



INTERNATIONAL MONETARY FUND



**AML/CFT THEMATIC FUND PHASE III
FIRST ANNUAL REPORT (NOVEMBER 2020–APRIL 2021)**

JUNE 2021

AML/CFT Thematic Fund Phase III supported by:



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

Switzerland



Qatar



Federal Ministry
of Finance

Germany



Ministry of Foreign Affairs

The Netherlands



Japan



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Finances

Luxembourg



Saudi Arabia



Government
of Canada

Canada



France

CONTENTS

GLOSSARY	4
EXECUTIVE SUMMARY	5
I. COMMENTARY ON PROGRESS TO DATE	7
II. OTHER AML/CFT ISSUES AT THE IMF	16
III. FINANCIAL HIGHLIGHTS	16
A. FUNDRAISING STATUS AND BUDGET EXECUTION AS OF APRIL 2021	16
BOXES	
1. Work on Topical Projects: VA/VASP and COVID	10
FIGURES	
1. Requests and Expressions of Interest for IMF AML/CFT Technical Assistance	13
2. Spending by Region, November 1, 2020–April 30, 2021	13
3. Spending by Income Level, November 1, 2020–April 30, 2021	14
4. Examples of Social Media Postings on AML TF III Work FY2021	15
TABLES	
1. Requests and Expressions of Interest for IMF AML/CFT Technical Assistance	12
2. AML/CFT Social Media Postings November 2020–April 2021	15
3. Financial Contributions	17
4. Cash Flow Statement	18
5. Progress Report FY2021	19
ANNEXES	
I. Country Progress Reports	20
2. AML/CFT Catalog	46

GLOSSARY

ADB	Asian Development Bank
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AML TF III	Phase III of the Anti-Money Laundering/Combating the Financing of Terrorism Thematic Fund
CBDC	Central Bank Digital Currency
CBR	Correspondent Banking Relationship
CD	Capacity Development
CDMAP	Capacity Development Management and Administration Program
DNFBP	Designated Non-Financial Business and Profession
DTI	Deposit-Taking Institution
EAG	The Eurasian Group on Combating Money Laundering and Financing of Terrorism
ECCB	Eastern Caribbean Central Bank
ERPS	Electronic Retail Payment Service
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ETP	Entity Transparency Project
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Body
IDB	Inter-American Development Bank
ICRG	International Cooperation Review Group
IFC	International Finance Corporation
LOU	Letter of Understanding
MENAFATF	Middle East and North Africa Financial Action Task Force
METAC	IMF's Middle East Regional Technical Assistance Center
ML/TF	Money Laundering/Terrorist Financing
MVTS	Money Value Transfer Service
NBFI	Non-Bank Financial Institution
NBFIRA	Non-Bank Financial Institutions Regulatory Authority (of Botswana)
NGO	Non-Governmental Organization
NRA	National Risk Assessment
OAS	Organization of American States
OSCE	Organization for Security and Co-operation in Europe
OTA	Office of Technical Assistance (in the U.S. Department of the Treasury)
PEP	Politically Exposed Person
PF	Proliferation Financing
STR	Suspicious Transaction Report
TA	Technical Assistance
UNSCR	United Nations Security Council Resolution
UNODC	United Nations Office on Drugs and Crime
VA	Virtual Asset
VASP	Virtual Asset Service Provider

EXECUTIVE SUMMARY

1. Phase III of the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Thematic Fund (AML TF III) was successfully kicked off despite challenging circumstances. Phase III commenced operations in November 2020.¹ As of end-April 2021, partners pledged US\$25.5 million to finance a broad range of capacity development (CD) activities spanning November 2020 through April 2026. The first six months of AML TF III occurred at a time of unprecedented challenges due to the ongoing COVID-19 pandemic (and the resulting work-from-home arrangements and travel restrictions) and of technical challenges related to the Fund-wide deployment of a new IT system for CD management. This report (hereafter referred to as “first annual report”) covers the activities during the first reporting period (six months between November 1, 2020 and April 30, 2021).

2. CD delivery continued under nineteen projects.² CD activities were conducted in twelve bilateral, two regional, two topical, two research, and one remote training projects.

3. Travel restrictions, work-from-home arrangements, and other consequences of the COVID-19 pandemic have had an impact on the cost and pace of CD activities. CD delivery has been—and continues to be—affected by travel restrictions and the work-from-home arrangements of IMF staff, experts, and beneficiary countries’ authorities. Staff has nevertheless addressed CD commitments through remote assistance (via video and conference calls, as well as desk-based work). With all CD activities taking place virtually, no travel-related costs have been charged to the projects. The pace of progress has also been slower than in the past, as countries and the international community focused on tackling the public health and economic crisis at the national level and globally, with the notable exception of short-term pandemic-focused assistance. These two factors, as well as the shorter timespan covered in this report, explain the significantly lower spending rate compared to previous first phases of activities.

4. Demand for IMF AML/CFT technical assistance (TA) and training continued to exceed the IMF’s capacity to supply. Throughout the first reporting period, traction continued to be strong in the majority of recipient countries. Direct requests or expressions of interest for new assistance were received from 52 countries and one regional body.³ Demand for assistance under the two topical projects—one on virtual assets (VAs) and virtual asset service providers (VASPs), the other on preventing the misuse of emergency-related spending—has also been on the rise.

5. The IMF’s CD management infrastructure has been further improved. The IMF’s new program for CD management—the Capacity Development Management and Administration

¹ The workplan for year one was endorsed by partners through lapse of time in December 2020.

² The project for Myanmar has been suspended since February 2021 due to the unforeseen political developments in the country.

³ The Eastern Caribbean Central Bank.

Program, or CDMAP—is being phased in, which has led to some delays while initial technical issues were addressed. The program will shortly be fully operationalized.

6. This report contains the following key sections:

- Commentary on progress made to date: this section summarizes the headway made in CD delivery;
- Other AML/CFT issues at the IMF: this section highlights broader AML/CFT developments that may have implications for AML TF III; and
- Financial highlights: this section provides the status of fundraising efforts and expenditure during the reporting period.

Country progress reports are included in Annex I. A work plan for Year Two of AML TF III is presented in a separate document.

I. COMMENTARY ON PROGRESS TO DATE

7. The work plan in the first reporting period covered 19 projects: twelve projects are country-specific, two are regional (benefiting eleven jurisdictions), two pertain to research, one is an e-learning course on risk-based AML/CFT supervision, and two topical projects relate to the COVID-19 crisis and VAs and VASPs for the benefit of ten countries. Consistent with previously endorsed approaches, current country engagement work is based on a longer-term engagement, with a deeper focus.

8. Good progress was made in bringing several projects initiated in the earlier stages of the AML TF II close to finalization:

- **Angola** (Legislative Drafting and Structures and Tools—Supervision): The work with Angola focuses on (i) assisting the Central Bank of Angola in strengthening its supervisory capacity in line with a risk-based approach to AML/CFT supervision; and (ii) strengthening Angola’s AML/CFT legal and regulatory framework in line with international standards. The IMF team carried out a 10-day virtual mission to Angola to help assess the level to which the authorities could establish that they are effectively (i) using financial intelligence for money laundering/terrorist financing (ML/TF) investigations and (ii) undertaking AML/CFT supervision of financial institutions and designated non-financial businesses and professions (DNFBPs). Advice and feedback were provided to the stakeholders on their effective implementation of their AML/CFT obligations followed up with a comprehensive TA report. The virtual mission was structured to mimic an onsite assessment, as part of Angola’s preparation for its upcoming assessment by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).
- **Botswana** (Structures and Tools—Supervision): The project focuses on providing support to the Bank of Botswana and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) in the area of AML/CFT supervision. During the reporting period, the team continued to support the authorities remotely on (i) the review of the offsite risk-based analytical tools (risk matrix and data collection tools) for banks and insurance companies, based on the results of the most recent pilot testing exercises conducted by the authorities, (ii) the development of draft offsite risk-based tools for bureaux de change and money remitters; and (iii) the development of data gathering templates for the securities market intermediaries.
- **Jamaica** (Structures and Tools—Supervision): The project is aimed at assisting the Bank of Jamaica with the development and implementation of a sound and effective risk-based approach to AML/CFT supervision for banks and currency exchange operators. The work continued during the reporting period. During a virtual mission conducted with the Bank of Jamaica in March 2021, the team reviewed the results of the most recent pilot testing exercise conducted on the risk-based supervisory tools for the banking sector, provided

advice for further customization, and gave guidance on the necessary adjustments and calibrations to formulas and rating scale ranges.

- **Several projects are expected to be finalized in the course of FY22:** The work with **Indonesia** (Structures and Tools—Supervision and Financial Intelligence Unit (FIU)), **Guatemala** (Structures and Tools—Supervision and FIU), **Pakistan** (Structures and Tools—Supervision, Legislative Drafting), and on **two research projects**—the **entity transparency project (ETP)** and the **financing of terrorism handbook**—has progressed significantly under Phase II and is reaching a close. The **ETP handbook** on transparency of beneficial ownership is expected to be published after agreement in FATF on the revised standards on beneficial ownership, likely in early 2022, with an anticipated launch date during the IMF-World Bank 2022 Spring Meetings. The **TF handbook** is expected to be finalized and published this year.

9. Good progress was also made in several projects that started in the last few months of AML TF II:

- **Ecuador:** A virtual diagnostic mission was conducted to assess the existing AML/CFT legal and regulatory framework and identify the range of amendments that would be necessary to bring it in line with international standards. The IMF team and the authorities discussed the process for Ecuador’s National Risk Assessment as well as the core elements of a risk-based supervisory framework and the current AML/CFT supervisory framework in place for the banking sector.
- **Guinea:** In cooperation with the World Bank, the IMF team supported the authorities in developing an asset declaration framework, including by commenting on templates for asset declaration forms, that were finalized and published in November 2020.
- **Ukraine:** With a view to helping the National Bank of Ukraine in identifying and mitigating the corruption-related risks in the banking sector, written comments were provided in late 2020 on the procedures for onsite inspections of banks with respect to politically exposed persons and customer due diligence measures. The IMF team also discussed further enhancements to the offsite tools (risk matrix and the internal control questionnaire) for banks to align them with the amended AML/CFT law and provided broad advice in this regard during a virtual mission held in March–April 2021.
- **Tajikistan:** Building on the work conducted under Phase II, the IMF team has prepared a first draft of an AML/CFT law, which has been shared with the authorities. Work aimed at strengthening risk-based supervision has also continued, and detailed questionnaires for conducting sectoral risk assessments are being developed.
- **Prevention of misuse of emergency-related funding:** Substantive work had started under this new project, as described in Box 1 (below).

- Preliminary work with the **Eastern Caribbean Central Bank (Structures & Tools and Legal Drafting)**, **Jordan (AML/CFT National Strategy, Legal Drafting, and Structures & Tools)**, and under **the e-learning (Risk-Based AML/CFT Supervision) project** is underway and includes, for instance, initial engagement with the authorities, coordination with other TA providers to avoid overlap, and the preparation of training material.

10. Two projects were initiated under AML TF III:

- **Pacific Islands countries:** A diagnostic mission to the Solomon Islands was completed virtually in April and a diagnostic mission to Tonga took place virtually in May. The dates for a similar mission for Samoa are awaiting the authorities' confirmation. Work on the legal drafting with respect to the AML/CFT supervisory framework for all three recipients is expected to be initiated soon.
- **Project on VAs and VASPs:** Substantive work had started, as described in Box 1 (below).

11. One project—namely the one for Myanmar—has been suspended as a result of unforeseen political developments. The IMF is currently limiting its engagement to low-level dealings with the military government until the views of the membership are clarified. The suspension of CD delivery is therefore in line with the IMF's general approach to the current developments in Myanmar.

