



OSCEval News is the evaluation newsletter of the Office of Internal Oversight.

Its aim is to provide insights into the OSCE's work in evaluation, by sharing key evaluation findings and conclusions, as well as new developments regarding the OSCE's overall evaluation culture.

Evaluation is a management tool that contributes to decision-making, strategic planning, and organizational learning.



Evaluation of the OSCE's Assistance Projects on Anti-Money Laundering and Countering Financing of Terrorism, 2006-2016

This evaluation was conducted by the Office of Internal Oversight in 2017.

Introduction

Money laundering refers to the concealment of monetary or non-monetary assets from criminal activities (including legal but non-taxed assets or income); conversion of such assets into legal assets; the acquisition, possession, or use of assets knowingly derived from criminal activity; or attempts, contribution to, or facilitation of any of the three previously described methods. Financing of terrorism is different in that the prime motivation is not financial gain; does not necessarily involve money laundering as it involves illegal and legal proceeds; the amount of funds are smaller, and funds are not used for legitimate business.

The OSCE has delivered projects in the area of anti-money laundering (AML) and countering-financing of terrorism (CFT) to participating States since at least 2001. It covered training, workshops, conferences, legislative assistance, study tours, and provision of hardware and money laundering/financing of terrorism detection software. While a central theme to the OSCE, the assistance provided had never been reviewed from a cross-organizational strategic perspective.

Evaluation Purpose and Scope

The evaluation focused on AML and CFT assistance projects delivered by the Mission to Montenegro, the Project Coordinator in Uzbekistan, and the Programme Office in Bishkek. It looked at all their relevant AML and CFT projects, implemented over the period 2006-2016 (48 in total). As such, the evaluation covered around 50-60 per cent of the OSCE's expenditures in the area of AML and CFT, which allowed for cross-organizational conclusions that extended beyond these three cases. It combined desk reviews of OSCE and third-party data and documents, with interviews of Secretariat and field operations officials, government representatives and other international assistance providers. Visits were undertaken to two of the three field operations. The evaluation generated three case specific evaluation reports, and one horizontal report that provided strategic level observations, in addition to summarizing the main findings from the three case studies.

Evaluation Findings and Conclusions

Relevance, Comparative Advantage, and Added-Value

The evaluation established that assistance was relevant in that it addressed needs both stated by governments, and identified by the Council of Europe, the International Monetary Fund, the OECD, and the Euro-Asian Group on Combating Money-Laundering. The OSCE's comparative advantage was identified as its ability to provide support through a multi-dimensional lens. For instance, corruption and organized crime fuel and are fueled by money laundering. Correspondingly, AML/CFT projects were often complemented by other projects that addressed corruption and organized crime. Partners also appreciated the OSCE's flexibility in adapting to their needs and requests for assistance.



Policy Guidance and Strategy

The OSCE does not have an organization-wide strategy related to AML and CFT, with an implementation plan and expected short-, mid-, and long-term results. As a consequence, officials do not share the same vision and intention regarding the assistance. Interviewees commonly voiced interest in more policy and strategic level guidance – a single OSCE vision and “voice” – to provide direction and to align assistance activities. One alleged reason for the lack of strategy was that AML and CFT activities span three OSCE Dimensions, which makes it challenging to create policy consensus, and consensus on an OSCE-wide strategy.

Co-ordination

Co-ordination between relevant first and second Dimension AML/CFT entities within the Secretariat was found to be limited, which to some extent is explained by limited staff resources. Likewise, weaknesses were identified regarding the co-ordination between field operations and the Secretariat, which has often been ad hoc, and focused on information sharing, rather than on joint planning and the exchange of experiences and lessons learned. Co-ordination between OSCE field operations was found to be even more limited, allegedly because of a lack of networking possibilities, staff shortages, and different AML/CFT related working priorities. Meanwhile, co-ordination with international assistance providers active in the countries concerned was more prevalent, but usually also focused on information sharing rather than on ensuring complementarity and synergies of the work, and on discussing issues of substance.

Gender Mainstreaming

The 2004 OSCE Action Plan for the Promotion of Gender Equality calls for gender equality to be mainstreamed in the programmes, projects and activities of the OSCE. The evaluation established, however, that none of the projects involved in this evaluation had explored their potential gender equality dimensions. Many of them were gender-blind, while usually being described as gender neutral, in that they supported the implementation of national action plans, by delivering training, drafting national risk assessment plans and by contributing to draft laws; and because they strengthened compliance with and enforcement of non-gender mainstreamed international regimes. Some projects stated an ambition to achieve gender balanced participation at events.

Results

The OSCE delivered assistance to more than 2000 individuals within government entities and the private financial sector. A positive finding is that it not only enhanced knowledge, but also contributed to strengthened policies, such as new laws or national strategies and action plans. Meanwhile, changed practices with regard to the implementation of policies and laws were not observed. There was also no evidence that the OSCE’s support had ultimately led to reduced levels of money laundering and financing of terrorism, or more prosecutions and convictions of such crimes. Of course, the ultimate responsibility to use the knowledge gained from the OSCE’s assistance and to implement the policies that were supported, resides with the beneficiary countries and is outside the direct control of the OSCE.

Monitoring and Evaluation (M&E)

None of the field operations had a mechanism for collecting and assessing results beyond the output level. Projects and their objectives were often short-term/annual instead of having a strategic longer-term perspective. Consequently, indicators for long-term achievements had not been formulated in project proposals, and data at the outcome level has hardly been collected. This makes it difficult to identify the results of the OSCE’s work, and to ensure its sustainability and impact.

Sustainability

Sustainability concerns the question whether assistance gains of enhanced knowledge and policies would be sustained if the support was discontinued. The evaluation established that strategic level sustainability in terms of laws, strategies and action plans was satisfactory. The countries that benefitted from OSCE assistance stand on a more solid AML/CFT foundation than before receiving support from the OSCE. Meanwhile, sustainability was lacking at the operational level since plans, laws and policies had not been fully implemented. Sustainability regarding human capacities was also low, as the countries still often lacked the resources to provide a sufficient amount of staff training on their own. It was also unclear whether the countries could maintain and update software and hardware supplied by the OSCE.

The Way Forward

The evaluation generated recommendations specific to the three selected case studies, as well as a number of action points for the Secretariat. The latter concern the creation of policy guidance and strategic direction for the OSCE’s work on AML/CFT, and the improvement of internal collaboration and coordination, including the exchange of experiences and lessons learned.

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