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# Illegal Wildlife Trade in Uganda

## Tracking Progress on 'Following the Money'

Cathy Haenlein and Vincent Opyene

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RUSI Occasional Paper, October 2021



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# Executive Summary

**U**GANDA OCCUPIES A critical position as a logistics hub for transnational flows of illegally sourced wildlife. As a source, consolidation and transit country, it acts as a nexus state – a ‘one-stop shop’ for criminals looking to illegally buy and sell wildlife, launder the proceeds, and tie this in with other illicit activity, from trafficking in timber to drugs.

In this context, illegal wildlife trade (IWT) in Uganda is highly lucrative for criminals. Yet, little is known about the associated money flows, despite strong momentum to address the finances of IWT at a global level.

In parallel, little research has assessed Uganda’s record in disrupting these flows. While the country has taken tangible steps to target the finances of IWT, the effectiveness of its actions has not yet been analysed.

Based on 35 semi-structured interviews with key stakeholders, a rigorous review of open-source literature and analysis of confidential information, this paper assesses the relationship between IWT and illicit finance in Uganda and considers how effectively the country is responding to these threats. In doing so, the paper represents the most in-depth independent study of a single jurisdiction’s experience of and response to the finances of IWT to date.

On the link between IWT and illicit finance, the paper finds that:

- Little data exists on record on how money linked to IWT moves in Uganda: most investigations focus on the predicate offence, with financial investigations not routine.
- Limited typologies exist, with key knowledge gaps around the funding of IWT domestically and Uganda’s role as an international conduit for IWT-linked illicit finance.
- Absent fuller official data, analysis of cases handled by the Natural Resource Conservation Network shows money linked to IWT moving in at least five ways: through the banking system; foreign exchange bureaus; mobile money services; trade-based money laundering; and cash.
- Corruption is key to the shape of illicit finance linked to IWT. With wealth stored in property, animals and land, it is crucial to ‘follow the value’, beyond a narrow focus on the money.
- Limited evidence exists to suggest that IWT in Uganda funds terrorist activity; neither the Lord’s Resistance Army nor Allied Democratic Forces are likely to profit significantly.
- There has been insufficient focus on vulnerabilities associated with peace operations in neighbouring states, in terms of IWT and associated money laundering risks.

On Uganda's response, the paper's findings are that:

- Uganda has taken tangible steps to strengthen action against the predicate offence of IWT and associated finances, exhibiting dynamism and leadership in this area.
- Key advances include: coverage of IWT in Uganda's Money Laundering and Terrorist Financing National Risk Assessment; the creation of multi-agency structures encompassing agencies such as the Financial Intelligence Authority; and increasing consultation of these agencies on IWT cases.
- This has not always led to criminal justice outcomes: despite strong progress on convictions for IWT offences, Uganda has never seen a conviction for associated money laundering.
- Obstacles to more effective use of financial tools include technical capacity gaps, insufficient Uganda-specific typologies, corruption and as-yet limited private sector engagement.
- The result is often that financial leads go unfollowed, accomplices go unidentified, and provisions to freeze and seize the proceeds of crime go unused.

Despite these gaps in the response, ongoing domestic and international engagement offers crucial opportunities for progress. This has the potential to be transformative: with Uganda acting as a regional hub for trafficking operations, effective action against the financial dimensions of IWT here has the potential for outsized disruptive impact.

To support progress in this direction, this paper offers a set of recommendations. These range from advancing Uganda-specific typologies to providing technical assistance and reviewing closed IWT cases for missed financial leads.

All recommendations are designed to be practical and achievable, presenting opportunities to bolster current efforts to track the financial footprints of IWT offenders. These footprints can and must now be followed, with countries facing raised global expectations in this area from the Financial Action Task Force, the global standard-setter for anti-money laundering and counterterrorism financing controls.

With the finances of IWT gaining unprecedented global policy attention, and with Uganda well placed to galvanise results regionally, the time to exploit these opportunities is now.

# Introduction

**U**GANDA PLAYS MULTIPLE critical roles in relation to global illegal wildlife trade (IWT) activity – as a source, consolidation and transit country for wildlife moved illegally across Central and East Africa.<sup>1</sup> Flows of illicit wildlife commodities through Uganda do not exist in a vacuum; they are accompanied by significant flows of illicit finance.

This relates to the lucrative nature of IWT: despite methodological issues with such calculations, the most commonly cited estimate is that the poaching and trafficking of wildlife generates up to \$23 billion per annum globally.<sup>2</sup> Alongside illegal fishing, logging, mining and trafficking in toxic waste, they form part of a wider environmental criminal industry estimated at \$91–258 billion.<sup>3</sup>

In Uganda, however, little detailed research exists on the nature of illicit financial flows linked to IWT or on progress in disrupting these flows at a national level. This reflects a wider gap in existing research on how individual countries are responding to IWT-linked illicit finance – including those that occupy central roles in the global illicit trade chain.

At a global level, meanwhile, it was not until the Chinese presidency of the Financial Action Task Force (FATF) in 2019 that IWT became a ‘strategic priority’ and received recognition as a high-proceed-generating offence.<sup>4</sup> The FATF’s 2019 global review of 45 jurisdictions concluded that financial action is ‘not commensurate with the scale, cross-border nature, and ... volume of proceeds associated with such crimes’.<sup>5</sup> As a result, in June 2020, the FATF urged countries to assess their exposure to IWT, ensure legislation allows financial charges to be brought and prioritise financial investigations where IWT is the predicate offence.<sup>6</sup>

This momentum has generated a significant need for an evidence base against which to both measure the threat posed by IWT-related illicit finance and track the evolution of country-level responses. This paper offers a key contribution in this regard. It does so by focusing on a single jurisdiction: Uganda – a country that occupies a central role in the transnational IWT chain and has made significant recent efforts to bolster its response.

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1. Alessandra Rossi, ‘Uganda Wildlife Trafficking Assessment’, TRAFFIC, April 2018.
  2. Christian Nellemann et al. (eds), *The Environmental Crime Crisis: Threats to Sustainable Development from Illegal Exploitation and Trade in Wildlife and Forest Resources* (Arendal, Norway: GRID-Arendal, 2014), p. 19.
  3. Christian Nellemann et al. (eds), *The Rise of Environmental Crime: A Growing Threat to Natural Resources, Peace, Development and Security* (Nairobi: UN Environment Programme, 2016), p. 7.
  4. Financial Action Task Force (FATF), ‘Tackling the Illegal Wildlife Trade as a Financial Crime’, 22 November 2019.
  5. FATF, ‘Money Laundering and the Illegal Wildlife Trade’, June 2020, p. 27.
  6. *Ibid.*

In examining the situation in the country, the paper represents the most detailed independent study of a single jurisdiction's experience of and response to the finances of IWT to date. The main research question is twofold: what is the relationship between IWT and illicit finance in Uganda and how effectively has the country responded to the financial dimensions of IWT? In exploring this question, the paper traces progress and obstacles to effective financial action and proposes recommendations to enhance the response.

This contribution is timely. It comes as countries face raised global expectations to track and report domestic progress against the FATF's IWT-specific recommendations. In October 2021, the FATF will ask countries and the private sector to report on how they are responding to its proposed actions.<sup>7</sup> While the rigour with which this latter exercise will be conducted remains to be seen, this paper offers an in-depth assessment of experience in a single, critically placed jurisdiction, highlighting lessons learned, and analysing ongoing barriers and opportunities to enhance the response.

## Objectives, Methodology and Structure

The objective of this paper is to build the evidence base on the relationship between IWT and illicit finance in Uganda and consider how effectively the country is responding to these threats. The analysis is based on primary and secondary research conducted between September 2020 and September 2021. Research is based on a rigorous review of open-source literature, analysis of confidential information and the organisation of semi-structured interviews.

Literature reviewed includes relevant academic literature, government documents, law enforcement strategies, policy briefs, reports by NGOs and intergovernmental organisations, and private sector sources. As many angles as possible were sought: the authors surveyed literature with a core focus on both IWT and financial crime to assess their intersections. Acknowledging a limited focus in the literature, the authors drew on internal records of cases investigated by the Natural Resource Conservation Network (NRCN) to identify patterns in the movement of funds linked to IWT. The authors also drew on Uganda-specific price data provided by the Environmental Investigation Agency (EIA). Finally, the analysis drew on an in-depth political economy analysis of the counter-IWT sector in Uganda conducted by RUSI researchers in 2021.

Supplementing this, the authors conducted over 35 semi-structured interviews with experts in counter-IWT and financial crime, academics, representatives of NGOs, government agencies and intergovernmental organisations.<sup>8</sup> Interviewees were selected based on their expertise and experience of combating IWT in Uganda. Questions were tailored to interviewees' roles and expertise, with the aim of supplementing a lack of detailed published research with first-hand knowledge and experience.

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7. *Ibid.*

8. Of the 35 interviews conducted, 23% were with representatives of government agencies, 46% with representatives of NGOs, 11% with independent experts, 14% with academics and 6% with representatives of intergovernmental organisations.

Analysis of the findings is organised into three main chapters. Chapter I considers the IWT context in Uganda, including a disaggregation of poaching and trafficking activity. Chapter II covers existing knowledge of the scale and nature of illicit financial flows linked to IWT in Uganda, as well as assessing the extent to which IWT funds terrorist actors in neighbouring states. Chapter III considers Uganda's record in disrupting illicit money flows linked to IWT, exploring progress, capacity issues and other obstacles. To conclude, the paper offers a set of recommendations to facilitate the more effective use of financial tools to disrupt IWT in Uganda.

The paper is a key output from a larger programme – the USAID Uganda Combatting Wildlife Crime Activity. One of the programme's focus areas is illicit finance linked to IWT, with research informing practical initiatives, including multi-year mentorship on the use of financial investigation tools.

In the absence of an internationally agreed definition, IWT is understood here as encompassing actions such as the sourcing, smuggling, trading or trafficking of protected species of flora and fauna, including their parts and products, for financial gain. Wildlife trade is understood as illegal when it violates either national legislation or provisions under international frameworks such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) – the principal global framework to regulate international trade in protected species. Given the limited scope of this study, the paper restricts its focus to illegal sourcing and trade in wild terrestrial animals and animal products, excluding illegal fishing and logging.



