be set up similarly in Tanzania. In Kenya and Uganda, this result can be verified in the SOPs themselves (Annex 21). Meanwhile, though to date no internal agency reports have been produced to verify implementation, the pursuit of an AML charge in the Kromah case testifies that many are being effectively used.

Finally, in line with Indicator and MoV 2.3, all public-sector agencies that took part in training have assigned a 'champion' to assist others to access and use the content delivered. MoV include project notes on the election of champions and, although no internal agency reports yet exist on their appointment, this can be verified through email contact with those elected.

Output 3: Best-practice and lessons learned are generated, and recommendations made, for building capacity in investigating illicit financial flows linked to IWT – to feed into effective future programming.

The baseline condition was one in which no best practice or recommendations existed to inform capacity building on IWT-linked financial flows or to feed into future programming. This situation

has changed and Output 3 achieved with the publication of the Occasional Paper: in addition to the strategic assessment of knowledge on IWT-linked illicit financial flows and capacity to address them in the 3 focus countries, the paper outlines lessons learned from the training and recommendations to inform future capacity-building.

In line with Indicator and MoV 3.1, evidence for this includes the paper and interim articles, citations, accessed rates and coverage of the paper's launch (Annexes 23-26). In line with Indicator and MoV 3.2, evidence also lies in the documentation of SOPs for ongoing use by government agencies and international bodies (Annex 21). Finally, in line with Indicator and MoV 3.3, evidence lies in the fact that best practice now feeds into planning and prioritisation by domestic agencies and international organisations, as documented above under Output 2 (on the World Bank, IFAW, Kenyan and Ugandan agencies).

3.3 Progress towards the project Outcome

Training provided improves Kenyan, Tanzanian and Ugandan agencies' capacity to investigate and prosecute financial crime tied to IWT. This will deter and disrupt criminal trafficking networks, leading to a fall in poaching and rise in wildlife tourism, benefiting local communities. It will also generate best practice for wildlife-linked financial capacity-building elsewhere.

The baseline condition was one in which no dedicated training had been provided to agencies in any of the 3 countries on using financial tools to investigate and prosecute IWT, with no best practice existing, to the detriment of efforts to disrupt trafficking and reduce poaching. At this baseline, wildlife agencies and FIUs were found to have no effective or regular contact. On both fronts, this situation has changed with the delivery of financial training to agencies investigating and prosecuting IWT cases: 16 days of training have been provided in Kenya and Uganda, with training in Tanzania pending. This has led to progress on the 3 outcome indicators, as follows.

Outcome Indicator 1 describes a situation in which 'participants in financial intelligence training have improved understanding of the dynamics of IWT-linked illicit financial flows and enhanced capacity to track, investigate and prosecute on this basis – as judged by pre- and post-training evaluation forms'. This has been partially achieved, with evidence of learning on these fronts in Kenya and Uganda, as per project notes, pre-/post-surveys and oral feedback from trainees (see above and Annexes 15-17, 21). Of note to this indicator is the learning shown around tools required for both successful investigation *and* prosecution. In both Kenya and Uganda, for example, post-course surveys showed learning not only around the money flows requiring investigation, but also around financial legislation that can be used (Annexes 15-17, 21). Meanwhile, as specified in the Outcome, best practice has been generated to guide financial capacity-building elsewhere, in the September 2017 RUSI Occasional Paper (Annex 23).

Outcome Indicator 2 describes a situation in which 'concrete measures are taken by individuals trained to enact relevant financial-intelligence tools in all new high-level cases'. As noted, the baseline use of such tools was very low: in Kenya and Uganda, examples of financial prosecution on IWT cases has been limited to basic asset forfeiture (contraband, cash and phones found on a suspect). Post course, concrete measures have been taken to *enact* the tools taught (with further crucial support from agencies such as Maisha Consulting, Space for Giants and US Fish and Wildlife Service). Clear evidence lies in the Kromah case, which saw UWA, NRCN, ODPP and FIA agree a joint prosecution team and conduct regular meetings to prepare an AML charge. The result has been the pursuit of money-laundering charges against the accused (Annex 19), using financial analysis tools and charting to generate links and identify bank accounts for FIA investigation (Annex 28). Such cooperation had not previously occurred: as shown on the course, the bureaucratic machinations of government had seen confusion in earlier efforts by UWA and FIA to make contact, and both had grown frustrated. The deadlock was broken on day 1 of the course, as testified by project notes and follow-on interviews in September 2017 with UWA and FIA trainees. In Kenya, similar previous efforts at contact had run into obstacles, with a key next step agreed by KWS and FRC trainees that of establishing MoUs (still in progress at time of writing).

Outcome Indicator 3 outlines a situation in which 'all agencies involved in training have in place a 'champion' inducted to assist others in the financial intelligence training delivered, with at least 15 individuals receiving the training per country'. In Uganda and Kenya, this has been achieved, with a full 51 and 43 individuals were trained in each respectively (Annexes 6-7). In both, 'champions' were appointed to share the training within the 8 Kenyan and 9 Ugandan

agencies that took part, and to store course materials in a central repository – including all printed slides, handouts, exercises, and the library of digital slides, resources and exercises provided on a USB stick post course (Annexes 9-11). They were also assigned with leading agency communication with the project training team and other agencies on the course – to facilitate ongoing collaborative working. The appointment of champions is testified by project and M&E notes, detailing both the provision of course materials and the election of particular individuals (verifiable via communication with those appointed).

Progress towards these indicators is yet to be achieved in the case of Tanzania. However, the team is confident that the February 2018 training will allow similar progress on all indicators – thus allowing the achievement of the Outcome by the end of the project.

3.4 Monitoring of assumptions

Outcome-Level:

Assumption 1: The Kenyan, Tanzanian and Ugandan governments remain committed to improving their AML/CFT regimes to meet international standards, and to the fight against IWT.

This assumption holds true. Worldwide, FATF assesses countries for compliance with AML/CFT standards. Uganda's report was published in 2016; Tanzania and Kenya will be assessed in 2019 and 2020. Poor results lead to FATF calls for remedial action and will likely lead to trouble accessing the global financial system, as global banks respond. Countries are thus highly motivated to improve standards. For example, in 2016 Uganda's regime was judged 'not as strong as it should be' (p. 5). Once such gaps are shown, countries are typically keen to respond, and are reviewed regularly. In all 3 countries, meanwhile, IWT is a key financial crime risk; in each, addressing this should be a priority in the push to improve AML/CTF regimes.

Assumption 2: Increased numbers of effective investigations and prosecutions create a sufficiently high-risk environment to result in fewer instances of poaching and trafficking.

