



**Illegal Wildlife Trade (IWT) Challenge Fund
Half Year Report**

(due 31st October 2018)

Project reference:	IWT043
Project title:	Following the Money II: IWT Capacity-Building, East and Southern Africa
Country(ies):	Mozambique, Malawi, Zambia, Kenya, Tanzania, Uganda
Lead organisation:	Royal United Services Institute for Defence and Security Studies
Collaborator(s):	Environmental Investigation Agency, Lilongwe Wildlife Trust, Jomo Kenyatta University of Agriculture and Technology JKUAT, Strathmore University Law School, Space for Giants, INTERPOL, Standard Chartered Bank (Pro Bono), DLA Piper (Pro Bono)
Project leader:	Tom Keatinge
Report date and number (e.g. HYR1):	31 October 2018, HYR1
Project website/blog/social media:	www.rusi.org

1. Outline progress over the last 6 months (April – Sept) against the agreed project implementation timetable (if your project has started less than 6 months ago, please report on the period since start up to the end September).

From April – October 2018, the project has proceeded with activities scheduled for Quarter 1 and Quarter 2. To date, activities have been completed on Work Package 1 (Output 1): Strategic Assessment, and work has begun on Work Package 2 (Output 2): Multi-Agency Training in Malawi, Mozambique and Zambia.

Between April and October, the team performed an extensive threat and needs assessment on illicit financial flows linked to the illegal wildlife trade (IWT) in Malawi, Zambia and Mozambique. This was conducted through a combination of desk research, phone interviews, and a two-and-a-half-week research trip to Southern Africa.

During the research trip, project staff conducted 48 in-person interviews with 89 representatives from ministries, wildlife management authorities, anti-corruption commissions, financial intelligence units, central banks, commercial banks, international organisations, NGOs and major donors. Analysis and documentation of the findings (Output 1.3) has been completed, resulting in a strategic assessment of existing knowledge on the dynamics of IFFs linked to IWT in these three countries. This involved a mapping exercise, which documented and analysed existing capacity in wildlife management, law-enforcement, financial and other agencies to tackle wildlife-linked illicit financial flows in each country. This analysis will be used to inform the content of the training programme (Output 2).

In keeping with the findings of the earlier IWT Challenge Fund project 'Follow the Money I' (IWT021), it became clear through this process that financial investigations are rarely conducted in relation to IWT offences in Zambia, Malawi and Mozambique. Analysis suggests, however, that there is a disparity across the three countries in terms of both capacity and knowledge

surrounding illicit financial flows linked to IWT. For example, whereas Malawi's Financial Intelligence Authority has included typologies related to IWT in its National Risk Assessment (unpublished) and 2017/2018 Trends and Typologies report, IWT has not been included in similar reports in Zambia or Mozambique. Malawi is also distinguished by the existence of a multi-agency taskforce to tackle wildlife crime. This structure is unique to Malawi and was not found in Zambia or Mozambique. By contrast, however, as a country, Zambia benefits from an established relationship between law enforcement and the banking community. Activities such as monthly meetings between the Bankers Association of Zambia and the law enforcement community to discuss new trends in financial crime could easily be adapted to incorporate IWT. Of the three countries, Mozambique is assessed as having the lowest capacity and least developed knowledge base regarding illicit financial flows linked to IWT.

With these gaps in mind, plans to conduct training have been received enthusiastically by wildlife management, law-enforcement, financial and judicial authorities in all three countries. The team has begun Work Package 2 (Output 2): Multi-Agency Training in Zambia, Malawi and Mozambique. Activities are underway on the design and production of training modules (Output 2.1) and the convening of agencies for training (Output 2.2). In line with the change request submitted in December 2017, the curriculum will deliver 6 days of training to both public- and private-sector institutions (Output 2.3), followed by 1 day of training for civil society organisations and NGOs that support the public sector in the fight against wildlife crime.

The 6 days with public and private sectors are being designed broadly as follows: 4 days for public-sector agencies (investigators and prosecutors from a range of agencies, plus financial intelligence units), 1 day for private-sector institutions and 1 day for both public- and private-sector participants, with the aim of bringing these participants together to facilitate dialogue and cross-sector working. This format may be adapted in the Malawian context, subject to ongoing discussions with key institutions in the country, regarding the particular needs in this context. The curriculum will deliver a combination of theoretical and practical training, and it is anticipated that domestic stakeholders will also contribute to the teaching.

