

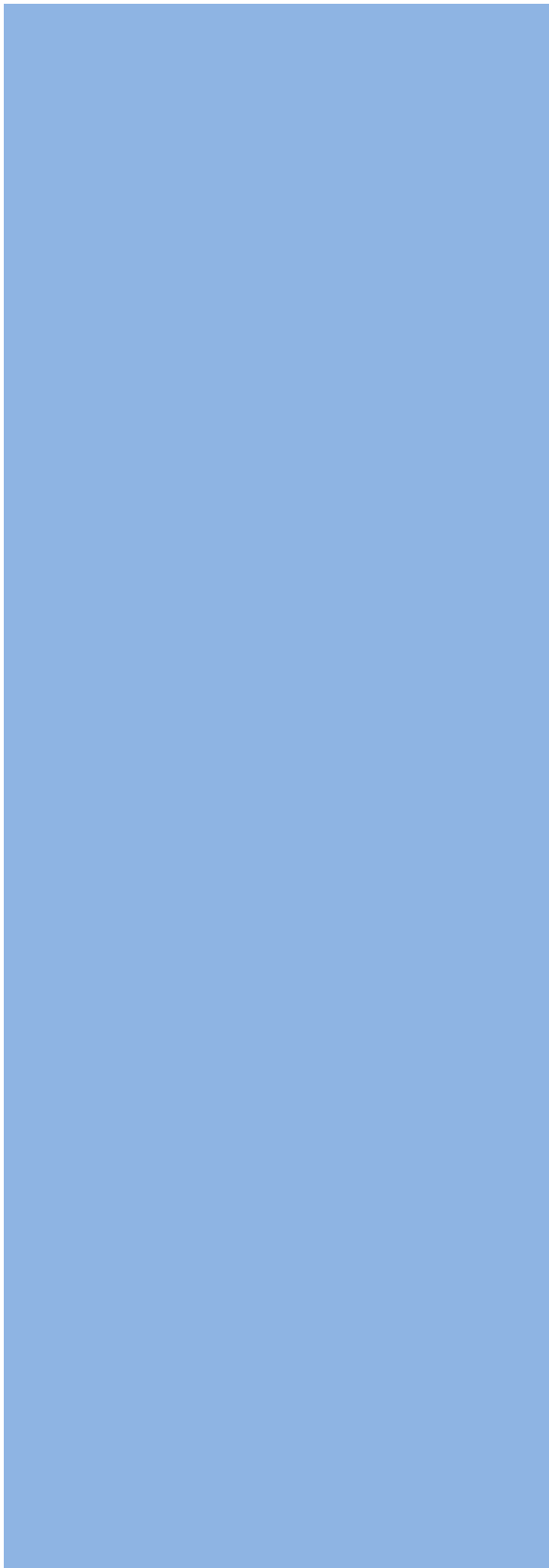
PACIFIC AML/CFT CAPACITY DEVELOPMENT BUSINESS PLAN



**Asia/Pacific Group
on Money Laundering**

2018 - 2019

Asia/Pacific Group on Money Laundering



Policy Statement

The APG promotes the effective implementation of the Financial Action Taskforce (FATF) standards for anti-money laundering and countering the financing of terrorism (AML/CFT) across the Asia/Pacific region. These standards target the criminal activities that undermine the legitimacy of financial systems and threaten the sound governance of **economies, private sector investment** and, ultimately, **sustainable economic growth**.

Crimes including corruption, drug-trafficking and environmental offences are not only threats to good governance; they are also a drain on public resources. Effective implementation of the FATF standards enhances the capabilities of institutions to detect, investigate, prosecute and confiscate illicit funds.

A robust economy with an effective AML/CFT framework promotes inclusion in the broader international financial system and fosters private sector investment in trade, tourism and fisheries. Increased participation in the global economy encourages productivity, opportunities for trade and profitability leading to economic growth and development. Exclusion from global financial flows as a result of perceived money laundering and terrorist financing (ML/TF) risk has severe consequences on developing economies.