12. The two remaining regional advisor positions—i.e., for the Middle East, North Africa and Central Asia, and for Latin America and the Caribbean—have both been filled. One advisor is based in Bridgetown, Barbados; the other advisor is temporarily working from his home country (Egypt) until the IMF's Middle East Regional Technical Assistance Center (METAC), which is currently operating remotely, re-opens its offices in Beirut, Lebanon. As is the case for the two other long-term advisors (for the Asian and African regions), the roles of the new regional advisors will mainly be to provide direct assistance to ongoing AML TF III technical assistance projects, and, where necessary and with HQ-support, to attend meetings and workshops organized by the FATF-style regional bodies (FSRBs) in their respective region (with a focus on covering issues relevant for TA delivery and TA coordination). In line with prior Steering Committee decisions, the regional advisors will give priority to AML TF III projects and may also, from time to time, be available to assist in non-AML TF III projects and AML/CFT assessments or reviews of draft AML/CFT assessment reports.

Box 1. Work on Topical Projects: VA/VASP and COVID-19

AML TF III features two new topical projects which aim to assist multiple recipient countries in tackling some emerging challenges. One aims at helping countries implement the new Financial Action Task Force (FATF) standard on VA/VASP; the other aims at assisting countries prevent the misuse of emergency-related spending.

VA/VASP

The project features a multi-pronged strategy that involves interactive country and regional training seminars, and assistance to individual countries with legal drafting, the development of ML/TF risk analysis and understanding, and the design of an effective AML/CFT licensing/registration and supervisory regime for VASPs. The project successfully commenced in February and the first desk-based review and mission were completed in March (Albania). The work will be carried on to meet the increased demand for assistance on VA/VASP-related issues and will be facilitated by the agility of remote delivery through desk-based reviews and virtual missions. Planned delivery in FY22 includes a second country engagement (namely with Georgia) and two regional seminars reaching a wide range of countries from the Asia-Pacific to the Caribbean Basin regions. As countries are progressing with the establishment of the legal frameworks for VAs and VASPs, we expect to see needs evolve from assistance with legal drafting to the development of sectoral guidance, risk analysis, and supervisory tools.

Prevention of misuse of emergency funding (COVID-19 project)

The project is aimed at supporting the membership in developing financial integrity measures to prevent the misuse of emergency-related spending. These measures complement other necessary safeguards (including those with respect to which the IMF provides assistance under other CD projects, such as the governance/anti-corruption-focused projects) to ensure that all funds dedicated to the COVID-19 response are maximized to fulfill their intended purposes. The assistance provided involves customizing financial integrity measures to ensure transparency and accountability of emergency-related spending, including advising on legal reforms related to the disclosure of information on the beneficial ownership of awarded companies to the procurement authorities, and the public access to asset declarations of senior officials (especially those involved in emergency-related procurement). The assistance provided has been generally targeted to low capacity, fragile, and small developing states, while the design of the project allows focused assistance tailored to specific country circumstances.

There is a very high demand among countries for this type of assistance in this area. Countries that received assistance in this regard under Phase II included the Central African Republic, Ecuador, and Nicaragua. Ongoing assistance under Phase III is being provided to Chad, Costa Rica, Eswatini, Haiti, Kosovo, Mali, Mauritania, Sao Tome and Principe, and Uganda. Requests for such assistance have been received from Bangladesh, Congo (Democratic Republic of), Guinea Bissau, Madagascar, Nepal, Papua New Guinea, Solomon Islands, Rwanda, and Zambia.

13. Countries of different levels of income benefited from the IMF's AML/CFT CD (for bilateral projects, see also Figure 3 below):⁴

- a. Seven low-income countries (bilateral projects in Guinea and Tajikistan; regional and topical projects in Chad, Haiti, Mali, Tonga, and Uganda);

⁴ Anguilla and Montserrat, which are territories of the United Kingdom, also benefited from the regional project for the ECCB.

- b. Eight lower-middle income countries (bilateral project in Angola, Myanmar, Pakistan, and Ukraine; regional and topical projects in Eswatini, Mauritania, Sao Tome and Principe, and the Solomon Islands); and
- c. Fourteen upper middle-income countries (bilateral projects in Botswana, Ecuador, Guatemala, Indonesia, Jamaica, and Jordan; regional and topical projects in Albania, Costa Rica, Commonwealth of Dominica, Grenada, Kosovo, Saint Lucia, Saint Vincent and the Grenadines, and Samoa); and
- d. Two high-income countries (regional projects in Antigua and Barbuda, and Saint Christopher (St Kitts) and Nevis).

14. CD delivery has remained effective despite the challenges brought by the COVID-19 outbreak. As travel restrictions and lockdown measures remain in place, staff continued to provide assistance remotely including via video and conference calls. The lessons learned by recipient countries and staff in the previous year have enabled more effective virtual engagements during the period under reporting. Nonetheless, the pace of progress continued to be impacted by the resource constraints on both sides, as countries and the international community focus on tackling the public health and economic crisis at the national level and globally.

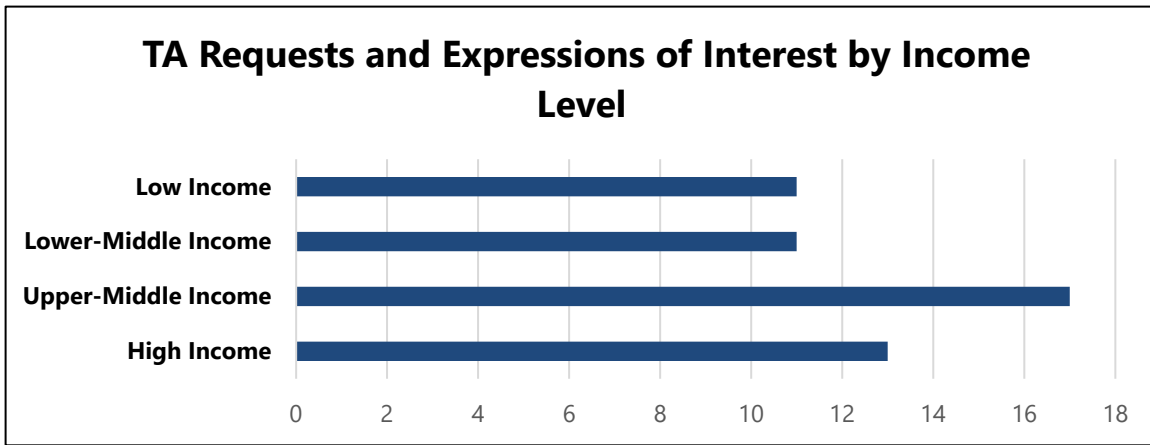
15. Demand for AML/CFT CD remains high, including on emerging issues such as the prevention of misuse of COVID-related spending. Several factors explain the sustained demand for IMF AML/CFT CD, including the following: The ongoing round of FATF/FSRB assessments against the 2012 FATF standards and the FATF International Cooperation Review Group (ICRG) exercise, which continue to put pressure on countries to enhance their effectiveness in combating ML and TF; the complexity and rapidly-evolving nature of new forms of “digital money” such as VAs and central bank digital currencies (CBDCs) (see the workplan for Year Two of AML TF III); and the rapid deployment of significant amounts of money to address the impact of the COVID-19 pandemic. Overall, direct requests or expressions of interest for assistance were received from 52 countries and one regional body.⁵ In the first reporting period, the majority were lower-middle and upper-middle economies (see Table 1 and Figure 1 below).

⁵ The Eastern Caribbean Central Bank.

Table 1. Requests and Expressions of Interest for IMF AML/CFT Technical Assistance November 1, 2020–April 30, 2021 ⁶				
IMF Region	Total Requests & EOIs	Requests	Expressions of interest (EOI)	List of requesting countries in alphabetical order (expressions of interest marked with an ^)
Africa (sub-Saharan Africa)	13	2	11	Angola^, Botswana, Chad^, Eswatini^, Mali^, Gambia^, Guinea^, Madagascar^, Mauritius^, São Tomé and Príncipe^, Seychelles^, Uganda, Zimbabwe^
Asia-Pacific	10	3	7	Bhutan, Indonesia^, Myanmar^, Samoa^, Solomon Islands, Sri Lanka^, Tonga, Tuvalu^, Vanuatu^, Vietnam^
Middle East, North Africa and Central Asia	10	1	9	Afghanistan^, Azerbaijan^, Georgia^, Iraq^, Jordan^, Pakistan, Saudi Arabia^, Sudan^, Tajikistan^, Turkmenistan^
Western Hemisphere (Latin America & the Caribbean)	9	2	7	Costa Rica^, ECCB^, Ecuador^, Guatemala^, Haiti, Jamaica, Panama^, Paraguay^, Suriname^
Europe	11	0	11	Albania^, Denmark^, Estonia^, Finland^, Iceland^, Latvia^, Lithuania^, Kosovo^, Norway^, Sweden^, Ukraine
TOTAL	53	8	45	

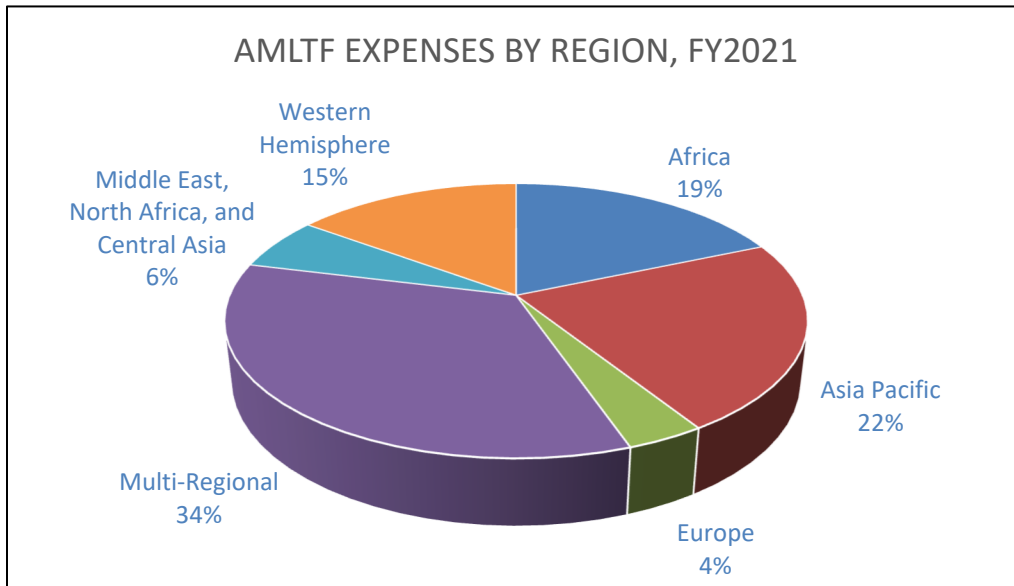
⁶ As registered in CDMAP. This new management system is being rolled out, and not all new requests may have been captured during the transition phase.

Figure 1. Requests and Expressions of Interest for IMF AML/CFT Technical Assistance by Income Level

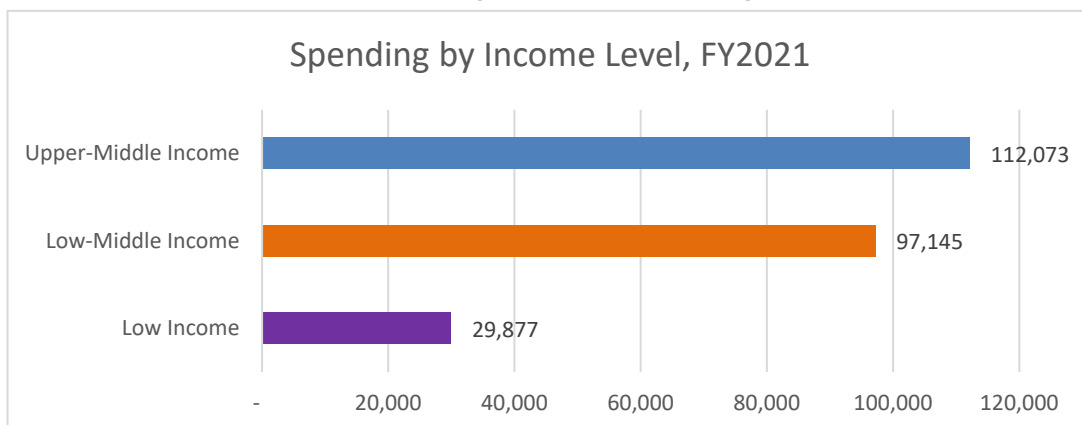


Note: ECCU/ECCB cannot be categorized by level of income as it aggregates jurisdictions with different income levels and is not reflected in the table above.