This assumption holds true. Although a limited number of high-level prosecutions have taken place in the region (only 1 high-level trafficker has been prosecuted in Kenya), where they occur more regularly, they will impact the risk-reward calculus of traffickers. Indeed, if one country is prosecuting higher-level actors, the risk to these individuals becomes too high, leading to reduced poaching as they move activities to lower-risk locations. Evidence for this responsiveness to shifting risk/reward has been shown by academics and practitioners: 'The Extinction Market' by scholar Vanda Felbab-Brown is the latest publication to reinforce this.

Assumption 3: Reduced poaching rates will lead to higher numbers of elephants and rhinos in Kenya, Tanzania and Uganda.

This assumption holds true, as shown by the most reliable system to monitor elephant poaching: the Proportion of Illegally Killed Elephants (PIKE) Index. This ranges from 0 (no illegal killing) to 1 (all carcasses killed illegally): where scores are high and exceed birth rates, net elephant numbers go into decline. Conversely, where scores decline and poaching rates drop below birth rates, elephant numbers increase. The same holds true for rhinos. To illustrate from Kenya's Samburu-Laikipia site: in 2012, 72% of dead elephants were poached, revealing crisis poaching levels and populations in steep decline. By 2014, this had dropped to 48%, a level at which births exceeded deaths, and populations could start to recover.

Assumption 4: Increased numbers of elephants and rhinos will result in an increase in wildlife tourism in Kenya, Tanzania and Uganda.

This assumption holds true and runs both ways: an increase in animal numbers will result in an increase in wildlife tourism, whilst a decline will result in a drop. The latter situation attracts most concern: tourism experts issue regular warnings on the impacts of poaching on tourist arrivals. In March 2017, WWF warned that Africa's tourism sector is losing around \$25 million each year to elephant poaching. In parts of Kenya, Tanzania and Uganda, tourism remains wildlife-driven, with wildlife reserves the engine of growth. With these countries' tourism sectors so heavily dependent on wildlife, the health of key species is of critical importance.

Output-Level:

The security situation in selected project areas will allow project activities to take place.

This has held true in Kenya and Uganda, as shown by news monitoring and the safe delivery of training, testified by project records, photos and pre-/post-surveys (Annexes 6–18). In Tanzania, the course was postponed first due to institutional restructuring and second to the insensitivity of holding a course amid a murder investigation. Certainly, a factor was the lack of information on the security situation in the wake of events. However, with more clarity emerging since, the team is confident that the situation is calm and the course will be able to run.

Beneficiaries of training will have sufficient capacity to absorb and implement new approaches and will be open to public-private, inter-agency training and co-operation.

The capacity of trainees to absorb new approaches and their openness to inter-agency, multi-sector training is testified by high attendance levels, project notes and course feedback. In both sectors, trainees expressed a strong desire to cooperate and to gain the tools to actively follow financial leads. Evidence can be found in records of discussions and feedback in pre-/post-surveys (Annexes 15-16, 20). Meanwhile, capacity to implement new approaches is testified by the pursuit of an AML charge in the Kromah case. In Tanzania, openness has been demonstrated to date by high sign-up rates and demand for inclusion of key staff.

Relevant financial institutions in Kenya, Tanzania and Uganda see the value of participation in the project and are prepared to engage.

This assumption has held true in Kenya and Uganda, as evidenced by the very high training sign-up rates. In Kenya, 24 officers from 14 banks attended; in Uganda 16 officers from 10 banks took part (Annexes 6-7). In both countries, many participants held high-level roles in financial crime compliance. In Kenya, for example, participants included Cooperative Bank of Kenya's Head of Compliance, Middle East Bank Kenya's Head of Risk and Compliance and Barclays Kenya's Head of IT Risk and Compliance (Annex 7). In Tanzania, similar interest has been expressed, and similar participation is anticipated.

Capacity-building and training efforts will be sufficiently dynamic to respond to any legislative and regulatory changes at the national and regional levels.

This assumption holds true: all courses have been designed flexibly to allow adaptation should legislative or regulatory changes take effect between design and delivery. No such changes have required amendments to date, with no changes expected prior to the Tanzania course. Should any such changes emerge, however, RUSI's expert trainers have in place contingency plans to allow for the alteration of legislation-focused sessions, such that any new, relevant law introduced is incorporated as a core focus.

In-depth knowledge on the part of project partners allows selection of appropriate participants.

This assumption holds true. For the private sector, the project attracted high numbers of senior financial crime compliance figures – the precise target audience (Annexes 6-7). Initial sign ups for Tanzania indicated a similar appetite among these personnel. In the public sector, the ability to attract key staff from a range of relevant agencies has exceeded expectations (Annexes 6-7). In Tanzania, participants registered for the August course reveal a similar level of appetite (Annex 8); follow up indicates that such attendance will be seen in February 2018.

4. Impact: achievement of positive impact on illegal wildlife trade and poverty alleviation

A reduction in the illegal ivory and rhino-horn trade and poverty alleviation in Kenya, Tanzania and Uganda through more effective investigation and prosecution of financial crime underpinning the IWT.

The project is contributing to this impact in several ways. First, it is contributing to a higher-level impact on IWT by providing the tools to allow more effective investigation and prosecution of *high-level* perpetrators. This is crucial to disrupting the true beneficiaries, who never physically touch the products. Without these tools, law enforcement is limited to disrupting easily replaceable poachers, thus not sustainably reducing IWT. It is this low-level approach that has been the norm in the target countries, with an under-exploitation of financial tools leading to 2 main shortcomings. First, as financial approaches can provide evidence of higher-level suspects, these actors remain unidentified. Second, sentencing under wildlife acts is generally more lenient than it could be if harsher penalties on offer under financial statutes were pursued.

By building capacity to use financial tools, the project is contributing to a step-change in how IWT is investigated and prosecuted in focus countries. Its contribution here can be seen in progress on 4 key areas in Kenya and Uganda, which have been outlined in various sections, but together contribute to the higher-level impact. First, the project has contributed to improving relationships and communications between wildlife investigators/prosecutors and financial crime authorities (shown by project notes, post-course interviews and the Kromah case in Uganda – Annexes 19, 28). Second, it has contributed to raising awareness in the private sector of IWT as a financial crime risk (Annexes 15-17, 20). Third, it has contributed to improving understanding of the value and use of financial investigation tools among the public sector (Annexes 15-17, 19-20, 28). And fourth, it has provided confidence in applying AML charges to key cases, as shown in the Kromah case in Uganda (Annexes 19, 28). More detailed evidence for each is given above; together they further progress towards the Impact.