# I. The IWT Threat Landscape in Uganda

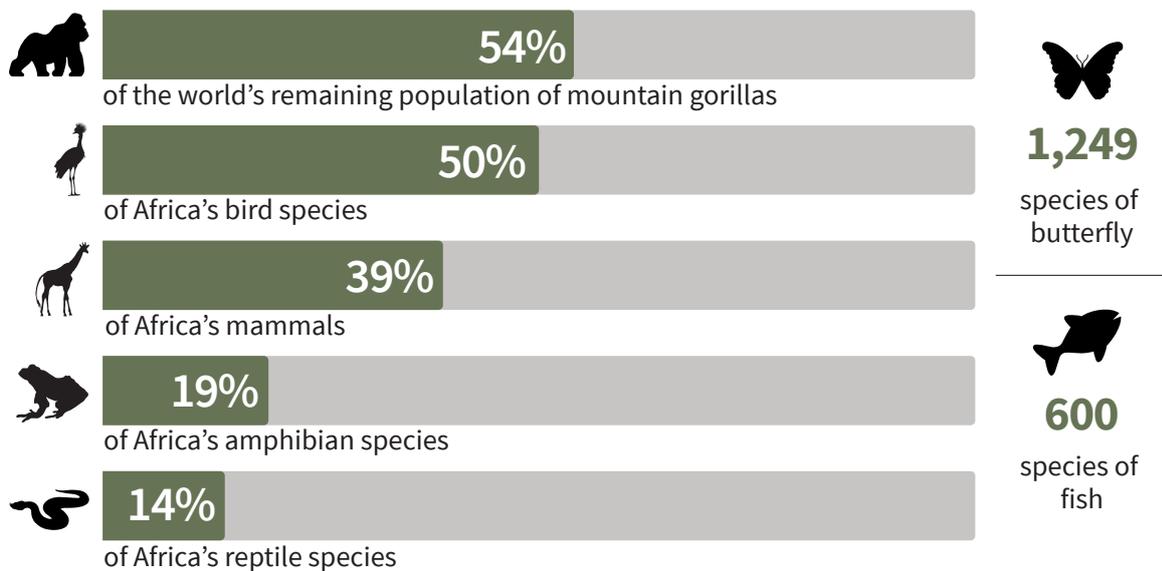
**O**FTEN DESCRIBED AS a country where East African savanna meets Central African rainforest, Uganda is home to several major African biomes. Habitats include mountains, tropical rainforest, woodland, savannas, freshwater lakes and wetlands, with an altitude ranging to over 5,000 metres. According to data from 2018, the country hosts 54% of the world's remaining population of mountain gorillas (*Gorilla beringei beringei*), 50% of Africa's recorded species of birds, 39% of Africa's mammals and 19% of Africa's amphibian species.<sup>9</sup> The Albertine Rift Valley – the northernmost section of which runs almost the full length of Uganda's western boundary – contains more threatened vertebrate species than any other part of Africa.<sup>10</sup>

Yet, the threat to Uganda from IWT lies not only in the targeting of domestic wildlife. The threat is multi-faceted, with Uganda acting as a key transit hub for wildlife sourced elsewhere. This chapter disaggregates this picture, drawing on published literature and interviews to provide an up-to-date picture of IWT activity in the country.

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9. Rossi, 'Uganda Wildlife Trafficking Assessment'.

10. Andrew J Plumptre et al., 'Conserving Uganda's Biodiversity: Identifying Critical Sites for Threatened Species and Habitats', January 2017.

**Figure 1:** Global Importance of Uganda for Biodiversity

Source: Alessandra Rossi, 'Uganda Wildlife Trafficking Assessment', TRAFFIC, April 2018.

## Poaching Activity

In terms of high-value products illegally traded globally, the decline of domestic populations limits Uganda's role as a source country. High population growth rates and significant levels of poverty – combined with political instability and civil war – have contributed to a drastic decline in wildlife populations. In the 1970s, severe decline occurred with heavy encroachment into protected areas by military groups under Idi Amin. Unrest during the 1980s Ugandan Bush War and 1990s Lord's Resistance Army insurgency continued to damage wildlife populations. Despite the consolidation of stability from the 1990s and efforts to restore protected areas, populations of key species have not fully recovered. Today, wildlife has been mostly eliminated outside of Uganda's protected areas, other than in the north-east.<sup>11</sup>

This background has implications for poaching activity witnessed today. With regard to rhinos, historic pressures saw the black rhino (*Diceros bicornis*) and northern white rhino (*Ceratotherium simum cottoni*) extirpated from their ranges in Uganda. The former was last seen in Kidepo Valley in 1983, and the latter in Murchison Falls National Park in 1982.<sup>12</sup> Today, the non-native southern white rhino (*Ceratotherium simum simum*) is present in small numbers only in a single

11. Over 10% of Uganda's territory is gazetted for wildlife conservation, including 10 national parks, 12 wildlife reserves and a range of other wildlife management areas.

12. Uganda Wildlife Authority (UWA), 'Uganda Embarks on National Rhino Conservation Strategy Development', <<https://www.ugandawildlife.org/news-a-updates-2/uwa-news/uganda-embarks-on-national-rhino-conservation-strategy-development>>, accessed 9 September 2021.

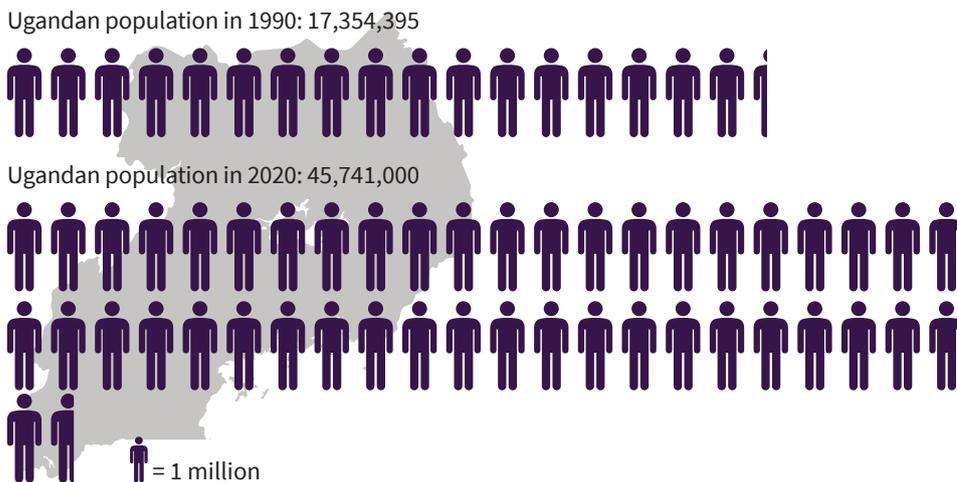
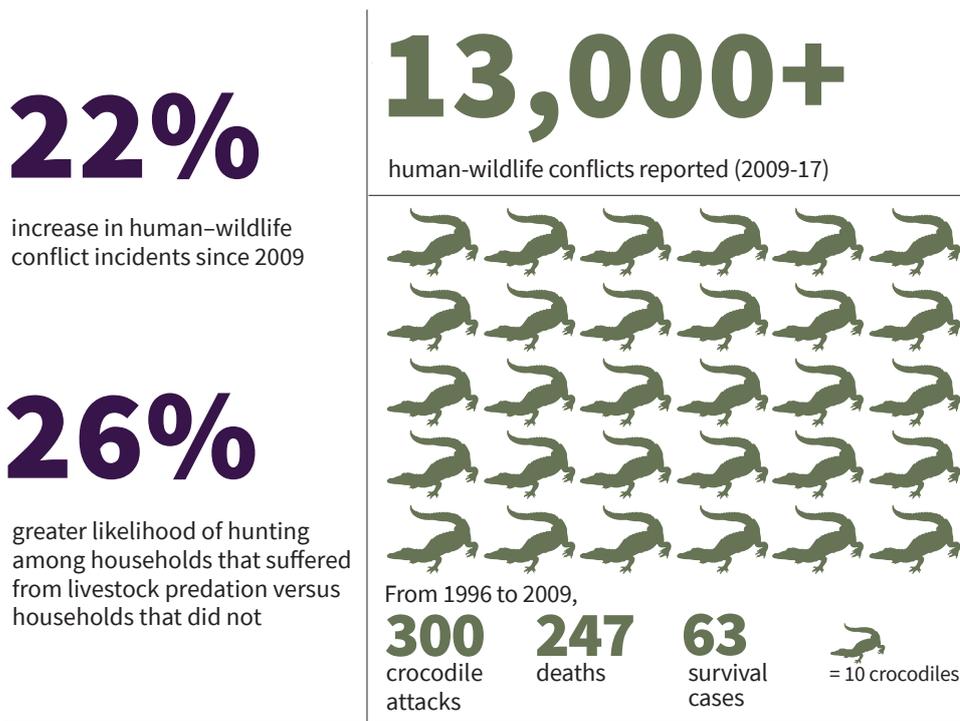
well-guarded breeding and rehabilitation site.<sup>13</sup> In terms of elephants (*Loxodonta africana*), populations dropped from circa 4,000 in 1967 to 150 in 1980 in Queen Elizabeth National Park, and from nearly 10,000 in 1973 to just 269 in 1995 in Murchison Falls.<sup>14</sup> Following several decades of increased stability and conservation efforts, Uganda's elephant population has shown steady recovery, rising to 5,564 animals by 2015.<sup>15</sup>

With the exception of pangolins and lions (discussed below), poaching in Uganda typically targets lower-value 'bushmeat' species, such as African buffalo (*Syncerus caffer*) and antelopes. A key driver is that of sourcing meat, skins and other products for the domestic market. Methods vary with habitat, species and cultural heritage. Snares and traps are largely indiscriminate, often resulting in the killing of higher-value or more endangered species, such as Rothschild's giraffes (*Giraffa camelopardalis rothschildi*) or elephants. The International Institute for Environment and Development's research with poachers in Uganda showed that up to 40% of elephants killed by study participants were 'bycatch', caught in traps set for other animals.<sup>16</sup>

Poaching and retaliatory wildlife crime also stem from perceived social injustice, where communities do not feel they benefit from wildlife tourism.<sup>17</sup> Against the backdrop of an expanding human population, increased cultivation and habitat loss, human-wildlife conflict is increasing. Uganda Wildlife Authority (UWA) reports from 2009–17 point to more than 13,000 instances of human-wildlife conflict, involving livestock predation by lions and leopards, and elephant crop damage, among others.<sup>18</sup> Since 2009, human-wildlife conflict rates have reportedly risen by over 22%.<sup>19</sup> This situation has seemingly been exacerbated by the coronavirus pandemic, as lockdowns and income losses have led to a surge in people migrating from cities to rural areas to engage in subsistence farming.<sup>20</sup>

