



**TRUST FUND TO SUPPORT INITIATIVES OF STATES  
COUNTERING PIRACY OFF THE COAST OF SOMALIA**

**PROJECT DOCUMENT**

**A. PROJECT OVERVIEW**

<b>1. Requesting Recipient UN Organization (s), indicate the Lead Agency if Joint Programme</b>	UNODC
<b>2. Project/Joint Programme Title</b>	Enhancing capabilities to counter illicit financial flows in Kenya, Ethiopia, Djibouti, Somalia, Somaliland and Puntland State of Somalia
<b>3. Duration</b>	12 months
<b>4. Estimated Starting Date</b>	May-June 2013
<b>5. Location</b>	Ethiopia, Kenya, Djibouti, Somaliland and Puntland State of Somalia
<b>6. Application to Window of Fund</b>	Window A <input checked="" type="checkbox"/> Window B <input type="checkbox"/>
<b>7. Focus Area</b>	Financial Flows
<b>8. Overall Budget (needed to implement the entire project) in USD</b>	\$554,358
<b>9. Budget requested from Trust Fund in USD</b>	\$554,358
<b>10. Project/Joint Programme indirect costs and percentage of total programme costs</b>	\$36,266.0(7%)
<b>11. Bilateral/Multilateral contributions in USD</b>	0

**12. Brief Description**

Illicit financial activities pose serious challenges to economies and governments. In addition to funding corrupt individuals and their networks, illicit funds have also been used to finance further organized crime, conflicts, terrorist activities, and piracy. Through strengthening capacities to counter illicit financial flows, namely by identifying, investigating, preventing and prosecuting financial crimes, as well as recovering illicit assets, States can undermine the economic power of criminal networks. Depriving criminals of the proceeds of crime also serves as disincentive to further illicit activities and the recruitment of new criminals.

UNODC's Global Programme against Money Laundering, Proceeds of Crime and the Financing

of Terrorism (GPML) raises awareness about the cross-cutting aspects of money laundering and actively assists Member States to develop and strengthen existing anti-money laundering and counter-financing of terrorism (AML/CFT) systems to combat illicit financial flows, as well as to detect, seize and confiscate the proceeds of crime.

Since 2010, UNODC/GPML has specifically worked to increase awareness of illicit financial flows linked to piracy off the coast of Somalia in an effort to combat this fast-growing problem. GPML is working closely with Working Group 5 of the Contact Group on Piracy off the Coast of Somalia (CGPCS) on the issue.

One part of GPML's awareness raising campaign is to meet and train law enforcement authorities in the East Africa region. Another is conduct outreach to Somali and other regional remittance companies / Hawala. GPML organized two international conferences on Illicit Financial Flows linked to Piracy in 2011 -- the first in Nairobi in May, and the second in Djibouti in December, with the second conference focused on bringing Hawala companies and law enforcement together. GPML held an expert group meeting to continue its work with the Somali Remittance Sector to assist them to create a code of conduct and a self-regulatory body. UNODC's GPML is also working with the World Bank and INTERPOL to finalize a joint-report on Illicit Financial Flows linked to Piracy to be published in mid-2013. The Key Findings and recommendations from this study were presented to the CGCS Working Group Five on 12 April 2013. This proposal intends to implement the operational aspects of first recommendation on increased regional capacities and coordination, by strengthening financial investigation capacities in key countries. The second part of this proposal is contributing to the third recommendation on improving regulation and transparency of MVTS operators.

GPML is appealing to the Trust Fund for seed-funding to start implementing activities based on the recommendations agreed by the delegates and participants to both of UNODC's 2011 International Conferences on Illicit Financial Flows Linked to Piracy.

***This proposal requests monies to fund a programme of technical assistance to strengthen the capacity of law enforcement authorities in Ethiopia, Kenya, and Djibouti to accurately identify and effectively investigate and prosecute illicit financial flow activities linked to piracy at the national level, with a broader goal of also raising awareness of asset confiscation and increasing joint/regional information sharing.***

***GPML also proposes to conduct outreach work with Hawala and money remittance companies in Somalia, Somaliland, and the Puntland State of Somalia to expand their knowledge of AML issues and enhance their cooperation with regional law enforcement agencies to facilitate financial investigations of piracy financial flows.***

The proposal includes budgeting for activities, outreach, travel, staffing (programme manager, regional AML expert, two consultant experts and short-term consultants) for financial flows from piracy issues.