In the process, the project is also contributing to a higher-level impact on poverty alleviation. In the project's lifespan, is not possible to track such impacts *directly* due to the substantial timeframes involved in the translation of project activities into the achievement of the higher-level impact on IWT, into a recovery of wildlife tourism (which itself contains a time lag as marketing takes hold), into a long-term improvement in public finances and a corresponding reduction in poverty. Despite the timelines, however, these impacts are real and project activities will contribute to their achievement, as testified by evidence to support project assumptions (Section 3.4), namely that increased high-level investigations and prosecutions will lead to reduced poaching, which will lead to higher elephant and rhino numbers, which will lead to expanded wildlife tourism. Where evidence for these assumptions continues to apply in future, a higher-level impact of the project will be poverty alleviation in all focus countries.

5. Project support to the IWT Challenge Fund Objectives and commitments under the London Declaration and Kasane Statement

Evidence that the project is supporting the second IWT Challenge Fund objective can be found in all training activities run to date (Annexes 6-18). In contributing to 'strengthening law enforcement and the role of the criminal justice system', these activities support commitments IX, X, XI, XII, XV, XVI of the London Declaration on IWT and 4 and 5 of the Kasane Statement.

Achievements since inception can be measured quantitatively and qualitatively. In quantitative terms, the project exceeded objectives in the assessment and training phases: in the first phase, the team was able to interview over 100 experts – well above the numbers anticipated – allowing 17,000 rather than the planned 10,000 words of analysis. In the second phase, courses were attended by substantially more than the 15–20 delegates noted in the proposal – 51 in Uganda and 43 in Kenya – from a broader range of agencies and banks than anticipated.

In qualitative terms, this allowed for a higher quality of inter-agency, cross-sector dialogue, the achievement of clear learning outcomes, and positive trainee feedback (Annexes 15-17, 20). 4 specific results can be attributed to this in Kenya and Uganda. First, the project has contributed to improving relationships between wildlife and financial crime agencies (shown by project notes, post-course interviews and the Kromah case). Second, it has contributed to raising awareness of IWT as a financial crime risk in larger numbers of banks than expected (Annexes 6-7, 15-16, 20). Third, it has contributed to improving knowledge of the value of financial tools in the public sector (Annexes 15-17, 20). And fourth, it has provided confidence in applying AML charges, as in the Kromah case (Annexes 19, 28): a highly positive result (which must be attributed to the contributions of *multiple* supporters) with a potentially tangible outcome.

6. Impact on species in focus

The project will have a long-term impact on elephants and rhinos. This will occur as enhanced capacity to investigate and prosecute high-level traffickers disrupts their activity, reducing contracting down of poachers to source wildlife. This will lead to a drop in poaching and a rise in elephant and rhino numbers. This will occur as poaching deaths decline as a proportion of total mortality, and as birth rates exceed poaching rates to an ever-greater degree.

These impacts will be felt differently across the 3 focus countries, based on the distribution of existing populations. For example, Uganda has only 20 rhinos, while Kenya's 1,140-strong population is the third largest after South Africa and Namibia. In terms of both rhino and elephant numbers, the impact may be most marked where poaching losses are greatest. In

2015, for example, a University of Washington study identified Selous/Niassa as the largest savannah elephant poaching hotspot in Africa. In Selous, populations fell by 66% from 2009-13, from 39,000 to 13,000. It is here that the project's impact is likely to be most strongly felt. Meanwhile, all focus countries act not only as source countries, but also as key transit hubs for ivory and rhino horn procured elsewhere. As such, the greater risk involved in moving wildlife through these countries will positively impact populations in neighbouring source countries too.

7. Project support to poverty alleviation

The project's impacts on poverty are indirect, however there is evidence that they will contribute to poverty alleviation in the long term. They will do so by serving a range of beneficiaries: beyond recipients of training, including communities both in source areas, and further afield.

Benefits will accrue to these communities as enhanced capacity to investigate and prosecute high-level actors disrupts trafficking and reduces poaching (Section 3.4). This will benefit citizens around source areas such as Tsavo and Selous, where high levels of poverty persist and livelihoods rely on wildlife tourism. In Kenya, around 280,000 people live in community conservancies, with livelihoods based on this tourism-centric wildlife model. Reducing poaching by increasing capacity to disrupt trafficking networks will halt the erosion of these livelihoods. Evidence lies in studies of the development value of a live versus a dead elephant. According to iwoorry, alive an elephant can contribute up to \$22,966 annually to the tourism industry – around \$1.6million over its lifetime – versus a one-off \$21,000 for its tusks (in end markets).

Meanwhile, citizens both in and beyond such immediate source areas will benefit from the project's contribution to reversing the hollowing out of the state engendered by IWT-linked financial flows. This will occur as these flows' negative impacts on governance, rule of law and public finances gradually decline. This, in turn, will enhance public confidence in the state and improve provision of public services – to the benefit of all citizens, particularly the most vulnerable. Such processes, however, do not manifest themselves immediately; the fact that no notable achievements can yet be seen is inevitable given the timelines for such change.

8. Consideration of gender equality issues

In the proposal, it was noted that the project would contribute to gender equality in several ways: by analysing existing knowledge on IWT-linked financial flows through a gender lens; by selecting training participants mindful of the gender makeup of relevant agencies; and by building gender considerations into the project's M&E. The first has been the most challenging. As per the proposal, the team has tried to conduct analysis with a gender lens. However, the dearth of knowledge on IWT-linked illicit financial flows has made it difficult to break information down by gender. As such, the team can only recommend, as new knowledge is generated and new analysis takes place, that this is considered from a gendered perspective.

The project has had greater ability to place gender at the heart of its selection of training participants. Although complete parity could not be assured given the lack of qualified female staff in certain positions, participants were selected while ensuring that the benefits of training accrue as equally as possible. As such, RUSI is pleased that almost one third of trainees were female in Uganda (16/51) and just under half were female in Kenya (21/43). The team sees this as a notable achievement, in light of the continued male dominance of many of these agencies. Finally, M&E conducted over the reporting period has incorporated gender considerations, with training beneficiaries disaggregated by gender as per the previous paragraph (Annexes 6-7).

