



The Impact of AML/CTF Regulation on Civil
Society

Building Capacity and Partnerships to Protect Civic Space

**October
2016**

Conference Report

www.defendersprotection.org



Building Capacity and Partnerships to Protect Civic space

2018

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Table of contents

Introduction	9
Concept Mapping	11
Global AML/CTF Framework	13
The Role of ESAAMLG	15
AML/CTF Risk to Civic Space	17
Protecting Civic Space through Interaction withFATF	18
When can NPOs participate in FATF procedures	20
Interactive Session with FIA	25
Creating Opportunities	29
Aluta Continua: The Experience of GLISS	31
REcommendations & Resolutions	37



Conference Report 2018

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Contextualised Options for Safety and Security.

Welcome to our Conference Report

Welcome Note



Yona Wanjala
 Executive Director
 Defenders Protection Initiative

I take the honour to welcome you to the Pearl of Africa and the hub of hospitality.

This workshop targets participants from the Southern Saharan Region but we are blessed to have representatives from North Africa. Following the 9/11 attack and the quick adoption of the 2001 UN Security Council Resolution 1373, all UN member states were required to take concrete steps to combat terrorism.

This prompted nations to adopt security measures labelled as counter terrorism measures on the premise that these laws were not an option a necessity for security.

Citing the imperative to combat Money Laundering (ML) and Terrorism Financing (TF), Governments generated and enacted several laws which inadvertently impinge on the civil society. Uganda has passed several laws to comply with international standards such as the FATF recommendations.





Granted, these legislations are designed to prevent ML and TF however, the methods of implementation and the skewed motive behind which these laws are often levied, has drawn a rift between government and accounting bodies/civil society.

We believe that through this interaction, which entails sharing information, building capacity and learning from each other, we can push back against restrictions prompted by these laws. We have a team of experts here to not only share their experience and knowledge but to also learn from fellow participants about the concepts of Money Laundering and Terrorism Financing which might be new to some or timeworn to others.

Building Capacity and Partnerships to Protect Civic Space

The Impact of AML/CTF Regulation on Civil Society.



We are all encouraged to share experience on Money Laundering and Terrorism Financing, share skills and recommend effective strategies on identifying and engaging with FIUs, FATF styled bodies and other stakeholders on these matters.

It is anticipated that this convention will be an avenue to identify key advocacy and capacity building opportunities and planning or advice on concrete activities,

moving forward. For which the ultimate outcome is increased linkages between the global expert hub and the regional and national initiative and, a sustainable strategy on how to move forward with this agenda.

We need each other in voicing issues on the risk these issues of Money Laundering, Terrorism Financing and FATF impact the civic space. So on behalf of DPI, I pledged to continually support each other to push against these restrictions.

Building Capacity and Partnerships to protect civic space

The Impact of AML/CFT Regulation
onea nako



Introduction

“..I remain deeply concerned in my role as special rapporteur that civil society groups are being targeted by national security laws and administrative procedures for engaging in legitimate activities...”

- Fionnuala Ni Aolain

One of the aftershocks the 9/11 attack on the United States of America, was the drastic shift in the international legal framework on Anti Money Laundering and Countering Financing of Terrorism (AML/CFT). Most notable was the adoption of the UN Security Council Resolution 1373. Expediently adopted after 9/11, it calls on all member states to amend their national laws to comply with the international conventions on terrorism. Unfortunately, on the premise of this resolution many member states have not only imposed several restrictive laws on their citizens but also used it to crack down on CSOs under the pretext of effecting counter-terrorism measures.



In a 2018 address to the US House of Representatives, ICNL Legal Advisor -- Emerson Sykes, described the increasing imposition of restrictive laws on CSOs as a global trend. He cited at least 38 restrictive initiatives in 19 counties across Sub-Saharan Africa

The FATF

The Financial Action Task Force (FATF) which essentially is the international authority on ML and TF policy has involuntarily contributed to this global trend.