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13. Rhino Fund Uganda, 'Our History, Vision and Mission', <<http://www.rhinofund.org/about-us/vision-and-mission>>, accessed 10 June 2021.
  14. WCS Aerial Survey of Murchison Falls Protected Area 2014 and Greater Virunga Landscape 2014. The African forest elephant (*Loxodonta cyclotis*) is also found in Uganda, mainly in Kibale National Park.
  15. See Great Elephant Census, 'Uganda's Elephants Thriving According to Preliminary Census Results', 9 June 2015; UWA, 'Elephant Conservation Action Plan for Uganda 2016-2026', 2016, <<https://www.ugandawildlife.org/download/category/6-species-action-plans>>, accessed 9 September 2021.
  16. Henry Travers et al., 'Nature's Stewards: How Local Buy-In Can Help Tackle Wildlife Crime in Uganda', International Institute for Environment and Development (IIED) Briefing Paper, March 2016.
  17. Mariel Harrison et al., *Wildlife Crime: A Review of the Evidence of Drivers and Impacts in Uganda* (London: IIED, 2015).
  18. David Quammen, "'I Am Scared All the Time': Chimps and People Are Clashing in Rural Uganda', *National Geographic*, 8 November 2019; Eric Ntalumbwa, 'Uganda: New Wildlife Act 2019 Sets Tough Terms for Encroachers', *All Africa*, 20 July 2019.
  19. Ntalumbwa, 'Uganda: New Wildlife Act 2019 Sets Tough Terms for Encroachers'.
  20. Authors' interview with independent expert A, 4 May 2021; Dina Fine Maron, 'Pandemic-Induced Poaching Surges in Uganda', *National Geographic*, 13 July 2020.

Figure 2: Human–Wildlife Conflict in Uganda



Sources: David Quammen, “‘I Am Scared All the Time’: Chimps and People Are Clashing in Rural Uganda”, National Geographic, 8 November 2019; Eric Ntalumbwa, ‘Uganda: New Wildlife Act 2019 Sets Tough Terms for Encroachers’, All Africa, 20 July 2019; World Bank, ‘Population, Total – Uganda’, <<https://data.worldbank.org/indicator/SP.POP.TOTL?locations=UG>>, accessed 29 September 2021; UWA, ‘Murchison Falls National Park, Karuma Wildlife Reserve, Bugungu Wildlife Reserve: Community-Based Wildlife Crime Prevention Action Plan (2017-2023)’, April 2017.

Uganda's population of lions (*Panthera leo*) is particularly sensitive to human–wildlife conflict-related killing. In April 2018, 11 lions were poisoned in Queen Elizabeth National Park, despite community conservation efforts in the area since 2012.<sup>21</sup> Despite few historical signs of a Ugandan role in international trade in lion bones or teeth, there are indications that Uganda's lions are now being targeted for body parts.<sup>22</sup> In March 2021, six lions were found dead in the southern sector of Queen Elizabeth National Park, some with heads and paws removed.<sup>23</sup>

On the whole, domestic drivers dominate and it has been argued that Uganda's wildlife does not face major threats from poaching undertaken to supply the international market.<sup>24</sup> However, a small number of forms of domestic sourcing are undertaken for this latter purpose. An example concerns animals sourced for the international pet trade.<sup>25</sup> Johnston's three-horned chameleon (*Trioceros johnstoni*), for example, is one of the most targeted species of chameleon exported for the illegal pet trade.<sup>26</sup> Here, illegal trade often runs parallel to legal trade, enabled by corruption, difficulties in species identification and document falsification.

Another example of illegal harvesting for the international market concerns pangolins, as high-value species facing high levels of global demand. Notably, surging consumer markets in East Asia have driven a significant rise in transnational illegal trading in pangolin.<sup>27</sup> With pangolins attaining the status of most trafficked mammal in the world and classified as threatened with extinction on the International Union for Conservation of Nature (IUCN) red list, there is new urgency around their protection. All pangolin species globally are now listed under CITES Appendix I – the highest level of protection under the Convention.

Despite this protection, Uganda continues to be implicated in illegal trade. While it acts as a key transit country for pangolin meat and scales, these products are also sourced domestically. The country is home to the tree/white-bellied pangolin (*Phataginus tricuspis*), giant pangolin (*Smutsia gigantea*), Cape/Temminck's ground pangolin (*Smutsia temminckii*) and (as yet unconfirmed)<sup>28</sup> black-bellied pangolin (*Phataginus tetradactyla*). However, limited data exists on the status of populations, poaching hotspots or the profiles of those involved in illegal harvesting.<sup>29</sup>

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21. Jani Actman and Rachael Bale, '8 Lion Cubs Killed in Suspected Poison Attack', *National Geographic*, 14 April 2018.

22. Authors' interview with independent expert A, 4 May 2021.

23. *Ibid*; Chiara Giordano, 'Uganda: Six Lions Found Dead and Dismembered in Queen Elizabeth National Park', *The Independent*, 20 March 2021.

24. Rossi, 'Uganda Wildlife Trafficking Assessment'.

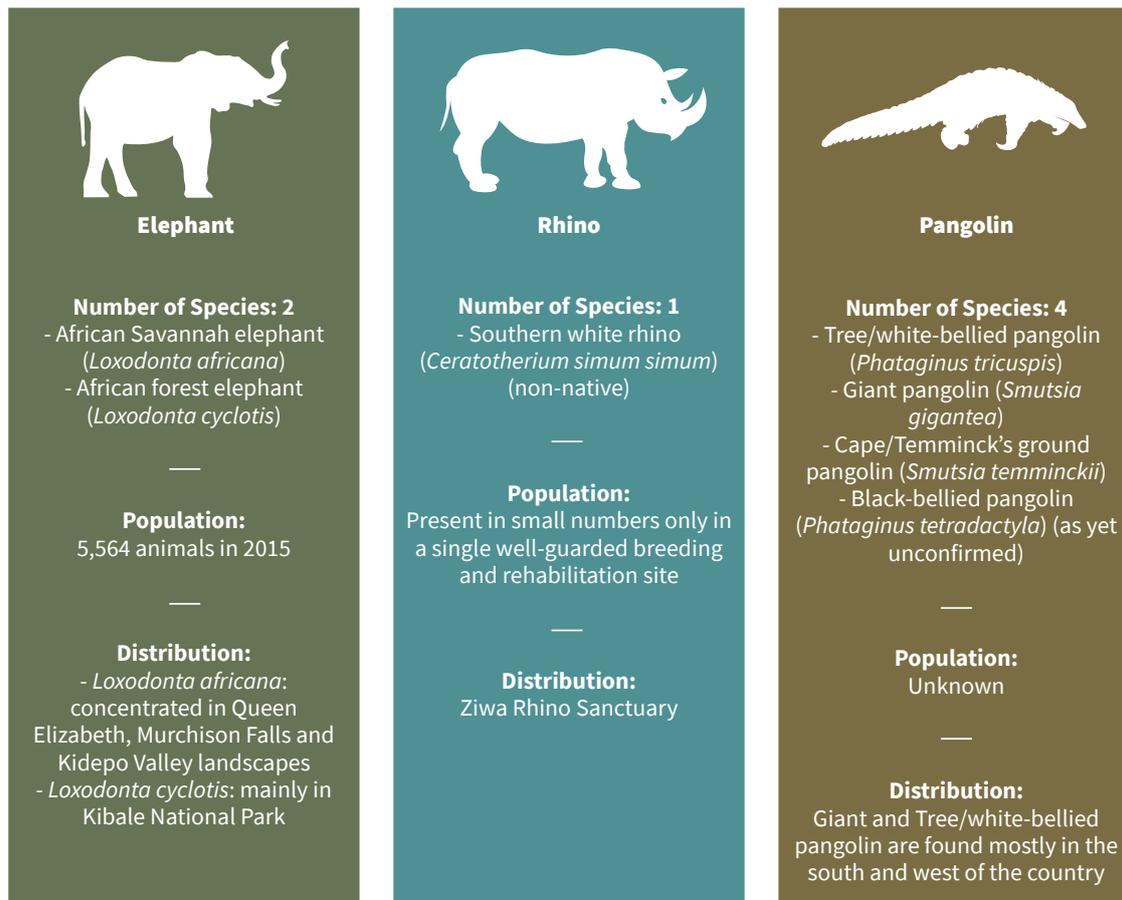
25. *Ibid*.

26. *Ibid*.

27. Environmental Investigation Agency (EIA), 'China's Complicity in the Global Illegal Pangolin Trade – Smoke and Mirrors', 7 October 2020.

28. IUCN SSC Pangolin Specialist Group, 'Black-Bellied Pangolin', <<https://www.pangolinsg.org/pangolins/black-bellied-pangolin/>>, accessed 9 September 2021.

29. Uganda Conservation Foundation, 'Pangolin Conservation Project', <<https://ugandacf.org/projects/pangolin-conservation-project/>>, accessed 9 September 2021.

**Figure 3: Elephant, Rhino and Pangolin Species in Uganda**

Source: Author generated.

Evidence gaps also apply to the mechanics of illegal trade. At times, these involve applications for permits for facilities suspected of illegal activity: Uganda has seen several suspected attempts to traffic pangolin scales via captive breeding farms ostensibly supporting species recovery efforts.<sup>30</sup> A 2019 *National Geographic* exposé details applications by two companies – Olsen East Africa International Investment Co. Ltd and the Asia-Africa Pangolin Breeding Research Center (AAPBRC) – for official permits to breed pangolins, that later aroused suspicion.<sup>31</sup> In 2016, the IUCN Species Survival Commission Pangolin Specialist Group and African Pangolin Working Group expressed concern that the AAPBRC's proposed breeding programme could be used to launder

30. Authors' interview with independent expert A, 4 May 2021.

31. Rachael Bale, 'Poaching is Sending the Shy, Elusive Pangolin to its Doom', *National Geographic*, 10 June 2019.

animals into legal supply chains.<sup>32</sup> C4ADS analysis into Olsen East Africa revealed corporate links to Chinese pharmaceutical companies specialising in traditional Chinese medicine.<sup>33</sup>

Applications for permits for captive breeding are in line with Clause 36 of the Uganda Wildlife Act 2019.<sup>34</sup> However, these cases show how attempts can be made to corrupt licensing and wildlife user-rights models, resulting in a blurring of licit and illicit activity.<sup>35</sup>

## Trafficking Activity

Alongside this sourcing activity, Uganda is a transit hub for high-value products such as ivory, with CITES ranking it a country of primary concern in 2013.<sup>36</sup> In 2016, CITES listed Uganda as one of 10 countries worldwide ‘linked to the greatest illegal ivory trade flows since 2012’, describing it as ‘an important entrepôt/export centre in East Africa with clear links to Central African ivory trade flows’.<sup>37</sup> In 2018, Uganda was downgraded to Category B and commended for ‘achieving’ its National Ivory Action Plans.<sup>38</sup> It is still in Category B today, remaining subject to CITES monitoring.

