

Strengthening Ethiopia's Capacity and Regional Engagement to Counter Money Laundering and Illicit Financial Flows

Results Framework

Thematic Programme		Improved capacity to exercise regional and governmental authority across land and maritime borders	
Expected Impact		Ethiopia's regional engagement and capacity to counter Money Laundering (ML), Financing of Terrorism (FT) and Illicit Financial Flows (IFFs) has strengthened	
Outcome 1		Ethiopian compliance with Financial Action Task Force (FATF) recommendations improved	
Outcome indicator		Number of FATF recommendations where compliance deficiencies remain	
Baseline	2018	7	According to the September 2018 Follow Up Report (FUR), the 8 FATF Recommendations in respect of which technical compliance deficiencies remain are R2, R7, R8, R24, R32, R34 and R40. ¹
Target	2020	4	Ethiopia has made substantial progress in complying fully with FATF Recommendations and deficiencies remain with respect to only 4 recommendations
Target	2022	0	Ethiopia has reduced the number of deficiencies sufficiently to be removed from the FATF list
Output 1.1		Capacity of the Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT) competent authorities to ensure the implementation of risk-informed approaches to ML and FT by reporting entities is enhanced	
Output indicator		Number of ML and FT risk assessments and mitigation systems/structures adopted by reporting entities (including non-profit organisations (NPOs))	
Baseline	2018	15	Risk assessments completed by reporting entities (including NPOs) and approved by the supervisory bodies. Financial institutions have undertaken risk assessments
Target	2019	30	Risk assessments completed by reporting entities (including NPOs) and approved by the supervisory bodies
Target	2020	40	Completion of 10 more risk assessments and risk mitigation systems to ML/FT
Target	2021	50	Completion of 10 more risk assessments and risk mitigation systems to ML/FT
Target	2022	60	Completion of 10 more risk assessments and risk mitigation systems to ML/FT

¹ The September 2018 Follow Up Report (FUR) on Ethiopia did not address what progress Ethiopia has made to improve its effectiveness. Progress on improving effectiveness will be analysed as part of a later follow-up assessment in accordance with the ESAAMLG Second Round Mutual Evaluation (ME) Procedures and Follow up Process (as amended in 2017).

Output 1.2		Case management system to document, store, process, and track international cooperation (MLA, extradition, or other informal requests) in ML and FT cases established in the FIC, FBI, and AG's Office	
Output indicator		Existence of coordinated case management systems at the AG's Office, FIC and the FBI which support domestic and international cooperation (MLA, extradition, or other informal requests) in ML and FT cases	
Baseline	2018	0	No case management system linking FIC, FBI and AG's databases
Target	2019	0	No case management system linking FIC, FBI and AG's databases
Target	2020	1	Case management system linking FIC, FBI and AG's databases established
Target	2021	2	Case management system linking FIC, FBI and AG's databases extended to other investigating agencies
Target	2022	3	Case management system extended to include IFFs
Output 1.3		Capacity of competent authorities to supervise compliance by reporting entities improved	
Output indicator		Number of sectors of reporting entities supervised for AML/CFT compliance	
Baseline	2018	1	Banking institutions supervised for AML/CFT compliance
Target	2019	2	Banking institutions and one other sector supervised for AML/CFT compliance
Target	2020	4	Banking institutions and two other sectors supervised for AML/CFT compliance
Target	2021	6	Banking institutions and five other sectors supervised for AML/CFT compliance
Target	2022	7	Banking institutions and six other sectors supervised for AML/CFT compliance
Output 1.4		Secure, searchable and consolidated beneficial ownership database on legal persons and entities prepared and in use	
Output indicator		Degree (%) to which consolidated searchable database of beneficial ownership of legal persons and entities exists and is used	
Baseline	2018	0%	No established and updated database of beneficial ownership of legal persons and entities
Target	2019	25%	Law creates a Registry of corporations and other legal entities/persons
Target	2020	40%	Legislation to establish and update register of beneficial ownership of legal persons and entities adopted
Target	2021	70%	Searchable register of beneficial ownership of most legal persons and entities established and in use
Target	2022	100%	Searchable register of beneficial ownership of all legal persons and entities established, updated and in use

