

Illegal Wildlife Trade (IWT) Challenge Fund Annual Report

To be completed with reference to the “Writing a Darwin Report” guidance: (<http://www.darwininitiative.org.uk/resources-for-projects/reporting-forms>). It is expected that this report will be a **maximum** of 20 pages in length, excluding annexes)

Submission Deadline: 30th April 2019

IWT Challenge Fund Project Information

Project reference	IWT059
Project title	Deploying Anti-Money Laundering Typologies to Curb Illegal Wildlife Trade
Country/ies	China, Singapore, Vietnam, Lao PDR, Malawi, Malaysia, Kenya, Tanzania, Mozambique, Zambia
Lead organisation	Environmental Investigation Agency
Partner institution(s)	<ul style="list-style-type: none"> Liberty Shared (formerly Liberty Asia) Royal United Services Institute (RUSI)
IWT grant value	£332,234
Start/end dates of project	1st July 2018 / 30th June 2020
Reporting period (e.g. April 2018-Mar 2019) and number (e.g. Annual Report 1,2,3)	1st July 2018 – 31st March 2019 Annual Report 1
Project leader name	Julian Newman
Project website/blog/social media	N/A
Report author(s) and date	Julian Newman, 30th April 2019

1. Project rationale

The main problem this project seeks to address is the absence of effective financial investigations to disrupt the activities of organised crime syndicates involved in the illegal wildlife trade. In 2016, INTERPOL estimated that IWT generates between \$7 billion and \$23 billion in profits for criminals, yet there is scant evidence of law enforcement agencies using financial investigation techniques to trace the proceeds of these crimes and bring anti-money laundering charges against senior syndicate members. In addition, private sector financial institutions lack sufficient knowledge to gauge their potential exposure to clients (both individuals and companies) potentially involved in IWT due to a lack of detailed information on how money associated with IWT moves and insufficient red flags to highlight suspicious transactions. The project seeks to reduce these information gaps through the provision of detailed typologies (in essence transaction mapping) based on actual IWT cases.

More effective use of financial investigations and increased involvement of banks in tracking IWT-linked financial flows will make it harder for criminal syndicates implicated in IWT to operate and create a deterrent effect if governments start prosecuting suspects using anti-

money laundering and confiscating their assets. Such measures will reduce the incentive for criminals involved in the poaching and trafficking of endangered species, especially elephants, rhinos, tiger and pangolins, where the involvement of organised crime has been well documented. Overall more effective use of financial investigations by the project countries will curb illicit flows and contribute to poverty alleviation.

The project covers 10 countries, five of which are in Asia and five in southern and eastern Africa.

2. Project partnerships

In this project the UK-based Environmental Investigation Agency (EIA) is the Lead Organisation with support from two partners to implement project activities. The main partner is Liberty Shared (formerly Liberty Asia), which is based in Hong Kong with project staff also based in the United States. The second partner is the London-based Royal United Services Institute (RUSI).

EIA had pre-existing relationships with both partners prior to the project commencing, and effective cooperation has continued under the project with each organisation responsible for specific activities and outputs. Liberty Shared developed an effective system for creating financial typologies on human trafficking in the fisheries industry in Asia and disseminating these to banks via a secure server and webinars. For this project Liberty Shared staff have focused on outreaching EIA's Tanzania ivory trafficking typology to banks (Activity 1.4) and assisting in the development of a new IWT typology on a Chinese ivory smuggling syndicate (Activity 1.3). In addition Liberty Shared is responsible for submitting profiles linked to media reports of IWT cases to databases used by banks to conduct due diligence (Activity 2.7). RUSI has a smaller role in the project, focused mostly on interactions with international and regional anti-money laundering bodies (Activities 3.3 and 3.4).

Overall the relationship between the partners has progressed well during the first year of the project. A potential problem arose at the outset of the project with the member of staff from Liberty Shared involved in assisting in the development of the project proposal leaving the organisation. However he was quickly replaced in the project by the Managing Director with no adverse impacts on the project.

EIA oversees project planning on a quarterly basis, with input from both partners and is also responsible for monitoring and evaluation of the project. Due to the fact that project staff from Liberty Shared are based in Asia and the US it has been challenging to arrange face-to-face meetings. A meeting between the Project Leader and Liberty Shared's Managing Director took place in January 2019, but most communication has been carried out via conference calls and emails which has proved to be effective. The Project Leader also met with the RUSI staff member in London on two occasions during the reporting period to discuss project activities. EIA is also involved in a DEFRA IWT Challenge Fund project called "Following the money II". As anticipated EIA's involvement in workshops carried out under this project in Zambia, Malawi and Mozambique provided good opportunities to make connections with the relevant government agencies in these countries which will be of benefit to the project is achieving Output 1.

3. Project progress

3.1 Progress in carrying out project Activities

Output 1: Greater awareness of illicit financial flows linked to illegal wildlife trade cases through the provision of detailed typologies to national FIUs and other relevant government enforcement agencies in project countries.

Satisfactory progress has been made during year one of the project in implementing the five activities associated with Output 1.

EIA's Intelligence Analysts in cooperation with investigative staff have produced a wide range of information products for the project including; a weekly compilation of news stories on IWT cases (derived from multiple language sources), detailed seizure databases (focusing on elephant ivory, tigers, pangolins and rhino horn), profiles of Persons of Interest (POIs), and network charts showing connections between individuals and companies implicated in IWT. In addition, reports have been generated on specific topics, including a situational analysis of pangolin trafficking and an assessment of intelligence provided by a confidential source on an alleged ivory trafficking syndicate operating in Malawi and Zambia. The team has also developed a series of profiles on Vietnamese nationals engaged in ivory, pangolin and rhino horn trafficking which will form the basis of a new typology to be produced by quarter 2 of the second year of the project.

During the first quarter of the project an existing typology focused on a major ivory case in Tanzania was updated to take into account new information relating to court cases in Tanzania. Detailed work commenced on a new typology for the project based on a Chinese-led syndicate smuggling ivory from East and West Africa to mainland China. By the end of September 2018, a draft version of the typology had been written by EIA and reviewed by Liberty Shared. However, dissemination was delayed due to unexpected availability of Chinese court documents relating to the prosecution of two of the main suspects identified through EIA's investigations. These lengthy documents required detailed translation and yielded fascinating insights into methods used by the group to move money (both from China to Africa and within China) as well as price data and profitability. It is anticipated that the final version of the China ivory typology will be available for dissemination to banks during the first quarter of project year two. In addition, EIA has begun compiling financial information on a major ivory seizure case in Malawi, which although dating back to late 2013 is still being prosecuted. Malawian authorities requested the information from EIA with a view to using the information to conduct a test financial investigation case.

During year 1 the project undertook initial outreach efforts to relevant Financial Intelligence Units and other government agencies, some of which have already led to provision of information including typologies

Holding meetings with FIUs, an activity due to commence at the start of quarter four, has progressed more quickly than anticipated due to the Project leader being invited to speak at a major meeting held by the United Nations Office on Drugs and Crime (UNODC) in Nairobi, Kenya, during November 2018. The meeting, entitled "Wildlife Inter-Regional Enforcement" brought together enforcement officers from Africa and Asia to discuss ways of improving cooperation. The meeting included a day-long working group on "Financial Good Practices" during which EIA presented on financial flows linked to ivory smuggling from East Africa to Asia. This event provided an excellent opportunity for EIA to make initial contact with FIUs from Hong Kong, Tanzania, Vietnam, Laos, Malaysia, Kenya, Zambia and Mozambique. Some of these contracts have already been used by EIA to provide typologies and other information, and others will be developed during the course of the project. In addition, EIA took part in three workshops on financial investigations organised by RUSI (under a separate IWT Challenge Fund grant), which provided an opportunity for engagement with FIUs from Zambia, Malawi and Mozambique. In Malawi EIA included information on a major ivory seizure case in the country dating from 2013, which prompted discussion on money flows, while in Mozambique EIA's presentation highlighted the activities of Vietnamese wildlife traffickers in the country.