Yet, seizure data points to the country’s ongoing role as a transit hub for transnational flows of ivory, pangolin and hippo teeth, among other products. This is consistent with previous years: EIA analysis of large-scale ivory seizures from 2000–18 placed Uganda in the top 10 most significant countries by number of large-scale seizures and weight of ivory seized.<sup>39</sup> Although an increase in seizures can reflect more active law enforcement (rather than a net increase in illicit activity), recent Elephant Trade Information System (ETIS) data shows that Uganda reported 294 seizures between 2008–19, of which 63% were made between 2017–19.<sup>40</sup> In March 2019, UWA

32. IUCN-SSC Pangolin Specialist Group, ‘Uganda: Refuse Plans to Farm Pangolins, Say Wildlife Experts’, 27 September 2016.

33. Faith Hornor, Devin Thorne and Amanda Shaver, ‘Tipping the Scales: Exposing the Growing Trade of African Pangolins into China’s Traditional Medicine Industry’, C4ADS, 17 September 2020.

34. Uganda Wildlife Act, 2019.

35. Hornor, Thorne and Shaver, ‘Tipping the Scales’.

36. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), ‘Report on the Elephant Trade Information System (ETIS)’, Seventeenth Meeting of the Conference of the Parties, 24 September–5 October 2016.

37. Milliken et al., *The Elephant Trade Information System*, pp. 16–17; *Ibid.*

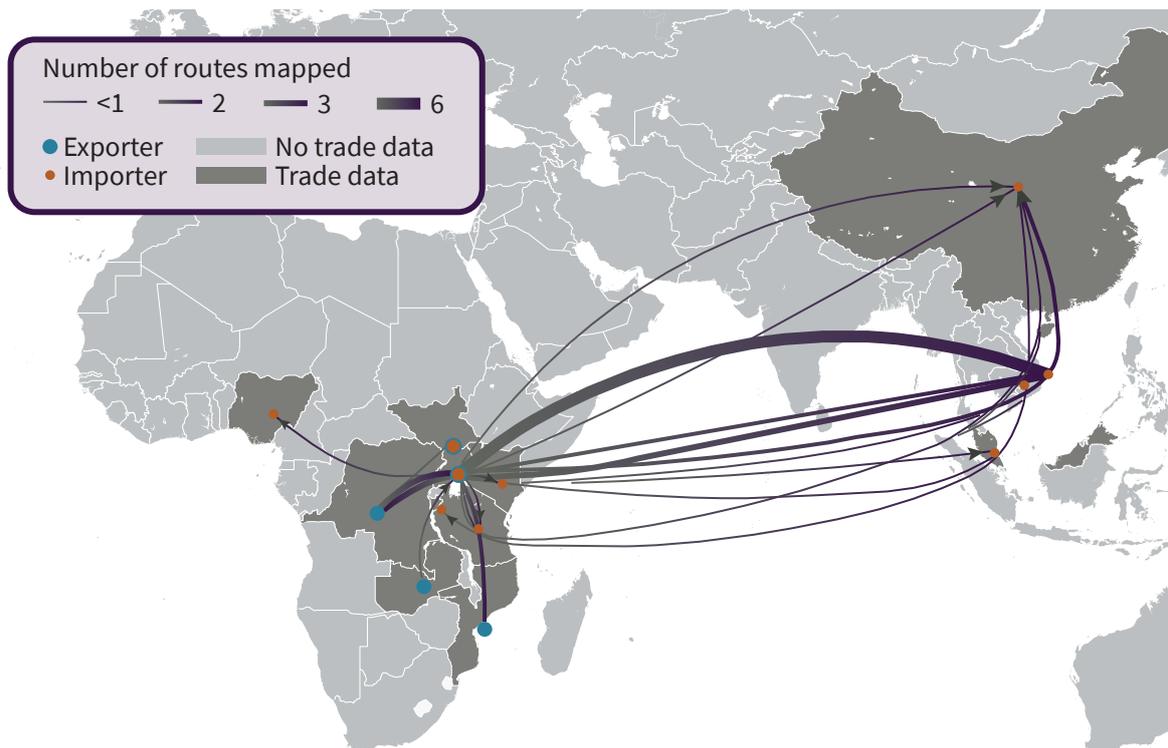
38. CITES, ‘Seventieth Meeting of the Standing Committee, Rosa Khutor, Sochi (Russian Federation), 1-5 October 2018’, <<https://cites.org/sites/default/files/eng/com/sc/70/exsum/E-SC70-Sum-02-R1.pdf>>, accessed 9 September 2021.

39. EIA, ‘Taking Stock: An Assessment of Progress Under the National Ivory Action Plan Process’, 10 September 2018.

40. CITES, ‘Elephant Trade Information System (ETIS) Report: Overview of Seizure Data and Progress on Requests from the 69<sup>th</sup> and 70<sup>th</sup> Meetings of the Standing Committee (SC69 and SC70)’, September 2020, <[https://cites.org/sites/default/files/MIKE/ETIS/E-CITES%20Secretariat\\_TRAFFIC\\_ETIS%20report\\_Sept2020\\_final\\_MESubgroup.pdf](https://cites.org/sites/default/files/MIKE/ETIS/E-CITES%20Secretariat_TRAFFIC_ETIS%20report_Sept2020_final_MESubgroup.pdf)>, accessed 9 September 2021.

reported seizing a total of 15 tonnes of ivory in the past five years.<sup>41</sup> It should be noted that seizures by authorities likely account for a fraction of all wildlife moved illegally undetected.

**Figure 4:** Trafficking Routes Via or From Uganda for Ivory, Rhino Horn and Pangolin Scales



Source: Referenced in EIA intelligence reports (1 January 2018–30 June 2020), as mapped using TRAFFIC's TradeMapper, 2018.

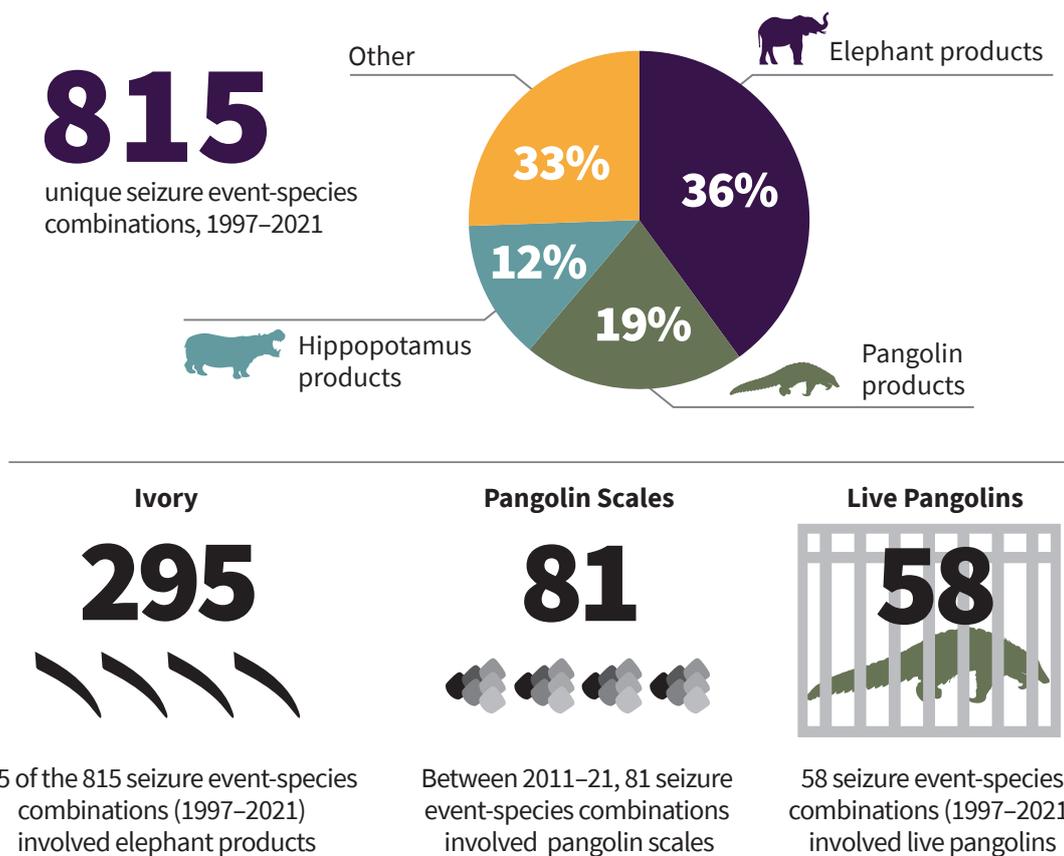
Further analysis commissioned by EIA, based on the integration of seizure data from EIA, TRAFFIC and NRCN databases, points to a total of 644 seizures between 1997 and February 2021 (after merging 131 duplicated records).<sup>42</sup> Of these seizures, 107 involved more than one species; as such, data was compiled for 'unique seizure event-species combinations', of which 815 were identified. Of these, 96% were recorded in the decade from 1 January 2011 to

41. *Daily Monitor*, '15 Tonnes of Ivory Seized in Five Years, Says UWA', 14 March 2019.

42. EIA's database contains data on both in-country and international seizures from 2000 to February 2021, TRAFFIC's database contains international seizure data from 1997 to February 2021, and NRCN's database contains records of mostly in-country seizures from January 2015 to December 2020. See DeeAnn M Reeder, 'Wildlife Trade and Zoonotic Disease Risks in Uganda and DRC', internal report, 27 May 2021. It should be noted that seizure data inevitably offers an incomplete picture, reflecting shifts in law enforcement action and reporting, with analysis of this data ongoing.

12 February 2021.<sup>43</sup> For the full database period, elephant products accounted for 36% of seizures, followed by pangolin (19%) and hippopotamus (12%).

**Figure 5: Wildlife Seizures Involving Uganda**



Source: DeeAnn M Reeder, ‘Wildlife Trade and Zoonotic Disease Risks in Uganda and DRC’, internal report, 27 May 2021, based on seizure data integrated from EIA, TRAFFIC and NRCN databases (containing data from 2000 to February 2021, 1997 to February 2021 and January 2015 to December 2020 respectively). See page 12 for more details.