## B. SITUATION ANALYSIS AND JUSTIFICATION

### 13. Problem Analysis

#### 1.1 Problem Analysis

The following UN Security Council Resolution gives mandate to UNODC to support Member state to investigate, identify and forfeit financial flows linked to piracy:

UNSCR 1976:

*“invites States and regional organizations, individually or in cooperation with, among others, UNODC and INTERPOL, to assist Somalia and other States of the region in strengthening their counter-piracy law enforcement capacities, including implementation of anti-money-laundering laws, the establishment of Financial Investigation Units and strengthening forensic capacities, as tools against international criminal networks involved in piracy, and stresses in this context the need to support the investigation and prosecution of those who illicitly finance, plan, organize, or unlawfully profit from pirate attacks off the coast of Somalia;”*

And UNSCR 2020:

*“Recognizes the need to investigate and prosecute not only suspects captured at sea, but also anyone who incites or intentionally facilitates piracy operations, including key figures of criminal networks involved in piracy who illicitly plan, organize, facilitate, or finance and profit from such attacks;”*

and

*“Calls on Member States to assist Somalia, at the request of the TFG and with notification to the Secretary-General, to strengthen capacity in Somalia, including regional authorities, to bring to justice those who are using Somali territory to plan, facilitate, or undertake criminal acts of piracy and armed robbery at sea, and stresses that any measures undertaken pursuant to this paragraph shall be consistent with applicable international human rights law;”*

Between April 2005 and December 2012, Somali pirates have collected between US\$339 and US\$413 million in ransom payments. Although pirates' proceeds have significantly decreased in 2012 due to a lower level of successful operations by pirates at sea, the militias and parallel illicit activities sponsored by pirate money will continue to pose a threat to the stability and security of Somalia. In 2013, at least US\$13 million have already been paid in ransom to pirate groups with high military capacities and known involvement in other criminal activities such as smuggling and trafficking.

These piracy ransom funds are flowing into the legal financial system and informal banking sector at an increasing rate, effectively laundering the proceeds of piracy and causing economic bubbles in the Horn of Africa and surrounding area. These piracy funds are also being reinvested into further pirate ventures. Other crimes such as the smuggling of drugs, weapons and alcohol, as well as human trafficking are also now benefiting from the proceeds of piracy. There is also evidence that piracy funds have made their way into al

*Shabaab* coffers as payments for ad-hoc business arrangements, for access to territory, and as taxes on goods brought through *al Shabaab* controlled areas. These various uses of pirate monies creates concerns for the stability of the region.

***A critical component of efforts to combat piracy off the coast of Somalia is to halt the financing of pirate groups and their operations. This can be done through the identification, investigation, and eventual prosecution of key financiers, leaders and organizers, including the negotiators. It can also be done through the identification and closure of their (often-illicit) financing channels.***

Pirates in the Horn of Africa and Eastern Africa use a wide variety of methods to move and hide money. Typical methods include the use of cash couriers, private vehicles and freight carriers to move bulk cash across borders; trade-based money-laundering, and the transfer of monies through Alternative Money or Value Transfer System (AMVTS) providers, such as Hawala and telecommunication businesses.

***Another potential avenue to halt financial flows from piracy is to prevent their movement via the financial institutions responsible for most money transactions in and around Somalia, namely Hawala and other money remittance companies.*** Hawalas and FOR-EX Bureaus are top priorities for agencies in charge of financial oversight in the region, as many are unlicensed, unregulated and are operating as underground financial institutions. It is urgent that these companies become aware of AML rules and practices, and also aware of the risk that their businesses may be used to channel piracy monies. It is equally urgent that relationships be built between financial investigators and the MVTs/Hawala businesses, so that much-needed regulation and information sharing and cooperation develops, and financial investigations are facilitated.