Prior to the 2016 revision, FATF Recommendation 8 classified NPOs as “particularly vulnerable” to terrorist abuse”. This in many countries has been used to justify the excessive prerequisites for NPO registration, restrictions on access to foreign funding, freezing of NPO bank accounts and in extreme cases to arbitrary search and arrests of NPO staffers. All of which have caused grave impediments on the work of civil society.

This convention, pooling civil society leaders, experts on FATF, FATF-FSRB representatives and other stakeholders purposed to create awareness on FATF, AML/CFT legislation in the regional NPO sector, build capacities and to offer interventions for the shrinking civic space.

Partnerships for Protection of Civic Space

The meeting was organised under the European Centre for Non-Profit Law (ECNL) project; Combating Restrictions on Civic Space Freedoms Arising from Counter-Terrorism and Anti-money Laundering Rules.

And managed by their partners Defenders Protection Initiative (DPI), International Centre for Non Profit Law (ICNL) and Human Security Collective. The facilitators; Expert Hub are a group of individual and organisational members of the Global NPO Coalition on FATF which is a network of NPOs that purposes to eliminate the unintended consequences of FATF policies on CSOs. They are a resource for different regions on FATF and how it affects civil society through offering assistance through awareness raising, training and engagement with stakeholders such as FATF-FSRBs.



Day One Concept Mapping

How does FATF fit into the AML/CFT Framework? Why is this Important for Civil Society?

Money Laundering: The Process by which proceeds of crime (dirty money) are disguised to conceal their illicit origin.

Traditionally, there are 3 theoretical stages of ML; Placement, Layering, and Integration. The placement stage is when the illicitly acquired monies or “dirty money” is integrated into a legal system such as the banking system, in essence making it “clean money”. Once it is in the system, it goes through layering which basically buys the launderer time to further conceal the illicit origin of the dirty money. This can be done by carrying out transactions through the bank, loaning the money out or transferring it to other bank accounts.

The Integration stage is where the money is now used as one would any legitimately earned proceeds. This process may include purchase of assets like land, lavish cars and houses, investing in real estate like apartment buildings.

These, Mr Wanjala clarified, are now more of academic dispositions since trends in ML have and continue to significantly evolve.

Terrorism Financing: Entails the use of funds, legitimate or illicitly attained to fund terrorist activities.

This can be done by terrorist or by any person who, directly or indirectly provides or collects funds, or attempts to do so, with the intention that they should be used or in the knowledge that they are to be used in full or in part to; carry out a terrorist act, by a terrorist, or by a terrorist organization.

The Financial Action Task Force (FATF) is a big influencer of global issues surrounding AML and CTF. FATF requires all member states to develop concrete tools (policies and actions) geared at combating ML and TF. While well intentioned, some governments are misusing these tools to suffocate vocal persons and NPOs for selfish political interests

FATF Relevance to and Impact on Civil Society

FATF defines NPOs as - legal entities or organizations that primarily engage in raising or disbursing funds for charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “good works”.

FATF recommendation 8 requires countries to review the adequacy of laws and regulations that relate to non-profit organisations which the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk-based approach, to such non-profit organisations to protect them from terrorist financing abuse.



Global AML/CTF Framework, Overview of FATF, Regional Bodies and their Relevance and Impact on Civil Society

Mai Eleimat – Expert Hub

FATF is an inter-governmental task force working in connection with a larger network of counter terrorism mechanisms; UN, IMF and World Bank. Initially, it was established to counter money laundering but following the 9/11 terrorist attack in on the USA, its mandate was expanded to include terrorism financing. FATF is also mandated to;

Conduct Research on ways that criminals launder money and terrorist organizations raise and access funds.

Sets global standards to make it more difficult for criminals to launder and terrorists / terrorist financiers to access funds.

Assess how effective countries are at implementing AML/CFT standards and mitigating risks through rigorous peer evaluations

This mandate is guided by forty (40) internationally endorsed standards known as the FATF recommendations. Non-compliance to these recommendations attracts international political pressure, higher country risk ratings which subsequently result in higher restrictions from the international financial community and in extreme cases, -- sanctions.

