

## 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: 30<sup>th</sup> April 2020**

### 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 (EIA)
Partner institution(s)	<ul style="list-style-type: none"> <li>Liberty Shared (formerly Liberty Asia)</li> <li>Royal United Services Institute (RUSI)</li> </ul>
IWT grant value	£332,234
Start/end dates of project	1st July 2018 / 30th June 2020 Note: change request to extend project until 31 <sup>st</sup> March 2021 submitted on 7 <sup>th</sup> May 2020
Reporting period (e.g. April 2019-Mar 2020) and number (e.g. Annual Report 1, 2, 3)	1st April 2019 – 31st March 2020 Annual Report 2
Project Leader name	Julian Newman
Project website/blog/social media	N/A
Report author(s) and date	Julian Newman, 8 <sup>th</sup> June 2020

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### 1. Project summary

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 (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 efficient mechanisms for collaboration developed during year one of the project were further strengthened during year two.

Liberty Shared has continued to lead on Activity 2.4 and 2.5 involving use of existing communication channels to disseminate information generated by the project to financial institutions. It also played a wider role in Activity 1.3 / 2.3, for example recognising an important convergence point in one of the typologies produced by EIA with another case study developed by one of their other NGO partners, leading to a joint presentation to banks. Liberty Shared's contribution to the project also expanded into Activity 3.4, where the group's prior experience of working on modern slavery within the Financial Action Task Force process proved very useful.

During year two of the project RUSI's expertise in understanding and engaging with the FATF mechanisms proved invaluable in effectively utilising an unexpected opportunity to place the illegal wildlife trade higher in the organisation's agenda (Activity 3.4). RUSI's convening capabilities were also of great use to the project, for example arranging a meeting of several NGOs to agree a common response on recommended actions by FATF on IWT. Cooperation between EIA and RUSI on a different IWT Challenge Fund project led by the latter group also benefited this project. Following on from participating in training workshops in Malawi, Mozambique and Zambia during project year, EIA was also to develop relationships with enforcement agencies present, for example returning to Malawi twice to provide additional information on an important ivory smuggling case (Activity 1.4 / 1.5).

During year 2 of the project EIA continued to oversee implementation, setting quarterly targets and prioritisation of activities. The Project Leader held calls at least once a month with Liberty Shared's Head of Actionable Research and worked closely with their Typologies Manager in creating narrative reports and graphics subsequently disseminated to banks. Quarterly meetings were with RUSI's Director to discuss the project. A planned meeting of all project staff from the three organisations scheduled for late March had to be postponed due to COVID-19 travel restrictions. In addition, EIA led on a range of project activities, notably those involving research and field investigations (1.1, 1.2), media monitoring in multiple languages (2.6) and engagement with enforcement agencies (1.4).

Regarding progress on engagement with entities which are not formal project partners, in September 2019 EIA formally joined the United for Wildlife Financial Taskforce, established in 2018 to support the role of banks in curbing IWT, and which currently has 38 member banks.

### 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**

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

EIA's Intelligence Analysts in close cooperation with investigative staff produced a wide array of research products, notably situational analyses for key target countries, profiles of Persons of Interest largely derived from Open Source Intelligence (OSINT) involving social media analysis, and detailed network charts using the i2 software (also widely used by government enforcement agencies). Additional research tasks included maintaining EIA's detailed database of ivory, tiger parts and pangolin seizures, providing useful insight into trafficking trends. The intelligence cycle now deployed by EIA spans the preparatory phase prior to field investigations, daily download of information during investigations and detailed post-trip analysis of findings and presentation in the appropriate for dissemination to enforcement agencies and financial institutions. Specific research projects during year two included price trends for pangolin scales and availability of tiger parts for sale online during a three-day period in March 2020.

Two major new field investigations were completed, and a shorter trip focused on tiger trade in the Mekong based on targets identified in the first year of the project. All the trips yielded important new information and insights into wildlife trafficking syndicates

Good progress was also made in producing detailed typologies derived from EIA's research and investigative findings. In total three new typologies were produced during year two, with a further two well underway.

In June EIA and Liberty Shared finalised the narrative report and diagram constituting a new typology on ivory trafficking from Mozambique to China, focused on the activities of smuggling group from southern China. The typology, which was started during year one of this project, was augmented by detailed information gleaned from Chinese court records. Overall the case revealed how the traffickers used underground money changers to send funds to confederates in East Africa to purchase ivory, while use bank account linked to themselves and family members to share the profits from sales of the smuggled ivory tusks within China.

The next typology was finalised in mid-July and focused on the smuggling of pangolin scales from Nigeria to southern China. Once again, the case highlighted the use of the formal banking system by the syndicate once the contraband had arrived in China and was sold.

The project's fourth typology was completed in February 2020 and focused on a Malawian national arrested in the north of Malawi in 2013 after being caught in possession of 2.8 tonnes he had driven across the border from neighbouring Tanzania. Although the case is several years old, the typology was produced to assist law enforcement agencies in Malawi to trace the trafficker's assets, after he absconded from custody in 2018.