The APG Pacific Technical Assistance (TA) programme aims to support the APG strategic direction as outlined in the Pacific AML/CFT Capacity Development (PACD) Strategic Plan 2017-2020 which details the four strategic goals of PACD:

- *Strategic Goal 1:* Be an effective TA cell supporting implementation of the FATF standards and the work of the AML/CFT network in the Pacific
- *Strategic Goal 2:* National AML/CFT regimes are strengthened
- *Strategic Goal 3:* AML/CFT regulation is improved and enforced
- *Strategic Goal 4:* Increased detection, investigation and prosecution of ML/TF

The PACD Business Plan 2018-2019 outlines the activities planned and strategies adopted for the second year of this programme in order to meet these goals. The activities undertaken in the second year of the programme are designed to build upon the engagement with Pacific Island jurisdictions conducted in the first year of the programme which garnered the political commitment that is conducive to effective receipt of TA in these jurisdictions.

Strategic Goal		Strategies	2018-2019 Activities
Strategic Goal 1:	Be an effective TA cell supporting implementation of the FATF standards and the work of the global AML/CFT network in the Pacific	<ul style="list-style-type: none"> • Ensure effective coordination and governance structures are in place, including within the APG Secretariat and with MFAT, Pacific Island jurisdictions, regional organisations and other donors and TA providers. • Resource the Pacific TA Cell with appropriately qualified staff to ensure delivery of expected outcomes and proper management of NZ funds. 	<ul style="list-style-type: none"> • Engage in active consultation with Pacific Island jurisdictions, donors and TA providers, regional organisations and other stakeholders. • Produce a quarterly update to the APG Secretariat, MFAT, Pacific Island jurisdictions, regional organisations and other donors and TA providers on the activities and priorities of the PACD programme. • Provide mentoring and training opportunities for three dedicated staff members in the Pacific TA.
Strategic Goal 2:	National AML/CFT regimes are strengthened	<ul style="list-style-type: none"> • Engage stakeholders to garner political commitment and drive to enhancing AML/CFT systems. • Ensure AML/CFT measures are undertaken on the basis of strong policy discussions and planning, including understanding risk. • Support Pacific Island jurisdictions in engaging productively with the global AML/CFT community, including benefiting from associated activities. 	<ul style="list-style-type: none"> • Undertake scoping visits to the Cook Islands, Palau, Vanuatu to engage stakeholders, identify gaps in compliance and develop an implementation plan for TA over the course of the program. • Sponsor the involvement of Pacific Island members to APG and APG-supported events. • Assist members in identifying key risks to inform national AML/CFT policy development.
Strategic Goal 3:	AML/CFT regulation is improved and enforced	<ul style="list-style-type: none"> • Provide legislative drafting assistance to bring legislation into greater compliance with FATF standards. • Provide tailored programmes and mentoring to assist financial supervisors/regulators to improve capacity in enforcing AML/CFT measures and regulating financial activity. 	<ul style="list-style-type: none"> • Identify and engage TA providers/consultants for legislative drafting assistance. • Identify and engage TA providers/consultants to deliver assistance to financial supervisors and regulators. • Draft and deliver TA plans for legislative drafting assistance. • Draft and deliver TA plans for assistance to financial supervisors and regulators.

Strategic Goal 4:	Increased detection, investigation and prosecution of ML/TF	<ul style="list-style-type: none"> • Provide programmes/mentoring to ensure law enforcement agencies (LEAs) have the capacity and capability to detect and investigate ML/TF. • Provide tailored programmes and mentoring to ensure ML/TF is prosecuted. • Strengthen mechanisms for recovery and repatriation of proceeds and assets connected to criminal activity. • Provide anti-corruption mentoring to improve capacity for use of financial investigations in combating the key regional risk area of corruption. 	<ul style="list-style-type: none"> • Identify and engage TA providers/ consultants for assistance to LEAs (including judges and prosecutors). • Draft and deliver TA plans for training to LEAs (including judges and prosecutors). • Establish an ongoing project on developing asset recovery mechanisms. • Focus on the forestry and fisheries related agencies and potential for detection, investigation and prosecution of ML/TF in those sectors. • Plan, coordinate and deliver four (4) anti-corruption or other law enforcement focused mentoring visits.
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2018-2019 Activities

In 2018-19 the Pacific TA cell will build upon the relationships and knowledge established in 2017-18 of Pacific jurisdictions' AML/CFT systems, and co-ordinate the delivery of targeted TA activities. The coordination of TA corresponding to the implementation plans for each jurisdiction will occur when the full complement of the Pacific TA cell is in place. The coordination of TA will also follow the revised prioritisation model below.