Figure 2. Spending by Region, November 1, 2020–April 30, 2021



**Figure 3. Spending by Income Level, November 1, 2020–April 30, 2021*
(in thousands of US\$)**



* This chart does not include regional advisors, research projects, or projects with multiple beneficial countries (including the Pacific Islands project and topical projects) or AML TF III management expenses.

16. To ensure the best use of TF resources and maximize the effectiveness of TF projects, staff continued to engage and consult with other donors and CD providers on a regular basis.

Coordination with other donors and providers occurs through active participation in the donors and providers fora (most notably those established by most FSRBs, but also those established in a country-specific context), during virtual TA missions, and in the context of IMF lending and Article IV consultations (the IMF’s annual economic health check). Specifically, staff consulted with the World Bank, the European Union, the Organization of American States (OAS), the Inter-American Development Bank (IDB), the Organization for Security and Co-operation in Europe (OSCE), the United Nations Office on Drugs and Crime (UNODC), and the Office of Technical Assistance (OTA) in the U.S. Department of the Treasury in relation to current TA projects as well as planned work.

17. Staff continued to highlight the results and progress of its CD work through social media postings albeit less frequently due to the ongoing travel restrictions.⁷ Most social media postings in the past had focused on highlighting in-country work. With the current travel restrictions, there were fewer opportunities for CD-related social media postings. In addition, not all recipients were agreeable to being featured on the IMF’s social media accounts in the virtual context, which limited CD-related social media presence. A few postings were nevertheless made (see Table 2 and Figure 4 below).

⁷ Twitter: www.twitter.com/IMFCapDev.
Facebook: www.facebook.com/IMFCapacityDevelopment/.

Table 2. AML/CFT Social Media Postings November 2020–April 2021

2020	Country	Topic
November	Algeria	Virtual CD mission to strengthen the capacity of the FIU
2021	Country	Topic
April	Solomon Islands	Virtual CD mission to analyze drivers of correspondent banking relationship (CBR) pressures in the financial sector

Figure 4. Examples of Social Media Postings on AML TF III Work FY2021



II. OTHER AML/CFT ISSUES AT THE IMF

18. Other developments have had an important impact on the IMF’s broader AML/CFT agenda, especially in the context of COVID-related emergency spending and of “digital money.” As IMF members responded to the pandemic with rapid increases in emergency spending, there has been a growing need to ensure appropriate transparency and accountability of that spending.⁸ This has increasingly led the IMF (and LEG in particular) to provide advice on measures needed to prevent the misuse of emergency spending. The collection and publication of information on the beneficial ownership of successful bidders to procurement contracts has been among the major safeguard measures that the IMF has been advising countries on. Notably, staff’s assistance in this area is provided in the context of the research project on transparency of beneficial ownership that commenced under AML TF II. In addition, the emergence of new forms of “digital money” (both privately issued VAs and CBDCs) and the related financial integrity implications have increasingly attracted country authorities’ attention. To help members, the IMF staff has developed two Fintech Notes that provide an overview of the legal and operational considerations that the implementation of a sound AML/CFT framework for VAs/VASPs raises,⁹ provided TA under the VA/VASP project, and is ramping up its work on CBDCs.

III. FINANCIAL HIGHLIGHTS

A. Fundraising Status and Budget Execution as of April 2021

19. The current level of pledges to AML TF III stands at US\$25.5 million against the target budget of US\$27 million. AML TF III has a small remaining funding gap of US\$1.5 million. Following the October 2020 Steering Committee meeting, the IMF staff finalized letters of understanding (LOUs) with the Netherlands, Japan, and Germany. The IMF has been discussing an LOU with Luxembourg to meet the target budget. The pro-rata shares of unspent balances from Phase II, based on the Phase II partners’ indication, will be transferred to Phase III or returned to partners.

⁸ The risks of misdirection of government funds or international financial assistance and the related increased risks of corruption were also highlighted by the Financial Action Task Force, for example in FATF’s Typologies study “[COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses](#),” May 2020 (page 9).

⁹ These Notes are expected to be published in the course of the summer.

Table 3. Financial Contributions
As of April 30, 2021 (in thousands of US dollars)

Agreement/Amendment Information					Contribution Received		Contribution Expected (U.S. Dollars)	
Partners	Signed Date ^{1/}	Currency	Amount	U.S.Dollars	Agreement Currency	U.S.Dollars	Requested	Future Contributions ^{2/}
Partners								
Canada	10/11/2019	USD	1,904	1,904	1,904	1,904	-	-
France	9/25/2020	EUR	815	950	326	394	-	593
Germany	1/5/2021	EUR	6,000	7,348	1,000	1,211	-	6,063
Japan	12/9/2020	USD	2,600	2,600	400	400	-	2,200
Netherlands	11/30/2020	USD	3,500	3,500	700	700	-	2,800
Qatar	6/11/2020	USD	2,000	2,000	1,000	1,000	1,000	-
Saudi Arabia	10/5/2020	USD	2,000	2,000	-	-	400	1,600
Switzerland	5/27/2020	CHF	5,000	5,180	3,000	3,254	-	2,199
Partners Total				25,482		8,864	1,400	15,455
Under Negotiation								
Luxembourg		EUR	2,000	2,425				
Under Negotiation Total				2,425				
Grand Total				27,907		8,864	1,400	15,455
Program Document Budget				27,000				
Funding Surplus				907				

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g. flexible/umbrella agreements).

2/ The future contributions amount is set to zero for completed installments.

3/ Refers to transfers from one program phase to another (e.g. phase rollovers).

20. The projected cashflow position for the AML TF III will remain positive. US\$8.9 million has been received into the AML/CFT-TF subaccount. The recent contributions from partners improved the liquidity position. Under the disbursement schedule agreed with partners, it will be possible to continue moving the important CD work forward. While the prolonged travel restrictions in the COVID-19 environment will continue to affect the ways in which CD activities are conducted, staff will carefully monitor the implementation of ongoing projects and provide the necessary support to meet the continuing high demand from authorities. Tables 4 and 5 detail the cash flow projections and the progress of each project.

Table 4. Cash Flow Statement

(In Thousands of U.S. Dollars, As of April 30, 2021)

Partner	Actuals	Projections				Total
	FY2021	FY2022	FY2023	FY2024	FY2025	
Contributions^{1/}	8,864	5,351	5,575	4,539	1,300	25,630
Canada	1,904					1,904
France	394	190	190	190		964
Germany	1,211	1,225	2,449	2,449		7,335
Japan ^{3/}	400	400	600	600	600	2,600
Netherlands	700	700	700	700	700	3,500
Qatar	1,000	1,000				2,000
Saudi Arabia	-	800	600	600		2,000
Switzerland	3,254	1,036	1,036			5,326
Interest Earned	1					
Total Cash Available	8,865	5,351	5,575	4,539	1,300	25,630
Total Expenses^{2/}	1,122	4,333	3,126	2,103		10,684
Cash Balance	7,743	8,761	11,210	13,646	14,946	14,946

^{1/} Contributions are net of transfers and return of funds.

^{2/} Expenses paid include the 7% TFM fee. FY21 actuals represents expenses and accruals through April 30, 2021, and the projections are estimate.

^{3/} Japan's installment schedule is tentative.






Table 5. Progress Report FY2021
As of April 30, 2021 (in thousands of U.S. dollars)¹⁰

	Latest Approved		Remaining		Execution (%)
	Budget	Expenses	Budget		
Direct TA	5,323	375	4,948	7%	
Angola	150	45	105	30%	
Botswana	733	15	718	2%	
Ecuador	252	33	220	13%	
Guinea	464	7	457	1%	
Guatemala	161	2	159	1%	
Indonesia	89		88	0%	
Jamaica	531	42	488	8%	
Jordan	428	20	408	5%	
Myanmar	350	3	346	1%	
Pakistan	226	7	219	3%	
Tajikistan	428	23	405	5%	
Ukraine	241	41	200	17%	
COVID	161	31	129	20%	
FinTech	150	66	83	44%	
ECCU / ECCB	424	5	420	1%	
Pacific Island Countries	536	34	502	6%	
Long-Term Advisors	5,247	461	4,866	9%	
African Countries	1,311	141	1,170	11%	
Asian Pacific Countries	1,500	214	1,286	14%	
Middle East & Central Asia Countries	1,312	20	1,292	2%	
Western Hemisphere Countries	1,125	86	1,119	8%	
Online Training	216	31	185	14%	
Research Project	109	39	70	36%	
CFT	55	7	48	12%	
Entity Transparency Research	54	32	21	60%	
Administrative/Governance Cost	1,093	216	877	20%	
Total	11,988	1,122	10,946	9%	
of which Trust Fund Management Fee	784	73	716		

¹⁰ The higher-than-usual ratio of administrative/governance cost to activities-related expenses is mainly attributable to the work related to the transition from the old to the new IT system (see paragraph 1).

ANNEX I. COUNTRY PROGRESS REPORTS (IN ALPHABETICAL ORDER)

ANGOLA (AFR)														
<p>Angola—AML/CFT Legal Drafting and Structures and Tools</p> <p>Fernando, Francisca Maryanne U</p> <p>11/01/2020–04/30/2021</p>	<p>Modules: Legal Drafting, Structures and Tools (Supervision), (FIU)</p> <p>Past 6 months: Structures and Tools (Supervision), (FIU)</p> <p>Next 6 months: Structures and Tools (Supervision), (FIU)</p>													
Budget Status														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">\$ 149,824</td> </tr> <tr> <th style="text-align: center;">Expenses*</th> <th style="text-align: center;">Commitments*</th> <th style="text-align: center;">Remaining</th> </tr> <tr> <td style="text-align: center;">\$ 45,211</td> <td style="text-align: center;">\$ 0</td> <td style="text-align: center;">\$ 104,613</td> </tr> </tbody> </table>			Total			\$ 149,824			Expenses*	Commitments*	Remaining	\$ 45,211	\$ 0	\$ 104,613
Total														
\$ 149,824														
Expenses*	Commitments*	Remaining												
\$ 45,211	\$ 0	\$ 104,613												
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <caption>Budget Status Data</caption> <thead> <tr> <th>Year</th> <th>Expenses</th> <th>Commitments</th> <th>Remaining</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>\$ 45,211</td> <td>\$ 0</td> <td>\$ 104,613</td> </tr> <tr> <td>2022</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 104,613</td> </tr> </tbody> </table>			Year	Expenses	Commitments	Remaining	2021	\$ 45,211	\$ 0	\$ 104,613	2022	\$ 0	\$ 0	\$ 104,613
Year	Expenses	Commitments	Remaining											
2021	\$ 45,211	\$ 0	\$ 104,613											
2022	\$ 0	\$ 0	\$ 104,613											
<p>* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system</p>														
KEY RESULTS AND ONGOING WORK														
<p>The project is a continuation of the project initiated under Phase II. The work with Angola focused on helping the authorities to improve the effectiveness of their AML/CFT regime, in line with their recent enhancements to the AML/CFT legal and supervisory framework. Work in this area follows the authorities' enactment of a comprehensive new AML/CFT law for Angola which was drafted with the help of the IMF's TA support in the context of this CD project.</p> <p>The IMF team carried out a 10-day virtual capacity development mission to Angola to help assess Angola's level of preparation and readiness for the upcoming Eastern and Southern Africa Anti-Money Laundering (ESAAMLG) assessment in 2022, and the level to which authorities could establish that they are effectively (i) using financial intelligence for ML/TF investigations and (ii) undertaking AML/CFT supervision of financial institutions and DNFBPs. The IMF team held a series of virtual discussions (using Zoom and with simultaneous interpretation) with a range of stakeholders, including several authorities, as well as private sector stakeholders. During the virtual mission, the IMF team provided advice and feedback to the stakeholders on their effective implementation of their AML/CFT obligations and followed this up with a comprehensive TA report.</p>														
RISK ASSESSMENT														
Category	Rating	Update												