***GPML proposes to start this initiative in a two-pronged approach in the areas identified above, before extending it to other countries in the region, based on an assessment of preliminary results. To ensure the implementation of this initiative, GPML has selected Ethiopia, Kenya and Djibouti for law enforcement training; and Somalia, Somaliland and Puntland State of Somalia for work with the Hawala and wider remittance sector. The countries identified have expressed interest in this work.***

While three of the areas identified have some measure of AML/CFT frameworks in place and have some law enforcement capabilities for combating money laundering, overall anti-money laundering capacities are insufficient to counter the mounting problems brought from illicit financial flows linked to piracy. Ethiopia and Kenya were again included on the *Public Statement* of the Financial Action Task Force, listing jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress or have not committed to an action plan developed with the FATF to address the deficiencies. Given the sudden growth of the financial sector in Djibouti since 2010 and the absence of effective reporting to the FIU, or capacities in financial investigation in Djibouti, the country is vulnerable to laundering of proceeds from piracy. Enhancing financial investigation skills of Law Enforcement Agencies and through that supporting the FIUs and the prosecutorial services in AML cases, will represent a stepping stone in combating illicit financial flows from piracy.

GPML has already delivered FIU analysis training and training to combat cash couriers in Ethiopia. The cash courier training has also been delivered in Kenya. Yet, both countries require training in financial investigations. The FIU and the Central Bank of Djibouti have both written to GPML to request training and mentoring for the FIU. Djibouti is also assessed as requiring financial investigation training for law enforcement and prosecutors.

In Somalia, Somaliland, and Puntland State of Somalia, the governments have each started to make tentative moves to create a regulatory system for the Hawaladars and FOR-EX Bureaus, yet they require significant support. The new Minister of Finance for Somalia has indicated that Somalia plans to create a regulatory framework for the remittance sector in the near term. A representative of Somaliland has expressed strong interest in receiving assistance from UNODC/GPML in this area. The Minister of Transport in Puntland, and the Puntland Chamber of Commerce stated recently that increased oversight by the authorities on Hawalas and mobile banking companies operating in Puntland was required.

#### **14. Synergies/Partnerships**

UNODC/GPML works closely with other offices within UNODC, to include UNODC's Regional Office for East Africa (ROEA) in Nairobi and the Counter Piracy Programme (CPP), recognizing the specialist skills and regional-based knowledge they bring to the wider fight against Somali-based piracy. As well as supporting wider UN initiatives against money laundering and terrorism financing, GPML has developed close liaison with the World Bank, the World Customs Organization (WCO), INTERPOL, and the International Monetary Fund (IMF). The Programme also has close working relationships with external organizations crucial to the fight against illicit financial flows, such as the Financial Action Task Force (FATF) and its regional bodies, to include the East and Southern Africa Anti-Money Laundering Group (ESAAMLG).

UNODC has welcomed and supported the establishment of the CGPCS, a model of effective international cooperation in response to a complex regional security issue. GPML is a critical working partner for Working Group 5 (Financial Flows), providing key administrative and substantive support. The recommendations from GPML's first international conference on illicit financial flows from piracy in Nairobi, Kenya in May 2011 were adopted by Working Group 5 of the CGPCS and form a foundation of its work. The Chair of Working Group Five participated in GPML's second conference in Djibouti in December 2011, joining up the work of the group and that of UNODC/GPML on countering financial flows from piracy. GPML also provided Working Group 5 with additional contacts in the Private Sector (Security and Law Firms) for its sub-working group for cooperation with the private sector.

### **15. Partnership Arrangements/Modalities**

This project will be implemented under the direction of the UNODC/GPML Programme Manager. The project will be implemented by the UNODC Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) in coordination with UNODC's Regional Office for East Africa (ROEA) in Nairobi.

UNODC will work in close collaboration with concerned national authorities and officials in Ethiopia, Kenya, Djibouti, Somalia, Somaliland and Puntland State of Somalia, as well as with concerned Hawala representatives and associations.

To ensure the sustainability of the proposed financial investigation training and FIU capacity building, UNODC/GPML will cooperate with UNODC Headquarters, field offices and regional/international organizations. GPML will make use of its Piracy Financial Flows Mentor stationed in Nairobi to ensure authorities implement training received. GPML will work closely with the FATF and ESAAMLG to facilitate implementation of AML practices in the target countries, and will seek to cooperate with the IGAD/ICPAT. GPML will further follow up with regional authorities and members of WG5 of the CGPCS as well as the World Bank, INTERPOL. And the COMESA as implementing partner of the EU-MASE project pillar three.