The three final scoping visits (Cook Islands, Palau and Vanuatu) will take place early in 2018-19, following the adoption of their mutual evaluation reports in July 2018 and Vanuatu's de-listing by FATF in June 2018. The APG will also reach out to Kiribati and Tuvalu at the APG Annual Meeting in July to encourage these jurisdictions to become members in the APG. Should this membership be granted, the Pacific TA cell will conduct TA scoping visits in 2018-19 and develop an implementation plan for each jurisdiction.

The Pacific TA cell will also seek to utilise the unspent funds from 2017-18 to coordinate a greater level of TA covered by the Pacific funding in 2018-19. This includes doubling the number of anti-corruption exchanges, developing model provisions for targeted financial sanctions, undertaking a needs assessment of financial intelligence unit (FIU) information and communications technologies (ICT) needs, and coordinating mentoring support for LEAs and supervisors.

A key component of the PACD programme is the collaboration with the APG's donors and providers (DAP) group and Pacific regional organisations. The Pacific TA cell will continue to engage with these stakeholders and identify further opportunities for collaboration and coordination of TA in the region. This engagement will be complemented by a quarterly update on the activities of the PACD programme to be provided to DAPs, regional organisations and MFAT.

Priority 1	Those who are preparing for their third round mutual evaluation; or face significant risks*	Marshall Islands PNG* Solomon Islands Tonga
Priority 2	Those who have completed their third round mutual evaluation and are focussed on implementing the recommendations of this evaluation.	Cook Islands Fiji Palau Samoa Vanuatu
Priority 3	Those who have more than three years before their third round mutual evaluation; or pose relatively low risks	Nauru Niue

Prioritisation model

Strategic Goal 1: Be an effective TA cell supporting implementation of the FATF standards and the work of the AML/CFT network in the Pacific

- Engage in active consultation with Pacific Island jurisdictions, donors and TA providers, regional organisations and other stakeholders.
 - Engage with APG's DAP group to identify areas of collaboration and potential funding support.
 - Undertake outreach to regional organisations and other stakeholders to enhance coordination and cooperation.
- Produce a quarterly update to the APG Secretariat, MFAT, Pacific Island jurisdictions, regional organisations and other donors and TA providers on the activities of the PACD programme.
 - Disseminate a quarterly update via email to MFAT, APG Pacific members and observers, the DAP group and other interested stakeholders on the activities of the PACD programme and upcoming opportunities for collaboration.
- Provide mentoring and training opportunities for three dedicated staff members in the Pacific TA.
 - Encourage staff members to improve their understanding of AML/CFT issues affecting Pacific members through mentoring and/or formal training opportunities.
 - Manage the performance of staff members through the AFP's Performance Management Framework.

Strategic Goal 2: National AML/CFT regimes are strengthened

- Undertake scoping visits to the Cook Islands, Palau and any new APG Pacific members to engage stakeholders, identify gaps in compliance and develop an implementation plan for TA over the course of the program.
 - Conduct desk-based gap analysis on the basis of mutual evaluation reports, progress or status reports and other available information.
 - Engage with stakeholders in each Pacific Island member to identify TA needs and prioritise action.
 - Involve DAPs, where possible, in scoping visits.
 - Develop an implementation plan for each Pacific Island member in collaboration with the jurisdiction and DAPs.
- Sponsor the involvement of Pacific Island members to APG and APG-supported events.
 - Sponsor the attendance of Pacific Island members at the APG typologies workshop.
 - Sponsor the attendance of Pacific Island members at APG-supported training and outreach events.
 - In collaboration with DAPs and the member, identify the training that Pacific Island members are likely to benefit from in future years.
- Assist members in identifying key risks to inform national AML/CFT policy development.
 - Assist members in undertaking an assessment of their risks using a simplified methodology developed by the APG and United Nations Office on Drugs and Crime (UNODC) to guide policy development using a risk-based approach.
 - Engage in discussions with DAPs on the potential for the APG to support their work on risk assessments in future years.
 - Promote the development of national strategies and policy informed on an understanding of risk.