Uganda’s use as a transit state owes to a range of factors. These include geographic location and strong regional transport links, with neighbouring Central African countries long witnessing high levels of poaching. Little of this wildlife leaves the continent directly, with large-scale ivory seizures of more than 500 kg indicative of Uganda’s role as a critical export route for Central African ivory. Enabling this, key terrestrial and air smuggling routes link Uganda with source counties of Democratic Republic of the Congo (DRC), Central African Republic and South Sudan, and on to the coast via Kenya and Tanzania.

43. This bias towards recent years is unsurprising given shifts in law enforcement and legislation over time.

Beyond geography, other factors combine to make Uganda a transit hub of choice. Despite a general improvement in the response to IWT, these include corruption, weak law enforcement, limited criminal justice capacity and historically weak legislation.<sup>44</sup> In Uganda, until 2019, available penalties for IWT paled in comparison to custodial sentences on offer in Kenya and Tanzania – where traffickers have been handed sentences of 15–20 years.<sup>45</sup> Until recently, these kinds of sentences had never been issued in Uganda, failing to offer a deterrent.

This situation could now change following the passage of the Uganda Wildlife Act 2019. However, it is clear that Uganda has long been viewed as the ‘path of least resistance’ for criminal actors operating regionally.<sup>46</sup> This situation has often actively attracted IWT offenders, with smuggling routes diverted via Uganda. Here, further corruption-enabled logistics and networking occur prior to export, with goods in transit subject to weaker controls than those destined for Uganda itself.<sup>47</sup>

Together, these enabling factors have made Uganda more than a simple transit country. Instead, it has come to form a central hub in the regional criminal marketplace – a consolidation point for criminal actors exhibiting a high degree of fluidity in their operations. The Uganda of today is a nexus country – a ‘one-stop shop’ for those looking to buy and sell illegal wildlife, launder the proceeds and tie this in with other illicit activity, from trafficking in timber to drugs. Facilitated by corruption and political influence, the result is a highly business-friendly environment for criminal actors.

The scale of IWT activity in Uganda – and the frequency of >500kg seizures – speaks to the reach and sophistication of the actors involved.<sup>48</sup> Globally, seizures of more than 500kg are considered by CITES as ‘large scale’ and indicative of organised criminal facilitation. As noted by the Basel Institute on Governance, where large volumes are involved, IWT in Uganda forms part of a ‘top-down orchestrated and organised supply chain of wildlife products’.<sup>49</sup> Often, ivory is intermingled with other products, offering further evidence of organised criminal coordination.<sup>50</sup> A large-scale seizure in January 2015, for example, included a mixture of 700 kg

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44. Authors’ interview with independent expert A, 4 May 2021; authors’ interview with NGO representative L, 5 July 2021.

45. Fumbuka Ng’wanakilala, ‘Chinese “Ivory Queen” Smuggler Sentenced to 15 Years Jail in Tanzania’, *Reuters*, 19 February 2019; Paula Kahumbu, ‘Kenya Jails Ivory Kingpin for 20 Years’, *The Guardian*, 23 July 2016. In Kenya, Feisal Ali Mohamed was later released. See Wildlife Direct, ‘Court Sets Free Convicted Ivory Trafficker Feisal Ali Mohamed’, press release, 3 August 2018.

46. Basel Institute on Governance, ‘A Worm’s-Eye View of Wildlife Trafficking in Uganda – The Path of Least Resistance’, Working Paper 33, October 2020.

47. EIA, ‘Taking Stock’.

48. Authors’ interview with NGO representative L, 5 July 2021.

49. Basel Institute on Governance, ‘A Worm’s-Eye View of Wildlife Trafficking in Uganda’.

50. Authors’ interview with NGO representative L, 5 July 2021.

of ivory and over 2 tonnes of pangolin scales.<sup>51</sup> In January 2019, a mixed cargo of 762 pieces of ivory and 423 kg of pangolin scales was seized, with a market value of more than \$8 million.<sup>52</sup>

While much wildlife transiting Uganda is freshly sourced, some derives from stockpiles. This involves the theft of seized exhibits from government storerooms, which has been reported across East and Central Africa. A notable case concerns the movement of ivory from the Burundian stockpile via Uganda. Following a March 2015 seizure of drum cans labelled as 'Shea Butter' at Entebbe airport, 18 tusks were found to bear registration markings of the 1989 Burundian ivory stockpile.<sup>53</sup> Two further seizures in Kampala in September 2016 and February 2017 (and one in June 2016 in Juba, South Sudan) involved ivory with markings commensurate with the 1989 Burundian stockpile.<sup>54</sup> The ETIS report to CITES Conference of the Parties 18 estimates that up to 84 tonnes of ivory from the Burundian stockpile could have been traded illegally.<sup>55</sup>

Whether freshly sourced or stockpiled, corruption is central to this activity. Empirical research by Kristof Titeca with ivory traders in Uganda places personal relationships with officials at the heart of the trade.<sup>56</sup> This owes to the need for consignments to transit chokepoints manned by law enforcement actors – whether security officials at roadblocks or customs officials at borders. Given the potential hurdle these chokepoints present, it is these relationships that ultimately allow illegal consignments to be imported and exported.<sup>57</sup>

As elsewhere, the precise forms of corruption enabling IWT in Uganda are poorly understood, with 'corruption' often treated as a catch-all concept. Yet, corruption in Uganda, as elsewhere, is highly differentiated: the manifestations of corruption enabling IWT are diverse, dynamic and flexible.<sup>58</sup> In 2017, the Organisation for Economic Cooperation and Development (OECD)

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51. Jerome Starkey, 'Uganda Seizes £1m of Ivory and 2 Tonnes of Pangolin Skins', *The Times*, 27 January 2015.
  52. Elias Biryabarema, 'Uganda Seizes Ivory, Pangolin Scales Worth an Estimated \$8 Million', *Reuters*, 1 February 2019.
  53. CITES, 'National Ivory Action Plan (NIAP) Process: Implementation of Step 1 of the Guidelines to the NIAP Process: Identification of Parties to Participate in the NIAP Process', SC71 Doc. 11, Annex 1, <<https://cites.org/sites/default/files/eng/com/sc/71/E-SC71-11-A1.pdf>>, accessed 9 September 2021.
  54. *Ibid.*
  55. CITES, 'Eighteenth Meeting of the Conference of the Parties, Colombo (Sri Lanka), 23 May – 3 June 2019', <<https://cites.org/sites/default/files/eng/cop/18/doc/E-CoP18-069-03-R1.pdf>>, accessed 9 September 2021.
  56. Kristof Titeca, 'Understanding the Illegal Ivory Trade and Traders: Evidence from Uganda', *International Affairs* (Vol. 94, No. 5, September 2018), pp. 1077–99.
  57. *Ibid.*
  58. OECD, 'Strengthening Governance and Reducing Corruption Risks to Tackle Illegal Wildlife Trade: Lessons from East and Southern Africa', 9 October 2018; Daan P van Uhm and William D Moreto, 'Corruption Within the Illegal Wildlife Trade: A Symbiotic and Antithetical Enterprise', *British Journal of Criminology* (Vol. 58, No. 4, July 2018), pp. 864–85.

conducted research in an effort to shed light on this dynamism.<sup>59</sup> Yet, ultimately, it stressed the lack of a clear baseline of investigations and prosecutions, and thus reliable data on corruption as an enabler of IWT.

Despite this, research for this paper points to the existence of corruption risks and structural vulnerabilities to corruption on a systematic scale, highlighting numerous (albeit anecdotal) examples where corruption has facilitated IWT in Uganda.<sup>60</sup> The extent of this role goes largely unreported. As highlighted by the OECD, enforcement activity is typically focused on the predicate offence – mainly wildlife possession – with minimal efforts made to target the corrupt pathways that facilitate IWT. In line with this, the list of convictions of serving officers for corruption linked to IWT in Uganda is short (albeit growing).

Where consequences for complicit officers are seen, a key challenge for monitoring outcomes is the practice of trying military personnel by court martial, which is closed to civilians. In August 2020, *Uganda Radio Network* covered the case of a military deserter who reportedly illegally used a Uganda People's Defence Force (UPDF) weapon to poach in Murchison Falls National Park. The outlet claimed that he was the sixth official handed over for poaching to the UPDF for trial that year alone.<sup>61</sup> Despite the lack of a broader base of investigations, these cases – alongside interview testimony – provide some insight into the routine nature of corruption as an enabler of IWT. Yet, they provide mainly select snapshots, far from painting a clear picture of the mechanisms at play.

Crucial to all the dynamics covered in this section, from poaching to trafficking and associated corruption, are the finances linked to IWT in Uganda. As noted, the profit motive underpinning this activity is substantial, with criminal and corrupt actors standing to make significant financial gains. In Uganda, the prices commanded by wildlife products speak clearly to the rewards on offer. The financial dimensions of IWT in Uganda are examined in the next chapter.

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59. OECD, 'Strengthening Governance and Reducing Corruption Risks to Tackle Illegal Wildlife Trade'.

60. Authors' interview with independent expert A, 4 May 2021; authors' interview with NGO representatives G and H, 21 June 2021; authors' interview with academic C, 17 June 2021.

61. Kato Joseph, 'CID Hands Over Murchison Poachers' Ringleader to UPDF', *Uganda Radio Network*, 10 August 2020.

## II. Illicit Finance Linked to IWT in Uganda

**A**S ELSEWHERE, IWT in Uganda does not take place in isolation. It is enabled by associated criminal activity and triggers further illicit practices, from the movement of funds to arrange logistics to the laundering of proceeds.<sup>62</sup> This chapter examines the scale and dynamics of illicit finance linked to IWT in Uganda, and the extent to which this benefits terrorist actors regionally.

In Uganda, financial investigation tools are not yet used routinely to tackle IWT.<sup>63</sup> The result is a dearth of data on how money linked to IWT moves in and across the country.<sup>64</sup> In line with this, the amounts of money connected to IWT in Uganda are poorly understood, as are the channels through which funds flow.<sup>65</sup> These knowledge gaps apply across the chain, from the money used to fund IWT operations domestically to Uganda's role as a conduit for IWT-linked illicit finance moving to other jurisdictions.