Political Support	 Medium	<p>Following the enactment of the AML/CFT law drafted with support from the TA program, authorities need to focus on effectively implementing the new AML/CFT law and the risk-based supervision tools.</p> <p>Ongoing challenges related to the pandemic are also having an impact on TA delivery. The IMF team conducted a successful virtual technical assistance mission to deliver TA that would have otherwise been carried out through an onsite visit.</p>
Management Support and Technical Staff Commitment	 Medium	
Resource Adequacy	 Medium	
External Climate/Conditions	 Medium	
Other Risks	 Medium	

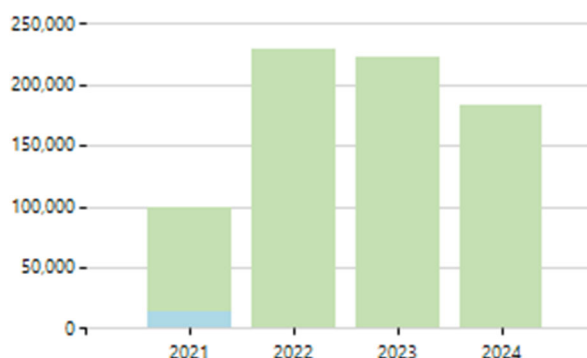
BOTSWANA (AFR)

Botswana—AML/CFT Risk-Based Supervision
 Claver, Carolina
 11/01/2020–05/31/2023

Modules: Structural & Tools (Supervision)
 Past 6 months: Structural & Tools (Supervision)
 Next 6 months: Structural & Tools (Supervision)

Budget Status

Total		
\$ 733,154		
Expenses*	Commitments*	Remaining
\$ 15,179	\$0	\$ 717,975



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is a continuation of the project initiated under Phase II. The IMF team has been providing support to the Bank of Botswana (BoB) and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) to develop and implement a sound and effective risk-based approach to AML/CFT supervision. The assistance under the project includes the development of the necessary risk-models and supervisory tools, systems, and procedures for offsite surveillance and onsite supervisory activities, including the design of a customized supervisory model (offsite risk-based matrix) that considers the inherent ML/TF risk within the customers, products and services, geographical locations, and delivery channels as well as the internal control environment.

Botswana was placed under increased monitoring by the FATF in the context of the ICRG process (“gray listing”) in October 2018). Botswana, together with the FATF, developed an Action Plan to address the strategic deficiencies in its AML/CFT framework, which, among other actions, requires the country to strengthen its AML/CFT supervisory framework in line with a risk-based approach.

The last onsite mission under Phase II was conducted in February 2020. Since then, the team has continued to support the authorities remotely. Key results achieved to date include, inter alia, (i) the review of the offsite risk-based analytical tools (risk matrix) for banks and insurance companies based on the results of the most recent pilot testing exercises conducted by the authorities; (ii) the review of the data collection template to enable the authorities to obtain the necessary financial and non-financial information for assessing the risks arising from the business lines; (iii) the development of draft offsite risk-based tools for bureaux de change and money remitters following the same approach applied to banks, which has been reviewed and customized further during the last months; (iv) the development of data gathering templates for the securities market intermediaries, in particular for asset managers/funds administrators; pension funds; and non-bank lending activities (i.e., pawnshops, among






others). The goal is to test the data gathering templates using a selected group of entities, which will provide the basis for the development of draft risk matrices and additional supervisory tools.

In addition, extensive support has been provided to the BoB and the NBFIRA to develop comprehensive AML/CFT supervision manuals, including customized onsite testing/examination procedures consistent with the offsite risk models and tools developed under the project. During the period under review, the IMF team has provided additional comments to the authorities on the draft under development and prepared specific sections of the supervision manual.

In order to facilitate adequate information flows between the Financial Intelligence Agency (Botswana’s FIU) and the supervisory agencies, the IMF team is collaborating with the Office of Technical Assistance (U.S. Department of Treasury) by providing an expert to assist the FIU with the implementation of the goAML system.

Going forward, the IMF team plans to continue to support the authorities address the remaining activities under the FATF Action Plan, in particular with respect to work already underway with respect to banks and life insurance companies, bureaux de change, electronic payment service providers, securities intermediaries, namely mutual funds, investment advisors, and brokerage firms. New areas of work will include, inter alia, the development of guidance to the industry to facilitate the implementation of the obligations under the legal and regulatory framework, the delivery of customized AML/CFT training modules and support with the implementation of the goAML system within the FIU.

RISK ASSESSMENT

Category	Rating	Update
Political Support	 Low	There is a need to increase the technical skills, expertise, and institutional capacity of the BoB’s AML/CFT supervisory staff.
Management Support and Technical Staff Commitment	 Medium	
Resource Adequacy	 Medium	Limited resources at the BoB which hinders the effective and timely implementation of the new risk-based approach to AML/CFT supervision.
External Climate/Conditions	 High	
Other Risks	 N/A	Botswana is under increased monitoring with FATF/ICRG (“gray listing”). Given the FATF listing, the authorities are concerned about possible pressures on the Central Bank’s correspondent banking relationships.

ECCU / ECCB (WHD)

Eastern Caribbean Central Bank (ECCB)—AML/CFT Risk-Based Supervision and Legal Drafting

Modules: Structures & Tools, Legal Drafting

Figueroa, Francisco R.

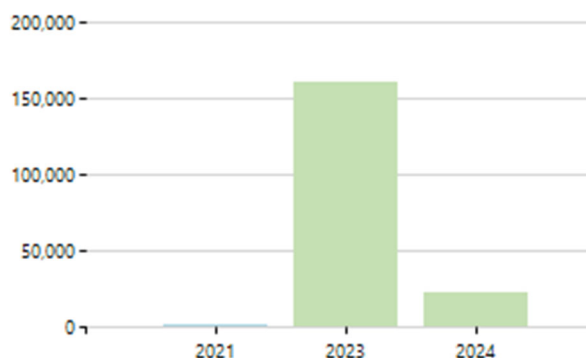
Past 6 months: Legal Drafting

01/01/2021–05/31/2023

Next 6 months: Both Modules

Budget Status

Total		
\$ 424,380		
Expenses*	Commitments*	Remaining
\$ 4,675	\$0	\$ 419,705



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The CD project has recently started and is in the preliminary stages: The IMF team is gathering the necessary legal and regulatory documents to be reviewed and has conducted several videoconferences with ECCB officials to discuss the upcoming tasks and activities related to the legal drafting module, in particular the harmonization of the AML/CFT legal framework for all ECCU members. Desk-based work will shortly begin in both the Legal Drafting and the Structures & Tools modules. COVID-19-related travel restrictions affected some activities of the CD project that would normally be conducted onsite.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	No changes.
Management Support and Technical Staff Commitment	⚠ Medium	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	⚠ Medium	
Other Risks	⚠ Medium	

ECUADOR (WHD)

Ecuador—AML/CFT Legal Drafting and Structures and Tools (Supervision)

Modules: Legal Drafting and Structures and Tools (Supervision)

Rossi, Ivana Maria

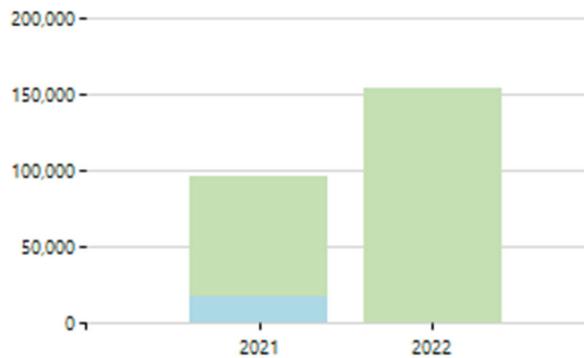
Past 6 months: All modules

11/01/2020 - 04/30/2022

Next 6 months: All Modules

Budget Status

Total		
\$ 252,112		
Expenses*	Commitments*	Remaining
\$ 32,573	\$0	\$ 219,539



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is still in early stages, and some COVID-19-related issues have slowed the pace of progress but work is expected to pick up in FY22.






A virtual scoping mission took place during the period of December 9–18, 2020. The purposes of the scoping mission were to i) conduct a diagnostic of the legal, institutional, and supervisory frameworks supporting a risk-based approach to AML/CFT supervision, primarily for financial institutions; and ii) validate the technical assistance (TA) needs of Ecuador and design the scope of the work to be delivered under the capacity development (CD) project. The scoping mission did the following:

- Assessed the existing AML/CFT legal and regulatory framework and identified the amendments needed to bring it in line with international standards. Vulnerabilities were identified including in relation to i) the lack of an asset forfeiture regime, which severely hinders the country’s ability to provide international cooperation in money laundering (ML) and terrorism financing (TF) cases; (ii) absence of a formal system to address several requirements regarding the implementation of United Nations Security Council Resolutions (UNSCRs) targeted financial sanctions (TFS) related to TF and proliferation financing (PF).
- Discussed the country’s ongoing National Risk Assessment (NRA) and the steps that need to take place once the report is finalized, including its dissemination. Based on the findings of the NRA, Ecuador is expected to take action and amend its current framework, including designating an authority or a national mechanism to coordinate actions to assess risks and apply resources, aimed at ensuring that the ML/TF risks are mitigated effectively.

- Discussed with the Superintendence of Banks the core elements of a risk-based supervisory framework and the current AML/CFT supervisory framework in place in terms of institutional arrangements, resources, and supervisory tools for both offsite surveillance and onsite activities. The discussion focused on the ongoing developments for the operationalization of a specific AML/CFT risk matrix aimed at measuring inherent risk, controls, and mitigants. The mission recommended (i) completing the control and mitigant sub-matrix that should not be the central process of the SB supervisory regime; (ii) developing a supervision manual beyond the set of procedures to populate the sub-matrix; (iii) defining a clear supervisory cycle; (iv) articulating a supervisory cycle with different types of inspection actions and different time periods to carry them out, depending on the ML/TF ratings assigned; (v) including a clear statistical methodology where sampling techniques apply; (vi) identifying corporate governance as a major area to be reviewed; and (vii) connecting ML/TF risk ratings and the comprehensive risk rating assigned to the supervised entities.

Overall, the scoping mission determined that further efforts are needed to improve the effectiveness of the regime. An Aide Memoire summarizing the findings and recommendations resulting from the mission as well as an action plan for addressing the different activities under the CD project are being finalized, currently incorporating the feedback from the authorities.

RISK ASSESSMENT

Category	Rating	Update
Political Support	 Medium	There are no changes in the ratings at this stage. However, the second round of the presidential elections took place on April 11, 2021, and the newly elected president took office on May 24, 2021. The new president, known as a conservative businessman and former banker, is expected to continue the current relationship with the IMF on CD as well as on the ongoing IMF-supported program. The finalization of the electoral process may mitigate some of the risks.
Management Support and Technical Staff Commitment	 Medium	
Resource Adequacy	 Medium	
External Climate/Conditions	 Medium	
Other Risks	 Low	

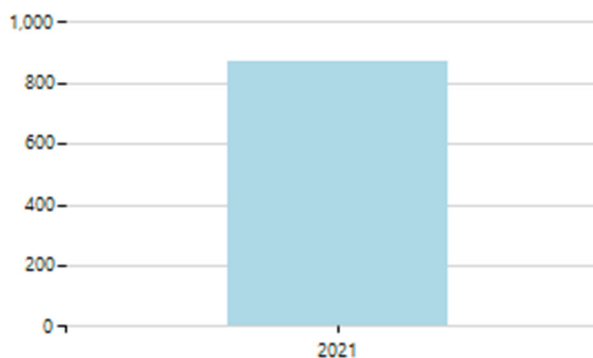
GUATEMALA (WHD)

Guatemala—AML/CFT Structures and Tools
 Figueroa, Francisco R.
 11/01/2020–04/30/2022

Modules: Structures & Tools (Supervision & FIU)
 Past 6 months: Structures & Tools (Supervision & FIU)
 Next 6 months: Structures & Tools (Supervision & FIU)

Budget Status

Total		
\$161,009		
Expenses*	Commitments*	Remaining
\$ 2,085	\$0	\$ 158,924



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is a continuation of the project initiated under Phase II. Some of the tasks and activities planned under this CD project have been limited due to the COVID-19-related crisis. Staff nevertheless maintained periodic contact and coordination with the authorities.

