



Illegal Wildlife Trade (IWT) Challenge Fund Half Year Report

(due 31st October 2019)

Project reference:	IWT 059
Project title:	Deploying Anti Money Laundering Typologies to Curb Illegal Wildlife Trade
Country(ies):	China, Vietnam, Singapore (covered by co funding), Lao PDR, Malawi, Kenya, Mozambique, Malaysia, Tanzania, Zambia
Lead organisation:	Environmental Investigation Agency (UK)
Collaborator(s):	Liberty Shared (formerly Liberty Asia) and Royal United Services Institute (RUSI)
Project leader:	Julian Newman
Report date and number (e.g. HYR1):	31 st October 2019, (HYR2)
Project website/blog/social media:	Organisational website: eia-international.org

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

During the reporting period (1st April to 30th September 2019) satisfactory progress has been made in implementing the majority of activities on schedule according to the project timetable. Details of specific activities relating to the project's three outputs are set out below:

- Output 1:

Activity 1.1 is continuous with EIA's intelligence team routinely updating internal databases on seizures of elephant ivory, pangolins and tiger parts, as well as processing media reports in multiple languages. The information allows EIA to monitor shifts in trafficking routes and methods, such as the increased frequency of ivory and pangolin scales smuggled in the same container. In addition, EIA's investigators regularly monitor social media of persons of interest.

In terms of Activity 1.2, three field investigations were completed; a joint ivory and pangolin investigation in Uganda in June, an investigation into tiger trafficking in Thailand during July, and a major field investigation in Nigeria during September focusing on ivory and pangolin trafficking. Although both Nigeria and Uganda are not included in the list of project countries, EIA focused on the smuggling activities of nationals from two project countries – Vietnam and China – including financial flows.

Under Activity 1.3, EIA and partner Liberty Shared produced two new comprehensive typologies on ivory trafficking to China and pangolin trafficking to China. Both typologies included a narrative report, a network diagram of the supply chain, and a database of sources. The project achieved its interim target of producing three typologies by mid-2019.

For Activity 1.4, EIA provided the China ivory typology to the Hong Kong Financial Intelligence Unit (FIU) and an intelligence briefing to the Vietnamese FIU. In addition, the China ivory typology was provided to the FIUs of the 25 countries in the Caribbean Financial Action Task Force.

Under Activity 1.5, face-to-face meetings were held with officials from the FIUs in Vietnam and Laos. During the meeting the inclusion of IWT in National Risk Assessments was discussed, as well as relevant wildlife seizure cases in the countries. In addition, initial information on money flows associated with an ivory trafficking case in Malawi was provided to the country's FIU.

- Output 2:

For implementation of Activities 2.1, 2.2, and 2.3 see the report on 1.1, 1.2 and 1.3 above as the activities are the same.

In terms of Activity 2.4, four presentations on IWT typologies were made to banks via online webinars during the reporting period. On 24th July EIA and Liberty Shared presented the ivory trafficking typology to banks in North America, and on 7th August to banks in East Asia. On 18th September two webinars were held on the pangolin typology to banks in the same regions.

Under Activity 2.5, EIA's Project Leader participated in a meeting on identifying common "red flags" held under the aegis of the United for Wildlife Financial Taskforce, held in London on 17th September. The meeting provided a useful opportunity to engage with a series of financial institutions and EIA contributed to discussions on red flags for ivory and rhino horn trafficking from Africa to Asia. EIA subsequently sent the China ivory typology to three major banks which attended the meeting.

Activity 2.6 occurred continuously during the reporting period. Of special note was the translation of lengthy Chinese court documents into English, with the information subsequently featuring in both the ivory and pangolin trafficking typologies.

Activity 2.7 also took place throughout the reporting period. During the quarter running from April to June EIA made 128 submissions to the World-Check system via Liberty Shared, of which 127 were accepted as new profiles or providing additional information on existing profiles.

- Output 3:

As previously reported, the planned report under Activity 3.1 could not be produced in time for the London Conference in October 2018. Instead in July EIA produced a detailed case study on financial flows linked to ivory trafficking in Tanzania for inclusion in a forthcoming case digest being produced by the United Nations Office on Drugs and Crime. Preparation is underway for the typologies report planned for release by the end of 2019 under Activity 3.2.

For Activity 3.3, it is not proven possible to arrange meetings with the regional AML bodies as planned. Remote engagement has taken place with the Asia Pacific Group which led to EIA producing a background briefing on IWT in Vietnam to assist with the assessment procedure of the country's National Risk Assessment.

Under Activity 3.4, the project partners were able to respond quickly to the unexpected but welcome news in July that the incoming Chinese presidency of the Financial Action Task Force (FATF) planned to make IWT a priority issue for the year ahead. Project partner Royal United Services Institute (RUSI) convened a meeting of NGOs, including EIA, to discuss what tangible actions could be sought from FATF. This resulted in a short briefing document which was sent by RUSI to the FATF Executive Secretary in late July, with RUSI also posting an article on the subject on its website in August. A RUSI representative also attended a meeting held in London on 12th September on Money Laundering and Wildlife Trafficking attended by the Chinese president of FATF and senior FATF officials, and HM Treasury.

For Activity 3.5, EIA discussed the National Risk Assessments produced by Laos and Vietnam during meetings with the country's FIUs in July. Disappointingly Laos NRA assesses the risk of IWT as low, despite the country being a major transit route and end market for illegal wildlife.

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

It has proven more difficult than anticipated to engage effectively with the Financial Action Task and regional anti-money laundering agencies in Africa and Asia. For example, repeated requests to the East and Southern African Anti-Money Laundering Group (ESAAMLG) for a meeting to discuss its planned IWT typology have yet to succeed.

Yet the welcome announcement by China of its intention to prioritise IWT during its year-long presidency should lead to enhanced opportunities for engagement (as envisaged through Activities 3.3 and 3.4) and will be a priority for the remainder of the project.

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

Discussed with LTS: Yes/No - No

Formal change request submitted: Yes/No - No

Received confirmation of change acceptance Yes/No - No

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

Yes No Estimated underspend: £

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

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

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

No