Despite this, IWT is recognised as a money laundering risk in Uganda's 2017 Money Laundering and Terrorist Financing National Risk Assessment (NRA).<sup>66</sup> Alongside 'smuggling', drug trafficking and human trafficking, 'wildlife offences' are cited as one of the most significant proceed-generating crimes and are accorded a 'medium high' threat rating.<sup>67</sup> The inclusion of IWT is positive: NRAs are produced to develop risk-based anti-money laundering and counterterrorism financing (AML/CTF) actions, in line with the FATF's Recommendation 1, and are key to how countries prioritise resources.<sup>68</sup> While FATF engagement since 2020 has increased pressure on countries to include IWT in NRAs, Uganda was ahead of the curve in including IWT in its 2017 NRA.<sup>69</sup> Four years later, several other regional states have yet to cover IWT to the same degree.<sup>70</sup>

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62. Authors' interview with independent expert B, 23 June 2021.

63. *Ibid*; authors' interview with government agency representative A, 7 June 2021.

64. Authors' interview with government agency representative C, 22 June 2021.

65. *Ibid*; authors' interview with government agency representative H, 20 July 2021.

66. Financial Intelligence Authority (FIA), 'Money Laundering and Terrorist Financing National Risk Assessment Report', March 2017, <[https://www.fia.go.ug/sites/default/files/2020-05/Money%20Laundering%20And%20Terrorist%20Financing%20National%20Risk%20Assessment%20Report\\_1.pdf](https://www.fia.go.ug/sites/default/files/2020-05/Money%20Laundering%20And%20Terrorist%20Financing%20National%20Risk%20Assessment%20Report_1.pdf)>, accessed 9 September 2021.

67. *Ibid*.

68. Authors' interview with independent expert C, 23 June 2021.

69. *Ibid*; authors' interview with government agency representative C, 22 June 2021.

70. Authors' interview with independent expert C, 23 June 2021.

While recognising the money laundering risk posed by IWT, analysis of Uganda's NRA raises questions around the underlying evidence.<sup>71</sup> The NRA, for example, looks to place a financial value on IWT affecting the country, noting that 'Uganda is estimated to lose about UGX 2,000,000,000 (\$588,235,000) annually in wildlife offences ranging from commercial poaching to hunting for daily subsistence'.<sup>72</sup> Yet, no detail is offered on the methodology used to calculate this figure. Given the hidden nature of IWT, the provision of a precise figure (rather than a range) is surprising. It is unclear whether the value lost annually 'in wildlife offences' refers to the money in circulation due to domestic poaching or the value of the animals lost, had they remained in the wild. Finally, it is notable that the estimate covers only domestic poaching – without reference to the significant illicit finance generated by wildlife in transit through Uganda.

An update to the 2017 NRA is in preparation. This has been aided by the World Bank's Environmental and Natural Resource Crimes Risk Assessment Module.<sup>73</sup> The module offers guidance on establishing typologies, assessing vulnerabilities to financial crime in the environmental sector and formalising action plans to strengthen money laundering controls in the sector.<sup>74</sup> While the update is not available at the time of this paper's publication, it is due for release in late 2021.

The World Bank module offers a valuable tool to advance assessment. At present, limited typologies exist on IWT-related money laundering in the Ugandan setting.<sup>75</sup> Exceptions include several IWT red flag documents produced by EIA for the private sector and United for Wildlife Taskforce Alerts where these relate to Uganda.<sup>76</sup> Yet, overall, the evidence base remains limited, offering an incomplete picture of how money linked to IWT moves. This owes in part to the fact that most IWT investigations focus on the predicate offence, with few parallel financial investigations conducted.<sup>77</sup>

In the absence of more extensive assessment data, the authors sought to derive information from cases handled by NRCN since 2015. NRCN is a Ugandan NGO with a 10-year memorandum of understanding (MoU) with UWA to support the investigation and prosecution of IWT. Working

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71. *Ibid*; authors' interview with academic I, 24 June 2021.

72. FIA, 'Money Laundering and Terrorist Financing National Risk Assessment Report'.

73. Authors' interview with government agency representative C, 22 June 2021.

74. World Bank, 'National Risk Assessment Tool Guidance Manual: Module 10 – Environmental and Natural Resource Crimes Risk Assessment', September 2019.

75. Authors' interview with independent expert C, 23 June 2021.

76. EIA, 'Patterns and Red Flags Found in Uganda Illegal Wildlife Trade: Intelligence Summary', 8 December 2020; EIA, 'Patterns and Red Flags Related to Transport Industry Found in Uganda Illegal Wildlife Trade', 30 March 2021. United for Wildlife Taskforce Alerts cover private sector red flags relating to a range of geographies globally.

77. Authors' interview with government agency representative A, 7 June 2021; authors' interview with NGO representative I, 24 June 2021.

with UWA and other agencies, NRCN has investigated and prosecuted IWT offences across all Ugandan regions, making over 900 arrests from January 2015–June 2021.<sup>78</sup>

Although inevitably painting an incomplete picture, cases handled by NRCN in this period suggest that money is moving in at least five ways. First, there is evidence that money linked to IWT moves through the formal banking system (see Box 1). As of July 2020, 25 licensed commercial banks were operating in Uganda (and a smaller number of micro deposit and credit institutions).<sup>79</sup> Uganda's 2017 NRA notes that the banking system is 'exposed to considerable ... risk'; despite achieving the highest level of implementation of AML/CTF requirements, the NRA points to unevenness across the banking sector.<sup>80</sup> Where the system is abused by wildlife criminals, large sums can potentially be transferred fast and securely across jurisdictions. At times, IWT-related payments have been observed broken down into parts, with multiple low-value transfers made to avoid suspicion.<sup>81</sup>

Second, IWT-related payments in Uganda are known to be made via foreign exchange (FOREX) bureaus. While FOREX bureaus are part of the regulated sector, they pose risks in terms of unlicensed activity. As of 14 August 2019, Uganda had 290 licensed FOREX bureau outlets.<sup>82</sup> Alongside Uganda's money remitters, the NRA placed this as a high-turnover sector equivalent to 16% of GDP as of 31 December 2015.<sup>83</sup> The NRA rates the money laundering threat from FOREX bureaus as 'high', pointing to 'a thriving unlicensed foreign exchange market', cases of fraud and a common failure to record customer identification details, rendering transactions untraceable. With providers proliferating, incentives to make transactions easier and increase margins persist.<sup>84</sup> FOREX bureaus accounted for just 13% of suspicious transaction reports received by the FIA in financial year 2018/19.

Mobile money services represent a third payment method identified in IWT investigations. Since launching in Uganda in 2009, user numbers have grown sharply, with the 'mobile wallet' now the

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78. See NRCN Conservation, <<https://www.nrcn.org>>, accessed 9 September 2021.

79. Bank of Uganda, 'Licensed Commercial Banks as at July 01, 2020', <[https://www.bou.or.ug/bou/bouwebsite/bouwebsitecontent/Supervision/Supervised\\_Institutions/Supervision/financial\\_institutions/2020/Jul/LICENSED-COMMERCIAL-BANKS-AS-AT-JULY-01.docx.pdf](https://www.bou.or.ug/bou/bouwebsite/bouwebsitecontent/Supervision/Supervised_Institutions/Supervision/financial_institutions/2020/Jul/LICENSED-COMMERCIAL-BANKS-AS-AT-JULY-01.docx.pdf)>, accessed 9 September 2021.

80. In financial year 2018/19, 85% of suspicious transaction reports received were from commercial banks. See Republic of Uganda, 'National Strategy for Combating Money Laundering and the Financing of Terrorism and Proliferation 2020/21 – 2024/25', September 2020. The money laundering vulnerability of banks is assessed as 'medium/high'. See FIA, 'Money Laundering and Terrorist Financing National Risk Assessment Report'.

81. Authors' interview with NGO representative L, 5 July 2021.

82. Bank of Uganda, 'List of FOREX Bureau Outlets as at August 14 2019', <[https://www.bou.or.ug/bou/bouwebsite/bouwebsitecontent/Supervision/Supervised\\_Institutions/Supervised\\_Institutions/2019/LIST-OF-FOREX-BUREAU-OUTLETS-AS-AT-AUGUST-14-2019.pdf](https://www.bou.or.ug/bou/bouwebsite/bouwebsitecontent/Supervision/Supervised_Institutions/Supervised_Institutions/2019/LIST-OF-FOREX-BUREAU-OUTLETS-AS-AT-AUGUST-14-2019.pdf)>, accessed 9 September 2021.

83. FIA, 'Money Laundering and Terrorist Financing National Risk Assessment Report'.

84. *Ibid.*

formal non-banking financial system of choice.<sup>85</sup> Alongside FOREX bureaus and money remitters, the 2017 NRA assessed mobile money to present the highest vulnerability in the regulated sector. Risks stem from the ‘lack of a direct licensing/authorization regime, inadequate AML/CFT supervision and poor entry controls [on] ... providers’.<sup>86</sup> Used across rural Uganda, with accounts easy to create and options to send funds internationally, mobile money offers multiple options to IWT offenders. With transaction limits ranging up to 7 million Ugandan shillings (\$1,980 per transfer),<sup>87</sup> multiple daily transactions can allow the movement of significant amounts over time.

A fourth modality associated with IWT transactions includes trade-based money laundering. This is defined by the FATF as ‘the process of disguising the proceeds of crime and moving value through ... trade transactions in an attempt to legitimise their illicit origins’.<sup>88</sup> Uganda’s 2017 NRA points to weak controls around trade-based money laundering, noting the high risk of illicit funds being channelled between Uganda, neighbouring states and other import/export locations.<sup>89</sup> In Uganda, transactions are easily disguised via the use of import-export, food, spice, fishing and other companies, with the price, nature or quantity of goods misrepresented.<sup>90</sup> With the country’s growth as a commercial hub, multiple examples exist of criminal attempts to exploit Uganda’s place in the global trade system to move value linked to IWT undetected.<sup>91</sup>

Finally, IWT-related transactions are known to be made in cash.<sup>92</sup> This is unsurprising given Uganda’s traditionally cash-based economy, with the reach of the formal financial system limited in rural regions. Yet, cash is also used in urban areas, including in real-estate transactions in Kampala. Across Uganda’s borders, traders easily carry cash,<sup>93</sup> enabled by implementation gaps in the country’s cross-border currency declaration requirement.<sup>94</sup> Across Uganda, operational

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85. *Ibid.*

86. *Ibid.*

87. WorldRemit, ‘Send Mobile Money to Uganda’, <<https://www.worldremit.com/en/uganda/faq/mobile-money#what-currencies-can-i-send-to-mobile-money-accounts-in-uganda>>, accessed 9 September 2021.