Work is expected to pick up during FY22 to continue providing TA on risk-based supervisory issues as well as financial intelligence and strategic intelligence products. The authorities have also requested expanding the scope of work to include assistance in developing similar risk-based supervisory methodologies, tools, and processes for non-bank financial institutions under the responsibility of the *IVE* ("Intendencia de Verificacion Especial"), Guatemala's Financial Intelligence Unit. This is being considered by IMF staff, but not yet proposed to the Steering Committee. A continuation or expansion of the program will, among others, also depend on expected traction.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	No changes.
Management Support and Technical Staff Commitment	✅ Low	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	🚨 High	
Other Risks	⚪ N/A	

GUINEA (AFR)

Guinea—AML/CFT Legal Drafting and Structures and Tools

Modules: Legal Drafting and Structures and Tools

El Murr, Arz

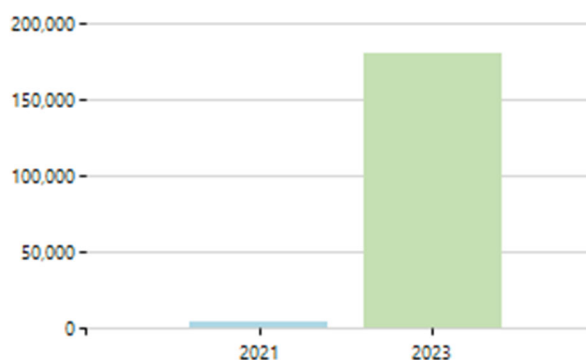
Past 6 months: Legal Drafting

11/01/2020–10/31/2023

Next 6 months: Legal Drafting and Structures and Tools

Budget Status

Total		
\$ 463,841		
Expenses*	Commitments*	Remaining
\$ 6,773	\$0	\$ 457,068



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project team continued to support the authorities in upgrading the comprehensive draft AML/CFT law that was enacted by the Parliament in April 2021. Once the revised law has been published, the team will assist the authorities in reviewing implementing regulations.

The project team also supported the authorities in developing an asset declaration framework. In cooperation with the World Bank, the team reviewed the asset declaration forms that were prepared by the authorities by categories of filers. The forms were finalized and published in November 2020. However, the implementation of the asset declaration framework is delayed due to ongoing work on aligning the framework with the 2020 Constitution. In December 2020, the constitutional court repealed the March 2020 decrees that established the asset declaration framework and new regulation is being prepared.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	No changes.
Management Support and Technical Staff Commitment	✅ Low	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	✅ Low	
Other Risks	⚪ N/A	

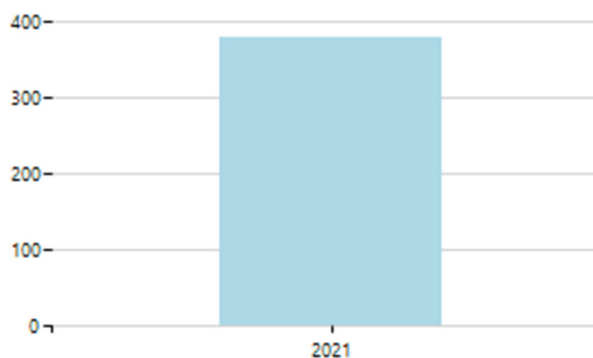
INDONESIA (APD)

Indonesia—AML/CFT Structures and Tools
 Figueroa, Francisco R.
 11/01/2020–04/30/2022

Modules: Structures & Tools (Supervision)
 Past 6 months: Structures & Tools (Supervision)
 Next 6 months: Structures & Tools (Supervision)

Budget Status

Total		
\$ 88,850		
Expenses*	Commitments*	Remaining
\$379	\$0	\$ 88,471



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is a continuation of the project initiated under Phase II and is in the final stages and the remaining tasks and activities are expected to be delivered in FY22, or as soon as COVID-related travel restrictions are lifted. The IMF team has remained in contact with *OJK* (Indonesia's Financial Supervisory Authority) officials and the working groups that have received assistance in monitoring the implementation of customized risk-based tools developed under this project.

RISK ASSESSMENT

Category	Rating	Update
Political Support	🟩 Low	No changes.
Management Support and Technical Staff Commitment	🟡 Medium	
Resource Adequacy	🟩 Low	
External Climate/Conditions	🟡 Medium	
Other Risks	🔲 N/A	

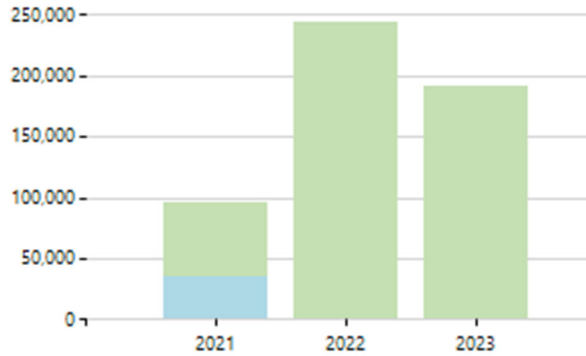
JAMAICA (WHD)

Jamaica—Risk-Based AM/CFT Supervision
 Claver, Carolina
 11/01/2020–10/31/2022

Modules: Structural & Tools (Supervision)
 Past 6 months: Structural & Tools (Supervision)
 Next 6 months: Structural & Tools (Supervision)

Budget Status

Total		
\$530,917		
Expenses*	Commitments*	Remaining
\$ 42,490	\$0	\$ 488,427



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The IMF team continued to assist the Bank of Jamaica (BOJ) with the development and implementation of a sound and effective risk-based approach to AML/CFT supervision for deposit-taking institutions (DTIs) (banks) and bureaux de change (*cambios*). The risk-based supervisory models (offsite risk-based tool/matrices) and methodologies are designed to consider the inherent ML/TF risk associated with customers, products and services, geographic locations, and delivery channels, as well as the adequacy of the internal control environment. During the last virtual mission (March 2021) the team reviewed the results of the most recent pilot testing exercise conducted on the tools, provided advice for further customization, as well as guidance on the necessary adjustments and calibrations to formulae and rating scale ranges. The risk matrices are currently in the final stages of completion. The ongoing CD project in the area of risk-based supervision is expected to help the BOJ ease pressures on correspondent banking relationships (CBRs), which is an area of concern for the authorities, in particular in the context of the “gray listing” process with the FATF/ICRG (since February 2020).

The risk-based supervisory toolkit designed for DTIs and *cambios* allows the BOJ’s supervisory staff to establish institutional risk profiles in line with their perceived exposure to ML/TF risks, allocate resources more effectively, and develop the institutional capacity to implement and enforce a risk-based approach to supervision for both offsite and onsite activities.

The team is also assisting the authorities with the development of a comprehensive AML/CFT supervision manual for DTIs, including customized onsite testing/examination procedures consistent with the offsite risk models and tools developed under the project. This manual will also address other sectors (i.e., *cambios*, money remitters, microcredit institutions, and electronic retail payment services (ERPSs)).






Most recently, the scope of the CD project was expanded to develop a similar supervisory framework for money remitters, microcredit institutions, and ERPSs.

On the legal front, the team continued to assist the authorities with the review of the legal and regulatory framework to support the proper implementation of a risk-based approach to AML/CFT supervision, including with respect to the legal and regulatory framework, licensing, and fit and proper requirements for microcredit institutions (Jamaica passed a new microcredit law in January 2021). The authorities, with support from the IMF team, plan to commence the process of developing a risk-based supervisory framework for microcredit institutions to ensure that this framework is ready for full implementation as soon as the legislative process is completed.

Going forward, the IMF team is planning to continue to assist the authorities with the remaining activities under the Action Plan that was developed jointly with the authorities under the AML TF Phase II and will incorporate new areas of work, which include, inter alia, the following: the development of guidance to the industry to facilitate the implementation of the obligations under the relevant laws; the development of risk-based supervisory tools for financial conglomerates, electronic third parties payment providers, money remitters, and microfinance institutions; guidance on the development of consolidated supervision; integration of ML/TF analysis into the overall prudential supervisory framework; and the development of customized AML/CFT training modules.

The team will continue to follow up on CBR developments.

RISK ASSESSMENT

Category	Rating	Update
Political Support	 Low	Nothing has changed in relation to the risk assessment during the last six months.
Management Support and Technical Staff Commitment	 Medium	Limited resources at the BoJ which hinders the effective and timely implementation of the new risk-based AML/CFT supervisory framework.
Resource Adequacy	 High	
External Climate/Conditions	 High	
Other Risks	 Medium	Jamaica is under increased monitoring with the FATF/ICRG ("gray listing"), which could further impact CBRs.

JORDAN (MCD)

Jordan—AML/CFT National Strategy, Legal Drafting, Structures and Tools

Modules: AML/CFT National Strategy, Legal Drafting, Structures & Tools

Dawe, Stephen Alan

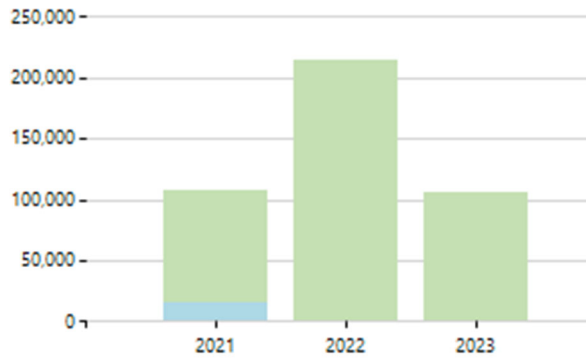
Past 6 months: Legal Drafting

11/01/2020–10/31/2022

Next 6 months: All Modules

Budget Status

Total		
\$427,674		
Expenses*	Commitments*	Remaining
\$ 19,746	\$0	\$ 407,928



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is still in the preliminary stages and work is expected to pick up in FY22. COVID-19-related issues are limiting how quickly the project can proceed at present.

Thus far, the project team has provided (remotely) strategic advice to the authorities on the content of legal drafting amendments to the AML/CFT laws and on the content of Jordan’s first enhanced follow-up report to the Middle East and North Africa Financial Action Task Force (MENAFATF).

RISK ASSESSMENT

Category	Rating	Update
Political Support	Low	No changes.
Management Support and Technical Staff Commitment	Low	
Resource Adequacy	Medium	
External Climate/Conditions	Medium	
Other Risks	High	

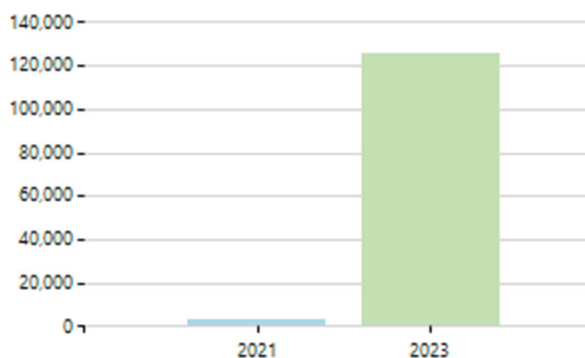
MYANMAR, UNION OF (APD)

Myanmar—AML/CFT Risk-Based Supervision
 El Murr, Arz
 11/01/2020–04/30/2023

Modules: AML/CFT Risk-Based Supervision
 Past 6 months: AML/CFT Risk-Based Supervision
 Next 6 months: Project is on hold since February 2021

Budget Status

Total		
\$ 349,868		
Expenses*	Commitments*	Remaining
\$ 3,480	\$0	\$ 346,388



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project team had prepared questionnaires for a diagnostic exercise of the Central Bank of Myanmar’s existing arrangements and practices in AML/CFT supervision. In addition, a series of virtual meetings has been planned with various supervisory units.