## C. STRATEGY

### 16. Overview of Project Strategy

This is one initiative of UNODC's broader Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML). This appeal to the trust fund will support capacity building, which, in combination with other UNODC/GPML efforts in the region, will build towards increased law enforcement capacity to combat illicit financial flows from piracy.

Tackling the issue of illicit financial flows requires a mid- to long-term strategy, and UNODC is pursuing an ambitious programme to enhance AML/CFT capacities in the region. This proposal covers just the beginning of the work needed in the region to build effective AML/CFT strategies and capacity. UNODC/GPML will build on its experience and work in the region to foster and enhance the analysis and investigative skills of the law enforcement agencies of the identified countries, grow regional information sharing, and build cooperation between regional law enforcement agencies and money remittance companies. In this case, GPML proposes to implement a two-pronged strategy based on the recommendations agreed by the delegates and participants of UNODC's two International Conferences on Illicit Financial Flows Linked to Piracy and the Key Findings and recommendations from the joint UNODC – World Bank - INTERPOL study on illicit financial flows from piracy. This proposal intends to implement the operational aspects of first recommendation from the study on increased regional capacities and coordination, by strengthening financial investigation capacities in key countries. The second part of this proposal is contributing to the third recommendation from the study on improving regulation and transparency of MVTs operators.

**I. This primary part of this application is for funding to support GPML to conduct (a) tailored training in financial investigations for law enforcement and prosecution authorities in Ethiopia, Kenya and Djibouti, and (b) capacity building for the FIU of Djibouti.**

Funding requested will cover the cost of training activities, outreach activities, travel, staffing, project management and evaluation, interpretation and security. For staffing, it is proposed that GPML retain a senior expert consultant and a junior expert consultant in piracy financial flows to guide needs assessments and develop tailored training, as well as organize and deliver activities. GPML also proposes to hire short-term consultants to deliver short-term mentoring to the FIU of Djibouti and provide specialized training as needed. GPML Headquarters Staff in Vienna will provide substantive guidance to training development and tailoring, project management, evaluation of the project, and backstopping support for delivery. GPML's Financial Flows Mentor in Nairobi will further support implementation of training. UNODC will use in-house staff, field-based Mentors, and the proposed consultants

Capacity Building to be delivered to the target countries:

(A) Financial Investigation Skills and Techniques -- Training of law enforcement authorities and prosecutors to identify and investigate money laundering and other financial crimes. The course will also include an introduction to the seizure/confiscation of the proceeds of crime and will raise awareness of asset forfeiture and asset management issues, with a goal of encouraging the development of asset recovery capabilities in the future. Participants will learn to plan and carry out an AML/CFT or related financial crimes investigation based on current good practice and methodologies. The course will discuss the relationship between financial investigators and prosecutors responsible for AML/CFT cases with the goal of ensuring that financial investigators are familiar with the type of material needed for presentation to the courts in cases of money laundering or other financial crime. Coursework focuses on the importance of national coordination, as well as regional and international cooperation when investigating financial crime cases.

By the end of the course, financial crimes investigators and prosecutors will be able to identify and evaluate financial records obtained during an investigation, determine if/what other records are needed to prove the offence, conduct forensic audit to reconstruct financial records in order to trace proceeds of criminal acts, conduct business valuation to determine size/scope of organized criminal enterprise and/or determine the financial condition and identify the motive or illegal act(s).

UNODC will use in-house staff, field-based Mentors, and the proposed consultants to tailor, prepare, organize and deliver the training. *For Kenya, Djibouti, and Ethiopia.*

(B) Mentoring for FIU -- For Djibouti, a specialist short-term consultant will be placed in the FIU of Djibouti for a period of time – 3 months is suggested -- to deliver required material, provide day-to-day mentoring in financial analysis, the handling of STRs, requests for information, and the dissemination to the competent authorities disclosures of financial information. GPML Headquarters Staff in Vienna will provide substantive guidance and backstopping support.

**II. The secondary part of this application is to raise AML awareness among the, primarily Somali, money remitters and Hawala companies in the region and to help build the information-sharing relationship between them and law enforcement agencies.** It is proposed to organise a series of workshops, gathering a small number of key players from the MVTs, the regulatory and law enforcement sides, in order to start building interpersonal relationships between the participants and introduce regulatory and/or reporting guidelines and practices. It is anticipated that this activity will have an important positive effect, not only to help the MVTs and Hawala companies protect their businesses from abuse, but also to improve information sharing and, as a result, facilitate financial investigations. A similar project is currently being implemented in Ethiopia.