Output 2: Regular information provision to private sector financial institutions enhances understanding of risks associated with illegal wildlife trade and embedded in customer due diligence systems

Overall implementation of activities linked to Output 2 is ahead of schedule, partly due to unexpected opportunities to engage with the financial sector around the "London Conference on the Illegal Wildlife Trade, held in October 2018, during which the establishment of the "United for Wildlife Financial Taskforce" was announced, with 22 financial institutions initially signed up.

Note that Activities 2.1, 2.2, and 2.3 are the same as 1.1, 1.2 and 1.3. Please see above under Output for details on implementation of these activities.

During year one of the project EIA's updated Tanzania ivory trafficking typology (the full version including names of culprits and associated companies) has been shared with four banks via Liberty Shared's secure platform. In addition, EIA has shared it directly with an international financial institutions London office.

In July EIA and Liberty Shared held an hour-long conference call with two banks in Africa to explain financial flows and red flags linked to ivory trafficking in Tanzania. In September a similar event was held for two banks based in Asia .

In early September a meeting was held between EIA staff, including intelligence team members, and compliance offices from Standard Chartered bank's headquarters in London to discuss information requirements and the bank's due diligence procedures. Later the same month the Project Leader participated in a day-long conference held by Standard Chartered on the theme of the role of financial institutions in tackling IWT. Attended by five major financial institutions, discussions in the morning session revolved around identifying red flags to assist banks in identifying suspicious transactions connected to IWT. EIA provided detailed input based on its experience of documenting ivory trafficking syndicates operating between Africa and Asia. In the afternoon the Project Leader gave a presentation to over 80 Standard Chartered staff on the threats posed by IWT and the important roles of banks in disrupting the trafficking networks.

In addition, EIA held a series of bilateral meetings with the London offices of global financial institutions to better understand their information needs, and to forge channels for the provision of intelligence. These meetings revealed a desire from the senior levels of the banks to be more effective in identifying and curbing illicit financial flows linked to IWT, but on-going concerns over the paucity of regular flows of detailed information to aid on risk profiling. It is this gap which the project will seek to close during the remainder of the project.

From the outset of the project EIA's intelligence analysis staff have produced a comprehensive IWT news digest. Its scope has been expanded since quarter 3 with the addition of information on pangolin trade stories and enhanced capability to identify and translated IWT-related stories in Chinese-speaking news outlets. Information contained in the news digest, especially names of suspects and related companies, forms the basis for EIA's monthly submission to Liberty Shared. The list of names is then sent on to Thomson Reuters World-Check and Dow Jones databases, which are widely used by banks when conducting due diligence on customers. During year 1 EIA has submitted a total of 346 names, of which 220 triggered new profiles and 113 updates to existing profiles. In total 333 names submitted were accepted into the due diligence databases, exceeding the 2020 project goal of 250 a year.

Output 3: Engagement with international and regional anti-money laundering bodies, including dissemination of reports and briefings, elevates the profile of IWT and ensures it is embedded in National Risk Assessments conducted during the project in relevant countries.

Progress towards implementing activities linked to Output 3 is slightly behind schedule, mainly due to a decision to delay a report and lack of opportunities to attend anticipated Financial Action Task Force (FATF) meetings. It is expected that the project will make up the delay during year 2.

In the initial proposal EIA had intended to produce a public report on using AML measures in IWT cases to coincide with the London Conference on IWT which took place in October. Due to the delay in commencing the project it was not possible to produce the document in time. However, an unexpected opportunity arose for EIA to contribute information for a planned report on wildlife crime financial typologies being overseen by the UN Office on Drugs and Crime (UNODC). The report will feature a series of case studies, and EIA submitted a draft of a case involving ivory-trafficking in Tanzania in late March. The final report is due for publication in mid-2019.

A new project funded by the UK's Department for International Development (DFID) and announced in October 2018 presents useful opportunities for EIA to enhance progress towards Outcome 3 during year 2 of the project. The project, entitled "Financial Investigation in Wildlife and Forestry Crime" (FIWF) brings together UNODC to focus on improved enforcement and the

Egmont Centre of FIU Excellence and Leadership (ECOFEL) to support FIUs. The Project Leader attended a meeting arranged by DFID in late February and had bilateral meetings with both UNODC and ECOFEL staff to discuss potential areas of collaboration during the rest of the project. Already EIA has submitted a case study for a planned UNODC report (see above) and sent confidential information on Vietnamese suspects implicated in a major ivory seizure in Uganda in late January to a UNODC representative in South-East Asia for onward submission to Vietnam's FIU and customs department.

During year 1 of the project opportunities to attend FATF and regional AML bodies have been limited. A representative from project partner RUSI held a bilateral meeting with staff from the East and Southern Africa Anti-Money Laundering Group (ESAAMLG) and discussions included the project potentially contributing to a wildlife crime typology report which ESAAMLG is planning.

During the project EIA and RUSI have been monitoring the FATF schedule for mutual evaluations, which now also include review of National Risk Assessments (NRA) on a countries vulnerability to money laundering linked to a range of crimes, including IWT. Although the NRAs are not usually published EIA has been informed that three project countries completed their NRAs during the first year of the project. Both Malawi and Lao PDR included IWT as a money-laundering risk, while Vietnam did not. EIA and RUSI ensure that a detailed briefing on Vietnam's important role in global IWT will be provided to the independent assessors who are expected to travel to the country to review the NRA in October 2019.

3.2 Progress towards project Outputs

Output 1:

1.1: By mid-2020 at least 6 typologies on IWT cases have been produced, derived from a target of 6 field investigations completed, that yield financial intelligence of use to FIUs and other government agencies, with an interim target of at least 3 typologies on IWT cases produced based on 3 field investigations completed by mid-2019 (from a baseline of zero)

During the first nine months of the project an existing typology on ivory trafficking in Tanzania was updated and a comprehensive narrative typology on a Chinese ivory smuggling syndicate completed, subject to final internal review. In addition, two field investigations were successfully completed. Based on these figures the project is slightly behind schedule in terms of achieving the interim targets of three typologies and three investigations by the end of June 2019. However, with work on a new typology on Vietnamese wildlife traffickers due to commence in May and investigations planning underway it is anticipated that the interim targets will be realised by August 2019. To date the indicators for this component of Output 1 remain valid, as do the means of verification which are largely derived from EIA's internal monitoring systems such as investigation reports.

1.2: By mid-2020 at least one typology provided to 10 FIUs (1 per country) and 20 other relevant government enforcement agencies (2 per country) in project countries, with an interim target of at least one typology provided to 5 FIUs and 10 other government agencies by mid-2019.

Activities connected to this indicator began earlier than the anticipated start date of January 2019 due to the Project Leader being invited to speak at a conference in Nairobi during November 2018 which was also attended by representatives from several FIUs from project countries. As a follow-up to contacts made at the meeting a typology on ivory trafficking in Tanzania was sent to the Hong Kong FIU, due to illicit financial flows connected to the ivory smuggling case being linked to companies registered in Hong Kong. In addition, detailed information on Vietnamese wildlife traffickers was shared with the FIU in Vietnam in the form of a confidential briefing. With the forthcoming typology on a Chinese ivory trafficking syndicate due to be ready for dissemination in May 2019 the interim target of providing typologies to at least five FIUs and 10 government agencies by mid-2019 is expected to be achieved. This

indicator is measured through a combination of internal EIA processes, including trip reports, and email exchanges, and the means of verification remain adequate.