By the end of year two, two further typologies had been drafted by EIA and were under review by Liberty Shared. The first one involves the IWT activities of Vietnamese syndicates operating in Mozambique, and the second focuses on different Vietnamese groups linked to a major seizure on ivory tusks and pangolin scales which occurred in Uganda in early 2019. Both typologies will be finished by mid-June 2020.

Further effective channels were built for sharing the typologies and other financial and investigative findings with relevant Financial Intelligence Units and other enforcement agencies.

## **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 the implementation of all activities linked to Output 2 remained on schedule and yielded satisfactory results during year, with a highlight being EIA being invited to join the United for Wildlife Financial Taskforce in September 2019.

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 1 for details on implementation of these activities.

Engagement with banks and other financial institutions such as money transfer services carried out under Activities 2.4 and 2.5 expanded during year two, mainly as a function of the increased amount information products such as typologies being generated by the product.

During year two a total of 12 banks downloaded anonymized versions of the typologies from the secure server run by Liberty Shared, and the same number subsequently requested the full versions. In conjunction with Liberty Shared, EIA delivered a total of seven webinars for banking sector audiences during the reporting period. The format involved Liberty Shared introducing the topic of IWT, followed by EIA explaining the key findings of the typology by using a diagram to illustrate the supply chain and associated money flows. Time was allowed for written questions from participants. In total the Shuidong ivory typology was presented on five occasions, with timings set to allow participation by banks in Asia and different session for North America. One of the presentations was done in conjunction with the American NGO Centre on Illicit Networks and Transnational Organised Crime (CINTOC) which had developed a separate typology on ivory trafficking in Kenya which involved a seizure linked to the Shuidong syndicate profiled in EIA's typology. EIA's pangolin typology was presented via two webinars. For all the webinars EIA presented an anonymised version, with names of suspects and associated companies redacted, which was shared with participating banks via Liberty Shared's secured server. In total 48 participants took part in the typologies webinars from 12 international banks.

Beyond the webinars the project continued to develop effective information provision channels with a range of financial institutions. EIA also actively participated in a full-day meeting of the United for Wildlife Financial Taskforce, which has a membership of 35 banks, held in September. The theme of the meeting was developing common red flags on IWT and the Project Leader contributed examples derived from the typologies, such as common front businesses and commodities. used to conceal IWT activities.

Activities 2.6 and 2.7, involving provision of open source information to databases such as Thomson Reuters World Check, continue to progress well during year two. Names of individuals associated with IWT cases were identified through extensive media monitoring by EIA researchers in several languages including Chinese and Vietnamese. The list of names and sources were provided to Liberty Shared for processing and then disseminated to the database companies. During year two a total of 644 names were submitted of which 561 resulted in new or updated profiles.

## **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**

Implementation of activities linked to Output 3 demonstrably improved during year two compared with the previous year, with successful engagement with the Financial Action Task Force (FATF) under Activity 3.4 a highlight.

Regarding published reports (Activity 3.2) EIA contributed a detailed case study derived from the project's Tanzania ivory trafficking typology for a case synthesis being compiled by the United Nations Office on Drugs and Crime (UNODC). EIA submitted the final version of the case study in September 2019, with the final report due for release in mid-2020. In February EIA commenced work on a report and short film conveying the main findings from the typologies produced the project. A draft version of the film and an outline for the report were finished in late March. The final versions will be launched in June 2020 to coincide with a FATF event. In addition, EIA and project partner RUSI produced several communications outputs

including a press release on 21<sup>st</sup> October entitled “International task force agrees to target money laundering in illegal wildlife trade”, and a comment piece on 28<sup>th</sup> August 2019 entitled “Money Laundering and the illegal Wildlife Trade – Financial Action at Last?”

During year two attendance at annual meetings of the FATF-Style Regional bodies covering regions of Africa and Asia (Activity 3.3) did not take place as envisaged, leading EIA to develop channels with the Secretariats instead as a means of pressing for action on IWT. In March 2019 the Project Leader had a productive meeting with two senior staff at the East and Southern African AML Group (ESAAMLG) office in Dar es Salaam. Discussions with the organisation’s Senior Legal Expert and Law Enforcement Expert covered challenges in conducting financial investigations, especially in terms of international cooperation, and regional trends in IWT. Following the meeting EIA provided the four project typologies to ESAAMLG.

Excellent progress has been made on engagement with FATF (Activity 3.4). Due to preparatory work conducted in the first year, the project partners were well-placed to capitalise on the opportunity afforded by the announcement by the in-coming Chinese presidency of FATF of its wish to make action on IWT a priority during its year-long term.

Due to its excellent contacts at FATF and expert knowledge of the organisation’s procedures RUSI led during the initial phase. In July it convened a meeting of several NGOs, including EIA, to discuss potential actions by FATF on IWT. The resulting document was sent to the FATF secretariat in August and also formed the basis of a comment piece published on RUSI’s website. In addition, RUSI attended an initial meeting on FATF’s potential role in curbing IWT held in London in September. The meeting was attended by the FATF Executive Secretary, and representatives from China, UK and Botswana (with the latter two countries working to support the Chinese presidency on IWT).