Following the recent political developments in Myanmar, the project was put on hold. The IMF team is closely following the developments in Myanmar and continues to evaluate their implications. Work under this project will continue once the IMF resumes its work with Myanmar.

RISK ASSESSMENT

Category	Rating	Update
Political Support	◇ N/A	All CD activity remains on hold following the recent political developments with no new activities since early February.
Management Support and Technical Staff Commitment	◇ N/A	
Resource Adequacy	◆ Low	
External Climate/Conditions	◆ Very High	
Other Risks	◇ N/A	

PACIFIC ISLAND COUNTRIES (SLB, TON, WSM)

AML/CFT—Pacific Initiative to Address the Pressures on CBR (Samoa, Solomon Islands and Tonga)

Modules: AML/CFT Structures & Tools (Supervision), Legal Drafting

Pampolina, Jonathan Talusan

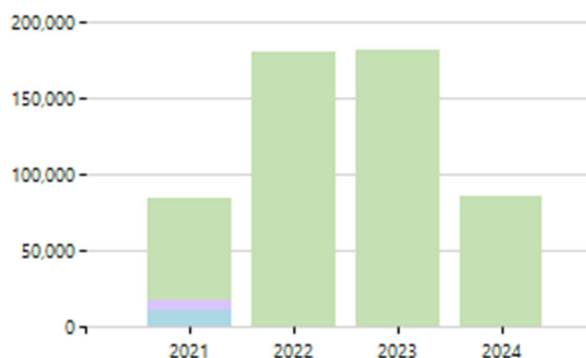
Past 6 months: AML/CFT Structures & Tools (Supervision), Legal Drafting

01/01/2021–05/31/2023

Next 6 months: AML/CFT Structures & Tools (Supervision), Legal Drafting

Budget Status

Total		
\$535,529		
Expenses*	Commitments*	Remaining
\$ 33,647	\$0	\$ 501,882



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is underway and a diagnostic mission for Solomon Islands has been conducted virtually in April. The diagnostic report is being finalized.

A diagnostic mission for Tonga took place virtually in May and a diagnostic mission for Samoa is expected to be conducted (virtually) shortly upon confirmation of the dates by the authorities. Work on the legal drafting with respect to the AML/CFT supervisory framework is expected to be initiated shortly thereafter. A regional workshop on risk-based supervision is being designed and planned for all the three supervisory authorities.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	No changes.
Management Support and Technical Staff Commitment	⚠ Medium	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	⚠ Medium	
Other Risks	⚪ N/A	

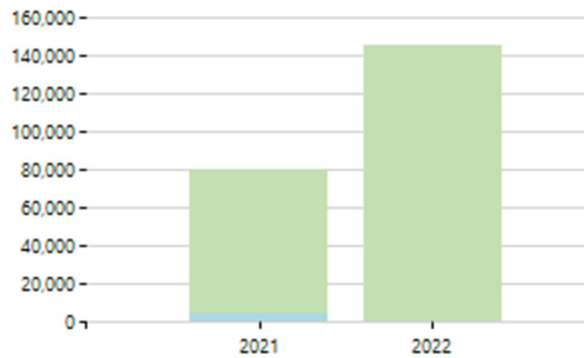
PAKISTAN (MCD)

Pakistan—AML/CFT Legal Drafting
 Dawe, Stephen Alan
 11/01/2020–02/28/2022

Modules: Legal Drafting, Structures and Tools
 Past 6 months: Legal Drafting
 Next 6 months: All

Budget Status

Total		
\$226,204		
Expenses*	Commitments*	Remaining
\$ 6,724	\$0	\$ 219,480



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is a continuation of the project initiated under Phase II and is still in the preliminary stages. Work is expected to pick up in FY22.

Thus far, the project team has been tracking and discussing Pakistan’s progress in the Financial Action Task Force’s ICRG process to ascertain the main priorities going forward.

RISK ASSESSMENT

Category	Rating	Update
Political Support	Low	No changes.
Management Support and Technical Staff Commitment	Medium	
Resource Adequacy	High	
External Climate/Conditions	N/A	
Other Risks	High	

TAJIKISTAN (MCD)

Tajikistan—Legal Drafting, Structures and Tools

Modules: Legal Drafting, Structures and Tools (Supervision)

Fernando, Francisca Maryanne U

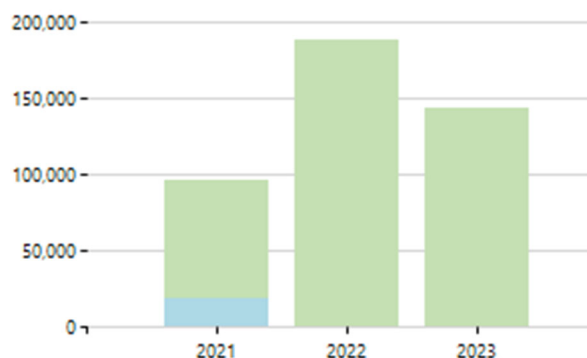
Past 6 months: Legal Drafting, Structures and Tools (Supervision)

11/01/2020–04/30/2021

Next 6 months: Legal Drafting, Structures and Tools (Supervision)

Budget Status

Total		
\$428,448		
Expenses*	Commitments*	Remaining
\$ 23,104	\$0	\$ 405,344



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system






KEY RESULTS AND ONGOING WORK

The project was initiated under Phase II. The IMF team continued to support Tajikistan with respect to (i) legal drafting, (ii) risk-based supervision, and (iii) other measures to address CBR pressures—e.g., measures to strengthen the framework for targeted financial sanctions, availability of beneficial ownership information.

Following the team’s extensive review of Tajikistan’s current AML/CFT law and several other related laws and regulations, the IMF team recommended that the authorities consider drafting a new AML/CFT law that would be better structured and address any existing technical compliance deficiencies. The authorities sought agreement for this proposal and confirmed in January 2021 their willingness to draft and enact a new AML/CFT law for Tajikistan. The IMF team prepared a first draft version of the law, which was most recently shared with the authorities.

In addition, work has continued with respect to the sectoral risk assessment. The IMF team sought preliminary information from the National Bank of Tajikistan (NBT) to identify the information that they have available for the purpose of their ongoing risk-based supervision and shared a detailed sectoral risk assessment questionnaire with the NBT to collect information from financial institutions under their supervision, including banks, microcredit deposit institutions, microcredit funds, and insurance companies.

The IMF team also continued to coordinate its efforts with other TA providers, including the OSCE which is supporting the authorities with respect to their national risk assessment, the International Finance Corporation (IFC) which is working with the authorities on the implementation of remote customer due diligence identification measures, and the Asian Development Bank (ADB) which has provided risk-based tools for supervision.

RISK ASSESSMENT		
Category	Rating	Update
Political Support	 Low	<p>There were concerns about the capacity of the technical staff to absorb technical assistance from various donors and providers at the same time. In this regard, the ongoing TA coordination by the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) has been very useful to organize and sequence the delivery of TA. The IMF team has also held follow-up discussions with TA other providers.</p> <p>Ongoing challenges related to the pandemic are also having an impact on TA delivery schedules. The IMF team has held a number of virtual meetings with authorities to keep lines of communication open.</p>
Management Support and Technical Staff Commitment	 Medium	
Resource Adequacy	 Medium	
External Climate/Conditions	 Medium	
Other Risks	 Medium	

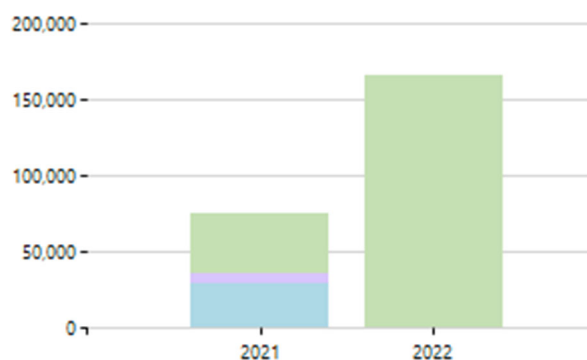
UKRAINE (EUR)

Ukraine—AML/CFT Structures and Tools (Supervision)
Chen, Ke
11/01/2020–10/31/2021

Modules: Structures and Tools (Supervision)
Past 6 months: Structures and Tools (Supervision)
Next 6 months: Structures and Tools (Supervision)

Budget Status

Total		
\$241,380		
Expenses*	Commitments*	Remaining
\$ 41,351	\$0	\$ 200,029



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The recently initiated CD project aims to assist the National Bank of Ukraine (NBU) in (i) updating existing tools for AML/CFT supervision of banks in light of the recent amendments to the AML/CFT law; and (ii) enhancing capacity to effectively supervise non-bank financial institutions (NBFIs), which recently came under the NBU's purview, for AML/CFT with a focus on risks associated with corruption.

In the absence of the Head of the Financial Monitoring Department (FMD) of the NBU who would have been the main counterpart for the Fund,¹¹ in November 2020 the team started by conducting a desk-based review of the onsite inspection procedures (known as the Methodological Recommendations) for banks in relation to customer due diligence and politically exposed persons (PEPs), and shared written comments with the NBU. The focus of the review was on identifying and mitigating the risks associated with corruption. After the new head of the FMD was appointed, a virtual mission was conducted during the period of March 26–April 2, 2021 to follow up on the written advice provided and discuss other improvements needed on the supervisory tools to help the FMD effectively identify and mitigate the corruption-associated risks. Enhancements to the offsite tools (risk matrix and the internal control questionnaire) for banks to be in line with the amended law were discussed and broad advice was provided. Written comments and proposals will be shared along with the Aide Memoire being drafted.

Future work under this project in FY22 will focus on helping the FMD develop guidance on risk assessment and management in relation to PEPs after which the team will start working with the FMD on identifying risks associated with corruption in the NBFIs and mitigating those risks. Specifically, the work on NBFIs involves

¹¹ The former head stepped down in September 2020. The team was informed in January 2021 that the new head was appointed in December 2020.

identifying the sectors where the corruption-related risks are heightened and adapting existing supervisory tools (for the banking sector) to supervision of the high-risk NBFIs.

It is also proposed to expand the project with an additional estimated budget of US\$265,000 to enable assistance to the Ministry of Justice and Ministry of Finance with strengthening the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine with a view to improving the accuracy of information on beneficial ownership to further support the country's anti-corruption reforms. See the workplan for Year 2 of the AML TF III.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	The change in the main counterpart (head of the FMD) has had a short-term impact on the pace of progress under the project. The medium-term impact on the technical staff commitment remains to be seen.
Management Support and Technical Staff Commitment	⚠ Medium	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	✅ Low	
Other Risks	⚠ Medium	

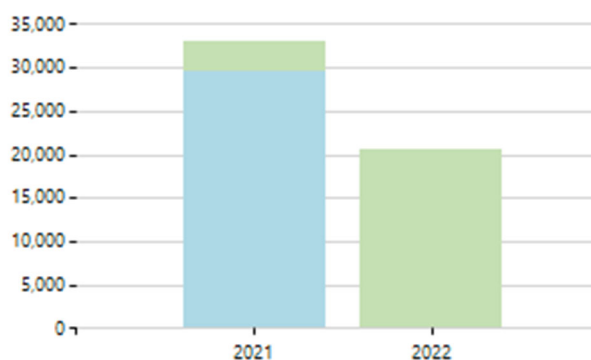
INTERNATIONAL MONETARY FUND (IMF)

AML/CFT—Entity Transparency Research
 Fernando, Francisca Maryanne U
 11/01/2020–10/31/2021

Modules: Research Publication
 Past 6 months: Research Publication
 Next 6 months: Research Publication

Budget Status

Total		
\$53,687		
Expenses*	Commitments*	Remaining
\$ 32,221	\$0	\$21,466



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The project is a continuation of the project initiated under Phase II. Work on the Entity Transparency (ETP) Handbook has progressed well. Notably the ETP Handbook has undergone an extensive internal review process by IMF colleagues, several rounds of revisions which resulted in the addition of new sections, and the development of a related TA tool (series of guiding questions) to support the content of the ETP Handbook. Work is currently underway to prepare the Handbook for external review. The final drafting and ultimately the content of the ETP Handbook are also being closely aligned with ongoing FATF discussions to revise FATF Recommendation 24. Changes to FATF Recommendation 24 (to be hopefully adopted by October 2021) will have to be appropriately reflected throughout the ETP Handbook. The ETP Handbook is expected to be published in early 2022, with an anticipated launch date during the IMF-World Bank 2022 Spring Meetings.