1.3: Effective relationships established with 10 FIUs by end of 2019, with an interim target of 5 by end of 2018 developed through joint provision of financial intelligence training workshops with RUSI in 2017 and 2018 (from a baseline of 2).

While progress on this specific indicator has been recorded during the first nine months of the project it is behind schedule based on the original target of forging relationships with five FIUs by end of 2018. This is due to a combination of the project beginning later than anticipated and the linked RUSI workshops (under IWT Challenge Fund project "Following the Money II") not taking place until the first quarter of 2019. Despite the delay the project had attained the target by the end of project year one. Through participation in the RUSI workshops EIA has contacted representatives from FIUs in Zambia, Malawi and Mozambique, while communication channels have also been created with FIUs from Hong Kong, Vietnam and Malaysia. In addition, contacts have been made with representatives from a range of other government agencies which attended the RUSI workshops, such as public prosecutors and revenue agencies. These relationships will be further developed during the remainder of the project through provision of information. It is anticipated that the goal of establishing effective relationships with 10 FIUs by the project end will be achieved, and the means of verification used for this indicator remain valid.

Output 2:

2.1: By mid-2020 at least 6 typologies on IWT cases have been produced based on a target of 6 field investigations completed that yield financial intelligence of use to banks, with an interim target of at least 3 typologies on IWT cases based on 3 field investigations completed produced by mid-2019 (from a baseline of 0).

Please see comments under section 1.1 above.

2.2: Number of banks receiving typologies on IWT cases reaches at least 18 banks by mid-2020 from a baseline of 4 banks receiving typologies from project partners prior to the project commencing.

During year one of the project full versions of a typology (including the names of individuals involved and associated companies) on an ivory trafficking case in Tanzania have been shared with five new banks, meaning it has now been sent to nine banks in total (based on the baseline of four banks). As a result the project is on track to achieve the indicator of 18 banks receiving detailed typologies by mid-2020 with a high likelihood of the goal being exceeded. The means of verification for this indicator remain appropriate, although it should be pointed out that several banks have stated that they are unable to provide detailed feedback on any follow-up actions due to confidentiality issues.

2.3: Effective communication channels established with 18 international and regional banks by mid-2020 from a baseline of 12 prior to project commencing

By the end of March 2019, the project had established effective communication channels with five new financial institutions in addition to the 12 banks which formed the baseline for this indicator. EIA was able to capitalise on renewed interest in establishing a Financial Taskforce on IWT which coincided with the London Conference of IWT, held in October, by arranging meetings with compliance staff from the London offices of global banks, namely. In addition, EIA held two meetings with Western Union's enforcement officer covering the Asia region. Through participation in RUSI workshops EIA has begun building relationships with regional banks and has provided information on ivory traffickers. The project is on track to exceed the original project goal of creating communication channels with 18 banks, and the means of verification (mostly internal records of meetings and a log of information provided) appear adequate.

2.4: Common “red flags” used to identify financial flows and entities connected to IWT are derived from typologies provided and used routinely by at least 12 banks by mid-2020, with an interim target of 6 banks using “red flags” by September 2019 (from a baseline of 0).

While EIA was able to contribute ideas on possible red flags during a meeting organised by an international bank in London, progress towards establishing a common set used by multiple financial institutions remains slow. One reason is the paucity of detailed typologies on IWT which would allow identification of such recurrent red flags. New typologies being produced by EIA during year two of the project which help fill this information gap. In addition, EIA will seek to contribute to the work of the United for Wildlife Financial Taskforce which could be a useful forum to develop a comprehensive list of red flags. These actions should help ensure that the project meets the both the interim and final targets of six and 12 banks respectively, from the baseline of zero.

2.5: Number of wildlife traffickers and associated companies uploaded into customer due diligence databases (such as World-Check) used by banks based on submission by project partners increases to at least 250 a year by mid-2020 (from a baseline of 100 in 2017).

Good progress has been made on this indicator, with project already having successfully submitted 333 subject profiles to the World-Check during the first nine months of the project, exceeding the mid-2020 goal of 250 submissions. The main means of verification has been monthly feedback reports from Liberty Shared and is working satisfactorily.

Output 3:

3.1: At least one report per year (one by mid-2019 and one by mid-2020) summarising financial flows linked to IWT cases provided to regional AML bodies (APG and ESAAMLG) and FATF (from a baseline of 0 reports produced in the past).

Originally EIA had intended to produce a report to coincide with the London Conference on IWT in October 2018, however there was insufficient time to carry-out this activity due to the late project start date. Instead EIA has contributed a detailed case study on financial flows linked to ivory smuggling from Tanzania to China which will be included in a forthcoming report being produced by the UN Office on Drugs and Crime. EIA has also learned that the ESAAMLG regional body is planning to produce a typology report on IWT, which EIA will seek to contribute to. The above actions will replace the original goal of a report by mid-2019, while the project still intends to produce a comprehensive report on illicit financial flows by mid-2020 as set out in the relevant indicator. For year one of the project the baseline of zero has not been exceeded for the reasons set out above.

3.2: Sessions on IWT typologies included as a matter of routine in annual meetings of APG and ESAAMLG

The project is behind schedule in implementing activities linked to this indicator. The project partners have not been able to attend the annual meetings during the first nine months of the project due to the need to convince the regional bodies (and FATF) to increase the priority of IWT amongst a host of other money laundering matters. However, a project staff member was able to hold an introductory meeting with ESAAMLG staff in the organisation’s office in Dar es Salaam, Tanzania, and learned that the organisation is planning to produce a report on IWT financial flows in Africa, which will present an opportunity for further engagement during the project.

3.3: IWT identified as a significant money laundering risk in 3 out of 5 project countries scheduled to undertake National Risk Assessments by mid-2020 (from a baseline of 0).

Through interaction with FIUs (outlined above under section 1.3) EIA is aware that three of the project countries completed their National Risk Assessments during the first nine months of the project. Although full copies of the assessments are usually confidential EIA has learned that two of these countries, Lao PDR and Malawi) included IWT as a significant threat, while Vietnam did not. This indicates that the project is on track to achieve the goal of three out of five countries by mid-2020 from a baseline of zero. The means of verification remain valid, with the caveat that full versions of some of the NRAs may not be publicly available.

3.3 Progress towards the project Outcome

Overall during the first nine months of the project satisfactory progress has been made towards achieving the project Outcome by mid-2020, especially in terms on increasing the capabilities of target public and private sector institutions through the provision of detailed information by the project partners. However greater effort is needed to strengthen the commitment of target countries and the international anti-money laundering body to proactively utilize financial investigations in IWT cases, which will be key focus for the remainder of the project. Based on the implementation of the project to date it is anticipated that Outcome will be largely achieved, with activities linked to engagement with international bodies (Output 3) requiring additional attention and effort.

Progress will be assessed by reference to each of the Outcome indicators, as follows:

0.1: By December 2019 a target of 5 FIUs in project countries that have received typologies have conducted follow-up analysis into the individuals and entities identified and disseminated findings to law enforcement agencies, rising to a target of 8 FIUs in total conducting financial analysis and dissemination by mid-2020 (from a baseline of 0).

The project has made a good start in terms of building communication channels with FIUs, with initial engagement through meetings having taken place with six of the ten project countries so far. This was followed up by the provision of information, including a typology on ivory trafficking, to three countries. One lesson learned is that FIUs and other government agencies are not always able to disclose follow-up actions to NGOs such as EIA, meaning that evaluation of follow-up actions could be more difficult than envisaged. It is hoped that as relationships with the FIUs develop during the project feedback on information provided will grow.

0.2: By December 2019 at least 6 international banks (based on a minimum of 12 engaged in the project) that have received typologies have followed up with remedial actions against the individuals and entities identified, rising to a target of at least 9 banks pursuing remedial actions by mid-2020 (from a baseline of 0).