9. Monitoring and evaluation

From the start, M&E has formed an integral part of project delivery. At inception, the M&E expert reviewed the logframe and pre-project indicators; no changes were made, and the M&E plan taken forward. In June, however, following learning in the research phase, M&E led the team to submit a change request, seeking interlinked changes deemed crucial for activities to contribute as fully as possible to the Outcome and Impact. Specifically, the team proposed extending training to Uganda and providing only domestic (rather than cross-border) training, totalling 8 days in each country. These changes were proposed given, first, the links found between IWT routes and actors in Kenya, Tanzania and Uganda and, second, the much lower-than-expected baseline of awareness of financial tools. Finally, the team suggested modifying

certain outputs/indicators to reflect this lower baseline (see change request for full rationale). The changes were authorised in June 2016, and M&E continued per the updated logframe.

Since then, the project has been run in an adaptive manner to ensure outputs and outcomes are achieved, based on continuous M&E. Beyond regular reviews of progress against the logframe, systems to monitor progress include the creation of check lists for the assessment phase (Annex 27), and pre-/post-surveys (Annex 14). The latter were designed to allow measurement not only of feedback and perceptions, but also of *learning* on key topics. The results have allowed the team to show that activities and outputs actually contribute to the Outcome and Impact (Annexes 15-17, 20). As such, the learning rates and feedback registered have been measured as a qualitative achievement of the project, alongside the quantitative achievement seen in the higher than planned levels of participation (Annexes 6-8).

Finally, the priority placed on ongoing M&E has allowed the project to adapt to the obstacles in Tanzania. By flexibly re-establishing timelines with each postponement and communicating with the Challenge Fund, progress was allowed to continue. Lastly, it must be noted that M&E carried out throughout the project has contributed to a core project output – the generation of guidance for capacity building on IWT-linked financial flows (Output 3), as included in the Occasional Paper (Annex 23). The team has also ensured that it seeks feedback and updates from trainees several months after courses (as shown in Annexes 19 and 28).

10. Lessons learnt

Throughout, the project has been highly conscious of the need to learn while doing, and adapt to lessons learnt. This owes to the project's status as a form of pilot – this is the first of its kind carried out. Much learning has already been detailed – in Q1, the team ensured it was able to adapt to lessons around the value to be gained from including Uganda, as well as lessons around the much lower than anticipated capacity in the agencies concerned. The project adapted to incorporate these lessons early on, as detailed in Section 9.

A further lesson concerned demand for residential courses. This was not the format the project team had intended to run, but demand in all 3 countries convinced the team that this would add significant value. As such, the team adapted and ran residential courses in Kenya and Uganda. To allow this, other donors have been ready to assist, notably PAMS Foundation in Tanzania.

A further lesson from Kenya has been the potential difficulty around running mentoring days after trainees have spent a full week training, and are needed elsewhere. After expressed local demand, in November 2017 a change request was submitted for RUSI's follow-on Challenge Fund project, proposing replacing mentoring with training for NGOs supporting agencies over the long term. Beyond this, the new project will follow the same model, maintaining all aspects that worked well. A key recommendation for other projects is to adopt a multi-agency, cross-sector approach: beyond content taught, much work is needed in fora such as these to build trust and understanding, with inter-agency cooperation key to more complex financial cases.

11. Actions taken in response to previous reviews (if applicable)

Not applicable – due to the earlier extensions, this is the first annual report submitted.

12. Other comments on progress not covered elsewhere

Not applicable – authors have tried to answer all questions as fully as indicated length permits.

13. Sustainability and legacy

The project has gained significant profile with relevant agencies, the private sector and external actors in each country. This owes to the far-reaching consultation in the research phase and the wide participation in training. In Kenya and Uganda, evidence of higher interest and capacity can be seen in the use of Whatsapp channels to discuss financial tools (Annex 22); in Uganda this can also be seen in the pursuit of AML charges in a major IWT case.

The project's open-access plan has ensured that lessons learned and research outputs are made available online, to maximise visibility and impact. In line with DfID's Research Open and Enhanced Access Policy, the plan has ensured that all project research is freely available to all whom can benefit, with a multi-dimensional dissemination strategy ensuring visibility and reach.

Finally, the project's exit strategy remains valid: as planned, technical content taught in Kenya and Uganda has been documented into concise SOPs, which will endure beyond project end (Annex 21). Similarly, emphasis was placed on the need to establish enduring cooperative frameworks between wildlife agencies and FIUs: in both countries, these are being pursued, with UWA-FIA cooperation occurring regularly in Uganda. The informal inter-agency channels established (Whatsapp and group emails) will also endure beyond project end (Annex 22), while the presence of 'champions' within each agency is an enduring initiative designed to ensure, beyond project end, that a single point of contact can offer material to new staff, support internal training, and contribute to the mainstreaming of best practice.

14. IWT Challenge Fund Identity

Throughout, the project has recognised the UK Government as the funder and publicised the IWT Challenge Fund. At project start, Government support was acknowledged through a post on RUSI.org to launch the project ('New Research Project Funded By UK Government to Track Funds from Illegal Wildlife Trade'). During research and training, UK Government support has been explained in full. The project has also ensured that UK logos appear on training materials, agendas, delegate lists etc (Annexes 6-11, 23). In Uganda and Kenya, the British High Commission attended key sessions, which assisted in publicising the Government's role. This role was also recognised in the Occasional Paper itself and at its launch (Annexes 23-24).

15. Project expenditure

Table 1: Project expenditure during the reporting period (April 2016-March 2017)

Project spend (indicative) since last annual report	2016/17 Grant (£)	2016/17 Total actual IWT Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)				
Consultancy costs				
Overhead Costs				
Travel and subsistence				
Operating Costs				
Capital items (see below)				
Monitoring and Evaluation				
Others (see below)				
TOTAL				

16. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes

I agree for the IWT Secretariat to publish the content of this section (please leave this line in to indicate your agreement to use any material you provide here)

The team proposes outlining these achievements in the final report, after the Tanzania course



Department
for Environment
Food & Rural Affairs



Annex 1: Report of progress and achievements against Logical Framework for April 2016 - September 2017

* NB – dates have been updated in line with latest change request form submitted (November 2017), requesting a final project extension.

