



Bank of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DGO/fcs/bp

July 30, 2024

CB Circular No. : 13/2024

To : Heads of Financial and Payment Service Providers

**INVITATION TO THE SEVENTH PUBLIC-PRIVATE SECTOR DIALOGUE OF
THE EASTERN AND SOUTHERN AFRICA ANTI-MONEY LAUNDERING
GROUP**

The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) will be hosting its seventh Public-Private Sector Dialogue (PPSD) in Diani, Kenya from August 30 – 31, 2024.

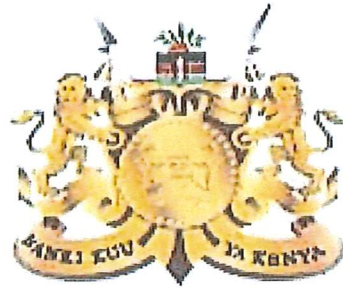
The theme for this year's PPCSD is 'Strengthening the Countering of Financing of Terrorism (CFT) Efforts in the ESAAMLG Region through Enhanced Collaboration'. The PPCSD will commence in the afternoon on Friday, August 30, 2024, immediately after the 24th ESAAMLG Council of Ministers Meeting. Attached hereto is the Concept Note and programme for the PPCSD.

Considering the above, we would like to extend an invitation to your institutions to participate in the PPCSD. Your institutions can each nominate a maximum of two officers who are responsible for the management of AML/CFT matters. Please take note that each institution is expected to bear the cost of participation for its nominated officers.

For any clarifications, please contact Mr Joseph Munyoro, Assistant Director – AML/CFT Supervision on jmunyoro@boz.zm.

Francis Chipimo (PhD)
DEPUTY GOVERNOR – OPERATIONS

cc Director – Financial Conduct Supervision
Director – Prudential Supervision
Director – Payment Systems



7th Public Private Sector Dialogue

August 30-31, 2024

Diani, Kwale, Kenya

**Concept Note by ESAAMLG Secretariat for the Public Private Sector Dialogue (PPSD) on
Terrorist Financing**

June 2024

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Concept Note: Public Private Sector Dialogue on Strengthening the Countering Financing Terrorism (CFT) Efforts in the ESAAMLG Region through enhanced Collaboration

I. Introduction

1. This concept note presents a proposal for the 7th Public Private Sector Dialogue (PPSD) to be hosted by the Government of Kenya and organized by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Secretariat.

II. Background

2. For the past years, ESAAMLG has organized the PPCSD which is an initiative that provides a platform for the public and private sectors to discuss topical anti-money laundering and countering the financing of terrorism and proliferation (AML/CFT/CPF) matters affecting the region. The ESAAMLG is a Financial Action Task Force (FATF) Style Regional Body (FSRB) which was established in 1999 and currently consists of 21¹ members and 34² observer members. The dialogues have seen significant attendance by senior government officials across and beyond the region, along with participation from the Private Sector, Cooperating Organizations

¹ Members: Angola, Botswana, Burundi, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

² For the Observer members: https://www.esaamlg.org/index.php/about_countries_cooperative_partiner. Democratic Republic of Congo is a regional observer member.

and Supporting Nations, and the FATF. The feedback from both regional and international attendees has been overwhelmingly positive, creating strong demand for more dialogues to build on the success of the past six events. The Republic of Kenya, the host for the 48th Task Force meeting and 24th Council of Ministers meeting, will host the 7th PPSD. The theme for the PPSD is *“Strengthening the Countering of Financing of Terrorism (CFT) Efforts in the ESAAMLG Region through enhanced Collaboration”*

III. Context

3. Eastern and Southern Africa face significant challenges from terrorism and terrorist financing, with several groups operating in the region and exploiting vulnerabilities in financial systems. In Eastern Africa, the *Al-Shabaab*, for example, poses a severe threat, conducting attacks in Kenya, Uganda, and beyond. Meanwhile, in Southern Africa, the insurgency in Mozambique's Cabo Delgado province, driven by ISIS-Mozambique (also known as *Ansar al-Sunna*), has escalated dramatically, leading to substantial displacement and economic disruption. Additionally, the porous borders and weak regulatory frameworks in several countries facilitate the movement of funds and resources that support these terrorist activities, exacerbating the region's instability and undermining development efforts.
4. Recognising the magnitude of the problems of terrorism and TF in the ESAAMLG Region, Countries in the region are taking steps such as enhancing the legal and institutional frameworks to improve their Counter-Terrorism (CT) and Countering the Financing of Terrorism (CFT) measures. However, the main findings from their Mutual Evaluation Reports (MERs) indicate that while there have been improvements on technical compliance, significant gaps remain on effectiveness. Many countries struggle with fully implementing FATF Recommendations, particularly in areas like TF risk assessment and understanding, cooperation including information sharing between public bodies, and between public and private sectors, the effective use of financial intelligence units and collecting TF related STRs in terms of quality, quantity and