Outreach to banks is on target with typologies and other information provided to nine financial institutions (six international and three regional) so far. While EIA has received positive feedback on the quality and usefulness of information provided from most of the banks, it has been explained by one major bank that detailed information on remedial actions cannot be shared due to confidentiality issues. However, it is possible to confirm that banks receiving the information will at least have run the nominal data (names of individuals and companies) through their systems. At this stage the project is on track to achieve the target of nine international banks utilizing typologies and other information from the project partners by mid-2020 (from a baseline of zero).

0.3: By mid-2020 enforcement agencies in at least 5 project countries have demonstrably used financial investigations in IWT cases (from a baseline of 1).

During the reporting period efforts on this indicator have focused on building the foundation for project partners to effectively engage with enforcement agencies in target countries, such as EIA participating in RUSI workshops in Malawi, Mozambique and Zambia which were attended by a range of enforcement agencies. The remainder of the project will involve building on these

relationships to trigger financial investigations where possible to achieve the indicator target of 5 countries by mid-2020.

0.4: By mid-2020 a target of at least 9 international banks (based on a minimum of 12 banks engaged in project) receiving typologies from project partners have used the information to refine due diligence and develop red flags for IWT-linked financial flows (from a baseline of 0)

The project has already exceeded its goal in terms of assisting banks to screen potential clients involved in IWT through the regular provision of information to the World-Check database. Activities connected to developing red flags on IWT have commenced, with EIA providing input to one international bank, and will increase as more case studies in the form of typologies are produced by the project partners.

0.5: By mid-2020 5 project countries formally recognise wildlife trafficking as an important AML risk and take measures to mitigate it (from a baseline of 0)

During year one of the project two of the target countries included IWT in their National Risk Assessments. The target of five appears attainable, although for three of the countries the NRA and evaluation process will not take place during the duration of the project.

3.4 Monitoring of assumptions

Outcome Assumptions:

Assumption 1: FIUs in target countries have the remit and resources to analyse IWT cases and channels to communicate and cooperate with government law enforcement agencies to ensure cases are followed up

This assumption remains valid for the majority of project countries, especially those in Africa where EIA has been able to assess the remit and capabilities of FIUs through participation in training workshops held by RUSI in Kenya, Tanzania, Zambia, Malawi and Mozambique. For project countries in Asia, especially Vietnam and Lao PDR the remit and capabilities for FIUs to take on IWT cases is less clear. For instance in Vietnam the National Risk Assessment does not include IWT as a money laundering threat, with the implication that the issue is not seen as a priority for the FIU and other government agencies.

Assumption 2: Financial investigations lead to legal actions sufficient to hinder the activities of wildlife crime syndicates

This assumption remained untested during the first year of the project as EIA is not aware of any specific financial investigations linked to IWT cases in the project countries. An important priority for the remainder of the project is to build on initial outreach to FIUs by providing information on specific cases with aim of prompting formal follow-up investigations. It should also be noted that government agencies are often unable to share case-specific information with NGOs, meaning that the extent of follow-up legal actions can be difficult to gauge.

Assumption 3: Banks regard potential exposure to money laundering linked to wildlife crime as an issue of concern

This assumption remains accurate, as indicated by the willingness of 30 global financial institutions to join the United for Wildlife Financial Taskforce established in October 2018. Meetings held by the Project Leader with three international banks in London confirm that IWT is now seen as a priority area for action.

Assumption 4: Disruption of IWT syndicates will alleviate poaching pressure on target species in source countries

This assumption remains valid, based on information gathered by EIA during undercover investigations into IWT. For example EIA investigators engaged with three Chinese ivory smugglers in Mozambique who explained they had previously been active in Tanzania but now considered the country too high risk due to more effective enforcement leading to increase arrests of ivory traffickers and substantial custodial sentences.

Output Assumptions:

- Output 1:

Assumption 1: Safety and security situation in project countries sufficient to allow planned activities to take place

This assumption remained valid during the first nine months of the project. EIA operates a travel safety system based on risk assessments and to date none of the project countries have been classified as high risk.

Assumption 2: Research and investigations yield sufficient relevant information for typologies to be produced

This assumption remains true. During year one EIA produced a draft typology on Chinese ivory traffickers and has sufficient results from investigations into ivory smuggling in Vietnam and tiger trafficking in South East Asia to produce two new typologies during year two of the project.

Assumption 3: - FIUs and other agencies willing to accept information from project partners

This assumption has been tested during year one in three project countries and found to hold true.

- Output 2:

Assumption 1: Safety and security situation in project countries sufficient to allow planned activities to take place

See comments under Output 1, Assumption 1 above.

Assumption 2: Research and investigations yield sufficient relevant information for typologies to be produced

See comments under Output 1, Assumption 2 above.

Assumption 3: Financial institutions are sufficiently concerned by potential exposure to IWT and reputational risk to act on typologies provided by project partners

See comments under Outcome Assumption 3 above.

Assumption 4: Project partners are able to expand their network of contacts with banks beyond Asia, especially in Africa

This assumption was tested during project year one and found to hold true. EIA has been able to develop effective relations with the London offices of several international banks which cover Africa. In addition new contacts have been forged with regional banks in Mozambique, Malawi and Zambia.

Assumption 5: Banks' customer due diligence procedures are sufficiently robust to avoid offering services to individuals and companies implicated in IWT cases included in databases

This assumption remains valid based on Liberty Shared's considerable knowledge of how banks conduct due diligence on customers.

- Output 3:

Assumption 1: FATF and regional AML bodies willing to engage with project partners

This assumption is valid for regional AML bodies but remains untested for FATF.

Assumption 2: National Risk Assessments result in an accurate analysis of threats posed by IWT

This assumption was tested in three project countries during year one and was found to be valid in two of the countries.

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

The overall impact of the project envisages reduction in the capabilities of IWT syndicates leading to reduced poaching and enhanced livelihood opportunities in source countries. Due to its focus on a specific aspect of the enforcement response to IWT, namely increased use of anti-money laundering laws and procedures by the private and public sector, the project impacts on biodiversity and poverty alleviation will be indirect.

Research by EIA shows that improved enforcement against wildlife trafficking syndicates can lead to reduced poaching rates in range states. For example a series of major ivory seizures in Tanzania in 2013 which led to successful prosecutions prompted other syndicates to withdraw from the country, with an apparent decline in elephant poaching rates. During the first nine months of the project effective communication channels have been developed with both public sector agencies (especially FIUs) and private sector banks, and it is predicted that provision of detailed financial intelligence to these agencies will increase opportunities for disrupt wildlife smuggling syndicates and reduce poaching rates of the focus species.

Reduced poaching rates have the potential to enhance human development in rural areas by protecting wildlife tourism income in range states included in the project.

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

The project supports two of the four themes; strengthening law enforcement and ensuring effective legal frameworks.

In terms of strengthening law enforcement the project links to London Conference Declaration commitments XV (providing necessary conditions for the use of the full range of investigative techniques and tools) and XVI (strengthen cross-border cooperation).

To date the project has promoted the use of financial investigations into wildlife crime through engagement with FIUs and other enforcement agencies in Malawi, Mozambique, Zambia, China and Vietnam. Intelligence on specific cases has been provided to authorities in three of these countries to support follow-up financial investigations.