Project summary	Measurable Indicators	Progress and Achievements April 2016 - September 2017	Actions required/planned for next period
<p>Impact</p> <p>A reduction in the illegal ivory and rhino-horn trade and poverty alleviation in Kenya, Tanzania and Uganda through more effective investigation and prosecution of financial crime underpinning the IWT.</p>		<p>An AML charge is being pursued in Uganda for the 1.3 ton ivory seizure of 17 February 2017 (Kromah case – Annex 19). This has taken place following assistance by project mentors on the financial leads found during a house search – attributable also to crucial support and ongoing high-level input from various other supporters. Annex 28 shows charts produced by UWA following analysis of the documents: the team (and other mentors) provided assistance prior to this analysis, which has now linked transactions to 2 AML charges, included on the High Court Indictment sheet for this case (Annexes 19, 28). FIA investigations into the bank accounts concerned are ongoing.</p>	
<p>Outcome</p> <p>Training provided improves Kenyan, Tanzanian and Ugandan agencies' capacity to investigate and prosecute financial crime tied to IWT. This will deter and disrupt criminal trafficking networks, leading to a fall in poaching and rise in wildlife tourism, benefiting local communities. It will also generate best-practice for wildlife-linked financial capacity-building elsewhere.</p>	<p>Indicator 1: By March 2018,* participants in financial intelligence training in Kenya, Tanzania and Uganda have improved understanding of the dynamics of wildlife-linked illicit financial flows and enhanced capacity to track, investigate and prosecute on this basis – as judged by pre- and post-training evaluation forms.</p> <p>Indicator 2: By March 2018, concrete measures are taken by individuals trained through the project to enact relevant financial-intelligence tools in 100% of appropriate new high-level cases (baseline = zero).</p> <p>By March 2018, 100% of departments of organisations involved in training have in place a 'champion' inducted to</p>	<p>Indicator 1: there is clear evidence of learning around the dynamics of wildlife-linked financial flows and the tools available to address them in Kenya and Uganda, as per project notes, pre- and post-course surveys and oral feedback from participants (Annexes 15-17, 20). Such learning has been shown around tools required for both successful investigation <i>and</i> prosecution: in both Kenya and Uganda, for example, post-surveys showed learning not only around the money flows requiring investigation, but also around financial legislation available (Annexes 15-17, 20).</p> <p>Indicator 2: Post course, concrete measures have been taken to enact tools taught (with additional critical support from Maisha Consulting, Space for Giants and US Fish and Wildlife Service). Evidence lies in the Kromah case, on which UWA, NRCN, ODPP and FIA agreed a joint prosecution team and conducted</p>	<p>Key actions planned for the final period of the project include the delivery of the final training course in Tanzania, and the finalisation of SOPs.</p>

	<p>use and assist others in the new financial intelligence training delivered, with at least 15 individuals receiving the training per country.</p>	<p>regular meetings to prepare an AML charge (Annex 19) and conducted extensive financial analysis (Annex 28). Such cooperation had not previously occurred: the bureaucratic machinations of government had seen confusion in previous efforts by UWA and FIA to make contact. The deadlock was broken on day 1 of the course, as testified by project notes and follow-on interviews.</p> <p>Indicator 3: In Uganda and Kenya, this has been achieved, with 51 and 43 individuals were trained in each respectively (Annexes 6-7). ‘Champions’ were appointed to share the training within the 8 Kenyan and 9 Ugandan agencies that took part, and to store course materials in a central repository – including all printed slides, handouts, exercises, and the library of digital slides, resources and exercises provided on a USB stick post course (Annexes 9-11).</p> <p>Finally, as specified in the Outcome, best practice has been generated to guide financial capacity-building elsewhere, in the September 2017 RUSI Occasional Paper (Annex 23).</p>	
<p>Output 1.</p> <p>A strategic assessment provides an overview of knowledge of the problem to be tackled, in terms of the scale and dynamics of illicit financial flows deriving from the IWT in Kenya, Tanzania and Uganda, and documents the capacity of relevant authorities to tackle these.</p>	<p>1.1 The current limited, scattered and incoherent sources of information on the shape of illicit financial flows connected to the IWT are assessed through a clear and consistent multi-source analysis of wildlife-linked IFFs and the capacity that exists to tackle them in Kenya and Tanzania – with the results formally published and shared as an accessible open-source resource by March 2018.</p> <p>1.2 The resource developed is referenced and cited by other domestic and international studies, and other projects have incorporated its findings and sought to address them by March 2018.</p>	<p>Output 1 was achieved with the production of an assessment of knowledge on IWT-linked financial flows and capacity to address them in focus countries. In line with Indicator 1, this sits in the Occasional Paper ‘Follow the Money: Using Financial Investigation to Combat Wildlife Crime’ (Annex 27) and in 2 interim articles: ‘Follow the Money: How Financial Investigation Can Combat Poaching in Kenya’ and ‘Wildlife Crime is Financial Crime: The Response Needs to Reflect This’ (Annex 29). Further evidence lies in coverage of the paper’s launch (Annex 24, 26), accessed rates (Annex 26), social-media activity and google hits (Annex 26). For more on this evidence and indicator, see Section 3.2.</p> <p>In line with Indicator 1.2, the paper and interim articles have been cited by domestic and international studies, and other projects have incorporated their findings. Evidence lies in media citations, e.g. ‘To Fight Wildlife Crime, Experts Say “Follow the Money”’, run by 128 outlets, including regional outlets across the supply chain (Annex 26). Evidence of citation in other studies lies in Asia/Pacific Group and UNODC, ‘Enhancing the Detection, Investigation and Disruption of Illicit Financial Flows from Wildlife Crime’. Evidence of other projects engaging with findings is testified by interactions with the World Bank and IFAW. For more</p>	