Given FATF's significance and influence on the international financial system, Ms Eleimat stressed the need for not only members of the expert hub but every citizen to continuously educate themselves about it.

However, there have been international reports of governments intentionally and unintentionally wrongfully implementing Recommendation 8 by imposing restrictions and burdensome requirements on CSOs. As a result, in 2016 FATF revised the recommendation to highlight that the NPO sector is NOT particularly vulnerable to terrorist abuse. FATF called for assessment of the level of risk and for governments to respect fundamental rights and humanitarian law, and to avoid overregulation of the NPOs.

It also re-emphasizes the need for proportionate measures when regulating NPOs to address risks instead of using one size fits all approach.

Aside from the improper categorisation, the efforts of ESAAMLG are often frustrated by;

- ✕ Absence of a sector based assessment in countries either due to lack of resources or competing government priority areas.
- ✕ Limited outreach by regulators, government. Most NPOs don't know about FATF standards at the time of Mutual Evaluation process.
- ✕ TF risk perception. Most countries in Southern Africa are not inclined to implement any efforts towards CFT because there haven't been incidences of terrorism. And yet absence of terrorism does not imply absence of terrorist financing.
- ✕ Absence of TF components in the requirements of registration and licencing of NPOs

In the face of such challenges with governments, the ESAAMLG representative encouraged NPO associations (umbrella bodies) to advocate through their regulators, for proper implementation of the FATF measures so as to limit interference with their legitimate activities as they do not share the same level of TF risks.

“Once functioning frameworks are in place, FATF would have less problems with the states and talk less of ICRG which is worse than UN sanctions and ultimately we are all affected, not just as individuals but the entire country.”

He also advised NPOs and individuals operating in the civic space, to understand their own risk, plug those gaps by ensuring they operate in a legitimate and transparent way and if possible go a step further and conduct their own sector based assessment and present them to governments.



The Role of ESAAMLG in Implementation of Recommendation 8 in the Region

Joseph Jagada – ESAAMLG

The East and Southern Africa Anti-Money Laundering Group (ESAAMLG) is the FATF regional Styled Body for East and Southern Africa. The body's main objective is to ensure its member countries comply and implement with FATF's 40 Recommendations and more importantly, Mr Jagada stressed, to determine extent to which they are implementing the recommendations.

ESAAMLG is also tasked with;

- ✕ Sustaining the evaluation and monitoring of ESAAMLG members' compliance and implementation of the AML/CFT international standards (Mutual Evaluations).
- ✕ The study and analysis of AML/CFT risks, trends and methods in the Region.
- ✕ Consolidating regional AML/CFT capacity building, training and awareness raising programmes.
- ✕ Sustaining the provision of AML/CFT advisory services to member countries

In regards the NPO sector specifically, Mr Jagada firmly reiterated that FATF/ESAAMLG does not intend to disrupt the legitimate work of NGOs. He also affirmed their appreciation for the commendable work of NPOs but, “all work must be done within certain parameters,” he added. ESAAMLG's role is to encourage member countries to take measures to ensure that NPOs which provide charitable work are not exposed to abuse by terrorists or terrorist organisations, or used to raise funds, move funds, provide logistical support, encourage terrorist recruitment, or in any way support terrorist organisations and their operations.

However, for ESAAMLG to execute its functions effectively, Mr Jagada pointed out the importance of both member states and NPOs fulfilling their individual obligations as recommended by FATF.

For instance it is paramount for members to use a risk based approach of assessing NPOs. To understand the NPO sector so as to know what measures to apply since NPOs are different, do different activities, and have different donors and differing scales of operation. This Mr Jagada pointed out eases the work of not only national regulators but also for FATF/ESAAML evaluators during Mutual Evaluation to assess the extent which counties are implementing Immediate Outcome 10.