In terms of ensuring effective legal frameworks the project links to London Conference Declaration commitments IX (address the problem of corruption and money laundering facilitating wildlife trafficking) and X (support full range of existing legislation and law enforcement) and Kasane Statement commitments 4 (review and amend national legislation as necessary and appropriate so that offences connected to the illegal wildlife trade are treated as "predicate offences") and (ensure that relevant prosecutors, judges, Financial Intelligence Units, and authorities engaged in law enforcement, have the resources, knowledge and capacity effectively to investigate and prosecute financial crimes associated with wildlife crime)

The project has supported the implementation of these commitments during year one through the following activities; review of National Risk Assessments to ensure IWT is adequately reflected in project countries' NRAs as a money laundering threat; engagement and provision of case information to FIUs and involvement in financial investigation workshops in Malawi, Mozambique and Zambia.

6. Impact on species in focus

Research by EIA shows that improved enforcement against wildlife trafficking syndicates can lead to reduced poaching rates in range states. For example a series of major ivory seizures in

Tanzania in 2013 which led to successful prosecutions prompted other syndicates to withdraw from the country, with an apparent decline in elephant poaching rates. During the first nine months of the project effective communication channels have been developed with both public sector agencies (especially FIUs) and private sector banks, and it is predicted that provision of detailed financial intelligence to these agencies will increase opportunities to disrupt wildlife smuggling syndicates and reduce poaching rates of the focus species.

7. Project support to poverty alleviation

As the project's main beneficiaries are government agencies and private sector banks impacts on poverty will be indirect. Such benefits will include increased capabilities of government agencies, especially FIUs, to trace illicit financial flows which exacerbate poverty in source countries and potentially lead to asset recovery with funds going into government budgets. Effective action against IWT syndicates will also promote rule of law and reduce the corruption which is a common factor in IWT cases.

In the long-term effective enforcement against criminals engaged in IWT will lead to reductions in poaching and protect rural livelihoods dependent on wildlife tourism.

8. Consideration of gender equality issues

In line with the International Development (Gender Equality) Act of 2014 the project partners are committed to ensuring gender equality and equity are promoted throughout the project where possible. However there are not expected to be any direct gender equality impacts from this project and there are no gender related indicators in the log-frame. In terms of project staff seven are male and five are female, representing a fair gender balance.

9. Monitoring and evaluation

Overall the monitoring and evaluation plan as set out in the original project plan has functioned satisfactorily during the reporting period. Processes already in place between EIA and Liberty Shared, such as detailed monthly reports on profiles submitted to due diligence databases and a tracker to collect source information used in producing typologies, have worked well. The only major deviation from the original M & E plan has been the failure to hold a planned two-day meeting between project partners due to the logistical challenge of Liberty Shared staff being based in both Hong Kong and the USA. Instead regular conference calls and email exchanges have taken place to coordinate project activities. A quarterly planning framework has been deployed since the outset of the project, allowing implementation of project activities to be tracked.

During the first nine months of the project it appears that both the Outputs and Activities are contributing to the Outcome as anticipated during the project design. At the core of the project is the notion that regular provision of detailed information on financial flows linked to IWT cases will contribute to filling an identified information gap which hinders effective use of anti-money laundering measures against IWT. Outputs 1 and 2 in particular involved awareness raising and information provision which feed directly into the Outcome of increased capabilities and commitments to deploy anti-money laundering measures against IWT syndicates.

The indicators of achievement, as set out in the project's logical framework, are mostly numeric and proving straightforward to measure in terms of aspects such as the number of FIUs provided with information, number of profiles uploaded to due diligence databases, and the number of banks receiving typologies. These figures are captured in the form of a project activity log maintained by the project leader.

Experience gained during the first year of the project shows a potential difficulty in terms of verifying Outcome Indicators 0.1 and 0.2. This is due to feedback received from initial contacts with FIUs and banks stating that it is not always possible to share detailed information on follow-up actions based on information provided under the project due to confidentiality constraints. It is hoped that potential problems can be minimized as relationships with government agencies and banks develop during the project.

There have not been any changes to the M & E plan at this stage, apart from the original plan to hold a meeting between project staff being replaced by conference calls.

10. Lessons learnt

Overall the majority of project activities undertaken during year one worked well, with a few caveats. The degree of engagement with banks exceeded initial expectations due to the creation of a Financial Taskforce to coincide the London Conference on IWT in October raised the profile of IWT amongst major global financial institutions and creating a good platform for interactions and the provision of information under the project. Also through attendance at a conference and participation in workshops run by engagement with FIUs has proceeded faster than anticipated. A highlight has been the on-going provision of profiles on IWT suspects gleaned from open media sources by EIA's intelligence staff being submitted into customer due diligence databases at a greater rate than anticipated, with the relevant indicator of 250 profiles being uploaded a year by mid-2020 already being exceeded.

Several project activities have taken longer than anticipated, and with hindsight should have begun earlier in the project. For example a new typology was planned to be finished during year one, but is still in draft form. The main reason for the delay was the need to translate a host of court documents from Chinese into English, which only came to light after the draft typology was written. While this has delayed circulation of this typology to banks the final version will contain unique details of financial flows which greatly improves the quality and scope of the document. In addition the activities linked to Output 3 are behind schedule. There was insufficient time from the date of project approval to produce a public report in time for the London Conference, while opportunities to engage with FATF and regional AML bodies have been limited. Improving the implementation of these activities will be an important during year two of the project.

Finally some of the operational costs of the project have been lower than planned, such as travel and consultancies. The early months of the project involved processing existing information into a format suitable for sharing with beneficiaries, reducing the need for travel. Also the unexpected invitation to the Project Leader to attend a major conference in Nairobi provided an opportunity to meet several FIU representatives from project countries in a single trip. In terms of consultancies part of this budget was intended to cover translation costs, but by chance EIA was able to use the services of a skilled Chinese language volunteer to translate court documents.

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

Not applicable, as this is the first project report.

12. Other comments on progress not covered elsewhere

No additional comments.

13. Sustainability and legacy

As this project occupies a specific niche, due to its strong focus on promoting anti-money measures against IWT, a high profile in the project countries is not anticipated, rather awareness amongst potential beneficiaries (government agencies and banks) is the target. Progress towards reaching these audiences has been achieved through a series of presentations at conferences, and meetings with banks and government bodies. The project partners are now known as some of the key NGOs researching IWT-linked financial flows due to dissemination of typologies and other information during the first year of the project. In addition the aims of the project have been effectively communicated to relevant intergovernmental bodies such as UNODC through dialogue and provision of information.

Experience during the first year of the project indicates that the planned exit strategy, as set out in the project proposal, remains valid. In particular through the work of the project several international financial institutions now have heightened knowledge and awareness of IWT. In addition it is encouraging that two of the project countries have included IWT in their National Risk Assessments, an important step in embedding measures against IWT in national anti-money strategies.

14. IWT Challenge Fund Identity

To date the project has focused resources on developing and disseminating IWT case typologies, and developing relationships and communication channels to FIUs and banks. Neither of these work streams have provided meaningful opportunities to publicise the IWT Challenge Fund and its UK Government sponsors.

It is anticipated that more public outreach, such as the release of reports, briefings and news articles during the remainder of the project will enable the project to recognise the IWT Challenge Fund and the UK government’s funding contribution.

In meetings with banks, government agencies and intergovernmental bodies the Project Leader has often mentioned that work is being carried out under DEFRA IWT Challenge Fund grant.

15. Project expenditure

Please expand and complete Table 1. If all receipts have not yet been received, please provide indicative figures and clearly mark them as Draft. The Actual claim form will be taken as the final accounting for funds.

Table 1: Project expenditure during the reporting period (April 2018-March 2019)

Project spend (indicative) since last annual report	2018/19 Grant (£)	2018/19 Total actual IWT Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)	████	████	████	
Consultancy costs	████			
Overhead Costs	████	████	████	████████████████████
Travel and subsistence	████	████	████	████████████████████ ████████████████████ ████████████████████ ████████████████████ ████████████████████ ████████████████████ prior to the project.
Operating Costs	████	████	████	████████████████████ ████████████████████ ████████████████████
Capital items (see below)				
Others (see below)	████	████	████	████████████████████ ████████████████████ ████████████████████ ████████████████████

TOTAL				

Highlight any agreed changes to the budget and **fully** explain any variation in expenditure where this is +/- 10% of the budget. Have these changes been discussed with and approved by IWT?