In November both EIA and Liberty Shared were selected by FATF as two of the five NGOs invited to submit experiences and recommendations on illicit financial flows connected to IWT in the form of a questionnaire. EIA’s response drew heavily on information generated during the project and following submission the FATF secretariat requested copies of the Tanzania and Shuidong ivory trafficking typologies. Consequently, EIA was one of only two NGOs invited to present at a side-event on IWT held in Paris during the FATF plenary in February. EIA spoke about the project’s work in raising awareness of IWT amongst the financial sector and used an ivory trafficking case study to highlight some of the main types of financial flows. Information provided to the FATF secretariat by the project partners will feed into a report on IWT, focusing on case studies and best practice which is due to be considered at the FATF plenary in June.

Under Activity 3.5 EIA and RUSI have continued to monitor the development of National Risk Assessments in relevant project countries, while recognising that due to the FATF mutual evaluation schedule no all project countries will produce an NRA during the project’s duration and that the documents are not always published.

In July 2019 the project leader travelled to Laos PDR and Vietnam and discussed the status of NRAs with FIUs in both countries. At that time Vietnam was finalising its report but indicated that while environmental crime in general would be rated as a medium, there would not be a specific mention of IWT. As previously mentioned EIA then took steps to ensure a briefing on IWT in the country was delivered to assessors for use during their site visit in late 2019. In Lao PDR the FIU informed EIA that based on an assessment of court cases in the country IWT was likely to be ranked as a low risk. To counter this EIA will deliver a briefing on IWT in the country to assessors from APG by the end of June, in time for the planned onsite evaluation in November. EIA was able to obtain a copy of Malawi’s NRA which recognised a significant risk of IWT in its territory and undertook to conduct more financial investigations and asset seizures in IWT cases, with the country’s FIU committing to step up its efforts.

### **3.2 Progress towards project Outputs**

NOTE: at the time of submission a change request had been submitted to extend the project from its current end date of 30 June 2020 until 31 March 2021, due to the impact of COVID-19

on some project activities. As this request has yet to be approved both potential end dates have been taken into consideration is assessing the likelihood of whether the project Outputs will be achieved.

### **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)**

At the end of year two the project is on track to achieve the main goal of producing 6 typologies on IWT by mid-2020. During the reporting project the typology on ivory trafficking to China which commenced during year one was finalised and distributed. Two new typologies were completed on cases involving smuggling of pangolin scales from West Africa to China, and ivory trafficking via Malawi. Combined with the Tanzania ivory typology completed in year one the project team had produced four typologies by the end of March 2020. In addition, work began in late 2019 on two new typologies; wildlife trafficking from Mozambique via Malaysia to Vietnam, and a Vietnamese-led wildlife crime syndicate operating in Uganda and West Africa. First drafts of both of these typologies were completed by the end of year two and are expected to be completed by end of June 2020.

In terms of the second goal relating to Output 1.1, completion of 6 field investigations, this has been almost achieved by the end of year two, with 5 field investigations completed since the project. Three further investigations planned before the end of the project had to be postponed due to travel restrictions linked to the COVID-19 pandemic. These are unlikely to be completed by the end of June 2020.

The Output indicators supporting the progress outlined above are largely derived from EIA's robust internal information system, including intelligence submission forms, travel authorisation procedures, internal reports, and meeting transcripts. Copies of the three typologies created in year two are attached to the report as an annexe.

**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.**

Overall the project made good progress towards attaining the two goals connected to Output 1.2 by the end of year two but is unlikely to fully achieve either by mid-2020 due to difficulties in engaging with remaining FIUs and enforcement agencies remotely due to travel restrictions. Yet the range of information provided by the project has been broader than just typologies, including actionable intelligence derived from investigations and provided rapidly in the form of concise intelligence alerts. By the end of year two the project had provided typologies to FIUs in 6 out of the 10 project countries. In addition, typologies and alerts had been provided to 14 other government agencies.

The Output indicators used to measure achievement of Output 1.2 use combination of internal EIA processes, including Back to Office Reports, email exchanges and an internal intelligence dissemination tracker.

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).**

By the end of year 2 the project had forged good working relations with 6 out of the 10 FIUs in the project countries (Malawi, Lao PDR, Vietnam, Mozambique, Tanzania and Kenya). It is unlikely that the goal of 10 FIUs will be met by the planned end of the project in mid-2020. Greater progress towards achieving this goal was disrupted by travel restrictions in the first three months of 2020, with a planned trip to meet FIUs in China, Singapore and Malaysia being cancelled. During year 2 of the project meetings were held in-country with FIUs from Lao PDR, Vietnam and Malawi and showed the importance of these kind of meetings to build relations, as

attempts to build a rapport remotely through email or phone calls proved challenging. For the remainder of the project efforts will focus on engagement with China, Singapore and Malaysia, and if successful will mean that Output 1.3 will have almost been achieved.

The means of verification are derived from EIA's internal information management processes and reporting protocols and 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.**

With the increased number of IWT typologies produced under the project EIA / Liberty Shared were able to increase the number of webinars held for banks to seven during year two. This led to a concurrent increase in the number of banks being provided with either the anonymised versions or full versions, which reached a total of 12 banks, and in addition EIA provided typologies directly to a further 8 banks, giving an overall total of 20 banks, exceeding the project target of 18.