Ms Petras advised that NPOs can protect themselves against FATF overregulation by;

- ✕ Raising awareness among NPOs on the drivers behind AML/CFT regulations, on compliance requirements and on advocacy strategies
- ✕ Self-regulating as a measure by NPOs to mitigate risk. Be responsible partners. Being organised and compliant shows that civil society understands the risks of, has an essential role and is a partner in finding solutions to, terrorism and terrorist financing.
- ✕ Take into account justifications governments use in the context of fighting the spread of terrorism and terrorism financing;
- ✕ Engagement and multi-stakeholder dialogue at national and multilateral levels: with government, the FIU, the regulators, the banks, the FATF, the FATF-Style Regional Bodies
- ✕ Capacity building on CFT for both NPOs and government
- ✕ Ensuring judicial independence, legislative oversight and citizen involvement

In my country you have to get approval from the regulators finances to come even before the finances come in. To what extent do we as civil society want to keep bending backwards for the banker and regulator, there should be a point to draw the line and say this is stifling and controlling beyond what is reasonable.

Abdel-Rahman El Mahdi | Sudanese Development Initiative -- Sudan



AML/CFT/FATF Risk to Civic Space

Irene Petras – ICNL/Expert Hub

“Shrinking space” is a global expression that has been adopted to describe the restrictive impositions that have been placed on CSOs which have significantly curtailed their work. One of the key contributors to the shrinking space of civil society is the restrictive laws. Even more specifically, laws on AML/CFT. The Centre for Strategic and International Studies (CSIS) Database of legislation lists about 140 governments that have adopted counterterrorism legislation since September 11, 2001.

Countries have continued to directly or indirectly use FATF compliance as a justification to pass restrictive laws in the name of countering terrorism. In a presentation, Ms Patras illuminated on the over-regulation encountered by CSOs due to misinterpretation of FATF Recommendation 8 and how CSOs can respond to these laws. Over regulations have been characterised by;

- ✕ Complex registration requirements, which are unnecessarily burdensome and disproportionate to the risk
- ✕ Provisions that interfere with the freedom of founders and members to regulate an organization’s internal governance – often used in cases of organizations receiving foreign funding, and restrictions on fundraising and use of resources that exceeds what is necessary to protect against terrorism financing or fraud.
- ✕ Burdensome reporting requirements for NPOs and high penalties for non-compliance, which are disproportionate to the risk.
- ✕ Specific limitations on foreign funding and the inflow of cross-border philanthropy, including prior registration or government approval to receive foreign funding.
- ✕ Limiting the right to freedom of expression and legitimate NPO activity, especially for those that criticize or disagree with government policy. The result can be asset-freezing, use of AML legislation, seizure of property without court orders.

Day 2

Protecting Civic Space through Interacting with and Influencing FATF

A Deeper Dive into FATF: Interaction among FATF/FSRB, States and NPOs, Risk Assessment and Country Evaluation Process

Irene Petras – ICNL/Expert Hub

The typical cycle of a FATF evaluation process is 10 years.

Pre preparation stage usually entails formulation of an evaluation team and a desk top review of laws and regulations may be done at this stage.

Evaluation/On site visit is the stage during which evaluators meet with government officials, institutions and representatives from diff sectors to discuss effectiveness of the country's AML/CFT system.

It is during the Post Evaluation stage that evaluators prepare the Mutual Evaluation Report (MER) - discuss it with both the country and FATF Secretariat representatives and fine-tuned. The MER is then adopted by the FATF plenary and published. From then on the regional body in this context ESAAMLG conducts follow ups.

The MER documents findings on the technical compliance (if the laws regulating AML/TF are existent) and effectiveness of implementation (to what extent immediate outcomes have been implemented). The MER also includes ratings on all individual Immediate Outcomes and Recommendations.

Rating on technical compliance vary from Non-Compliant, Partially Complaint, Largely Compliant and Fully Complaint. Ratings on and effectiveness of immediate outcomes are classified as high, medium high, medium low and low. Exclusion of NPOs from the evaluation sector can attract a low rating for the country.



All countries are required to conduct a follow up evaluation after 5 years (Regular Follow-up) however if a country's rating is low, they may have to conduct more frequent evaluations (Enhanced follow-up).

Follow up reports are a good entry point for CSOs to make a case for over regulation.

"NPOs should be able to report that state didn't do a sector risk assessment and measures are applied arbitrarily and affecting all sector players."