Strategic Goal 3: AML/CFT regulation is improved and enforced

- Identify and engage TA providers/consultants for legislative drafting assistance.
 - Identify and liaise with potential TA providers/consultants who can provide legislative drafting assistance and settle the procedures for engaging their services.
- Identify and engage TA providers/consultants to deliver assistance to financial supervisors and regulators.
 - Identify potential TA providers/consultants who can provide training or mentoring to financial supervisors and regulators and settle the procedures for engaging their services.
- Draft and deliver TA plans for legislative drafting assistance.
 - Prepare a programme of work on the provision of legislative drafting assistance to individual jurisdictions and coordinate the delivery of this work where possible with DAPs.
 - Contract work on the development of Model Provisions on Targeted Financial Sanctions and related matters by a suitably qualified expert and in collaboration with the Pacific Islands Forum Secretariat (PIFS).
- Draft and deliver TA plans for assistance to financial supervisors and regulators.
 - Prepare a programme of work on the provision of supervisor/regulator training/assistance to individual jurisdictions and coordinate the delivery of this work where possible with DAPs.

Strategic Goal 4: Increased detection, investigation and prosecution of ML/TF

- Identify and engage TA providers/ consultants for assistance to LEAs (including judges and prosecutors).
 - Identify potential TA providers/consultants who can provide LEA/prosecutor assistance and identify the procedures for engaging their services.
- Draft and deliver TA plans for training to LEAs (including judges and prosecutors).
 - Prepare a programme of work on the provision of assistance to LEAs (including judges and prosecutors) in individual jurisdictions. Coordinate the delivery of this work, where possible, with DAPs.
 - Undertake a scoping exercise on the ICT needs of FIUs to assist in the execution of FIUs' key AML/CFT tasks.
- Establish an ongoing project on developing asset recovery mechanisms.
 - Conduct a desk-based review of the asset recovery mechanisms in Pacific jurisdictions.
 - Liaise with DAPs providing TA on asset recovery mechanisms and identify opportunities for collaboration.
 - Develop a project plan for TA on asset recovery mechanisms over the life of the PACD programme.
- Plan, coordinate and deliver four (4) anti-corruption or other thematic mentoring visits.
 - Identify suitable mentor and host jurisdictions for anti-corruption mentoring visits.
 - Develop a programme of work for four (4) anti-corruption or other thematic mentoring visits (for a period of approximately 3 weeks).
 - Coordinate and deliver four (4) anti-corruption or other thematic mentoring visits.

Costed Workplan, 2018-2019

No.	Output to be produced	Start date	End date	Year 2 (NZD)
				01/07/2018–30/06/2019
1	Pacific cell established within the APG Secretariat	01/07/2018	30/06/2019	406,201
1.1	Band 7 FTE			150,414
1.2	Band 5 FTE			126,594
1.3	Band 4 FTE			107,593
1.4	Salary attribution			21,600
2	Technical assistance and training (including legislative drafting assistance, assistance for supervisors and regulators, assistance for LEAs, and mentoring and exchanges)	01/07/2018	30/06/2019	411,220
2.1	Sponsorship to APG and APG-supported training events			81,000
2.2	Expert travel for training/mentoring			86,200
2.3	Stakeholder engagement/scoping visits/consultancy work			183,640
2.4	Mentoring visits targeting corruption and key risks			50,380
	Training and mentoring miscellaneous costs			10,000
3	Administrative costs (including contingency and monitoring & evaluation costs)	01/07/2018	30/06/2019	48,800
MAXIMUM FUNDING AMOUNT				866,221