The means of verification for measuring progress on the measurable indicator 2.2 are largely derived from Liberty Shared's system of analytics for its webinar and secure server usage and remain valid. In addition, EIA maintains a written log of meetings with banks and information provided.

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

During year two the project built direct communication channels with two further banks, bringing the total for the project to 19 and exceeding the goal of 18. Through its membership of the United for Wildlife Financial Taskforce initial introductions have been made with seven regional banks, and it is envisaged that further communication will occur with them and other taskforce members by the end of the project.

The means of verification are derived from EIA's internal records of correspondence and meetings with banks and remain valid.

**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).**

By the end of year two a total of 20 specific "red flags" had been highlighted in the four typologies produced by the project. These flags provide insights into the characteristics of IWT which aid banks to spot suspicious transactions, and covered type of currency and money transfer systems used, type of front companies' methods of concealment and routing. In addition, EIA participated in a meeting of the United for Wildlife Financial Taskforce in September 2019 at which red flags derived from the project typologies were explained. In total the red flags have been provided to over 30 banks. However the aspect of "used routinely" has been problematic to measure accurately, partly because the survey of banks planned to take place in year 2 did not occur.

**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).**

During year two the goal of 250 submissions year was more than doubled, with a total of 644 names being submitted to due diligence databases, of which 561 resulted in new or updated

profiles. The means of verification, monthly reports from the database operators disseminated via Liberty Shared, remains effective.

### **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).**

Although the interim goal of one report by mid-2019 was missed, the overall target of two reports by mid-2020 will be exceeded. During year two EIA contributed a case study on illicit financial flows linked to ivory trafficking for a forthcoming case digest being produced by the UN Office on Drugs and Crime (UNODC). EIA provided copies of two anonymised typologies to the FATF Secretariat which will feature in FATF's first report on IWT, due to be released during the organisation's plenary session in late June 2020. In addition, since February 2020 EIA has been working on a report and short film summarising the main illicit financial flows identified under the project which will be released in late June 2020.

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

This indicator has largely been superseded by the decision by the Chinese presidency of FATF to prioritise IWT, making progress at the international level rather than the regional level possible. Due to preparatory work during year one of the project EIA and project partners were well placed to make effective use of the opportunity. Both EIA and Liberty Shared provided information to the FATF Secretariat which will feature in a forthcoming official report on IWT. In addition, the project leader was invited to speak at side-meeting on IWT held during the FATF plenary in February 2020. At the regional level EIA held a productive meeting with senior officials from ESAAMLG and provided a briefing on IWT in Vietnam to the APG secretariat. The means of verification are based on meeting invitations and reports are remain valid.

#### **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).**

During the second year of the project it was confirmed that Malawi identified IWT as a money laundering risk. During a meeting with Vietnam's FIU EIA was informed that the general category of environmental crime (including IWT) was regarded as a mid to high risk. It is likely that the goal of three countries will be met by mid-2020 or shortly afterwards. In terms of means of verification records of meetings with FIUs remains valid, but analysis of risk assessments proved problematic due to the report not always being made publicly available.

### **3.3 Progress towards the project Outcome**

**Outcome: "Enhanced capabilities and commitment of the public and private sectors to deploy anti-money laundering measures against wildlife trafficking syndicates, effectively curtailing their activities."**

Overall good progress has been maintained made toward achieving the desired project Outcome during year 2. It is however unlikely that the Outcome in terms of public sector commitment will be fully achieved in all the project countries, due to different levels of engagement. This partly due to travel restrictions due to COVID-19 since January 2020 impacting engagement opportunities. However, good progress has been made in some key countries, notably China and Malawi. It is hoped that the project's successful engagement with the FATF process will provide added impetus to use financial investigations and AML laws in the remaining project countries. Notable progress has been made with the private sector through increased provision of information by the project during year 2, including via membership of the United for Wildlife Financial Taskforce, with EIA using that forum to engage with a wider range of banks.

A detailed assessment of progress by reference to each of the Outcome indicators 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).**

By the end of year 2 the project had provided typologies and additional intelligence on IWT to FIUs and enforcement agencies in six project countries. EIA is aware of subsequent analysis in four of these countries. As mentioned in the year one report, it is not always possible to receive feedback from government agencies on actions taken in response to information provided by EIA.

**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).**

While 20 banks received anonymized versions of typologies produced by the project during year two, due to commercial confidentiality issues banks are unable to provide feedback on specific actions taken in response to the information. Yet the fact that 12 banks subsequently requested full versions of the typologies containing names of suspects is good indicator that at a minimum the banks will have run the nominal data through their compliance systems.

**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).**

By the end of year two progress on this indicator was behind schedule with financial investigations being deployed in only three countries to EIA's knowledge.

**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 overall target of 9 banks had been exceeded by the end of year two due to the increased number of typologies produced by the project yielding 20 specific red flags which were shared with 20 banks. The indicator of 12 banks subsequently requesting full versions of the typologies indicates a high level of interest in the subject matter.