RISK ASSESSMENT

Category	Rating	Update
Political Support	◇ N/A	The FATF is currently looking at revising FATF Recommendation 24, which relates to the subject matter that is covered by the Handbook. The IMF team is part of the FATF's Recommendation 24 project team and is closely aligning the views of the Handbook with the changes that will likely be made to Recommendation 24 so that the content of the Handbook will be up to date. The timelines for publishing the Handbook have been pushed until such time that the FATF changes will be adopted to ensure consistency.
Management Support and Technical Staff Commitment	◇ N/A	
Resource Adequacy	◇ N/A	
External Climate/Conditions	◇ N/A	
Other Risks	⚠ Medium	

INTERNATIONAL MONETARY FUND (IMF)

COVID19—Financial Integrity Measures to Prevent Misuse of Emergency Funding

Modules: AML/CFT Legal Drafting

Pampolina, Jonathan Talusan

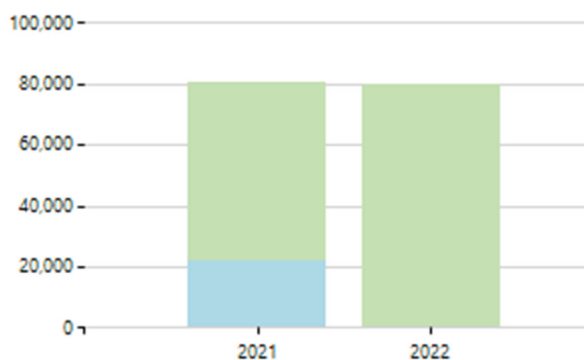
Past 6 months: Legal Drafting

11/01/2020–10/31/2021

Next 6 months: Legal Drafting

Budget Status

Total		
\$160,597		
Expenses*	Commitments*	Remaining
\$ 31,425	\$0	\$129,172



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

Initiated recently, the project has been ramping up with engagements in several country contexts and with varying degrees of progress in supporting the authorities in drafting regulations for requiring beneficial ownership information in procurement regulations. Several requests from low capacity, fragile states and small developing states have been received and capacity development support is ongoing. It notably benefits from the agility and flexibility of the project which allows for targeted engagement through desk-based reviews and virtual video conferences.

In the coming six months, additional requests are expected as conditionality in IMF-supported programs is agreed with the authorities.

RISK ASSESSMENT

Category	Rating	Update
Political Support	⚠ Medium	IMF-supported programs and the related conditionality are contributing to addressing political support risks and help ensure ownership from high-level authorities.
Management Support and Technical Staff Commitment	✅ Low	
Resource Adequacy	⚠ Medium	
External Climate/Conditions	⚠ Medium	
Other Risks	⚪ N/A	

INTERNATIONAL MONETARY FUND (IMF)

AML/CFT Legal Drafting and Training on Virtual Assets (FinTech) (also referred to as Virtual Assets and Virtual Assets Service Providers project, VA/VASP)

Modules: Training, Legal Drafting. Structural & Tools (Supervision)

Jackson, Grace

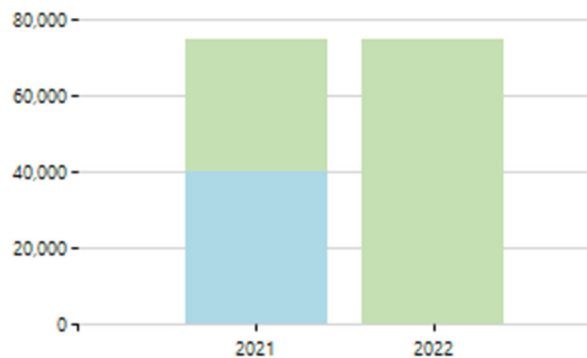
Past 6 months: All

02/01/2021–02/01/2022

Next 6 months: All

Budget Status

Total		
\$ 139,750		
Expenses*	Commitments*	Remaining
\$66,284	\$0	\$ 83,249



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system








KEY RESULTS AND ONGOING WORK

The project successfully commenced in February 2021. A first desk-based review and mission were completed in March (Albania). The team reviewed the AML/CFT legal framework for VAs and VASPs and provided initial feedback on potential updates/amendments. A desk-based review of the available materials relating to ML/TF risk analysis and AML/CFT licensing and supervision was also completed. As part of the mission, the team discussed and provided recommendations relating to the ML/TF risks associated with VAs and VASPs (at both the sectoral and entity level), the AML/CFT components of the licensing framework (including fit and proper requirements and the assessment of VASPs' AML/CFT frameworks) and the AML/CFT supervision of VASPs (including the risk-based approach and the allocation of resources). The next mission (scheduled to take place virtually in June) will involve the provision of a training module on AML/CFT requirements relating to VAs and VASPs.

In the coming months, the second country (Georgia) engagement (involving a desk-based review and two virtual missions) will take place, and two regional seminars (reaching a wide range of countries from the Asia-Pacific to the Caribbean Basin regions) are tabled to take place over the next 10 months.

The first phase of the project is scheduled to conclude in February 2022 and there is a full schedule of engagements up until then. Due to increasing demand (preliminary requests from a number of countries), additional time and resources are required in order to continue to meet country needs to develop and enhance their VA and VASP AML/CFT frameworks. Notably, the Financial Action Task Force (FATF) has observed that many countries continue to struggle to implement the FATF recommendations for VAs and VASPs and that the supervision of VASPs and the implementation of AML/CFT obligations by VASPs are generally nascent. In light of this, countries' needs are evolving, and the next phase of the project will need to further support countries in the areas of VA and VASP ML/TF

risk assessment and AML/CFT supervision. An extension of 24 months and US\$300,000 is proposed as part of the proposed workplan and budget for Year 2 of the AML TF III.

RISK ASSESSMENT		
Category	Rating	Update
Political Support	 Medium	No changes.
Management Support and Technical Staff Commitment	 Medium	
Resource Adequacy	 High	
External Climate/Conditions	  Medium/Low	
Other Risks	  Medium/Low	

E-LEARNING COURSE ON AML/CFT RISK-BASED SUPERVISION

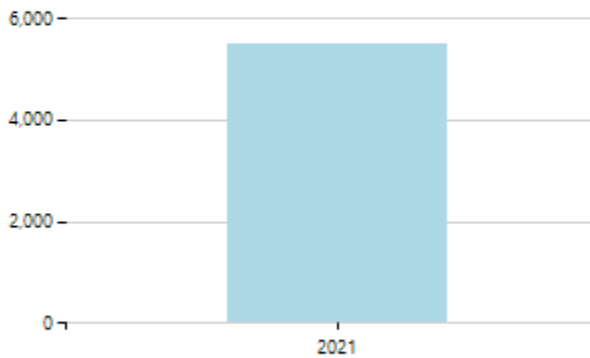
Figueroa, Francisco

11/01/2020–02/28/2022

Budget: \$215,595 **Expenses:** \$30,806 **Remaining:** \$184,789

Budget Status

Total		
\$5,492		
Expenses*	Commitments*	Remaining
\$5,492	\$0	\$0



* Operational data; some discrepancy with the data reflected in the main report is possible, partly due to the ongoing transition to the new IT system

KEY RESULTS AND ONGOING WORK

The CD project is still in the preliminary stages and work is expected to pick up in FY22.

So far, the project has developed a preliminary outline of modules and topics comprising the content of the e-learning course. Further work will focus on the development of the modules' content.

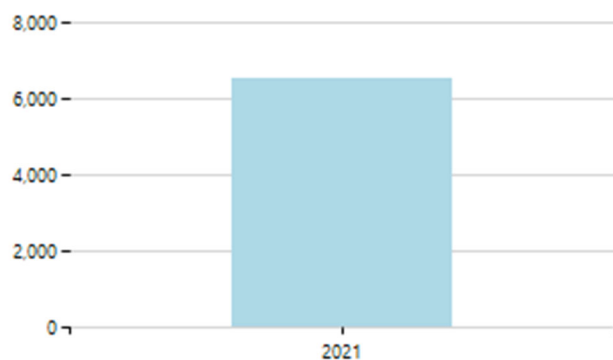
INTERNATIONAL MONETARY FUND (IMF)

CFT Handbook: No Money For Terror
 El Houry, Chady Adel
 11/1/2020 - 12/31/2021

Modules: Research Publication
 Past 6 months: Research Publication
 Next 6 months: Research Publication

Budget Status

Total		
\$6,566		
Expenses*	Commitments*	Remaining
\$6,566	\$0	\$0



*Operational data; discrepancy with drawdown data possible

KEY RESULTS AND ONGOING WORK

Improving the effective implementation of the combating of financing of terrorism (CFT) frameworks by IMF member countries is a real challenge. The project is a continuation of the work under Phase II, aiming to develop a handbook for policy makers and practitioners that will assist them in identifying key challenges and good practices in strengthening the effectiveness of CFT frameworks.

After an extensive period of research, collection of information from an experts' roundtable in Vienna in April 2019, and a roundtable in Lyon among co-authors to get together and exchange views in May 20-22, 2019, and outreach to many agencies, the chapters' final substantial editing has been finalized. The manuscript will then be sent for typographic editing/formatting by the Fund's Communications Department in June 2021 and will be finalized and published by end 2021. The research focused on underlying the status of implementation in relation to every topic, highlighting 3-4 key challenges, and identifying 3-4 good practices. After its publication, the handbook will be used to develop a technical assistance module related to CFT issues.

The remaining budget will be used for editing and formatting, and translation to different languages (e.g., Arabic, French, and Spanish), which can be relatively costly. Once the manuscript is sent for final editing, the drafting team will develop a communications strategy for the publication by end-2021.