More widely, over the first six months, there has been a great deal of interest in the 'Follow the Money II' project. It is increasingly clear that RUSI's work on finance and IWT, including 'Follow the Money I', has enabled the Institute to become a thought leader in this area. Both Cathy Haenlein and Tom Keatinge appeared on panels at the London Conference on IWT in October 2018, discussing the need to disrupt illicit financial flows linked to IWT (<https://bit.ly/2Ciff1F>). Ahead of the conference, Alexandria Reid, Cathy Haenlein and Tom Keatinge also wrote two articles referencing the work conducted for Challenge Fund projects Follow the Money I and II. The first was published on BBC News, receiving over 230,000 views (<https://bbc.in/2ya5P5J>). The second article was published on the RUSI Commentary page (ow.ly/vhOH30mbT2F). RUSI also organised and executed an event ahead of the conference on 10th October 2018, entitled 'The Wildlife Trafficking-Security Nexus: Targeting the Organised Crime Threat', during which presentations (including one by Cathy Haenlein) centred on financial approaches to disrupting IWT, as a form of transnational organised crime.

2a. Give details of any notable problems or unexpected developments that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

The team is very pleased with the way in which the project has proceeded to date. During the project so far, the team has made one change request, amending two elements of the project: a delay in the project's start date from October 2017 to 1 April 2018 and a modification to the training format proposed under 'Following the Money II' (IWT043 original application). In line with the approved change request, the start date of 1 April 2018 was approved, with the project now ending in September 2019. This change request to the timeline was a result of unavoidable delays to RUSI's earlier project (IWT021), with the tragic murder of project partner Wayne Lotter of PAMS Foundation in Tanzania, which resulted in the timeline for that project being extended.

The modification to the training format proposed under 'Following the Money I' (IWT021) was inspired by DEFRA's encouragement that project teams incorporate lessons from earlier Challenge Fund projects. With this in mind, the original proposal of 8 days training (4 days with

public sector agencies, 1 day with the private sector, 1 day mixed, and 2 days of small-group public-sector mentoring) has been replaced by a 7-day training programme, replacing the 2 days of small-group mentoring with a day for civil society training (plus a day of additional coordination and organization for this training, for which a different curriculum will be required). This decision was made based on the project team's experience particularly in Kenya, where it proved difficult for participants to spend a further 2 days with mentors after an initial 5 days of training due to large workloads, often involving active and time-sensitive cases. With this change, the training will continue to benefit a minimum of 20 people from a minimum of 3 agencies, as outlined in the proposal, with the additional benefit of providing training to a further community of beneficiaries.

There are no further issues that are expected to impact upon overall project delivery at this time.

2b. Have any of these issues been discussed with LTS International and if so, have changes been made to the original agreement?

Discussed with LTS: Yes. A change request (detailed above) was authorised in December 2017.

Formal change request submitted: Yes. A change request (detailed above) was authorised in December 2017.

Received confirmation of change acceptance: Yes. A change request (detailed above) was authorised in December 2017.

3a. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this year?

Yes No Estimated underspend: £

3b. If yes, then you need to consider your project budget needs carefully. Please remember that any funds agreed for this financial year are only available to the project in this financial year.

If you anticipate a significant underspend because of justifiable changes within the project, please submit a rebudget Change Request as soon as possible. There is no guarantee that Defra will agree a rebudget, so please ensure you have enough time to make appropriate changes if necessary.

4. Are there any other issues you wish to raise relating to the project or to IWT Challenge Fund management, monitoring, or financial procedures?

No.

If you were asked to provide a response to this year's annual report review with your next half year report, please attach your response to this document. Additionally, if you were funded under R4 and asked to provide further information by your first half year report, please attach your response as a separate document.

Please note: Any planned modifications to your project schedule/workplan can be discussed in this report but **should also be raised with LTS International through a Change Request.**

Please send your **completed report by email** to Victoria Pinion at IWT-Fund@ltsi.co.uk. The report should be between 2-3 pages maximum. **Please state your project reference number in the header of your email message e.g. Subject: IWT001 Half Year Report.**