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)

None

Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2018-2019

Project summary	Measurable Indicators	Progress and Achievements April 2018 - March 2019	Actions required/planned for next period
<p>Impact</p> <p>Systematic deployment of AML measures in illegal wildlife trade cases erodes the capabilities of trafficking networks leading to a reduction in poaching and enhanced livelihood opportunities in source countries.</p>		<p>As the project's main beneficiaries are government agencies and private sector banks impacts on poverty will be indirect. Such benefits include increased capabilities of government agencies, especially FIUs, to trace illicit financial flows which exacerbate poverty in source countries. Inclusion of IWT in NRAs will assist countries to develop more effective anti-money laundering procedures to track illicit financial flows.</p> <p>The project envisages reduction in the capabilities of IWT syndicates leading to reduced poaching in source countries. For example during the reporting period engagement by EIA with Chinese authorities led to the prosecution of three major ivory smugglers, severely disrupting a major ivory trafficking route.</p>	
<p>Outcome</p> <p>Enhanced capabilities and commitment of the public and private sectors to deploy anti-money laundering measures against wildlife trafficking syndicates, effectively curtailing their activities</p>	<p>0.1: By December 2019 a target of 5 FIUs in project countries that have received typologies have conducted follow-up analysis into the individuals and entities identified and disseminated findings to law enforcement agencies, rising to a target of 8 FIUs in total conducting financial analysis and dissemination by mid-2020 (from a baseline of 0).</p> <p>0.2 By December 2019 at least 6 international banks (based on a minimum of 12 engaged in the project) that have received typologies have followed up with remedial actions</p>	<p>Initial engagement with FIUs in 5 of the target countries; dissemination of new typology in mid-2019 will ensure target of 5 FIUs by end of 2019. Note that due to confidentiality issues FIUs may not always be able to inform EIA of follow-up actions.</p> <p>Tanzania typology sent to five banks. 3 have confirmed using the information to check their client portfolio. Note that due to commercial confidentiality</p>	<p>New China typology to be sent to FIUs in China, Mozambique and Tanzania. Case study to be sent to Malawi and Tanzania FIUs.</p> <p>New China typology to be shared with at least 12 banks by mid-2019. Vietnam typology to be shared with at least 12 banks by end of 2019.</p>

	<p>against the individuals and entities identified, rising to a target of at least 9 banks pursuing remedial actions by mid-2020 (from a baseline of 0).</p> <p>0.3: By mid-2020 enforcement agencies in at least 5 project countries have demonstrably used financial investigations in IWT cases (from a baseline of 1).</p> <p>0.4: By mid-2020 a target of at least 9 international banks (based on a minimum of 12 banks engaged in project) receiving typologies from project partners have used the information to refine due diligence and develop red flags for IWT-linked financial flows (from a baseline of 0)</p> <p>0.5 By mid-2020 5 project countries formally recognise wildlife trafficking as an important AML risk and take measures to mitigate it (from a baseline of 0)</p>	<p>issues banks may not be able to share full details of follow-up actions.</p> <p>Initial outreach conducted to enforcement agencies in Zambia, Malawi and Mozambique. Intelligence on ivory trafficking provided to Vietnam customs.</p> <p>Profiles of suspects uploaded into databases have assisted banks in conducting customer due diligence. Detailed input provided into draft red flags produced by an international bank</p> <p>Two out of three project countries have included IWT in their NRAs.</p>	<p>Meetings planned with enforcement agencies in China, Lao PDR, Vietnam and Malaysia by end of 2019</p> <p>Two new typologies will allow further refinement of red flags. Engagement with 30 banks in the Financial Taskforce will help produce a list of common red flags.</p> <p>Analysis of NRAs produced by other project countries.</p>
<p>Output 1</p> <p>Greater awareness of illicit financial flows linked to illegal wildlife trade cases through the provision of detailed typologies to national FIUs and other relevant government enforcement agencies in project countries.</p>	<p>1.1: By mid-2020 at least 6 typologies on IWT cases have been produced, derived from a target of 6 field investigations completed, that yield financial intelligence of use to FIUs and other government agencies, with an interim target of at least 3 typologies on IWT cases produced based on 3 field investigations completed by mid-2019 (from a baseline of zero)</p> <p>1.2: By mid-2020 at least one typology provided to 10 FIUs (1 per country) and 20 other relevant government enforcement agencies (2 per country) in project countries, with an interim target of at least one typology provided to 5 FIUs and 10 other government agencies by mid-2019.</p>	<p>1.1: 2 typologies will be have been produced by mid-2019, rather than 3 as planned. Third typology to be finished by August 2019. See Attachments A4 and A5. 2 field investigations completed, with third one due in June 2019 to meet interim target.</p> <p>Tanzania typology provided to 1 FIU, intelligence provided to 1 FIU. Dissemination of new China ivory typology in June will ensure the project achieves the interim target of 5 FIUs by mid-2019.</p> <p>Interactions with 6 FIUs by March 2016 (two months behind target of 5 by end of 2018. Dissemination of new typologies during year two will ensure the goal of 10 FIUs by end of 2019 is achieved.</p>	

	1.3 Effective relationships established with 10 FIUs by end of 2019, with an interim target of 5 by end of 2018 developed through joint provision of financial intelligence training workshops with RUSI in 2017 and 2018 (from a baseline of 2).	
Activity 1.1 – Desk research into IWT cases including news reports, seizure data, and social media monitoring	Series of research outputs produced including assessment of intelligence on ivory trafficking in Malawi, situational analysis on pangolin trade, network chart of tiger traffickers in Laos and Vietnam.	Situational analysis of ivory trafficking from West Africa to China / Vietnam, subject profiles of tiger traders in Laos and Vietnam.
Activity 1.2 - Targeted field investigations into IWT cases, based on research outputs.	Investigations completed into Vietnamese ivory traffickers in Angola and tiger trade in Laos / Vietnam.	Investigation into pangolin smuggling from East Africa to Asia, and ivory trafficking from West Africa to Asia.
1.3 – Production of typologies (narrative and visual) derived from investigation findings	Typology on Tanzania ivory trafficking updated, new draft typology on Chinese ivory smugglers produced.	Finalise Chinese ivory smuggling typology. Produce new typology on Vietnamese ivory traffickers, Malawi ivory trade and tiger traders in Laos and Vietnam.
1.4 – Dissemination of typologies to relevant FIUs and other government agencies.	Tanzania ivory typology sent to Hong Kong FIU. Subject profiles sent to Vietnam FIU.	China ivory typology to be sent to FIUs in Tanzania, Mozambique, Singapore, Malaysia and China. Typology on Malawi ivory trade to be sent to Malawi and Tanzania FIU. Vietnam ivory typology to be sent to FIUs in Vietnam, Mozambique and Malaysia.
1.5 – Follow-up meetings with FIUs to discuss typologies	Initial meetings held with FIUs in Zambia, Malawi, Mozambique, Vietnam and Hong Kong	Meetings planned with FIUs in Lao PDR, Vietnam, Tanzania Kenya and Malawi.
Output 2. Regular information provision to private sector financial institutions enhances understanding of risks associated with illegal wildlife trade and embedded in customer due diligence systems	2.1: By mid-2020 at least 6 typologies on IWT cases have been produced based on a target of 6 field investigations completed that yield financial intelligence of use to banks, with an interim target of at least 3 typologies on IWT cases based on 3 field investigations completed produced by mid-2019 (from a baseline of 0).	2.1: See comments under Section 1.1 above.