	<p>1.3. The outcomes of the assessment are recognised by relevant international and governmental agencies and incorporated into planning by March 2018, where there had previously been little in the way of evidence or recommendations to feed into priority setting and policy making.</p>	<p>on this evidence and indicator, see Section 3.2.</p> <p>In line with Indicator 1.3, findings have been recognised by international and governmental agencies and incorporated into planning. Project documents and follow-up interviews with Kenyan and Ugandan agencies reveal that project recommendations are being actively pursued as part of agency strategy. In Kenya, for example, KWS and the FRC are pursuing an MoU to guide cooperation, (see p. viii of the paper, Annex 23). In Uganda, the pursuit of an AML charge on the latest large-scale case and the formation of a joint prosecution team echoes the Paper’s recommendations (pp. viii, ix). For more on this evidence and indicator, see Section 3.2.</p>
<p>Activity 1.1 – Strategic assessment of the scale and dynamics of illicit financial flows linked to the IWT based on desk-based research, fieldwork and interviews, using JIGZAW analysis tool.</p>		<p>Activity 1.1 was completed in the timescale planned. This involved desk research and a research trip to Kenya, Tanzania and Uganda in May-June 2016, whereby two team members conducted 80 interviews with ministries, wildlife agencies, anti-corruption bodies, financial intelligence units (FIUs), central banks, FATF-style regional bodies, commercial banks, prosecution services, international organisations and NGOs (Annexes 4-5). These were followed by phone interviews with experts elsewhere, bringing the total to 100 interviews (Annex 4). JIGZAW was used to collate findings from all sources. For more on this evidence and indicator, see Section 3.1.</p>
<p>Activity 1.2 – Mapping exercise analysing and documenting capacity in wildlife, law-enforcement, customs, financial and justice institutions in Kenya, Tanzania and Uganda to tackle wildlife-linked illicit financial flows – based on desk-based research, fieldwork and interviews.</p>		<p>Activity 1.2 was completed in the timescale planned. Data for this mapping exercise was similarly collected through desk research and the research trip in May-June 2016, with interviews with law enforcement agencies particularly crucial to this exercise. However, all 100 interviews conducted in Kenya, Tanzania and Uganda, and by phone, were used to gather data to contribute to the mapping exercise (Annexes 4-5). For more on this evidence and indicator, see Section 3.1.</p>
<p>Activity 1.3 – Analysis and documentation of findings in preliminary research report, for later publication within the project’s final report.</p>		<p>Activity 1.3 was completed in the timescale planned. This involved mapping and analysing findings from Activities 1.1 (on the scale and dynamics of illicit money flows tied to IWT) and 1.2 (on the capacity in place to address them). In doing so, findings were laid out in a preliminary report (1.3), which was later developed into a RUSI Occasional Paper (Activity 3.3 – see Annex 23). For more on this evidence and indicator, see Section 3.1.</p>
<p>Output 2.</p> <p>Relevant financial, field and other officers from law-enforcement agencies and the private sector in Kenya, Tanzania and Uganda are specifically trained to more effectively collect and share financial intelligence to facilitate high-level investigations and prosecutions.</p>	<p>2.1 24 days-worth of multi-agency training (8 days per country) is conducted which provides relevant actors from law-enforcement agencies, as well as financial institutions, in Kenya, Tanzania and Uganda with the skills to investigate IFFs linked to the IWT by March 2018, as judged by results of pre- and post-training and</p>	<p>Output 2 has been partially achieved with the delivery of 16 days’ training (2 completed by email in Kenya) to financial, field and other officers – with 6 more to follow in February 2018. This will bring the training delivered to 22 days, rather than the 24 noted in Indicator 2.1. A change request was submitted in November 2017 to reduce the training in Tanzania from 8 to 6 days (and thus the total to 22 days) due to costs incurred in the last-minute postponement. If approved, the project is on track to meet Outcome 2 by March 2018. Meanwhile, means of verifying the 16 days’ training delivered to date include project notes, photos, agendas, delegate lists and pre-/post-surveys (Annexes 6–18). For more on this</p>

	<p>other indicators (see below).</p> <p>2.2 Standard operating procedures (SOPs) are set up and formally documented by March 2018, where formerly these processes were patchy and unstandardised.</p> <p>2.3 Participating agencies involved in training identify a 'champion' to guide the use of, and assist others in the use of, the training delivered.</p>	<p>evidence and indicator, see Section 3.2.</p> <p>In line with Indicator 2.2, SOPs have been set up and formally documented in Kenya and Uganda, where formerly processes to guide financial investigation of IWT were patchy. In Kenya and Uganda, this result can be verified in the SOPs themselves (Annex 21). Though to date no internal agency reports verify implementation, the pursuit of an AML charge in the Kromah case testifies that many are being effectively used. In February 2018, these SOPs will be set up similarly in Tanzania. For more on this evidence and indicator, see Section 3.2.</p> <p>In line with Indicator 2.3, all public-sector agencies that took part in training have assigned a 'champion' to assist others to access and use the content delivered. MoV include project notes on the election of champions and, although no internal agency reports yet exist on their appointment, this can be verified through email contact with those elected. For more on this indicator, see Section 3.2.</p>
<p>Activity 2.1 – Collaborative design, production and sharing of training modules with all partners involved in training development and delivery, and relevant Kenyan, Tanzanian and Ugandan agencies.</p>		<p>Activity 2.1 was completed in the timeframe planned. Courses were developed collaboratively, with project partners, technical experts and local partners designing key modules and circulating for feedback (see Annex 9). The course was designed as an 8-day curriculum, for delivery to public- and private-sector bodies. Days 1-4 constituted the public-sector course, day 5 the private-sector course and day 6 a mixed public-private course. Days 7-8 were assigned to mentoring of select trainees. For more on this indicator, see Section 3.1.</p>
<p>Activity 2.2 – Delivery of 24 days of hands-on multi-agency training in Kenya, Tanzania and Uganda to participants from both the public and private sectors.</p>		<p>Under Activity 2.2, training courses were run in Kenya and Uganda in January–March 2017 (Annexes 6-18, 21), totalling 16 days. In Uganda, training was delivered to 51 delegates from 9 state agencies and 10 banks (Annex 6). In Kenya, training was delivered to a 43 delegates from 8 state agencies and 14 banks (Annex 7). In Tanzania, training has yet to take place, with the course scheduled to run in February 2018. For more on this indicator, see Section 3.1.</p>
<p>Activity 2.3 – During the training courses, design and collaborative production of standard operating procedures to endure beyond the project's end.</p>		<p>Under Activity 2.3, courses run in Kenya and Uganda contained modules dedicated to the collaborative design of SOPs (Annex 21). The rapid reference guide 'Wildlife Offences In Kenya: Points to Prove' was used as a model to facilitate the exercise; the guide contains a series of SOPs but none, as yet, on financial investigation. In Uganda, no such guide exists, and the same document was used. In Tanzania, SOPs will be produced in the February 2018 course. For more on this indicator, see Section 3.1.</p>
<p>Output 3.</p> <p>Best-practice and lessons learned are generated, and recommendations made, for building capacity in investigating illicit financial flows linked to the IWT – to feed into effective future programming.</p>	<p>3.1 By March 2018, a final formally published end report documents and communicates best practice and lessons learned, with recommendations made for building financial intelligence capacity around the IWT in East Africa and beyond.</p> <p>3.2 By March 2018, training provided,</p>	<p>Output 3 has been achieved with the publication of a RUSI Occasional Paper: in addition to the strategic assessment of knowledge on IWT-linked illicit financial flows and capacity to address them in the 3 focus countries, the paper outlines lessons learned from the training and recommendations for future capacity-building. In line with Indicator 3.1, evidence includes the paper citations, accessed rates and coverage of the paper's launch (Annexes 24, 26). For more on this indicator, see Section 3.2.</p> <p>In line with Indicator 3.2, SOPs have been documented for future internal use by</p>

