



Illegal Wildlife Trade (IWT) Challenge Fund Half Year Report (due 31st October 2020)

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)
Partners(s)	Liberty Shared (formerly Liberty Asia) and Royal United Services Institute (RUSI)
Project leader	Julian Newman
Report date and number (e.g. HYR1)	31st October 2020, (HYR3)
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).

Overall progress on the project during the reporting period has been satisfactory, given the challenges posed by the COVID-19 pandemic which has meant that no travel under the project since March 2020. This has affected planned activities such as engagement with Financial Intelligence Units (Activity 1.5), but adaptations have occurred such as remote online investigations and participation in relevant webinars to communicate with financial institutions and government agencies.

The project implementation timetable has been extended by nine months after a change request was accepted to extend the project beyond the original completion date of 30th June 2020 to 31st March 2021 (details below).

Details of specific activities relating to the project's three outputs are set out below:

- Output 1:

Activity 1.1 has been ongoing throughout the reporting period with EIA's intelligence staff analysing information derived from open source data and interaction with illegal wildlife traders by EIA's investigators. The information management system has been improved using a standardised intelligence report format and improvements to EIA's internal seizure databases for ivory, pangolins and tigers.

In terms of Activity 1.2 no field investigations were possible during the reporting period due to COVID-19 related travel restrictions. However, EIA's investigators have been able to successfully engage with traders in the Mekong region and West and Central Africa through remote contacts via social media platforms. This work has enabled EIA to understand current

trends in trafficking of ivory, pangolin scales and tiger parts, including prices, trafficking routes and concealment methods.

Under Activity 1.3 EIA and project partner Liberty Shared have been finalising a new typology focused on Vietnamese-led IWT syndicates active in East and Southern Africa. The narrative report has been completed, with the accompanying diagram showing the financial flows expected to be completed by the end of October. In September work began on a new typology looking at tiger trafficking in the Mekong region (principally Thailand, Laos and Vietnam) which is expected to be completed by the end of December 2020.

For Activity 1.4 EIA has shared two of the project typologies with the South African Anti-Money Laundering Taskforce (SAMLIT) which includes the country's Financial Intelligence Centre. In addition, information has been provided on ivory and pangolin trafficking via Nigeria to the country's Financial Intelligence Unit. No progress was made on Activity 1.5 due to travel restrictions.

- 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.

Under Activity 2.4 EIA has utilized its membership of the United for Wildlife Financial Taskforce to disseminate project typologies to some of the 42 financial institutions which have joined the taskforce. For example, two ivory trafficking have been translated into Chinese and shared with six banks in China. In addition, three project typologies have been provided to a major regional bank covering Southern and Eastern Africa, as well as a briefing on specific individuals convicted in Malawi of wildlife trafficking.

For Activity 2.5 EIA and Liberty Shared held two webinars in June for financial institutions in North America and East Asia, attended by 34 people. The webinars, entitled "The Transnational Wildlife Trade: Insights Gained and Lessons Learned" summarised the main financial flows linked to ivory trafficking from East Africa to East Asia and listed associated red flags.

Activity 2.6 took place continuously during the reporting period, with the resulting information the basis of monthly submissions to financial databases via Liberty Shared. During the reporting period EIA made 266 submissions on which 210 led to new or amended profiles.

- Output 3

Under Activity 3.2 EIA published a report in early July 2020 summarising the main findings from typologies produced under the project. The report, entitled "Money Flows – Identifying Financial Flows Linked to Wildlife Trafficking" also identified barriers and opportunities to the use of financial investigation and anti-money laundering laws to curb IWT. The report was accompanied by a short film and podcast.

Progress under Activity 3.3 has been limited by barriers to travel. A briefing on IWT in Mozambique was provided to the East and Southern Africa Anti-Money Laundering Group (ESAAMLG) in July, ahead of a site visit by assessors as part of the Mutual Evaluation Report Process. In September work began on a similar briefing on Laos which will be provided to the Asia Pacific Group on Money Laundering in November.

Significant progress has been made on Activity 3.4 with the release of the Financial Action Task Force's (FATF) first report on money laundering and the illegal wildlife trade in June 2020. EIA was one of the few NGOs invited to contribute case studies to the report and provided comments on the first two drafts of the report.

2a. Give details of any notable problems or unexpected developments/lessons learnt that the project has encountered over the last 6 months (for Covid-19 specific delays/problems, please use 2b). Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

N/A

2b. Please outline any specific issues which your project has encountered as a result of Covid-19. Where you have adapted your project activities in response to the pandemic, please briefly outline how you have done so here. Explain what residual impact there may be on your project and whether the changes will affect the budget and timetable of project activities.

The inability of project staff to travel internationally since March 2020 has adversely affected several project activities relating to investigations (Activity 1.2), engagement with FIUs (Activity 1.5) and attendance at meetings (Activities 3.3 and 3.4). As a result, EIA requested an extension of the project in May 2020, hoping at that time travel would become possible in the Autumn. This proved to be overly optimistic, and it now seems there is little prospect of this happening before the end of the project. As a result, EIA has focused on increasing time spend on remote engagement with illegal wildlife traders, consultancies to translate information and feed into typologies and participation in a range of relevant webinars. For the remainder of the project EIA and partners will focus on wider dissemination of the typologies produced to financial institutions (especially members of the United for Wildlife Financial Taskforce), conference calls with banks on the two new typologies being produced, and remote engagement with FIUs where possible.

2c. 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 (on 17th April 2020)

Formal change request submitted: YES (on 5th May 2020)

Received confirmation of change acceptance YES (on 8th July 2020)

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: £ N/A

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

If you anticipate a significant underspend because of justifiable changes within the project, please submit a rebudget Change Request as soon as possible. There is no guarantee that Defra will agree a rebudget, so please ensure you have enough time to make appropriate changes if necessary. Please DO NOT send these in the same email as your report.

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

Appreciation to the IWT Challenge Fund management for timely advice when travel became difficult and guidance on making the subsequent change request.

If you were asked to provide a response to this year's annual report review with your next half year report, please attach your response to this document.

Please note: Any planned modifications to your project schedule/workplan can be discussed in this report but **should also** be raised with LTS International through a Change Request. **Please DO NOT send these in the same email.**

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