Challenges in the process: Evaluation teams in general do not include a specialist or expert on civil society • Evaluators are less knowledgeable on issues that might affect civil society and the effectiveness of measures under R8 • There is often a lack of government outreach to civil society about the evaluation process • Application of R8 in some cases has meant the shrinking of the financial, operational and political space of civil society in general – counterproductive to mitigating terrorist threats.



For Immediate outcome 10 the evaluators would be looking at to what extent terrorists, terrorist organizations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.



When can NPOs participate in FATF procedures?

There are a lot of opportunities for the civil society to intervene whether before, during or after the Mutual Evaluation Process. It is therefore important for NPOs to know at what stage their country is on the evaluation cycle so as to intervene appropriately. When countries are coming up for evaluation, there is more likely chance that governments will of fast track repressive laws.

NPO interventions have to be tailored to unique country context that usually falls in one of these categories;

- ✕ Government has not shown any interest in collaborating with NPOs for risk assessments or related matters
- ✕ Government has requested that the NPO sector contribute to risk assessments
- ✕ Government has been hostile towards the NPO sector and is not open to collaborating on risk assessments

In the scenario where governments have no interest in collaborating with NPOs before the evaluation, The NPO sector may still influence the risk assessment by performing an assessment of its own and delivering it to the government for consideration.

Where government requests the NPO sector's participation in the MER process, NPOs should be able to step up and participant as equal partners.

For governments that are hostile, the best way is to participate is for the sector to publish its own shadow report especially if they find that the govern-

ment's approach to FATF compliance is questionable. During the country visit, NPOs whose governments have no interest in collaboration can request for a meeting with the evaluators.

And after the evaluation, if the government shows no interest in collaborating with the NPO sector, then NPOs can monitor any changes in policies and submit periodic updates to FATF following their schedule.

If the government is open to collaborating, NPOs may offer to enhance outreach between the sector and the government regarding the effectiveness of mea-

NPOs should also engage the citizens. The NPOs can't stand alone, citizens should be able to back their voices. People power is one to reckon with.

Timothy Mtambo| Center for Human Rights and Rehabilitation-Malawi

asures and opportunities for reforms, as these steps are well received by the FATF. If the government is hostile to the NPO sector, NPOs can prioritize documenting and analysing instances of noncompliance with standards, including limitations on NPOs' charitable work done due to the laws and measures in force as a way to resist further restrictions.

Play the game in a serious way.

Believe in positive engagement. NPOs shouldn't always think of themselves as opposition to government.

Be knowledgeable on the topic you want to engage the government on.

Operate in coalitions. Government is more likely to pay attention to a group rather than a single organisation.

Media is a great partner is raising CSO voices and broadcasting their message.

Mai Eleimat | Expert Hub



Engagement with Government should be constructive. A non-violent approach doesn't engagement mean you are compromised. If you bash them they bash you. Don't argue from appoint of ignorance. Have all the information, to avoid being called noise makers.

Hassan Abdille | Muslims for Human Rights - Kenya





Interactive Session with Uganda Financial Intelligence Agency and Related Case Studies (Tunisia and Nigeria)

Making Strides: Financial Intelligence Authority

Sydney Asubo – FIA

“Whenever AML/CTF are mentioned in the same breath with NPOs, people’s antennas immediately get raised,” this, Mr Asubo explained is rooted in the international standards that inform AML/CTF legislation set by the FATF secretariat and the FATF styled regional bodies. Unfortunately, Mr Asubo revealed, African countries are not very active or participatory in engaging with the FATF secretariat. As a result, there have been several complaints that some international standards are not applicable to the context of most African communities and this of course boils down to the level of participation. The standards/ rules as they stand now require every country to conduct an assessment to determine the vulnerability of NPO their sector to being used as an avenue for ML or TF.