diversity. Common challenges include insufficient resources, lack of technical expertise, capacity issues on the effective use of technologies and weak enforcement mechanisms, all of which hinder the effectiveness of CT and CFT efforts in the region. Ineffective CFT measures will allow terrorists, terrorist cells and terrorist groups to thrive, leading to increased attacks, instability, loss of life and weakened economies. It is therefore imperative to improve the effectiveness of the CFT systems by taking the necessary priority actions including by enhancing the existing CFT coordination and cooperation between the public-public and public-private stakeholders at domestic and international level.

5. Strengthening cooperation between the public and private sectors is crucial in the collective effort to counter the financing of terrorism. Effective collaboration facilitates the exchange of information, enhances regulatory compliance, and promotes the implementation of robust AML/CFT measures. Public sector agencies provide supervisory oversight and enforcement capabilities, while private sector entities, including financial institutions and technology firms, contribute expertise in financial intelligence and technological solutions. Together, they form a unified front against terrorism financing, leveraging shared resources and insights to detect suspicious activities and disrupt illicit financial flows. This may sometimes involve incorporating players or stakeholders not traditionally included. By fostering a collaborative environment grounded in transparency and mutual trust, stakeholders can more effectively mitigate the risks posed by terrorist financing networks and safeguard global financial systems.
3. This dialogue with a theme *"Strengthening the Countering of Financing of Terrorism (CFT) Efforts in the ESAAMLG Region through enhanced Collaboration"* presents an opportunity for stakeholders from both the public and private sectors to engage and have a way forward on enhancing both the private and public sectors' implementation of CFT measures.

3. By covering the above issues, this dialogue seeks to enhance the detection and prevention of terrorist financing by leveraging the unique insights and capabilities of each sector. By working together, public and private sectors can develop more effective strategies, improve compliance with regulatory requirements, and ensure the timely identification and reporting of suspicious activities. Ultimately, such collaboration would strengthen the overall resilience of the financial system against the threats of terrorism financing.

IV. Objectives

4. The key objectives of the 7th PPSD are as follows:
 - a. To foster an understanding of the fundamental elements of countering the financing of terrorism and regulatory compliance including understanding and implementation of TF related STR and TFS obligations.
 - b. To explore the role of technology in enhancing financial transparency and resilience against terrorism financing.
 - c. To share best practices and case studies on successful approaches to countering the financing of terrorism including on the risk-based oversight and monitoring of NPOs for CFT purposes.
 - d. To strengthen regional and international cooperation and exchange of information among ESAAMLG member countries and partners.

V. Participants

5. The participants will be drawn from the following sectors:
 - Banks and non-bank financial institutions.
 - Relevant Designated Non-Financial Businesses and Professions (DNFBPs);
 - VASPs;
 - Supervisory bodies;
 - Financial technology experts;

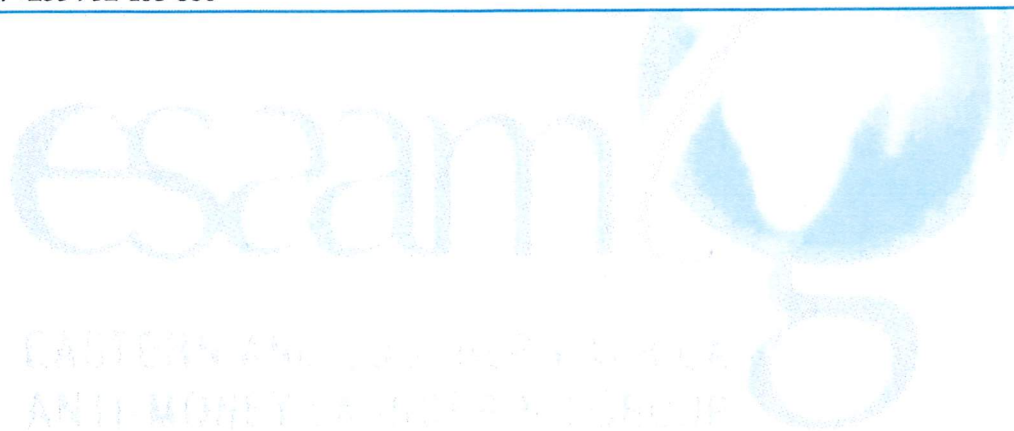
- CFT and CT Law Enforcement Authorities;
- CFT related sanction bodies;
- Mobile Network Operators (for example Safaricom, Vodacom, MTN, Airtel);
- Relevant NPOs; and
- Experts on TF.