88. FATF, ‘Trade Based Money Laundering’, 23 June 2006.

89. FIA, ‘Money Laundering and Terrorist Financing National Risk Assessment Report’.

90. Authors’ interview with NGO representative A, 8 June 2021; authors’ interview with NGO representatives G and H, 21 June 2021.

91. Authors’ interview with NGO representative A, 8 June 2021.

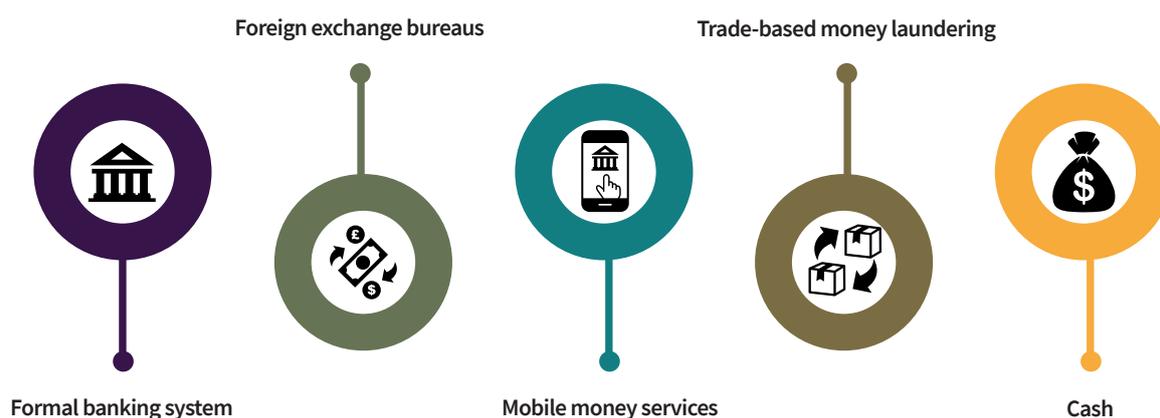
92. Authors’ interview with NGO representative F, 18 June 2021; authors’ interview with NGO representative I, 24 June 2021.

93. FIA, ‘Money Laundering and Terrorist Financing National Risk Assessment Report’.

94. The slow pace of implementation of this requirement has been noted by both the FIA and the Uganda Revenue Authority, with an inter-agency taskforce reportedly established to assess implementation challenges and produce recommendations to improve effectiveness. See FIA, ‘Annual Report for the Financial Year 2018–2019’, September 2019. Authors’ interview with government agency representative C, 22 June 2021.

information indicates that cash is used for illegal purchases of relatively high values of wildlife products – at times, as the preferred method for transactions in the tens of thousands of US dollars.<sup>95</sup>

**Figure 6:** How Money Linked to IWT Moves in Uganda



Source: Author generated.

It should be noted that the method used varies with the level of transaction made. For large-scale, international transactions, the banking system and FOREX bureaus appear to be favoured mechanisms.<sup>96</sup> Smaller, localised transactions more commonly occur through cash or mobile money.<sup>97</sup> The latter is also used regionally; cases across East Africa show that tracing mobile money transactions can result in the identification of IWT offenders.<sup>98</sup> As noted by TRAFFIC, however, those identified are often lower-level poachers and facilitators.<sup>99</sup>

This variation reflects differences in the volume of illicit finance associated with lower- versus higher-level IWT activity.<sup>100</sup> At park level, amounts are typically small: to enable poaching, cash is used to purchase wire snares and wheel traps from local smiths. Snares cost as little as 7,000 Ugandan shillings (\$2), with wheel traps for larger animals (made from vehicle shock absorbers) on sale for 50,000 Ugandan shillings (\$15).<sup>101</sup> Once sourced, illegal bushmeat is often sold locally for cash, by eye or by weight.<sup>102</sup>

95. Authors' interviews with NGO representative F, 18 June 2021; authors' interview with NGO representative I, 24 June 2021.

96. Authors' interview with NGO representative L, 5 July 2021.

97. *Ibid.*

98. TRAFFIC, 'Case Digest: Financial Flows and Payment Mechanisms Behind Wildlife Crime', 18 March 2021.

99. *Ibid.*

100. Authors' interview with NGO representative L, 5 July 2021.

101. Authors' interview with academic D, 24 June 2021.

102. *Ibid.*

Up the chain, trade in higher-value wildlife products involves larger amounts. Uganda-specific price data obtained by EIA shows Uganda-based wildlife traffickers seeking international buyers offering \$70–125 per kg for ivory between January 2019 and February 2021.<sup>103</sup> Offers for rhino horn between August 2019 and February 2021 ranged from \$8,000–17,000 per kg.<sup>104</sup> For pangolin scales, offers between January 2019 and April 2020 ranged from \$20–80 per kg.<sup>105</sup> At times, these prices are for the product alone; at others, they include transportation and export fees, or CITES permits. Amounts on sale in single consignments vary in each case. For multi-tonne consignments, methods other than cash come into play (see Box 1).

**Figure 7:** Price Ranges Quoted by Uganda-Based Wildlife Traffickers Seeking International Buyers



Source: Environmental Investigation Agency.

103. Confidential price data provided by EIA, 23 July 2021.

104. *Ibid.*

105. *Ibid.*

**Box 1: The Moazu Kromah Case**

In February 2017, 1.3 tonnes of ivory were seized in a compound on the outskirts of Kampala. Three suspects were arrested: Liberian national Moazu Kromah, and Guinean nationals Kourouma Bangaly and Mohamed Kourouma. NRCN, supporting the investigation, placed Kromah at ‘the center of a vast ring of organized ... criminals ... connected to at least four other major criminal syndicates in Africa’. Alongside ivory, financial information was uncovered at the compound. Although financial enquiries were made domestically, a range of challenges prevented the case from progressing through Ugandan courts.

Instead, the case attracted the focus of US authorities, with Kromah extradited in 2019 to stand trial for charges of IWT, heroin trafficking and money laundering. The Department of Justice indictment accuses Kromah’s network of moving at least 190 kg of rhino horn and 10 tonnes of ivory across seven different countries from December 2012.

On the money laundering charges, Kromah reportedly ‘undertook to facilitate and conceal payments ... for rhinoceros horn’, with ‘payments made from a US bank account’. In phone calls, Kromah was heard not wanting ‘to burn’ an account funded by narcotics proceeds, looking ‘to keep that account free from problems’. Account details were requested by phone for the purpose of transferring money. The case speaks to the willingness of wildlife criminals to use the banking system for large transactions, and their apparent ability to do so unimpeded.

*Sources: Associated Press, ‘Uganda Seizes Ton of Ivory, Arrests 2 West African Suspects’, 18 February 2017; Global Initiative Against Transnational Organized Crime, ‘Civil Society Observatory of Illicit Economies in Eastern and Southern Africa’, Risk Bulletin, Issue 3, December 2019–January 2020; authors’ interview with NGO representative L, 5 July 2021; US Department of Justice, ‘Members of African Criminal Enterprise Charged with Large-Scale Trafficking of Rhinoceros Horns and Elephant Ivory and Heroin Distribution’; US District Court Southern District of New York, Sealed Indictment.*

At all levels, corruption is key to the shape of illicit finance linked to IWT. With many officials on limited pay, the basis for many corrupt exchanges is assessed to be financial.<sup>106</sup> Interviewees pointed to poor and often irregular pay received by rangers – contrasting this with the rewards on offer to ‘look the other way’.<sup>107</sup> This financial motivation applies not only in rural areas; it extends across all institutions and levels of seniority, up to institutional headquarters in Kampala.<sup>108</sup>

106. Authors’ interview with independent expert A, 4 May 2021.

107. *Ibid.* It should be noted that drivers of corruption and determinants of satisfaction among rangers extend beyond the purely financial. See William D Moreto, Andrew M Lemieux and Matt R Nobles, ‘“It’s in My Blood Now”: The Satisfaction of Rangers Working in Queen Elizabeth National Park, Uganda’, *Oryx* (Vol. 50, No. 4, 2016).

108. Authors’ interview with independent expert A, 4 May 2021; authors’ interview with NGO representative L, 5 July 2021.

Collusive relationships can take many forms. As noted by one interviewee, corruption is about ‘relationship building and may not always be “money first”’.<sup>109</sup> At park level, testimony from reformed poachers points to a direct link, where being caught with illegally sourced wildlife requires a bribe to avoid consequences.<sup>110</sup> Yet, higher up, OECD research points to the longer-term nature of corrupt relationships,<sup>111</sup> with value changing hands in more complex ways. Here, bribery and influence to secure safe passage of large consignments may be pre-emptive, with corrupt officers maintained *in anticipation* of need, rather than bribed as and when required.<sup>112</sup>

With relationships maintained in multiple ways, in Uganda, it is crucial to ‘follow the value’, beyond a narrow focus on ‘following the money’. This speaks to the need for a broader lens when considering how value is stored and transferred. Here, a dominant focus on ‘what is in the bank’ must be replaced by an assessment of where many Ugandans keep money – often, in property, animals and land. This can raise challenges; animals, for example, are not registered and transactions may be difficult to trace. Yet, these avenues for financial investigation are ignored at the risk of leaving significant wealth and resources untouched.

When considering illicit finance linked to IWT in Uganda, a final point concerns the impossibility of assessing these flows on a purely domestic level.<sup>113</sup> Crucially, as a regional hub, what takes place in Uganda cannot be viewed in this context alone. Instead, with illegal commodities and funds crossing borders, it is essential to broaden the aperture for a full picture of the threat. A wider lens is needed, with a regional and transregional approach to investigating illicit finance required.<sup>114</sup>

## IWT and Terrorism Financing

The need for a regional lens raises the question of how far IWT in Uganda funds terrorist activity in neighbouring states. Questions over the IWT–terrorism nexus have long been posed at a global level, with high-profile past claims made by politicians and NGOs.<sup>115</sup> For Uganda, the question is relevant given ongoing instability in neighbouring states, which has long posed domestic security concerns. All of Uganda’s national parks lie on or near national borders, often as part of contiguous ecosystems, at times facing additional governance and enforcement challenges.<sup>116</sup> Migration of wildlife across trans-boundary areas poses added complications for

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109. Authors’ interview with NGO representatives D and E, 15 June 2021.

110. Authors’ interview with academic A, 17 June 2021.

111. OECD, ‘Strengthening Governance and Reducing Corruption Risks to Tackle Illegal Wildlife Trade: Lessons from East and Southern Africa’.