Mr Asubo revealed that while Uganda is yet to conduct a sector assessment specific to the NPO sector a general assessment; National Risk Assessment was conducted between 2015 and 2016 which found the ML risk for NPOs to be medium high mainly from lack of supervision and near absence of implementation of AML/CFT requirements. The threat to Terrorism was found to be very high while the risk to Terrorism Financing was ranked at medium high. These findings, Mr Asubo affirmed were found to be consistent with the findings in ESAAMLG’s Mutual Evaluation Report.

It is from the assessment, that the FIA identified 3 key areas of intervention deemed necessary to plug the weakness responsible for the low score;

- ✕ Enhancement of AML/CFT Knowledge of NGO Staff. The FIA is dedicated to sharing knowledge raising awareness but also encourages NGOs to continuously train their staff on matters of AML and CFT.
- ✕ Strengthening of AML/CFT supervision/oversight activities by FIA and NGO Bureau.
- ✕ Establishment of internal AML compliance programs for NPOs for self-assessment e.g FIA's guidelines NPOs on identifying suspicious transactions.

In addition to conducting the NRA, the FIA was engrossed with the amendment of the Anti-Money Laundering Act, Anti-Terrorism Act and establishment of an AML/CFT National Task Force to ensure that all the relevant sectors appropriately address the risks identified in the NRA. All these efforts were geared towards Uganda's exit from the FATF grey list. This, Mr Asubo pointed out, has been no easy feat for an institution only four years old

Having done away with external pressures, the FIA director pledged, to focus his attention on addressing domestic deficiencies especially in the banking, real estate, precious metals and stones and NPO sectors that were identified as high risk sectors in the NRA.



Positivity in the Face of Persecution: Tunisia's Experience

Amine Ghali – Director KADEM

Following the Arab Springs, a new association law was passed in Tunisia; Decree 88. This law under which CSOs in Tunisia are governed, was once internationally rated as one of the best written laws in the world. At the turn of 2013, strict laws were gradually introduced and imposed that directly affected the CSO sector with stringent restrictions placed on them especially pertaining to the process of CSO registration, receiving funds from donors and opening bank accounts. The Tunisian government also embarked on amending Decree 88 despite several pleas from the civil society to keep the law but focus on improvement in implementation especially on the government side. With funding from the US government, Tunisia expediently amended and passed the new law at the marvel of many.

It was only after a February 2018 training in Netherlands with Expert Hub that it was made clear to Mr Ghali and other Tunisian NPO representatives that the need to comply with FATF had been the logic behind the government's actions, "On a deeper investigation, we discovered that Tunisia had been listed on the FATF watch list of countries at high risk for Terrorism Financing and blacklisted by Europe." As a result Tunisia is closely monitored. FATF sends a delegation every 2 years to monitor and evaluate Tunisia's degree of compliance. This has placed immense pressure on the Tunisian government pursue all avenues—some extreme and irrational to get off the blacklist.

A 2016 evaluation by MENA FATF; the regional FATF styled body for the Middle East and North African countries, found the CSO sector in Tunisia to be largely compliant with FATF. However, the Tunisian Financial Analysis Committee (CTAF) carried out its own evaluation in 2017 and issued a report listing the civil society sector as being at high risk of being used to propagate ML and TF.

"...if these sector reviews are conducted in a collaborative manner between Governments, FATF evaluators and NPOs, this will ease the tension about FATF and curb the misuse of FATF recommendations by governments to shrink CSO space."

The move left no doubt the government was unfairly targeting the civil society under the pretext of complying with FATF. “Intentional collateral damage,” as Mr Ghali put it.

The witch-hunt continued as Government issued a directive for NPOs to register under the National Business Registry, imposing on them the same obligations and sanctions as shell companies and other profit earning entities. It was later discovered that on one of their missions, MENA FATF listed as one of the recommendations, development of a national registry. Although NPOs were not required to register, the Tunisian government insisted on including them because of the pressure to get off the blacklist. Tunisia is also in the process of revising its AML/CTF law on the recommendation of FATF. While this law will affect the NPO sector they have not been engaged in its formulation.