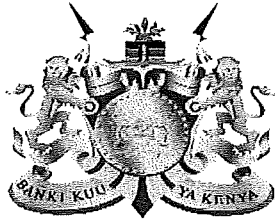
VI. Conclusion

6. Over the years, the PPSD has served as a pivotal platform for fostering collaboration, dialogue between public and private sector stakeholders, tapping into each other's expertise to address challenges and share best practices in AML/CFT measures. The theme of this year's PPSD, *"Strengthening the Countering of Financing of Terrorism (CFT) Efforts in the ESAAMLG Region through enhanced Collaboration"* underscores the importance of understanding fundamental elements, embracing technological advancements, and promoting synergy among stakeholders in combating terrorism and its financing. The dialogue aims at enhancing participants' knowledge and capabilities in countering the financing of terrorism, equipping them with insights into emerging trends and innovative strategies.
7. It is imperative that ESAAMLG member countries and stakeholders continue to strengthen their commitment to effective implementation of counter terrorism financing measures. Implementation of the outcomes and recommendations from this dialogue, can further bolster regional cooperation, enhance regulatory frameworks, and mitigate the risks posed by terrorism financing networks.

For any further inquiries, please contact any one of the following contact persons:

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7TH PUBLIC PRIVATE SECTOR DIALOGUE (PPSD)

AUGUST 30-31, 2024

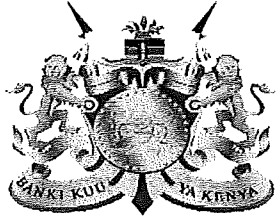
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AGENDA

**STRENGTHENING THE COUNTERING FINANCING TERRORISM (CFT) EFFORTS IN
THE ESAAMLG REGION THROUGH ENHANCED COLLABORATION**

Time	Topics	Speaker(s)/Panellist(s)
DAY 1 – AUGUST 30, 2024		
12:00 – 14:30	Registration	
15:00 – 15:10	Welcome Remarks	<i>ESAAMLG Task Force Chairperson</i> Mr. Saitoti Maika, MBS Director General, Financial Reporting Centre (FRC)
15:10 – 15:35	Opening Remarks	<i>Cabinet Secretary/Representative</i> <i>National Treasury and Economic Planning</i> <i>(Kenya)</i> Prof. Njuguna Ndung'u, EGH
SESSION I: THE MODERN FACE OF TERRORISM FINANCING		
<i>This keynote session provides an overview of terrorism financing, emerging risks, the impact of new technologies, further enhancing private-public sector collaboration</i>		
Moderator: Central Bank of Kenya		
Rapporteur: Kenya		
15:35 – 15:55	Keynote Speech	Ms. Elisa de Anda Madrazo FATF President – (Mexico)
16:00 – 16:30	Tea Break	



7TH PUBLIC PRIVATE SECTOR DIALOGUE (PPSD)

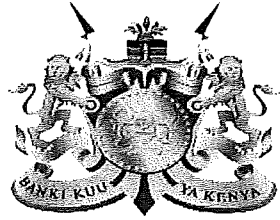
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Time	Topics	Speaker(s)/Panellist(s)
16:45 – 17:25	Panel Discussion	<ul style="list-style-type: none">• Mr. Saitoti Maika, MBS Director General, Financial Reporting Centre• Regional Commercial Bank ABSA/Stanbic Bank (South Africa)• Telco (Safaricom/MTN/Airtel)• Interswitch• LEA (Uganda/Mozambique)
17:30 – 18:00	Q and A	
PPSD DINNER (TBC)		
DAY 2 – AUGUST 31, 2024		
SESSION II: POLICY AND BEST PRACTICES		
<i>This session considers the implementation of TF supervisory frameworks in ESAAMLG region including compliance by the private sector. How they can align with these requirements, key challenges, best practices and lessons learnt.</i>		
Moderator: Angola, Eswatini & Kenya		
Rapporteur: Kenya		
09:00 – 09:10	Re-Cap and Overview (Provided by Lead Rapporteur (Kenya))	
09:10 – 09:20	Overview of countering the financing of terrorism measures in the ESAAMLG region	ESAAMLG Secretariat
09:25 – 09:45	Country Experience	<ul style="list-style-type: none">• Mozambique• Uganda