**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)**

By the end of year two only two of the project countries considered IWT a mid-high risk as part of the National Risk Assessment procedure. This number is likely to rise to four by mid-2020, dependent on the FATF country evaluation process remaining on schedule.

### **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**

Overall FIU's in project countries have a clear mandate to investigate IWT cases, and in some countries, it has been strengthened during the project, such as Malawi where the FIU now has investigative powers. However, IWT is still not recognised as a priority in all project countries such as Lao PDR.

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

While financial investigations are still rarely leading to anti-money laundering charges against suspects, the number of incidences where asset forfeiture is occurring in IWT cases is increasing, with examples from Tanzania and Malawi where land owned by suspects has been seized.

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

This assumption holds true, as shown by the growing number of banks joining the United for Wildlife Taskforce, and the increased number of banks requesting full versions of typologies from EIA.

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

The assumption remains valid, as exemplified by evidence from Tanzania where effective enforcement action against ivory trafficking syndicates has led to a decline in poaching in areas such as the Selous

### **Output Assumptions:**

#### **- Output 1:**

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

This assumption remained correct until January 2020 when the COVID-19 virus began spreading in project countries. Since then travel to project countries in Asia has not been possible, and since mid-March to Africa.

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

This assumption is still valid, as shown by the production of three new finished typologies and two new draft typologies during year two of the project.

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

The fact that FIUs and other enforcement agencies in five project countries from EIA in year two demonstrates that this assumption holds 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**

The assumption remains true, with new contacts opening up as a result of EIA's membership of the UFW Financial Taskforce, although progress in building contacts with regional banks has been slower than originally anticipated.

### **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**

Successful engagement with FATF and a first meeting with ESAAMLG demonstrates the validity of this assumption.

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

This assumption did not hold true during year two with two project countries failing to accurately assess IWT threats. However, the subsequent Mutual Evaluation Report procedure is likely to prompt corrective actions. With hindsight it would have been better to state "National Risk Assessment and mutual evaluations..." in this assumption.

## **3.5 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.

EIA's experience of investigating the illegal wildlife trade and engagement with individuals involved in wildlife crime demonstrates that effective enforcement action, ranging from seizures to prosecutions can severely disrupt the operational capabilities of syndicates. For example, information provided by EIA to Chinese authorities in 2018 led to a series of arrests of members of a wildlife trafficking network based in southern China active in Tanzania and Mozambique. Since the dismantling of the network elephant poaching in both southern Tanzania and northern Mozambique has fallen.

During year two the project has provided information and intelligence, including financial details, to FIUs and enforcement agencies in five project countries, which has the potential to prompt further enforcement action against IWT syndicates and so alleviate poaching pressure on the target species.

In terms of poverty alleviation 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. Increased use of laws to seize assets from wildlife criminals, as is happening in Tanzania and Malawi, can contribute to state funds.

## **4. 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).

During year two the project achievements in this area have been provision of financial and other intelligence to enforcement agencies and FIUs in five project countries (China, Vietnam, Malaysia, Malawi and Mozambique) and provided inputs into a forthcoming report by the FATF Secretariat on IWT which will encourage countries to increase the use of financial investigations and anti-money laundering laws against wildlife crime.

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)

During project year two meetings were held with FIUs in three project countries (Vietnam, Lao PDR and Malawi) in a bid to increase awareness of IWT trends and patterns, especially in terms of financial flows. In Malawi EIA was given the opportunity to present on a major ivory trafficking case to the country's Inter-Agency Committee on Combating Wildlife Crime (IACCWC), which includes the FIU, police, prosecutors and judiciary, which prompted the formation of a task team to examine the case and identify the suspects assets.

## **5. 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. The project has an indirect impact on elephants, tigers, pangolins and rhinos through the provision of intelligence, including financial information, to enforcement agencies to assist in disrupting networks engaged in trafficking these species. In addition, the project has also raised awareness of IWT amongst banks through the provision of three typologies during year two, contributing to an increase capability to detect suspicious transactions linked to IWT.

## **6. 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 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. For example, during year two the verdict in a major ivory trafficking case included seizure of connected assets, while in Malawi the FIU began the process of seizing a farm where illegal trade in pangolins occurred. Effective action against IWT syndicates also promotes rule of law and reduce the corruption which is 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.

## **7. 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 six are male and six are female, representing a fair gender balance

## **8. Monitoring and evaluation**

Overall the monitoring and evaluation plan as set out in the original project plan has functioned satisfactorily during the reporting period. The main change to the M & E plan during year two has been the cancellation of a planned meeting of all project staff to review progress scheduled to take place in London during March but cancelled due to the COVID-19 pandemic meaning that Liberty Shared staff could not travel to the UK.

Responsibility for M & E work is shared by EIA and Liberty Shared. EIA uses software packages such as i2 (commonly used by law enforcement agencies) to capture and display

intelligence from investigations and research. It also operates a dissemination tracker recording information subsequently shared with law enforcement agencies. A Back to Office Report system is used to record details of all meetings relevant to the project. Liberty Shared operates a monthly monitoring system to record details of all names provided to Know Your Customer databases under the project, and how many resulted in new or updated profiles. The organisation also uses analytics to record participation rates in webinars.