Outcome 2		Capacity of competent authorities (namely Ethiopian Financial Intelligence Centre (EFIC) and the Federal Bureau of Investigation (FBI) and the AG' Office to detect, investigate and prosecute ML/FT cases is strengthened	
Outcome indicator		Number of disseminations by the FIC that are used by ML/FT investigation and prosecuting authorities	
Baseline	2018	10	Disseminations by the FIC used by ML/FT investigation and prosecution authorities
Target	2019	20	Disseminations by the FIC used by ML/FT investigation and prosecution authorities
Target	2020	30	Disseminations by the FIC used by ML/FT investigation and prosecution authorities
Target	2021	40	Disseminations by the FIC used by ML/FT investigation and prosecution authorities
Target	2022	50	Disseminations by the FIC used by ML/FT investigation and prosecution authorities
Output 2.1		Analysis of suspicious transaction reports (STRs) and quality of disseminations to investigation authorities strengthened	
Output indicator		Number of disseminations submitted to ML/FT investigating authorities	
Baseline	2018	20	Disseminations submitted to ML/FT investigating authorities
Target	2019	40	Disseminations submitted to ML/FT investigating authorities
Target	2020	50	Disseminations submitted to ML/FT investigating authorities
Target	2021	60	Disseminations submitted to ML/FT investigating authorities
Target	2022	70	Disseminations submitted to ML/FT investigating authorities
Output 2.2		Capacity of investigative authorities to utilise disseminations from the FIC is strengthened	
Output indicator		Degree of increase in the proportion of disseminations used in investigating ML or FT	
Baseline	2018	5%	Current position is not documented, but it is estimated that 5% of disseminations are used
Target	2019	15%	At least 15% of disseminations are used
Target	2020	20%	At least 20% of disseminations are used
Target	2021	25%	At least 25% of disseminations are used
Target	2022	30%	At least 30% of disseminations are used
Output 2.3		Improved prosecution of ML/FT cases at federal and regional levels	
Output indicator		Number of ML and FT cases prosecuted at federal and regional levels	
Baseline	2018	10%	10% of relevant investigated financial crime cases prosecuted as ML or FT
Target	2019	15%	5% increase in relevant investigated financial crime cases prosecuted as ML or FT
Target	2020	25%	Further 10% increase in relevant investigated financial crime cases prosecuted as ML or FT

Target	2021	30%	A minimum of 30% of relevant investigated financial crime cases prosecuted as ML or FT
Target	2022	40%	A minimum of 50% of relevant investigated financial crime cases prosecuted as ML or FT
Output 2.4		Capacity of federal and regional investigators to recover the proceeds of economic and financial crimes enhanced	
Output indicator		# investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes	
Baseline	2018	0	Investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes
Target	2019	15	Investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes
Target	2020	50	Investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes
Target	2021	75	Investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes
Target	2022	100	Investigators from the FBI and police officers from regional states trained in recovering proceeds of financial crimes
Output 2.5		Capacity of Ethiopia Police University College (EPUC) to train federal and regional police investigators on financial crime, ML and FT enhanced	
Output indicator		# of students trained in certified courses on financial crime, AML and CFT by EPUC	
Baseline	2018	0	Students trained by 2018
Target	2019	100	100 students from all regional training centres, trained in 2 training streams of a month's duration
Target	2020	100	100 students from all regional training centres, trained in 2 training streams of a month's duration
	2021	100	100 students from all regional training centres, trained in 2 training streams of a month's duration
Outcome 3		Capacity of competent authorities (especially the AG's Office, Ministry of Revenues, Customs Commission, police crime prevention sector and EFIC) to collaborate with foreign counterparts (exchange information and assistance) to curb IFFs and cross-border ML enhanced	
Outcome indicator		Number of collaborative interactions with foreign counterparts to curb IFFs and cross border ML/ membership in frameworks for collaboration in curbing IFFs and cross border ML	
Baseline	2018	5	Ethiopia is an active member of IGAD, the Extractive Industries Transparency Initiative (EITI), ESAAMLG and the Egmont Group. Ethiopia has ratified the UN Convention against Corruption; the AU Convention on Preventing and Combating Corruption; and the IGAD Convention on Mutual Legal Assistance in Criminal Matters, which can be used for MLA. It has only formal Mutual Legal Assistance (MLA) Treaties with Sudan and China
Target	2019	6	In addition, Ethiopia joined the Egmont Group of FIUs which facilitates information sharing with more than 130

			global FIUs
Target	2020	10	Ethiopia retains its membership of the organisations above, and enters into MLA arrangements with four more countries and is actively cooperating on ML and IFF cases
Target	2021	14	Ethiopia enters into MLA and/or information sharing treaties with an additional four countries and is actively cooperating on ML and IFF cases
Target	2022	18	Ethiopia enters into MLA and/or information sharing treaties with an additional four countries and is actively cooperating on ML and IFF cases
Output 3.1		Capacity to manage and implement measures to curb IFFs strengthened	
Output indicator		Degree of implementation of systems developed for use by the Ministry of Revenues, the Customs Commission and the police to detect and intercept illicit cross-border transactions	
Baseline	2018	20%	Transfer Pricing (TfP) legislation adopted and TfP Unit established to curb IFFs
Target	2019	25%	TfP Unit established and Standard Operating Manuals developed and in general use against cross-border IFFs.
Target	2020	50%	TfP Unit established, Standard Operating Manuals developed and in general use against cross-border IFFs, membership of multilateral organisations on sharing information relevant to IFFs
Target	2021	70%	Transfer Pricing Unit established to implement legislation to curb IFFs, Standard Operating Manuals developed and in general use against cross-border IFFs, membership of multilateral organisations on sharing information relevant to IFFs
Target	2022	100%	MLAs retained, 2 SOPs usable to tackle cross border IFFs developed, including handling MLA requests (both outgoing and incoming), case management, and case prioritisation