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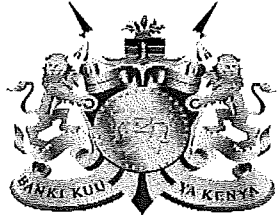
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Time	Topics	Speaker(s)/Panellist(s)
09:50 – 10:20	Targeted Financial Sanctions related to TF – Panel Discussion <i>Moderated by Angola</i>	<ul style="list-style-type: none">• 1267 Sanctions Committee• Mozambique/Uganda• UNCTED• Equity Group• Refinitiv
10:25 – 10:40	Tea Break	
SESSION II: POLICY and Best Practices (Case Studies) <ul style="list-style-type: none">• Key Challenges• Lessons Learnt• Innovative solutions		
10:45 – 11:15	Implementing Risk-Based Measures (<i>Public Sector</i>) – Panel Discussion <i>Moderated by Eswatini</i>	<ul style="list-style-type: none">• Financial Sector Regulators/Supervisors Kenya• VAs and VASPs Regulator (Seychelles/ South Africa) (TBC)• DNFBP (SRB) (FSC Mauritius TBC)
11:20 – 11:35	Q and A	
11:40 – 12:40	Implementing Risk-Based Measures (<i>Private Sector</i>) – Panel Discussion <i>Moderated by Kenya</i>	<ul style="list-style-type: none">• Diamond Trust Bank• Mobile Money Service Provider (Safaricom/Vodacom/MTN)• Western Union/Moneygram• Anjarwalla & Khanna (A&K)



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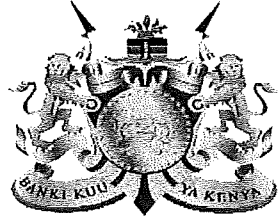
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Time	Topics	Speaker(s)/Panellist(s)
12:45 – 13:00		Q and A
13:00 – 14:00		Lunch Break
SESSION IV: UNDERSTANDING THREATS, TRACKING TRENDS, AND UTILIZING TOOLS		
<i>Technological advances impact on terrorism financing which presents challenges and opportunities for both public and private sector stakeholders. This session will explore how these technological advancements have impacted the financing of terrorism, the effects on regulatory frameworks, and implementation of strategies for monitoring and countering TF including number and quality of STRs relating to TF.</i>		
Moderator: PWC		
Rapporteur: Kenya		
14:00: – 14:20	Terrorism Financing and the New Digital Frontier: Digital platforms, virtual currencies and the dark web	<ul style="list-style-type: none"> • HM UK Treasury/UNOCT • Challenges in producing TF related STRs - Regional FI – Stanbic East Africa
14:25 – 14:45	Harnessing the Potential of New Technologies to Combat Terrorism Financing: Simulation	<ul style="list-style-type: none"> • Digital simulation of the use of AI, machine learning, and blockchain analytics to identify, detect, report, and investigate TF risks. (PWC)
14:50 – 15:20	Panel Discussion: Technology: A double-edged sword:	<ul style="list-style-type: none"> • Digital Platform Representative • Google/Facebook (TBC) • Vodacom (South Africa) • A&D Forensics • Financial Reporting Centre, Kenya



7TH PUBLIC PRIVATE SECTOR DIALOGUE (PPSD)

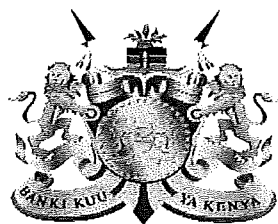
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Time	Topics	Speaker(s)/Panellist(s)
15:25 – 15:40	Tea Break	
SESSION IV: ENHANCING COOPERATION BETWEEN PUBLIC AND PRIVATE SECTORS FOR THE PREVENTION OF TERRORISM FINANCING		
<i>This section considers the various collaborative forms of cooperation to facilitate on terrorism financing.</i>		
Moderator: Botswana/Egmont		
Rapporteur: To be provided by Kenya		
15:45 – 16:15	Overview of the various types of mechanisms for collaborating on TF matters including: <ul style="list-style-type: none">• Strategic Information Sharing• Operational• Public/Private Sector Initiatives Common challenges/ gaps	<ul style="list-style-type: none">• Operational (Financial sector regulators/Law enforcement multi-agency coordination mechanisms• Information Sharing ESAAMLG Member Country, East Africa or South Africa• Public Private Sector (ESAAMLG Member State)• Kenya - National Counter-Terrorism Centre (NCTC) and Kenya Private Sector Alliance (KEPSA) initiative• AfDB
16:20 – 16:50	Q and A	
SESSION V: WRAP UP AND NEXT STEPS		
<i>This session highlights the key takeaways from each session and recommendation of tangible actions that both public and private sector can take to further enhance the CFT regimes.</i>		
17:00 – 17:30	Sessions I-V	Rapporteurs’ summaries and debriefing



7TH PUBLIC PRIVATE SECTOR DIALOGUE (PPSD)

AUGUST 30-31, 2024

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Time	Topics	Speaker(s)/Panellist(s)
17:30 – 17:40	Next Steps	ESAAMLG Secretariat
17:40 – 17:50	Closing Remarks	Governor - CBK

Contacts

For any further inquiries, please contact any one of the following contact persons:

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