During the second year of the project the Activities and Outputs remained broadly in alignment with progression towards achieving the Outcome. This was especially true for Outputs 1 and 2 and associated Activities which are largely related to collection, analysis and dissemination of information which are measured numerically. The indicators clearly show that the project is largely on target in terms of the number of typologies produced (1.1, 2.1), and the number of banks and government agencies receiving information under the project (1.2, 2.2). During year two significant progress was made towards Output 2, which was behind schedule during year one, yet this was only partially reflected by the relevant indicators which focus on number of reports provided (3.1) rather the quality of the engagement which saw EIA being one on only two NGOs invited to both provide information to FATF and speak on IWT at a side event during the organisations plenary.

The main weakness identified in the M & E framework in terms of linking Outputs to the Outcome relates to indicators based on follow-up actions by government agencies and banks (Outcome indicators 0.1, 0.2, 0.3). This is mainly due to difficulties in obtaining feedback from recipients on the use made of the information provided, either due to operational procedures or commercial confidentiality. Instead the project only has incomplete qualitative feedback from some of the recipients on the usefulness of the information. A proxy indicator has been used in this report for the indicator 0.2, with the number of banks requesting full versions of the typologies after receiving the anonymised versions (100 per cent) a good indicator that the information would be used.

## **9. Lessons learnt**

During year two engagement with FATF was a highlight, as progress on this was very slow during year one. While the project partners were not involved in the decision of the Chinese presidency which commenced in June 2019, work carried out in year one left them well placed to make the most of the opportunity, for example providing well-regarded cases studies to the FATF Secretariat.

Conversely effective engagement with all FIUs in project countries remains an elusive target. It proved challenging to secure meetings with some of the target FIUs, and well-placed intermediaries assisted in securing meetings with the Lao PDR and Vietnam FIUs. This appears to be a problem not unique to this project, with even government officials and donors reporting similar barriers in some countries. This could be partly due to the sensitive nature of work conducted by FIUs and an unfamiliarity in dealing with NGO.

It also proved difficult to penetrate the FATF National Risk Assessment and Mutual Evaluation processes, with access to reports not always possible and a lengthy multi-year schedule of country evaluations which meant that only few of the project country's NRAs fell within the two-year project period.

The major lesson learned would be to focus on fewer project countries, ideally six, to allow stronger relations to be built with key stakeholders such as FIUs. Other recommendations include use of intermediaries to initiate contact with FIUs and building relations with assessors from regional FATF-style bodies engaged in the mutual evaluation process to feed information on IWT into National Risk Assessments.

## **10. Actions taken in response to previous reviews (if applicable)**

Findings from the review of the first Annual Report were conveyed to project partners in document "IWTAR1R". Overall the partners found the comments and advice very useful in shaping the project for the remainder of its duration. A description of actions taken in response is as follows:

- Comment 1 (relations with host country institutions); covered in more detail in this annual report.
- Comment 3 (information flows); all forms of financial information provided to banks and agencies, not just typologies, now included in reporting on relevant measurable indicators.
- Comment 6 (proxy indicators for use of information by banks); number of banks requesting full typologies has been used as an indicator in this report.

## **11. Other comments on progress not covered elsewhere**

No additional comments.

## **12. Sustainability and legacy**

With a clear focus on increasing the information base and awareness of illicit financial flows linked to IWT in 10 countries the project does not aim to attain a high profile in all project countries. Yet during year two the work of the project became better known in some key project countries, such as Malawi, Vietnam and Lao PDR, through meetings with government agencies, and within the wider anti-money laundering community through effective engagement with the international FATF and regional ESAAMLG.

Evidence of increased interest in the project is demonstrated by the increased number of banks and government agencies accepting typologies and other relevant information from the project partners during year two. Project partners also made an effective contribution to the development of the first ever report on IWT by FATF, which will serve to significantly raise the profile of IWT among the global anti-money laundering community. In addition EIA being invited to join the UFW Financial Taskforce in September 2019 has provided a useful platform to share knowledge developed during the project, such as IWT red flags with over 30 financial institutions.

The projects original exit strategy remains valid. The four typologies developed under the project have helped fill a major information gap, and the welcome focus of FATF on IWT during year two will help ensure FIUs and banks maintain interest in IWT beyond the projects life time. An important legacy of the project will be the recognition amongst both banks and relevant government agencies (especially FIUs) that NGOs such as the project partners have an important contribution to make in terms of information provision and that effective collaboration is possible.

## **13. IWT Challenge Fund identity**

Due to the fact that virtually all information produced under the project is for a restricted target audience, and that some of this information is confidential, opportunities to publicly mention the IWT Challenge Fund have been constrained. A forthcoming report and short film, due for release in late June, will recognise the IWT Challenge Fund's contribution as a distinct project. In addition, EIA arranged to meet UK Embassies and High Commissions in Lao PDR, Malawi and Tanzania during year two to brief staff on the project and its project in the respective countries.