The approach of this work is to use outreach techniques to inform MVTs and Hawala companies of the risks of money laundering and illicit financial flows from piracy. Mediation



tools will then be utilized to improve informal and formal contacts between MVTs and Hawala companies and the relevant in-country authorities in charge of financial investigations and oversight of the financial sector.

- The first step will be to identify a limited number of money remitters, and regulatory and law enforcement authorities in each country who will act as representatives for their communities to build the necessary relationship bridges and engage work to improve regulatory regime and reporting practices.
- The second step will be to organize the workshops, depending on the country and the participants, to conduct awareness raising and relationship-building exercises. UNODC will act as a mediator to help participants understand each others' roles and functions, and to define common ground for sustained communication and cooperation and develop regulatory framework and/or reporting guidelines as appropriate
- The third step will be to assess the effectiveness and impact of these workshops via follow-up missions and, if need be, propose alternative and/or follow-up actions to remedy to the identified shortfalls and/or build on positive results.
- A Good Practice Guide will be produced, including results and lessons learned from the workshops and on-site follow-up visits. This booklet will be distributed to officials and private sector representatives who attended the workshops.

The proposed targeted countries for these MVTs workshops are: Somalia, Somaliland, and Puntland State of Somalia.

Funding requested will cover the cost of outreach activities and follow-up, travel, staffing, project management and evaluation interpretation and security. For staffing, it is proposed that GPML use the above-proposed consultants to prepare, organize, and deliver the work, and the Nairobi-based Mentor to sustain implementation. GPML Headquarters Staff in Vienna will provide substantive guidance to training development and tailoring, project management, evaluation of the project, and backstopping support for delivery.

## **17. Major Project Outcomes and Outputs**

Outcome 1: Law enforcement authorities and prosecutors in identified front-line states affected by piracy can effectively investigate illicit financial flows from piracy.

- Output 1.1 – Authorities trained to conduct financial investigations – basic to intermediate skills for conducting thorough financial investigations and collecting evidence suitable to support eventual prosecution of financial crimes.
- Output 1.2 – Authorities have increased awareness of asset forfeiture and management issues, as well as the need for enhanced regional and international cooperation.
- Output 1.3 – Djibouti FIU has increased capacity to conduct reporting and analysis functions.

Outcome 2: Effective relationships are built between financial investigators and the MVTs/Hawala businesses, so that much-needed information sharing and cooperation

develops.

- Output 1.1 – Improved regulation and increased working relations between regulators & law enforcement agencies and MVTs operators.
- Output 1.2 – Better access to information at the disposal of AMVTs providers by law enforcement agencies when needed
- Output 1.3 – Good Practice Guide produced, including results and lessons learnt from the workshops and on-site follow-up visits.

#### **18. Key Risks and Mitigation Strategy**

Risk: Volatile political / governmental environments.

- Mitigation: Close monitoring of political situations and activity implementation.
- Mitigation: GPML has been advised formally and/or informally by concerned authorities in the target countries of the existing interest to see such activities conducted.

Risk: Lack of political will in target countries to develop AML/CFT capacities.

- Mitigation: (i) Amongst the 4 targeted areas, 2 are under close scrutiny from the FATF in its *Public Statement* and Somalia is not part of the FATF or FATF Regional-Style Body (FSRB) process. This presence of Ethiopia and Kenya on the FATF so called “Black List” comes with major restrictions for the countries concerned and their economic sector in terms of ability to borrow on financial markets, export on foreign financial markets, and conduct financial operations on foreign markets. Ethiopia has already shown great concern and expressed its will to receive UNODC support in order to be withdrawn from the list as soon as possible. Kenya has expressed the same concerns to GPML’s partners. (ii) Djibouti is a strong partner of the international community on anti-piracy and its Parliament has enacted numerous AML/CFT laws recently. The country is basing its development on its flourishing financial sector and shows an impressive willingness to boost its AML/CFT capacities. (iii) Leaders in Somalia, Somaliland and Puntland State of Somalia are aware of the need for improved regulation of the informal financial sector and have requested assistance. (iv) UNODC GPML has worked in the region and benefits from a very developed and trusted network of partners that would help overcome such shortfalls. (v) GPML’s Piracy Financial Flows Mentor will be on the ground to facilitate cooperation with authorities and cement good practice.