RISK ASSESSMENT

Category	Rating	Update
Political Support	◊ N/A	No change.
Management Support and Technical Staff Commitment	◊ N/A	
Resource Adequacy	◊ N/A	
External Climate/Conditions	◊ N/A	
Other Risks	◊ N/A	

ANNEX 2. AML/CFT CATALOG

Workstream I: AML/CFT

1.1 AML/CFT National Risk Assessment Log Frame		
Strategic Objective		
<i>The country gains an understanding of its ML/TF risks.</i>		
Project Objective	Verifiable	
The country is able to demonstrate that it understands its ML/TF risks.		
Outcomes (expected)	Verifiable	
1. The country properly identifies, assesses, and understands its ML/TF risks.	1. Relevant competent authorities with a role in AML/CFT are involved in the risk assessment process (by way of membership and participation in the National Risk Assessment (NRA) committee or working group). 2. Quantitative and qualitative information as well as perception surveys are used for the risk assessment. 3. Authorities produce a list of major ML/TF risks facing the country, substantiated based on reliable data, surveys, and analysis. 4. Key findings are communicated to relevant stakeholders such as agencies and reporting entities (by way of an NRA report or oral briefing).	
2. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).	1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.	
Milestones (free text)	Milestone Completion Date	Outputs
1. Authorities form an NRA committee or a working group.	by [date]	1. National risk assessment template and related analysis
2. Authorities collect required data.	by [date]	2. TA report
3. Authorities analyze data.	by [date]	3. Delivering national risk assessment workshops, including training material
4. Authorities prepare report	by [date]	4. On-line NRA surveys
5. Authorities communicate key findings to relevant stakeholders	by [date]	
Risks (should be identified at start of project)—either at Project level or by Objective		
5 Risk Categories	Risk Level (Select a level for each category)	
1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks	Low, Medium, High, Very High, Not Applicable	

I.2 AML/CFT National Strategy Log Frame		
Strategic Objective		
<i>The country has a national plan to address ML/TF risks.</i>		
Project Objective		Verifiable
The country develops an AML/CFT national strategy.		
Outcomes (expected)		Verifiable
1. The country prioritizes AML/CFT policy actions.		1. National AML/CFT strategy is approved by the government. 2. Authorities monitor implementation of national AML/CFT strategy. 3. Items outlined in national action plan are implemented. 4. Increased compliance and effective implementation with FATF standard.
2. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).		1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.
Milestones (free text)	Milestone Completion Date	Outputs
1. Authorities develop a national strategy.	by [date]	1. National strategy workshop
2. Authorities approve a national strategy.	by [date]	2. Comments on draft national AML/CFT strategy
3. Authorities review and adjust the national strategy.	by [date]	3. TA report
Risks (should be identified at start of project)—either at Project level or by Objective		
5 Risk Categories		Risk Level (Select a level for each category)
1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks		Low, Medium, High, Very High, Not Applicable

I.3 AML/CFT Legal Drafting Log Frame		
Strategic Objective		
<i>The country has the legal foundation for improved compliance/effective implementation of AML/CFT measures.</i>		
Project Objective	Verifiable	
The country has in place the necessary laws and regulations for improved compliance/effective implementation of AML/CFT measures.		
Outcomes (expected)	Verifiable	
1. Country's AML/CFT legal framework is in line with FATF standard.	1. AML/CFT Law and Regulations developed in line with the FATF standard are enacted by the country's legislative process. 2. Publication of enacted law or regulation. 3. Technical compliance ratings of country's mutual evaluation improve.	
2. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).	1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.	
Milestones (free text)	Milestone Completion Date	Outputs
1. Authorities develop AML/CFT law, amendment, or regulation in line with FATF standard.	by [date]	1. Draft legislation and regulations
2. Cabinet or ministry approves new AML/CFT law, amendment, or regulation.	by [date]	2. Comments on legislation and regulations
3. Authorities submit new AML/CFT draft law or amendment to Parliament.	by [date]	3. TA report
4. Parliament or ministry approves new AML/CFT law, amendment, or regulation.	by [date]	4. Training material prepared for workshop/capacity development sessions
Risks (should be identified at start of project)—either at Project level or by Objective		
5 Risk Categories	Risk Level (Select a level for each category)	
1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks	Low, Medium, High, Very High, Not Applicable	

I.4 AML/CFT Structures and Tools (Supervision) Log Frame		
Strategic Objective		
<i>The country has an enhanced risk-based AML/CFT supervisory framework that results in a higher level of compliance and effectiveness in implementation by licensed and/or registered institutions</i>		
Project Objective	Verifiable	
The country strengthens its supervisory framework for AML/CFT and conducts supervisory activities based on the money laundering/terrorist financing (ML/TF) risk profile assigned to licensed and/or registered institutions.		
Outcomes (expected)	Verifiable	
1. Supervisors appropriately regulate, supervise and/or monitor licensed and/or registered institutions to ensure compliance and effective implementation with AML/CFT requirements.	<p>The following indicators refer to licensed and/or registered institutions:</p> <ol style="list-style-type: none"> 1. AML/CFT supervision, for both offsite and onsite activities, is conducted using a risk-based approach, methodology, systems and tools. 2. Offsite activities—Supervisors are able to identify and generate a list of higher risk licensed and/or registered institutions using the risk-based approach (e.g., risk model). 3. Onsite activities—Supervisors are guided by transaction testing/examination procedures developed for conducting onsite inspections of licensed and/or registered institutions. 4. Sound risk-based AML/CFT supervisory tools increase the number of onsite AML/CFT inspections (for countries starting with no AML/CFT supervisory capacity). 5. Supervisory resources are effectively directed to identified areas of potential ML/TF (e.g., licensed and/or registered institutions assigned a high-risk profile are subject to more frequent, comprehensive, and intensive supervisory activities). 	
2. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).	<ol style="list-style-type: none"> 1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery. 	
Milestones (free text)	Milestone Completion Date	Outputs
1. Authorities develop and implement an AML/CFT risk model and risk-based approach and methodology for conducting offsite activities.	by [date]	1. Diagnostic and/or Technical Assistance reports.
2. Authorities develop and implement transaction testing/examination procedures for conducting onsite inspections of licensed and/or registered institutions.	by [date]	2a. AML/CFT Supervisory Manual including a section addressing risk-based off-site surveillance/monitoring tools, methodology, and procedures.
3. Authorities assign an ML/TF risk profile, using the results of the off- and onsite activities, to each licensed and/or registered institution.	by [date]	2b. AML/CFT Supervisory Manual including risk-based onsite transactions testing/examination procedures.
4. Authorities develop a supervisory strategy using the institutional risk profile tailored to each licensed and/or registered institution.	by [date]	2c. AML/CFT Supervisory Manual including criteria for assigning risk profiles to licensed and/or registered institutions.
		3. Institutional AML/CFT supervisory strategy and annual supervisory plan.
		4. Formal AML/CFT training modules/courses.

5. Enhanced regulations, circulars, or guidance incorporating AML/CFT preventive measures, as applicable.

Risks (should be identified at start of project)—either at Project level or by Objective

5 Risk Categories

Risk Level (Select a level for each category)

1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks

Low, Medium, High, Very High, Not Applicable

I.5 AML/CFT Structures and Tools (FIU) Log Frame		
Strategic Objective		
<i>The country has a strengthened financial intelligence system which improves the country's ability to detect and prosecute ML/TF.</i>		
Project Objective	Verifiable Indicators	
The country strengthens its financial intelligence system, thereby improving its ability to detect and prosecute ML/TF and its ability to cooperate internationally.		
Outcomes (expected results)	Verifiable Indicators	
1. FIU produces timely tactical intelligence products that support AML/CFT investigations for law enforcement and other competent authorities.	1. FIU utilizes operational systems, processes, procedures, and resources for managing receipt and analysis of suspicious transaction reports (STRs) and other reports and dissemination of intelligence products. 2. Feedback from law enforcement on disseminations is positive (through feedback forms and other means). 3. Improvement in average response time to requests from domestic law enforcement and foreign FIUs. 4. Increase in the number of operational disseminations that contribute to ML/TF investigations, prosecutions, and convictions.	
2. FIU produces strategic analysis that identifies targets for tactical analysis and informs policy decisions, resource allocation, national risk assessments, and risk assessments conducted by reporting entities.	1. Increase in the number of strategic analysis reports. 2. Increase in the number of operational disseminations that contribute to ML/TF investigations, prosecutions, and convictions.	
3. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).	1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.	
Milestones (free text)	Milestone Completion Date	Outputs
1. Authorities develop an adequate organizational structure. 2. Authorities develop robust management procedures. 3. Authorities develop adequate security procedures. 4. Authorities develop FIU operating procedures. 5. Authorities develop a case management system. 6. Authorities train analysts on operational and strategic analysis.	by [date] by [date] by [date] by [date] by [date] by [date]	1. TA report 2. Financial intelligence operations manual 3. Technical recommendations regarding FIU organizational structure, operating procedures, IT systems 4. Technical recommendations regarding analytical processes 5. Technical advice on strengthening AML/CFT domestic and international cooperation 6. Training material prepared for workshops/capacity development sessions 7. Security procedures 8. Suspicious transaction reporting guidelines
Risks (should be identified at start of project)—either at Project level or by Objective		
5 Risk Categories	Risk Level (Select a level for each category)	
1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks	Low, Medium, High, Very High, Not Applicable	

I.6 Preventing Illicit Financial Flows: International Cooperation Log Frame		
Strategic Objective		
The country strengthens its international cooperation on illicit financial flows.		
Project Objective	Verifiable	
The country strengthens its ability to prioritize international cooperation through a comprehensive review of cross-border financial flows.		
Outcomes (expected)	Verifiable	
1. Data on financial flows in and out of the country is gathered and analyzed.	1. A system is in place to gather and analyze financial flows data.	
2. Administrative and judicial cooperation is targeted to higher risk countries.	1. MOUs are signed and other cooperation arrangements effected to facilitate administrative and judicial cooperation with higher risk countries.	
3. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).	1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.	
Milestones (free text)	Milestone Completion Date	Outputs
1. Supervisor establishes a framework and a system for gathering data on financial flows in and out of the country.	by [date]	1. Analysis report on the financial flows in and out of the country
2. Supervisor establishes a methodology for analyzing the gathered data.	by [date]	2. Review of relevant legal frameworks relating to administrative and judicial cooperation
3. Authorities analyze the data on financial flows against other indicators (e.g., trade, foreign investment).	by [date]	3. Analysis on the scope of administrative and judicial cooperation
4. MOUs are developed and signed.	by [date]	4. Draft MOU on cooperation
5. Other cooperation arrangements are in place.	by [date]	5. TA report
Risks (should be identified at start of project)—either at Project level or by Objective		
5 Risk Categories	Risk Level (Select a level for each category)	
1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks	Low, Medium, High, Very High, Not Applicable	

I.7 Diagnostic of Pressures on Correspondent Banking Relationships (CBRs) Log Frame

Strategic Objective

The country understands the extent and nature of pressures on CBRs and identifies targeted measures to address the impact and drivers of CBR withdrawal.

Project Objective		Verifiable
The country identifies the scale, scope, drivers, and consequences of the pressures on correspondent banking relationships (CBRs) and other related business relationships (e.g., money value transfer services (MVTs), non-governmental organizations (NGOs)) and identifies targeted measures to mitigate economic impact and address the drivers of pressures on CBRs, as appropriate.		
Outcomes (expected results)		Verifiable Indicators
1. The country identifies and understands the extent, drivers, consequences, and impact of pressures on CBRs.		1. The Central Bank, in consultation with financial institutions, produces a study on the extent of CBR pressures, including by analyzing trends in CBRs (e.g., volume, value, currency, type of correspondent banks). 2. Authorities produce an analysis of potential drivers in consultation with relevant stakeholders (including from the private sector). 3. Authorities, in consultation with relevant stakeholders, produce an analysis of consequences and impact of actual or perceived loss of CBRs and other related business relationships.
2. The country produces a monitorable action plan to mitigate actual or potential pressures on CBRs and ensures an environment conducive to robust CBRs.		1. The government issues an action plan to competent authorities outlining concrete steps and a timeline to address pressures on CBRs, as well as a communication strategy. 2. A monitoring mechanism is put in place to track the action plan's implementation status.
3. Authorities have the appropriate competencies and skills in the relevant topic(s)/area(s).		1. Authorities fully trained on the new or amended law and regulation and supervisory and financial intelligence tools and methodologies are developed and delivered. 2. Participants value this training, as evidenced by survey results indicating knowledge gain that will assist them in future work delivery.
Milestones (free text)	Milestone Completion Date	Outputs
1. The Central Bank collects data on CBRs, including numbers and types of CBRs and trends over past years.	by [date]	1. Estimate of the extent of CBR pressures
2. AML/CFT supervisors collect data on high-risk customers in financial institutions they supervise (e.g., money value transfer services, non-profit organizations, politically exposed persons).	by [date]	2. Analysis of drivers

<p>3. Meetings are organized with relevant public and private sector stakeholders to understand CBR pressures, drivers, and solutions.</p> <p>4. An action plan is drafted by__(date).</p> <p>5. A monitoring mechanism is put in place by_(date).</p>	<p>by [date]</p> <p>by [date]</p> <p>by [date]</p>	<p>3. Analysis of consequences</p> <p>4. Action plan</p> <p>5. A monitoring mechanisms is established</p> <p>6. TA report</p>
Risks (should be identified at start of project) —either at Project level or by Objective		
5 Risk Categories		Risk Level (Select a level for each category)
<p>1. Political Support; 2. Management Support & Technical Staff Commitment; 3. Resource Adequacy; 4. External Climate; and 5. Other Risks</p>		<p>Low, Medium, High, Very High, Not Applicable</p>