	<p>best-practice and lessons learned are incorporated into accessible and effective operating procedures for ongoing and future internal use by participating agencies, as well as by international bodies such as INTERPOL.</p> <p>3.3 The collaborative production of best-practices and lessons learned feeds into planning and prioritisation by the agencies engaged and by relevant international agencies by March 2018, where there had previously been little evidence to feed into priority setting.</p>	<p>government agencies and international bodies, evidence for which lies in the documentation of the SOPs themselves (Annex 21). For more on this indicator, see Section 3.2.</p> <p>In line with Indicator 3.3, best practice now feeds into planning and prioritisation by a number of domestic agencies and international organisations. Evidence lies in the pursuit of an AML charge following many of the procedures and systems developed in Uganda, and in requests for updates and conversations by bodies such as the World Bank and IFAW. For more on this indicator, see Section 3.2.</p>
<p>Activity 3.1 – Analysis of lessons learned and best practice derived from project reporting, monitoring and evaluation over the course of activities 2.2 and 2.3 in collaboration with partner organisations and participants.</p>		<p>RUSI sought approval to proceed with Activities 3.1–3.3 despite delays under Output 2. All activities were completed by 30 September 2017. Under Activity 3.1, the project team analysed and collated findings and lessons from the training and research, building on findings and analysis conducted under Activities 1.1–1.3. For more on this indicator, see Section 3.1.</p>
<p>Activity 3.2 – Drafting of full report – expanding upon the preliminary report produced in Activity 1.3 and incorporating best-practice, lessons learned and recommendations for investigating and prosecuting illicit financial flows linked to the IWT in the region and beyond in future programming.</p>		<p>Under Activity 1.2, the team reworked the preliminary report (Activity 1.3) to incorporate analysis and best practice developed under Activity 3.1. A full report was drafted, in the form of the 17,000-word Occasional Paper ‘Follow the Money: Using Financial Investigation to Combat Wildlife Crime’ (Annex 23). For more on this indicator, see Section 3.1.</p>
<p>Activity 3.3 – Formal professional editing, production and printing of the report as a RUSI Occasional Paper, organisation of its launch at a dedicated and publicised major conference, and distribution via a multidimensional inter-regional dissemination strategy.</p>		<p>Under Activity 3.3, the paper underwent formal peer review, editing and production. It was launched at a conference on Whitehall in September 2017, where an expert panel discussed its findings. Besides RUSI, the panel included Mary Rice of EIA, Emma McClarkin MEP and Chris Batt of UNODC, with presentations released as an open-source You-Tube video (Annex 24). RUSI’s Comms team managed dissemination, involving targeted mailouts and promotion via on/offline channels, from RUSI London and Nairobi. The paper enjoyed high download rates, and generated wide social-media activity. For more on this indicator, see Sections 3.1 and 3.2.</p>

Annex 2: Project’s full current logframe as presented in the application form (unless changes have been agreed)

N.B. if your application’s logframe is presented in a different format in your application, please transpose into the below template. Please feel free to contact IWT-Fund@ltsi.co.uk if you have any questions regarding this.

* NB – dates have been updated in line with latest change request form submitted (November 2017), requesting a final project extension.

Project summary	Measurable Indicators	Means of verification	Important Assumptions
Impact: A reduction in the illegal ivory and rhino-horn trade and poverty alleviation in Kenya, Tanzania and Uganda through more effective investigation and prosecution of financial crime underpinning the IWT.			
Outcome: Training provided improves Kenyan, Tanzanian and Ugandan agencies’ capacity to investigate and prosecute financial crime tied to IWT. This will deter and disrupt criminal trafficking networks, leading to a fall in poaching and rise in wildlife tourism, benefiting local communities. It will also generate best-practice for wildlife-linked financial capacity-building elsewhere.	<p>By March 2018,* participants in financial intelligence training in Kenya, Tanzania and Uganda have improved understanding of the dynamics of wildlife-linked illicit financial flows and enhanced capacity to track, investigate and prosecute on this basis – as judged by pre- and post-training evaluation forms.</p> <p>By March 2018, concrete measures are taken by individuals trained through the project to enact relevant financial-intelligence tools in 100% of appropriate new high-level cases (baseline = zero).</p> <p>By March 2018, 100% of departments of organisations involved in training have in place a ‘champion’ inducted to use and assist others in the new financial intelligence training delivered, with at least 15 individuals receiving the training per country.</p>	<p>Results of pre- and post-training evaluation forms completed by participants; usage records of systems put in place during training; project notes and M&E record of implementation and results of training; participant contribution and feedback.</p> <p>Results of pre- and post-training surveys of participants to measure the impact of the training on operating procedures and investigations; records of law-enforcement agencies engaged in training; external surveys, analyses and needs assessments; usage records of systems put in place during training.</p> <p>Internal records of law-enforcement agencies; external surveys, analyses and needs assessments; usage records of systems put in place during training; court records; records of courtroom monitors; newspaper articles; assessments by external research institutes and NGOs; articles on cases in law and environmentally focused journals.</p>	<p>The Kenyan, Tanzanian and Ugandan governments remain committed to improving their AML/CFT regimes to meet international standards, and remain committed to the fight against wildlife crime.</p> <p>Increased numbers of effective investigations and prosecutions in Kenya, Tanzania and Uganda create a sufficiently high-risk environment to result in fewer instances of poaching and trafficking.</p> <p>Reduced poaching rates will lead to higher numbers of elephants and rhinos in Kenya, Tanzania and Uganda.</p> <p>Increased numbers of elephants and rhinos will result in an increase in wildlife tourism in Kenya, Tanzania and Uganda.</p>
Output 1 A strategic assessment provides an overview of knowledge of the problem to be tackled, in terms of the scale and dynamics of illicit financial flows deriving from the IWT in Kenya, Tanzania and Uganda, and documents the capacity of	1.1 The current limited, scattered and incoherent sources of information on the shape of illicit financial flows connected to the IWT are assessed through a clear and consistent multi-source analysis of wildlife-linked IFFs and the capacity that exists to tackle them in Kenya and Tanzania – with the results formally	1.1 Results of the analysis of IFFs and the capacity to assess them formally published and made accessible online as part of the final report; newspaper articles and coverage of the report’s launch by wildlife, organised crime, security and law-focused organisations; download and accessed rates from open-	<p>The security situation in selected project areas will allow project activities to take place.</p> <p>Beneficiaries of training will have sufficient capacity to absorb and implement new approaches and will be open to public-private, inter-</p>