This, Mr Ghali opined, goes to show how powerful and influential FATF is. However, he pointed out that there is still space for the civil society to influence FATF. After a year of educating himself about FATF, Mr Ghali went ahead to pass on the knowledge to 15 of his colleagues. Together, they have built momentum lobbying legislators and other actors to demystify FATF. They have also engaged the UN special rapporteur on Freedom of Assembly and Association and the head of the CTAF to discuss possible avenues for collaborations and interaction to influence FATF. Mr Ghali and his colleagues are also collaborating with ICNL and Human Security Collective on a project to lobby for genuine participation in the national sector reviews. According to him, “if these sector reviews are conducted in a collaborative manner between Governments, FATF evaluators and NPOs, this will ease the tension about FATF and curb the misuse of FATF recommendations by governments to shrink CSO space.”



Creating Opportunities: Nigeria’s Experience

Oyeibisi Oluseyi - Nigeria Network of NGOs (NNNGO)

Like Tunisia, Nigeria once felt the full weight of featuring on the FATF blacklist. And like Tunisia several laws were structured and restructured in order to comply with international standards which inadvertently affected the operating space of the civil society. Owing to their mandate, of creating an enabling environment for all NPOs, NNNGO Director Mr Oluseyi and his team knew it was impendent upon them to fight for civic space.

But rather than be on the offensive, the NNNGO, reached out to NFIU with an olive branch with the aim of identifying areas both sides could work on together and diffuse the tension created by mutual suspicion between the government and the NPO sector.

“Instead of seeing the law as being oppressive and restrictive, we saw an opportunity for engagement.”

One of the opportunities they identified was raising awareness on FATF and AML/CFT legislation among member organisations. This after they discovered only 7000 of the approximately 65,000 NPOs in Nigeria, had registered with the regulator.

“If we don’t want the sanctions there is an opportunity to do what is right under the law.”

Through specialised workshops and calls for registration through emails and SMS, to NPOs, they were able to raise registration up to 2%. It was discovered that while the NPOs were willing to comply, many were hindered by the lack of appropriate technology such as reliable internet connection and adequate bandwidth.

Mr Oluseyi revealed that because of the network’s deeper understanding of the sector, they were able to help the regulator to classify the different types of NGOs and their level of risk to ML and TF. NNNGO also developed a rapport with NFIU that enables information sharing. For instance the regulator sends a warning to NPOs before conducting premise compliance spot-checks

It was also discovered that the FIU is lacking in Human resource capacity which, according to Mr Oluseyi, presents another opportunity for NPOs in terms of conducting research and providing intelligence on the risks the sector is most prone to.

Mr Oluseyi encouraged all other NPO heads and representatives at the meeting to first encourage compliance with and respect of the law, and there after work towards the retooling of the law. “Otherwise”, he said, “an antagonistic approach can very detrimental.”



A Luta Continua: The Experience of Great Lakes Institute for Strategic Studies (GLISS)

Godber Tumushabe – Director GLISS

GLISS is a policy think tank focused on policy research and supporting policy processes.

In September 2017, Uganda Police raided GLISS — a 4 year old start up at the time, in a cor-don and search operation and confiscated a lot their files and computers. It was alleged that GLISS was being used as a conduit for channelling money to fund illegal activities. On recom-mendation of the FIA, the organisation’s bank accounts were frozen together with the staffers personal accounts. The banks don’t inform the client (GLISS) prior the freeze because under law this is classified as “tipping off” which is illegal.

Four months later the accounts were unfrozen and some physical files were returned but most of the ICT files were kept by police. Mr Tumushabe also revealed that he has addressed several letters to Police and the FIA, GLISS has never received official communication on the progress of the case or what activities had them flagged for suspected ML/TF

“One of the things that drive me are my personal mission, the organisation is just a platform for doing things I believe in.”

The GLISS director affirmed that despite this distressing experience and threats to his life, his passion and zeal for pursuing social justice had not been dissuaded and he encouraged participants to maintain the same zeal rather than being preoccupied with ways to avoid being shut down by governments.

“I do my work out of conviction. Money only helps to scale up the work.”

Nonetheless, Mr Tumushabe like other speakers reiterated the importance of respecting and complying with the laws but only those that make sense. Adding that he does not support per-petuating impunity in the interest of compliance.