	<p>2.2: Number of banks receiving typologies on IWT cases reaches at least 18 banks by mid-2020 from a baseline of 4 banks receiving typologies from project partners prior to the project commencing.</p> <p>2.3: Effective communication channels established with 18 international and regional banks by mid-2020 from a baseline of 12 prior to project commencing.</p> <p>2.4: Common “red flags” used to identify financial flows and entities connected to IWT are derived from typologies provided and used routinely by at least 12 banks by mid-2020, with an interim target of 6 banks using “red flags” by September 2019 (from a baseline of 0).</p> <p>2.5: Number of wildlife traffickers and associated companies uploaded into customer due diligence databases (such as World-Check) used by banks based on submission by project partners increases to at least 250 a year by mid-2020 (from a baseline of 100 in 2017).</p>	<p>Tanzania typology sent to 5 new banks, 9 in total exceeding baseline of 4. Widespread dissemination of new China typology expected to achieve target of 18 banks.</p> <p>Meetings held with five new international banks, one regional bank during and one global financial institution in year one. Follow-up information provided to four of these banks. Regular updates to be provided during remainder of project, as well as interaction with new banks which are members of the Financial Taskforce.</p> <p>Detailed input provided to draft red flags produced by an international bank. Red flags to be updated as other typologies are produced under the project and disseminated directly to banks and via Financial Taskforce.</p> <p>Open source information provided under the project had led 333 profiles either being created or updated, exceeding target of 250 per year.</p>	
Activity 2.1.- Desk research into IWT cases including news reports, seizure data, and social media monitoring	See Activity 1.1 above	See Activity 1.1 above	
Activity 2.2. - Targeted field investigations into IWT cases, based on research outputs.	See Activity 1.2 above	See Activity 1.2 above	
Activity 2.3 - Production of typologies (narrative and visual) derived from investigation findings	See Activity 1.3 above	See Activity 1.3 above	
Activity 2.4 - Communication of typologies to interested banks via LA’s secure platform	Tanzania ivory typology sent to 5 banks	China ivory typology to be sent to at least 12 banks. Vietnam typology to be sent to at least 12 banks	
Activity 2.5 - Follow-up briefings to interested banks through conference call platforms	Two online briefings provided to 4 banks in total. Meetings held with 3 international banks in London.	Target of briefing at least 10 banks on China ivory typology, and 10 on Vietnam ivory typology.	

Activity 2.6 - Media monitoring of IWT cases, including Chinese language reports	Continuous activity	Continuous activity
Activity 2.7 - Monthly submission of information derived from media monitoring to customer due diligence databases	Open source information provided under the project led to 333 subject profiles either created or updated in databases	Target of 350 profiles being created or updated.
<p>Output 3. Engagement with international and regional anti-money laundering bodies, including dissemination of reports and briefings, elevates the profile of IWT and ensures it is embedded in National Risk Assessments conducted during the project in relevant countries.</p>	<p>3.1: At least one report per year (one by mid-2019 and one by mid-2020) summarising financial flows linked to IWT cases provided to regional AML bodies (APG and ESAAMLG) and FATF (from a baseline of 0 reports produced in the past).</p> <p>3.2: Sessions on IWT typologies included as a matter of routine in annual meetings of APG and ESAAMLG.</p> <p>3.3: IWT identified as a significant money laundering risk in 3 out of 5 project countries scheduled to undertake National Risk Assessments by mid-2020 (from a baseline of 0).</p>	<p>Insufficient time to produce planned report for October conference. Case study provided for inclusion in UNODC IWT typologies report (see Attachment A3). Report summarising project typologies due by end of project year two.</p> <p>Project unable to make progress on this indicator as planned. Securing meetings with secretariats of APG and ESAAMLG will be a priority for quarter one of project year two.</p> <p>During the reporting period three of the project countries completed NRAs, with two including IWT as a money-laundering risk. Efforts will be made to engage with assessors for the third country to challenge omission of IWT. Three more NRAs by project countries expected to be finalised during project year two.</p>
Activity 3.1 - Published report on opportunities to use AML measures against IWT released to coincide with the London Conference on IWT in October 2018	Planned report delayed. Case study provided for inclusion in forthcoming UNODC report	At least three briefings / news articles to be produced.
Activity 3.2 - Published report in late 2019 summarising typologies produced under the project	Activity commences in year two	Report summarising typologies to be released by end of project year two
Activity 3.3 - Attendance at annual meetings of regional AML bodies in Asia and Africa	No relevant meetings during reporting period. Initial meeting with ESAAMLG held.	Attendance at two meetings
Activity 3.4 - Meetings and engagement with FATF	Meeting held with ECOFEL.	At least two meetings with FATF staff.
Activity 3.5 - Analysis of initial National Risk Assessment findings	Analysis shows 2 out 3 project countries include IWT in NRAs	Assessment of 5 NRAs, engagement with FTF assessors on Vietnam.

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.

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Impact:</p> <p>Systematic deployment of AML measures in illegal wildlife trade cases erodes the capabilities of trafficking networks leading to a reduction in poaching and enhanced livelihood opportunities in source countries.</p>			
<p>Outcome:</p> <p>Enhanced capabilities and commitment of the public and private sectors to deploy anti-money laundering measures against wildlife trafficking syndicates, effectively curtailing their activities</p>	<p>0.1: By December 2019 a target of 5 FIUs in project countries that have received typologies have conducted follow-up analysis into the individuals and entities identified and disseminated findings to law enforcement agencies, rising to a target of 8 FIUs in total conducting financial analysis and dissemination by mid-2020 (from a baseline of 0).</p> <p>0.2 By December 2019 at least 6 international banks (based on a minimum of 12 engaged in the project) that have received typologies have followed up with remedial actions against the individuals and entities identified, rising to a target of at least 9 banks pursuing remedial actions by mid-2020 (from a baseline of 0).</p> <p>0.3: By mid-2020 enforcement agencies in at least 5 project countries have demonstrably used financial investigations in IWT cases (from a baseline of 1).</p> <p>0.4: By mid-2020 a target of at least 9 international banks (based on a minimum of 12 banks engaged in project) receiving typologies from project partners have used the</p>	<p>0.1: Quarterly project action plans, records of engagement and correspondence with FIUs and law enforcement agencies</p> <p>0.2: Quarterly project action plans, records of engagement and correspondence with banks</p> <p>0.3: Records of engagement and correspondence with FIUs and other government agencies, media monitoring, court records</p> <p>0.4: Records of engagement and correspondence with banks, log of submissions to World-Check, survey of banks in project year 2</p> <p>0.5: Public statements of officials in project countries, monitoring of National Risk Assessment process, reports from meetings of regional AML bodies</p>	<ul style="list-style-type: none"> - FIUs in target countries have the remit and resources to analyse IWT cases and channels to communicate and cooperate with government law enforcement agencies to ensure cases are followed up - Financial investigations lead to legal actions sufficient to hinder the activities of wildlife crime syndicates - Banks regard potential exposure to money laundering linked to wildlife crime as an issue of concern -Disruption of IWT syndicates will alleviate poaching pressure on target species in source countries