<p>relevant authorities to tackle these.</p>	<p>published and shared as an accessible open-source resource by April 2017.</p> <p>1.2 The resource developed is referenced and cited by other domestic and international studies, and other projects have incorporated its findings and sought to address them by April 2018.</p> <p>1.3. The outcomes of the assessment are recognised by relevant international and governmental agencies and incorporated into planning by January 2018, where there had previously been little in the way of evidence or recommendations to feed into priority setting and policy making.</p>	<p>access platforms.</p> <p>1.2 Citations of the report in wildlife, organised crime, security and law-focused journals, publications and websites; citations of the report in other research and practical projects implemented in East Africa and beyond; newspaper articles.</p> <p>1.3. Kenyan, Tanzanian, Ugandan policy documents; reports of the relevant agencies; project documentation and reports of intergovernmental organisations; newspaper articles; journal articles.</p>	<p>agency and cross-border training and co-operation.</p> <p>Relevant financial institutions in Kenya, Tanzania and Uganda see the value of participation in the project and are prepared to engage.</p> <p>Capacity-building and training efforts will be sufficiently dynamic to respond to any legislative and regulatory changes at the national and regional levels.</p> <p>In-depth knowledge on the part of project partners allows for the selection of appropriate participants.</p>
<p>Output 2</p> <p>Relevant financial, field and other officers from law-enforcement agencies and the private sector in Kenya, Tanzania and Uganda are specifically trained to more effectively collect and share financial intelligence to facilitate high-level investigations and prosecutions.</p>	<p>2.1 24 days-worth of multi-agency training (8 days per country) is conducted which provides relevant actors from law-enforcement agencies, as well as financial institutions, in Kenya, Tanzania and Uganda with the skills to investigate IFFs linked to the IWT by March 2018, as judged by results of pre- and post-training and other indicators (see below).</p> <p>2.2 Standard operating procedures are set up and formally documented by March 2018, where formerly these processes were patchy and unstandardised.</p> <p>2.3 Participating agencies involved in training identify a 'champion' to guide the use of, and assist others in the use of, the training delivered.</p>	<p>2.1 Number of days of multi-agency training provided on IFFs linked to the IWT in Kenya in 2016/17 (baseline = zero); number of days of multi-agency training provided on IFFs linked to the IWT in Tanzania in 2016/17 (baseline = zero); number of days of multi-agency training provided on IFFs linked to the IWT in Uganda in 2016/17 (baseline = zero); project notes and M&E record of implementation and results of training; final report on lessons learned and recommendations; participant feedback; internal agency reports; investigation and prosecution rates; relevant agencies' reports.</p> <p>2.2 Standard operating procedures set up; internal agency reports on implementation and usage; usage records of procedures put in place during training.</p> <p>2.3 Project notes and M&E record of implementation and results of training showing appointment of champions; internal agency records; journal articles; newspaper articles and news reports.</p>	

<p>Output 3</p> <p>Best-practice and lessons learned are generated, and recommendations made, for building capacity in investigating illicit financial flows linked to the IWT – to feed into effective future programming.</p>	<p>3.1 By March 2018, a final formally published end report documents and communicates best practice and lessons learned, with recommendations made for building financial intelligence capacity around the IWT in East Africa and beyond.</p> <p>3.2 By March 2018, training provided, best-practice and lessons learned are incorporated into accessible and effective operating procedures for ongoing and future internal use by participating agencies, as well as by international bodies such as INTERPOL.</p> <p>3.3 The collaborative production of best-practices and lessons learned feeds into planning and prioritisation by the agencies engaged and by relevant international agencies by March 2018, where there had previously been little evidence to feed into priority setting.</p>	<p>3.1 Project report documenting best-practices, lessons learned and recommendations formally published and made accessible open access; newspaper articles and coverage of the report’s launch by wildlife, organised crime, security and law-focused organisations; download and accessed rates from open-access platforms.</p> <p>3.2 Internal reports and records of participating law-enforcement agencies in Kenya, Tanzania and Uganda; reports of international organisations; newspaper articles and reports.</p> <p>3.3 Internal reports and records of Kenyan, Tanzanian and Ugandan agencies involved in training; policy documents; reports of relevant government departments; project documentation and reports of intergovernmental organisations; newspaper articles and reports; journal articles.</p>	
--	---	---	--

<p>Activities</p> <p>Activity 1.1 – Strategic assessment of the scale and dynamics of illicit financial flows linked to the IWT based on desk-based research, fieldwork and interviews, using JIGZAW analysis tool.</p> <p>Activity 1.2 – Mapping exercise analysing and documenting capacity in wildlife, law-enforcement, customs, financial and justice institutions in Kenya, Tanzania and Uganda to tackle wildlife-linked illicit financial flows – based on desk-based research, fieldwork and interviews.</p> <p>Activity 1.3 – Analysis and documentation of findings in preliminary research report, for later publication within the project’s final report.</p> <p>Activity 2.1 – Collaborative design, production and sharing of training modules with all partners involved in training development and delivery, and relevant Kenyan, Tanzanian and Ugandan agencies.</p> <p>Activity 2.2 – Delivery of 24 days of hands-on multi-agency training in Kenya, Tanzania and Uganda to participants from both the public and private sectors.</p> <p>Activity 2.3 – During the training courses, design and collaborative production of standard operating procedures to endure beyond the project’s end.</p> <p>Activity 3.1 – Analysis of lessons learned and best practice derived from project reporting, monitoring and evaluation over the course of activities 2.2 and 2.3 in collaboration with partner organisations and participants.</p> <p>Activity 3.2 – Drafting of full report – expanding upon the preliminary report produced in Activity 1.3 and incorporating best-practice, lessons learned and recommendations for investigating and prosecuting illicit financial flows linked to the IWT in the region and beyond in future programming.</p> <p>Activity 3.3 – Formal professional editing, production and printing of the report as a RUSI Occasional Paper, organisation of its launch at a dedicated and publicised major conference, and distribution via a multidimensional inter-regional dissemination strategy.</p>
--

Annex 3 Standard Measures

In future years it is our intention to develop a series of standard measures in order to collate some of the quantitative measures of activity, input and output of IWT projects. These will not be measures of the impact or effectiveness of IWT projects but will contribute to a longer term dataset for Defra to draw upon. The collection of standard measures data will be important as it will allow us to understand the combined impact of all the UK Government funded Challenge Fund projects. This data will therefore provide useful information for the Defra Secretariat and for Defra Ministers regarding the Challenge Fund.

The standard measures for the IWT Challenge Fund are currently under development and it is therefore not necessary, at present, to complete this Annex. Further information and guidance about the IWT standard measures will follow.