The GLISS director also advise NPO directors to identify newer and smarter mechanisms of securing their information and assets which risk being compromised. While the civil society may comply, some government tend to operate in informal systems disregarding the laws they prescribe.



Activity: Mapping Global, Regional and National Stakeholders

Irene Patras, Oluseyi Oyebisi –Expert Hub

To actively pursue and successfully protect the civic space, especially from the impact of FATF AML/CFT regulation, members of the civil society need to identify, study and engage key stakeholders in the FATF process. This activity aimed at identifying the key stakeholders at national, regional and global levels and evaluating their level of influence vis-à-vis their interest in FATF dealings. With this knowledge, NPOs can tailor their approach toward the stakeholders.



Day 3

A Practical Agenda for National, Regional and Global Interventions

Activity: Developing National, Regional Strategies and Action Plans

All Participants/Yona Wanjala -- DPI

Group 1

Establish a regional body of CSOs that can engage at the FATF styled regional body-- ESAAMLG level.

Use existing regional blocks like and SAADC IGAD for advocacy efforts.

Establishing an index on the impact of FAFT related regulations on civic space. This would be a map/matrix that shows countries affected by the regulations and at what degree.

Develop regional advocacy campaign and projects for purposes of improving or reducing the negative impact of AML / CFT legislation.

Develop resources like guide book on countries on how to engage FIUs or government on FATF, CML/CFT.

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Develop regional advocacy campaign and projects for purposes of improving or reducing the negative impact of AML / CFT legislation.

Develop resources like guide book on countries on how to engage FIUs or government on FATF, CML/CFT.

Develop a guide book on NPO sector assessment for NPOs taking the initiative to conduct own sector risk assessment.

Produce a report on implementation of FAF Recommendation 8 across the region for advocacy purposes and to inform ESAAMLG.

Group 2

Establish a regional NPO network with a national focal NPO.

Mobilise for resources for the activities of the network.

Build capacity of member NPOs in relation to AML/CFT regulation and to have a common understanding a regional network.

Conduct risk assessment of all NPOs for all countries in the network.

Develop regional and national strategies of intervention like engaging with FIUs at national level and FATF styled bodies at regional level.

Conduct a critical analysis on AML/CFT laws affecting on NPOS.

Disseminate the findings of the analysis at regional and national level.

Monitor and support national interventions to ensure every national focal organisation is complying.

Group 3

Establish regional network of all CSOs.

Capacity building programs for member CSOs.

Develop guidelines on FATF Recommendation 8 for CSOs engagements.

Conduct in-country assessments to be done by the established network.

Engage in high level advocacy before regional and sub-regional bodies like ECOWAS, Pan African Parliament and East African Community.

Regional engagement with FIUs and other relevant institutions.

Use existing regional blocks like and SAADC IGAD for advocacy efforts.



Recommendations and Resolutions

All Participants/Yona Wanjala

Participants recommended rolling out of the concluded training to countries that are due for FATF Mutual Evaluation such as Tanzania in 2019 and Kenya in 2020 to create awareness on FATF, AML and CFT prior to the process.

It was recommended that participating NGO representatives volunteer resources or smartly use available resources to create more awareness and grow interest of regional NPOs on FARF, AML and CFT rather than wait on donor funding.

Participants and facilitators resolved to share the training material and additional information or resource banks for FATF, AML, and CFT related information. This would primarily be shared via emails although it was suggested a communication strategy is developed in future to determine the most effective and appropriate way to disseminate information.

Participants also committed to being disciples of information dissemination and focal persons moving forward.

The facilitators, DPI, ICNL and Expert Hub pledged to conceptualise the strategies suggested by participants, highlight the activities identified and share with participants.

Mr Wanjala, the Executive Director DPI also pledged to coordinate efforts to examine the practicality of the proposed loose Regional NPO Network and synthesis the activities before any subsequent similar meetings.

From the proposed national level action plans participants shared in the work sheet, ICNL promised to offer support where possible.



Thank you.

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