Risk: Lack of will to cooperate from Money or Value Transfer companies.

- Mitigation: Many Hawaladar and representatives from the AMVTs community attended GPML’s 2011 Djibouti Conference and themselves expressed interest in continued outreach programmes. More than 20 key representatives of this sector attended the Expert Group Meeting of March 2013 and are strongly committed to a plan of action to develop a self-regulating framework.
- Mitigation: GPML will hire an expert Consultant well trusted by Somali MVTs Companies in Europe, but also in Eastern Africa and Somalia, with extensive experience with the sector and in the region.
- Mitigation: GPML has developed this proposal in close coordination with the

aforementioned expert and several representatives of the Somali remittance sector.

**Risk:** Lack of capacity within UNODC to support a growing programme covering multiple countries and regions.

- **Mitigation:** UNODC proposes the hiring of specialized consultants to augment in-house abilities. The budget contains funding for UNODC to contract two specialist consultants for 6 and 9 months , as well as short-term consultants to help develop and deliver tailored trainings.
- **Mitigation:** GPML has a track-record of successful delivery of technical assistance in the Horn and East Africa, and well as other regions of the world.
  - GPML provided training on financial analysis to the Ethiopian FIU in August 2012.
  - GPML delivered training on compliance, financial regulation and reporting to the staff of the Central Bank, the FIU, and police of Tanzania in November 2012.
  - Training in the prevention of illicit cross-border movement of cash and bearer negotiable instruments was provided to Ethiopia in October 2012 and to Kenya in late November and early December 2012.
- **Mitigation:** GPML posted a Mentor in Nairobi, Kenya in September 2012 to provide tailored, expert mentorship, advice and technical assistance on money laundering and piracy financial flows issues. He is active in the region.

#### **19. Means of Verification**

- UNODC and other international community reports.
- Official reports of concerned law enforcement agencies.
- Contact Group on Piracy off the Coast of Somalia reviews and assessments by WG5.
- Interviews and assessments from trainees and outreach partners.
- Analysis and evaluation by the expert consultants delivering training.

## **D. MANAGEMENT ARRANGEMENTS**

### **20. Project Management Mechanisms and Structure**

The Programme will be implemented through the UNODC Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) in Vienna. If funded, a separate project for the Illicit Financial Flows from Piracy will be created under GPML to section off monies from the Piracy Trust Fund. The strategic and day-to-day management and reporting to donors of the project will be conducted by the UNODC GPML Programme Manager, and the expert advisors available in GPML, with the support of GPML Mentor based in Nairobi, and other staff working in the UNODC Regional Office in East Africa.

### **21. Project Evaluation**

Evaluation of the project will be carried as part of the overall UNODC Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), following standard UNODC procedures for monitoring and evaluation. Evaluations will be made available to the Trust Fund Manager and Trust Fund Board in line with the TORs of the Trust Fund.

### **22. Reporting**

UNODC will present certified project reports to the Fund Board and the Fund Manager on an annual basis, as per the TOR for the Fund, and the MOU for Participating UN Agencies. Interim reporting will be provided to the Fund Manager upon request.

### **23. Legal Context**

The UNODC, by means of the UN Country Team, is party to the Standard Basic Assistance Agreements signed between the relevant national governments and the United Nations Development Programme.

In specific, The Government of the Republic of Kenya agrees that the Standard Basic Assistance Agreement (SBAA) signed on 17 January 1991 with the United Nations Development Programme (UNDP), shall apply, mutatis mutandis, to the assistance provided by UNODC under the present project document. The Government confirms, in particular, that Article IX (Privileges and Immunities), Article X (Facilities for the execution of UNDP assistance), Article XI (Suspension or Termination of Assistance) and Article XII (Settlement of Disputes) of the SBAA shall apply to the activities of UNODC under this project.

The Governments of Ethiopia and Djibouti have previously signed a host-country agreement with UNODC for work conducted by its officers, as have other identified countries conducting previous work with UNODC.