	<p>information to refine due diligence and develop red flags for IWT-linked financial flows (from a baseline of 0)</p> <p>0.5 By mid-2020 5 project countries formally recognise wildlife trafficking as an important AML risk and take measures to mitigate it (from a baseline of 0)</p>		
<p>Output 1</p> <p>Greater awareness of illicit financial flows linked to illegal wildlife trade cases through the provision of detailed typologies to national FIUs and other relevant government enforcement agencies in project countries.</p>	<p>1.1: By mid-2020 at least 6 typologies on IWT cases have been produced, derived from a target of 6 field investigations completed, that yield financial intelligence of use to FIUs and other government agencies, with an interim target of at least 3 typologies on IWT cases produced based on 3 field investigations completed by mid-2019 (from a baseline of zero)</p> <p>1.2: By mid-2020 at least one typology provided to 10 FIUs (1 per country) and 20 other relevant government enforcement agencies (2 per country) in project countries, with an interim target of at least one typology provided to 5 FIUs and 10 other government agencies by mid-2019.</p> <p>1.3 Effective relationships established with 10 FIUs by end of 2019, with an interim target of 5 by end of 2018 developed through joint provision of financial intelligence training workshops with RUSI in 2017 and 2018 (from a baseline of 2).</p>	<p>1.1: Quarterly project activity plans, EIA project tracker system, EIA's case inventory database, video and still photographs and reports from field research.</p> <p>1.2: Quarterly project activity plans, EIA project tracker system, internal record of engagement with FIUs and enforcement agencies</p> <p>1.3: Email or other correspondence between EIA and FIUs, internal reports of meetings</p>	<p>- Safety and security situation in project countries sufficient to allow planned activities to take place</p> <p>- Research and investigations yield sufficient relevant information for typologies to be produced</p> <p>- FIUs and other agencies willing to accept information from project partners</p>
<p>Output 2</p> <p>Regular information provision to private sector financial institutions enhances understanding of risks associated with</p>	<p>2.1: By mid-2020 at least 6 typologies on IWT cases have been produced based on a target of 6 field investigations completed that yield financial intelligence of use to banks, with an interim target of at least 3</p>	<p>2.1: Quarterly project activity plans, EIA project tracker system, EIA's case inventory database, Video and still photographs and notes from field research.</p>	<p>- Safety and security situation in project countries sufficient to allow planned activities to take place</p>

<p>illegal wildlife trade and embedded in customer due diligence systems</p>	<p>typologies on IWT cases based on 3 field investigations completed produced by mid-2019 (from a baseline of 0).</p> <p>2.2: Number of banks receiving typologies on IWT cases reaches at least 18 banks by mid-2020 from a baseline of 4 banks receiving typologies from project partners prior to the project commencing.</p> <p>2.3: Effective communication channels established with 18 international and regional banks by mid-2020 from a baseline of 12 prior to project commencing.</p> <p>2.4: Common “red flags” used to identify financial flows and entities connected to IWT are derived from typologies provided and used routinely by at least 12 banks by mid-2020, with an interim target of 6 banks using “red flags” by September 2019 (from a baseline of 0).</p> <p>2.5: Number of wildlife traffickers and associated companies uploaded into customer due diligence databases (such as World-Check) used by banks based on submission by project partners increases to at least 250 a year by mid-2020 (from a baseline of 100 in 2017).</p>	<p>2.2: Record of dissemination via secure server, internal log of interactions with banks, feedback from survey of banks in project year 2</p> <p>2.3: Record of correspondence and meetings with banks, reports from RUSI-led training courses for private sector in 5 of the project countries</p> <p>2.4: Internal log of interactions with banks, feedback from survey of banks in project year 2, meetings with banks</p> <p>2.5: EIA’s spreadsheets of monthly submissions, LA’s records of submissions to databases, monthly feedback from database operators</p>	<ul style="list-style-type: none"> - Research and investigations yield sufficient relevant information for typologies to be produced - Financial institutions are sufficiently concerned by potential exposure to IWT and reputational risk to act on typologies provided by project partners - Project partners are able to expand their network of contacts with banks beyond Asia, especially in Africa - Banks’ customer due diligence procedures are sufficiently robust to avoid offering services to individuals and companies implicated in IWT cases included in databases
<p>Output 3</p> <p>Engagement with international and regional anti-money laundering bodies, including dissemination of reports and briefings, elevates the profile of IWT and ensures it is embedded in National Risk Assessments conducted during the project in relevant countries</p>	<p>3.1: At least one report per year (one by mid-2019 and one by mid-2020) summarising financial flows linked to IWT cases provided to regional AML bodies (APG and ESAAMLG) and FATF (from a baseline of 0 reports produced in the past).</p>	<p>3.1: Quarterly project activity plans, EIA’s internal project tracker, report production schedules, feedback from regional and international AML bodies</p> <p>3.2: Invitations to project partners to attend relevant meeting, internal back to office reports, official meeting reports</p>	<ul style="list-style-type: none"> - FATF and regional AML bodies willing to engage with project partners - National Risk Assessments result in an accurate analysis of threats posed by IWT

	<p>3.2: Sessions on IWT typologies included as a matter of routine in annual meetings of APG and ESAAMLG.</p> <p>3.3: IWT identified as a significant money laundering risk in 3 out of 5 project countries scheduled to undertake National Risk Assessments by mid-2020 (from a baseline of 0).</p>	<p>3.3: Records of interactions with FIUs, public statements by FATF and regional AML bodies, analysis of initial risk assessments</p>	
<p>Activities (each activity is numbered according to the output that it will contribute towards, for example 1.1, 1.2 and 1.3 are contributing to Output 1)</p> <p>1.1 – Desk research into IWT cases including news reports, seizure data, and social media monitoring</p> <p>1.2 – Targeted field investigations into IWT cases, based on research outputs</p> <p>1.3 – Production of typologies (narrative and visual) derived from investigation findings</p> <p>1.4 – Dissemination of typologies to relevant FIUs and other government agencies</p> <p>1.5 – Follow-up meetings with FIUs to discuss typologies</p> <p>2.1 - Desk research into IWT cases including news reports, seizure data, and social media monitoring</p> <p>2.2 - Targeted field investigations into IWT cases, based on research outputs</p> <p>2.3 - Production of typologies (narrative and visual) derived from investigation findings</p> <p>2.4 – Communication of typologies to interested banks via LA’s secure platform</p> <p>2.5 – Follow-up briefings to interested banks through conference call platforms</p> <p>2.6 – Media monitoring of IWT cases, including Chinese language reports</p> <p>2.7 – Monthly submission of information derived from media monitoring to customer due diligence databases</p> <p>3.1 – Published report on opportunities to use AML measures against IWT released to coincide with the London Conference on IWT in October 2018</p> <p>3.2 – Published report in late 2019 summarising typologies produced under the project</p> <p>3.3 – Attendance at annual meetings of regional AML bodies in Asia and Africa</p> <p>3.4 – Meetings and engagement with FATF</p> <p>3.5 – Analysis of initial National Risk Assessment findings</p>			

Annex 3 Standard Measures

n/a

Annex 4 Onwards – supplementary material (optional but encouraged as evidence of project achievement)

List of supplementary material (attachments) with Annex reference number:

- IWT059 A1 (presentation to UNODC WIRE meeting, November 2018)
- IWT059 A2 (presentation to Standard Chartered Bank, September 2018)
- IWT059 A3 (draft case study provided to UNODC for inclusion in forthcoming report)
- IWT059 A4 (Anonymised version of Tanzania ivory trafficking narrative typology sent to FIUs and banks)
- IWT059 A5 (Anonymised diagram to accompany Tanzania typology)
- IWT059 A6 (case study presentation for RUSI Following the Money workshop in Malawi, February 2019)

Checklist for submission

	Check
Is the report less than 10MB? If so, please email to IWT-Fund@ltsi.co.uk putting the project number in the subject line.	x
Is your report more than 10MB? If so, please discuss with IWT-Fund@ltsi.co.uk about the best way to deliver the report, putting the project number in the subject line.	NO
Have you included means of verification? You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	x
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number. However, we would expect that most material will now be electronic.	NO
Have you involved your partners in preparation of the report and named the main contributors	x
Have you completed the Project Expenditure table fully?	x
Do not include claim forms or other communications with this report.	