## **14. Safeguarding**

EIA currently has five policies and procedures in place linked to safeguarding; 'EIA Safeguarding Procedure'; 'EIA UK Safeguarding Adults and Children and Young People Policy Statement'; 'Code of Conduct 2018'; 'Anti-Bribery and Corruption Policy'; and 'Whistleblowing Policy'. Oversight and implementation of these processes and principles is the responsibility of EIA's Head of Operations, who reports directly to the Executive Director. The policies and procedures are regularly reviewed by EIA's Senior Management Team and are made available

to all staff via the organisation's intranet. If a staff member is found in breach of the code of conduct, then EIA disciplinary procedures are initiated.

For this project EIA does have any "downstream" partners. No safeguarding concerns have arisen in connection with this project during the reporting period.

## 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 2019-March 2020)**

Project spend (indicative) since last annual report	2019/20 Grant (£)	2019/20 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)				
Others (see below)	██████	██████	██	
<b>TOTAL</b>			██	

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

N/A

## Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2019-2020

Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
<p><b>Impact</b></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 have been government agencies and private sector banks impacts on poverty and livelihoods are indirect. These include increased capabilities of government agencies, especially FIUs, to trace illicit financial flows which exacerbate poverty and to seize assets derived from IWT.</p> <p>In terms of impacts on IWT, by providing detailed information on linked financial flows and specifics on individuals and companies involved to a range of enforcement agencies the project assists in the disruption of trafficking syndicates which can reduce poaching pressure. Such intelligence-led enforcement has been shown to be effective in Tanzania and Mozambique, both project countries, where elephant poaching has greatly reduced due to actions against trafficking syndicates. Similarly, in China, another project country, robust action prompted by intelligence has led to a host of IWT-linked seizures and information sharing with transit countries in the region.</p>	
<p><b>Outcome</b></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</p>	<p>(Report against the indicators on progress towards achieving the project Outcome)</p>	<p>(Highlight key actions planned for next period)</p>



Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
	<p>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 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><b>Output 1</b></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</p>	<p>1.1: 3 new typologies produced during year 2, bringing the project total to 4. With 2 further typologies already drafted, the goal of 6 typologies by mid-2020 will be met.</p>	

Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
	<p>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>1.2: By the end of year 2 typologies had been provided to FIUs in 6 project countries and a total of 14 other government agencies. While this is a substantial increase compared with year 1, the project is likely to fall just short of the mid-2020 targets.</p> <p>1.3: Project is behind schedule on this indicator with relations only built with 6 FIUs rather than the projected 10.</p>	
Activity 1.1 - Desk research into IWT cases including news reports, seizure data, and social media monitoring		Continuous research outputs ranging from seizure databases to complex network mapping of IWT syndicates	Situational analysis of pangolin trafficking routes and methods; detailed briefing on a specific Vietnamese-led syndicate; updated map of tiger crime hotspots in SE Asia
Activity 1.2 - Targeted field investigations into IWT cases, based on research outputs.		3 field investigations completed; ivory / pangolin trafficking in Uganda and Nigeria, tiger trafficking in Thailand.	Follow-up investigations in Uganda and Thailand, ivory investigation in Gabon / Cameroon.
1.3 – Production of typologies (narrative and visual) derived from investigation findings		3 new typologies finished (ivory trafficking to China, pangolin smuggling from Nigeria, ivory trade in Malawi). 2 further typologies under development.	Finalise the 2 draft typologies in ivory and pangolin trafficking in Uganda, and IWT in Mozambique.
1.4 – Dissemination of typologies to relevant FIUs and other government agencies		Typologies provided to multiple government agencies in 5 project countries.	Provision of new typologies to government agencies in at least 5 project countries.
1.5 – Follow-up meetings with FIUs to discuss typologies		Meetings held with FIUs from 3 project countries, and with other enforcement agencies in 3 countries.	Hold meetings with FIUs in China, Malaysia and Kenya.

Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
<p><b>Output 2.</b> Regular information provision to private sector financial institutions enhances understanding of risks associated with illegal wildlife trade and embedded in customer due diligence systems</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 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>2.1: See comments under 1.1 above.</p> <p>2.2: The mid-2020 target of banks has been exceeded, with the project providing typologies to 20 banks by the end of year 2.</p> <p>2.3: Channels for providing typologies and other information forged with 19 banks by end of year 2, exceeding the target of 18 by mid-2020.</p> <p>2.4: 20 specific “red flags” developed from project typologies provided to 30 banks, including via membership on the United for Wildlife Financial Taskforce from September 2020.</p> <p>2.5: With the project providing information leading to the creation or updating of 561 wildlife crime profiles during year 2 the goal of 250 a year has been surpassed.</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

Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
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		New typologies provided to 15 banks	Provision of 2 new typologies to at least 10 banks, project typologies sent to regional banks in Africa and China
Activity 2.5 - Follow-up briefings to interested banks through conference call platforms		7 webinars completed during which typologies were presented to 48 participants from 12 banks	4 webinars presenting new typologies, and 2 special webinars summarising findings from all project webinars.
Activity 2.6 - Media monitoring of IWT cases, including Chinese language reports		Continuous monitoring of open source data for IWT cases throughout year two	Continuous media monitoring with a new focus on Vietnamese language sources
Activity 2.7 - Monthly submission of information derived from media monitoring to customer due diligence databases		644 names submitted, 561 new / amended profiles	Continued monthly submission of information
<p><b>Output 3.</b></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>3.2: 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>3.1: Preparatory work has been completed on a report and film due for release in June 2020, meaning that the project will not have achieved the goal of two reports. Yet project partners submitted detailed information to the FATF Secretariat in late 2019 which will feature in forthcoming FATF study.</p> <p>3.2: This goal has not been attained, but the regional focus was overshadowed by the decision of the global FATF Presidency to prioritise IWT from June 2019 for a year.</p> <p>3.3: By the end of year two 2 out of 3 project countries had recognised as risk in their NRAs. It is likely that the goal of 3 will be met by mid-2020.</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		Case study provided for forthcoming UNODC IWT case digest.	



Project summary	Measurable Indicators	Progress and Achievements April 2019 - March 2020	Actions required/planned for next period
Activity 3.2 - Published report in late 2019 summarising typologies produced under the project		Work on a report and short film commenced	Published report and short film summarising project typologies to be released late June
Activity 3.3 - Attendance at annual meetings of regional AML bodies in Asia and Africa		Held meeting with senior ESAAMLG staff.	Remote engagement with ESAAMLG and APG on IWT cases
Activity 3.4 - Meetings and engagement with FATF		Presented at side meeting on IWT held during FATF plenary, submitted information form case studies developed under the project	Provide input for FATF report on IWT
Activity 3.5 - Analysis of initial National Risk Assessment findings		3 countries NRA's assessed, 2 of which recognised IWT as a risk	Monitor development of NRAs in 2 more project countries

## 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](mailto:IWT-Fund@ltsi.co.uk) if you have any questions regarding this.*

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<b>Impact:</b>			
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.			
<b>Outcome:</b> Enhanced capabilities and commitment of the public and private sectors to deploy anti-money laundering measures against wildlife trafficking syndicates, effectively curtailing their activities	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).  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).	0.1: Quarterly project action plans, records of engagement and correspondence with FIUs and law enforcement agencies  0.2: Quarterly project action plans, records of engagement and correspondence with banks  0.3: Records of engagement and correspondence with FIUs and other government agencies, media monitoring, court records  0.4: Records of engagement and correspondence with banks, log of submissions to World-Check, survey of banks in project year 2  0.5: Public statements of officials in project countries, monitoring of National	- 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>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>Risk Assessment process, reports from meetings of regional AML bodies</p>	
<p><b>Output 1</b></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</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>developed through joint provision of financial intelligence training workshops with RUSI in 2017 and 2018 (from a baseline of 2).</p>		
<p><b>Output 2</b></p> <p>Regular information provision to private sector financial institutions enhances understanding of risks associated with illegal wildlife trade and embedded in customer due diligence systems</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 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>2.1: Quarterly project activity plans, EIA project tracker system, EIA’s case inventory database, Video and still photographs and notes from field research.</p> <p>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>	<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>- Financial institutions are sufficiently concerned by potential exposure to IWT and reputational risk to act on typologies provided by project partners</p> <p>- Project partners are able to expand their network of contacts with banks beyond Asia, especially in Africa</p> <p>- Banks’ customer due diligence procedures are sufficiently robust to avoid offering services to individuals and companies implicated in IWT cases included in databases</p>



<p><b>Output 3</b></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>3.2: 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>3.1: 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> <p>3.3: Records of interactions with FIUs, public statements by FATF and regional AML bodies, analysis of initial risk assessments</p>	<p>- FATF and regional AML bodies willing to engage with project partners</p> <p>- National Risk Assessments result in an accurate analysis of threats posed by IWT</p>
<p><b>Activities</b> (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\_AR2\_1: Mozambique ivory typology (anonymised narrative)
- IWT059\_AR2\_2: Mozambique ivory typology (anonymised diagram)
- IWT059\_AR2\_3: China pangolin typology (anonymised narrative)
- IWT059\_AR2\_4: China pangolin typology (anonymised diagram)
- IWT059\_AR2\_5: Project Leader's presentation to FATF side event on IWT, Pairs, 17<sup>th</sup> February 2020
- IWT059\_AR2\_6: EIA press release on FATF and IWT

## Checklist for submission

	Check
<b>Is the report less than 10MB?</b> If so, please email to <a href="mailto:IWT-Fund@ltsi.co.uk">IWT-Fund@ltsi.co.uk</a> putting the project number in the subject line.	YES
<b>Is your report more than 10MB?</b> If so, please discuss with <a href="mailto:IWT-Fund@ltsi.co.uk">IWT-Fund@ltsi.co.uk</a> about the best way to deliver the report, putting the project number in the subject line.	NO
<b>Have you included means of verification?</b> You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	YES
<b>Do you have hard copies of material you want to submit with the report?</b> 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	YES
Have you completed the Project Expenditure table fully?	YES
Do not include claim forms or other communications with this report.	