**E. Budget Overview (by Outcome)**

OUTCOME	BUDGET
Project Outcome 1	249,411.00
Project Outcome 2	268,681
<i>Indirect Support Costs (7%) of Sub-Total:</i>	36,266
<i>Total</i>	554,358

**F. Budget Overview (by reporting categories)**

1. Staff and other personnel costs	150,700.00
2. Supplies, Commodities, Materials	90,250.00
3. Equipment, Vehicles and Furniture including Depreciation	17,500.00
4. Contractual Services	101,200.00
5. Travel	85,470.00
6. Transfers and Grants Counterparts	0
7. General Operating and Other Direct Costs	72,972.00
Sub-Total:	518,091.00
8. Indirect Support Costs (7%) of Sub-Total:	36,266.00
<b>TOTAL</b>	<b>554,358</b>

**Budget by Recipient Organization (RO) in the case of a Joint Programme (by reporting categories)**

	Total	RO 1	RO 2
1. Staff and other personnel costs			
2. Supplies, Commodities, Materials			
3. Equipment, Vehicles and Furniture including Depreciation			
4. Contractual Services			
5. Travel			
6. Transfers and Grants Counterparts			
7. General Operating and Other Direct Costs			
Sub-Total:			
8. Indirect Support Costs (7%) of Sub-Total:			
<b>TOTAL</b>			

<b>G. WORK PLAN &amp; BUDGET</b>								
EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET Budget Description	Amount in \$
		2013		2014				
		Q3	Q4	Q1	Q2			
<b>Outcome 1: Law enforcement authorities in identified front-line states affected by piracy can effectively identify, assess, and investigate illicit financial flows from piracy</b>								
Output 1.1: Authorities trained in basic to intermediate skills for conducting thorough financial investigations and collecting evidence suitable to support eventual prosecution of financial crimes.	1.1.1 Financial investigation training in Ethiopia					UNODC/GPML	Training	54,870
	1.1.2 Financial investigation training in Djibouti					UNODC/GPML	Training	49,517
	1.1.3 Financial investigation training in Kenya					UNODC/GPML	Training	56,848
Output 1.2: Authorities have increased awareness of asset forfeiture and management issues, as well as the need for enhanced regional and international cooperation.	1.2.1 Incorporated into the Financial investigation training in Ethiopia					UNODC/GPML	Training	--
	1.2.2 Incorporated into the Financial investigation training in Djibouti					UNODC/GPML	Training	--
	1.2.3 Incorporated into the Financial investigation training in Kenya					UNODC/GPML	Training	--
Output 1.3: Djibouti FIU has increased capacity to conduct reporting and analysis functions.	1.3.1 Short-term mentoring (3 months) for the FIU of Djibouti					UNODC/GPML	Mentoring	88,176
<b>SUB TOTAL</b>								<b>249,411</b>
<b>Outcome 2: Effective relationships are built between financial investigators and the MVTS/Hawala businesses, so that much-needed information sharing and cooperation develops</b>								
Output 2.1: Increased working relations and understanding of respective and shared obligations between both parties	2.1.1 Outreach workshop Somalia					UNODC/GPML	Workshop	65,445
	2.1.2 Outreach workshop Somaliland					UNODC/GPML	Workshop	61,292
	2.1.3 Outreach workshop Puntland State of Somalia					UNODC/GPML	Workshop	61,292
Output 2 – Better access to information at the disposal of AMVTS providers by law enforcement agencies when needed	2.2.1 On-site follow-up visits – Somalia, Somaliland and Puntland State of Somalia					UNODC/GPML	Evaluation	52,121
	3.3.1 Good Practice Guide drafting					UNODC/GPML	Drafting	12,620

lessons learnt from the workshops and on-site follow-up visits	3.3.2 Good Practice Guide dissemination				UNODC/GPML	Information Dissemination	15,912
<b>SUB-TOTAL</b>							<b>268,681</b>
<b>PROJECT MANAGEMENT AND STAFFING COSTS</b>							
Staff and other personnel costs							
Supplies, Commodities, Materials							
Equipment, Vehicles and Furniture including Depreciation							
Contractual Services							
Travel for on site training and delivery							
Transfers and Grants Counterparts							
General Operating and Other Direct Costs							
Sub-Total:							\$36,266.38
Indirect Support Costs (7%) of Sub-Total:							
<b>SUB-TOTAL</b>							<b>36,266</b>
<b>GRAND TOTAL</b>							<b>554,358</b>