112. *Ibid.*

113. Authors’ interview with NGO representatives G and H, 21 June 2021.

114. *Ibid.*

115. Nir Kalron and Andrea Crosta, ‘Africa’s White Gold of Jihad: Al-Shabaab and Conflict Ivory’, Elephant Action League, January 2013.

116. Authors’ interview with independent expert A, 4 May 2021. Bwindi Impenetrable, Toro-Semliki, Rwenzori Mountains and Queen Elizabeth National Parks all share boundaries with DRC. Mgahinga National Park borders Rwanda and DRC; Mount Elgon National Park borders Kenya; and Kidepo

protecting species targeted in regional IWT.<sup>117</sup> Whether terrorist activity is a further challenge in this regard remains under-researched in this context.

Uganda's 2017 NRA notes that terrorist threats impacting Uganda today 'are mainly external, emanating from the region'.<sup>118</sup> In terms of IWT, the NRA cites two main groups of concern: the Lord's Resistance Army (LRA) and Allied Democratic Forces (ADF). It notes that the 'LRA's main sources of funds include wildlife crime, minerals, extortion and looting; and [the] ADF's main sources of funds include; trade, real estate business, wildlife crime, illegal mining, state sponsorship and NPOs [non-profit organisation] donations'.<sup>119</sup> What precisely is encompassed by 'wildlife crime' – or the share of overall income this accounts for – is not specified.

In reality, substantial evidence gaps persist, with little recent systematic research on the topic. Comprehensive past analyses have disproven high-profile claims globally – including that Al-Shabaab derives 40% of its operating costs from ivory trafficking.<sup>120</sup> While these analyses made useful contributions, little research has since been conducted. A further obstacle owes to broader knowledge gaps around the evolving status and outlook of groups of relevance to the Ugandan context.<sup>121</sup> Against this backdrop, research for this paper assessed evidence on the extent of linkages between IWT in Uganda and the financing of terrorism. The focus was placed on the LRA and ADF, as those that have raised the greatest domestic concern in relation to IWT.

### The Lord's Resistance Army

The LRA was established by Joseph Kony in northern Uganda in 1987. Kony's stated aim was to restore the honour of his northern Acholi people, overthrowing Yoweri Museveni, who had seized power in 1986. Kony led the LRA with astounding brutality.<sup>122</sup> From 1986–2007, LRA violence caused massive displacement in northern Uganda, with the group expanding beyond the country's borders into Garamba National Park. In 2008, Uganda launched *Operation Lightning Thunder*, dispersing the group across northeastern DRC, eastern CAR and southwestern South Sudan. By the

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Valley National Park neighbours Kenya and South Sudan. Lake Mburo, Kibale and Murchison Falls are no more than a few kilometres from an international border.

117. Authors' interview with NGO representative J, 25 June 2021; authors' interview with independent expert A, 4 May 2021.

118. FIA, 'Money Laundering and Terrorist Financing National Risk Assessment Report'.

119. *Ibid.*

120. Tom Maguire and Cathy Haenlein, 'An Illusion of Complicity: Terrorism and the Illegal Ivory Trade in East Africa', RUSI Occasional Paper, September 2015.

121. Authors' interview with independent expert B, 23 June 2021; authors' interview with independent expert D, 24 June 2021.

122. Human Rights Watch, *The Scars of Death: Children Abducted by the Lord's Resistance Army* (New York, NY: Human Rights Watch, 1997).

early 2010s, the LRA had been drastically weakened, with a subgroup around Kony based in the Sudanese-controlled enclave of Kafia Kingi, receiving basic supplies from the Sudanese military.<sup>123</sup>

Today, the group exists in drastically reduced form.<sup>124</sup> Defectors testify that the LRA now comprises just a few dozen individuals, with Kony no longer seeing the group's goal as overthrowing Uganda's government, identifying more as 'a band of "refugees" fighting for ... survival', through subsistence farming and sale of honey in local markets.<sup>125</sup> The LRA Crisis Tracker indicates that 'LRA groups' continue to attack communities in northern DRC, but on a vastly diminished scale.<sup>126</sup> In the year to 28 July 2021, 29 localised attacks took place, resulting in 1 killing.<sup>127</sup> While a hazard to local communities, the threat beyond the immediate vicinity is small.

Past LRA ivory poaching is well-documented by bodies including the UN.<sup>128</sup> LRA members are known to have set up base in Garamba National Park from 2005, launching attacks, including on the park's head office in Nagero.<sup>129</sup> 2015 Enough Project research pointed to ivory poached in Garamba moved by the LRA into Kafia Kingi for sale to Sudanese merchants, often in exchange for ammunition or medicine.<sup>130</sup> A 2015 *National Geographic* investigation planted fake GPS-embedded tusks in eastern CAR, tracing their movement along a similar route (without proving LRA involvement explicitly).<sup>131</sup>

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123. Paul Ronan and Kristof Titeca, 'Kony's Rebels Remain a Threat, but They're Also Selling Honey to Get By', *African Arguments*, 10 March 2020.

124. Authors' interview with academic A, 17 June 2021; authors' interview with independent expert B, 23 June 2021.

125. Ronan and Titeca, 'Kony's Rebels Remain a Threat, but They're Also Selling Honey to Get By'.

126. See LRA Crisis Tracker, <<https://www.crisistracker.org/>>, accessed 28 July 2021.

127. *Ibid.*

128. UN Security Council, 'Final Report of the Group of Experts on the Democratic Republic of the Congo Submitted in Accordance with Paragraph 7 of Security Council Resolution 2198 (2015)', S/2016/466, 23 May 2016; UNEP, MONUSCO and OSESG, 'Experts' Background Report on Illegal Exploitation and Trade in Natural Resources Benefitting Organized Criminal Groups and Recommendations on MONUSCO's Role in Fostering Stability and Peace in Eastern DR Congo: Final Report', 15 April 2015; Gervais Ondoua Ondoua et al., 'An Assessment of Poaching and Wildlife Trafficking in the Garamba-Bili-Chinko Transboundary Landscape', TRAFFIC, December 2017.

129. Phil Lancaster, Guillaume Lacaille and Ledio Cakaj, 'Diagnostic Study of the Lord's Resistance Army (LRA)', International Working Group on the LRA, 11 June 2011, p. 23; WildlifeDirect, '3 Still Missing After LRA Attack in Garamba', 22 January 2009.

130. Ledio Cakaj, 'Tusk Wars: Inside the LRA and the Bloody Business of Ivory', Enough Project, October 2015, pp. 7, 10–14; Resolve LRA Crisis Initiative, 'The Kony Crossroads: President Obama's Chance to Define His Legacy on the LRA Crisis', August 2015.

131. Bryan Christy, 'How Killing Elephants Finances Terror in Africa', *National Geographic*, 12 August 2015.

Although past evidence of LRA involvement is clear, there is consensus that the group's role – even at its height – was overblown.<sup>132</sup> Based on testimony from defectors and prisoners, Enough Project research suggests that limited amounts were involved; an estimated 38 tusks were sold in 2012, with 20–30 sold per year in 2013 and 2014.<sup>133</sup> Garamba authorities confirmed that the LRA dealt in roughly these amounts, attributing the majority of elephant killings to other armed actors – notably armed poachers from South Sudan.<sup>134</sup> The LRA's historic role in IWT should therefore not be overstated, with counts of tens of tusks pointing to a minor role in global trade.<sup>135</sup>

With the group now further diminished, this role is likely to be smaller still.<sup>136</sup> No evidence could be found in the literature or interview testimony of recent LRA participation in high-value poaching or trafficking. This contrasts with clear evidence of involvement by actors from within national armed forces – including of South Sudan and the DRC – across these geographies.<sup>137</sup> As noted, the LRA persists as a small core band of individuals battling to survive. Interviewees suggest that it no longer enjoys support from Sudan, further limiting opportunities for IWT activity.<sup>138</sup> In this context, any involvement is likely to be conducted for subsistence, including hunting for food.<sup>139</sup>

Questions over the IWT–terrorism financing link also hinge on whether the group can still be considered a terrorist organisation. While the US State Department included the LRA on its Foreign Terrorist Organizations list in 2001, it was subsequently downgraded, and no longer features on this list.<sup>140</sup> Others have since listed the group; the African Union designated the LRA

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132. Authors' interview with academic B, 17 June 2021; Kristof Titeca and Patrick Edmond, 'Outside the Frame: Looking Beyond the Myth of Garamba's LRA Ivory–Terrorism Nexus', *Conservation and Society* (Vol. 17, No. 3, 2019), pp. 258–69.

133. Cakaj, 'Tusk Wars', p. 12.

134. UN Security Council, 'Final Report of the Group of Experts on the Democratic Republic of the Congo Submitted in Accordance with Paragraph 7 of Security Council Resolution 2198 (2015)'; Ledio Cakaj and Sasha Lezhnev, 'Deadly Profits: Illegal Wildlife Trafficking through Uganda and South Sudan', Enough Project, July 2017.

135. Authors' interview with academic B, 17 June 2021; authors' interview with independent expert D, 24 June 2021; Cathy Haenlein and M L R Smith (eds), *Poaching, Wildlife Trafficking and Security in Africa: Myths and Realities*, RUSI Whitehall Paper 86 (London: Taylor and Francis, 2016).

136. Authors' interview with academic A, 17 June 2021.

137. Wildlife Conservation Society, 'Deep Concern for South Sudan's Natural Resources – An Emerging Illegal Exploitation and Trafficking Crisis', 2 March 2016; Ondoua Ondoua et al., 'An Assessment of Poaching and Wildlife Trafficking in the Garamba-Bili-Chinko Transboundary Landscape'.

138. Authors' interview with academic A, 17 June 2021.

139. Authors' interviews with academics A and B, 17 June 2021.

140. US Department of State, Bureau of Counterterrorism, 'Foreign Terrorist Organizations', <<https://www.state.gov/foreign-terrorist-organizations/>>, accessed 8 September 2021.

in 2011 and the organisation was added to the UN Security Council Consolidated List in 2016.<sup>141</sup> Yet, in today's form, interviewees questioned the validity of a 'terrorist' label, given doubt over the group's current adherence to any political programme.<sup>142</sup>

### The Allied Democratic Forces

Similar evidence gaps persist in the case of the ADF. The organisation was formed in the 1990s, as a coalition of groups in western Uganda perceiving themselves marginalised after the fall of Idi Amin. Following Ugandan military operations, the ADF operates today from Beni territory in North Kivu,<sup>143</sup> as one of the most active rebel groups in eastern DRC. It was added to the UN Security Council Consolidated List in 2014.<sup>144</sup> The UN believes most members to be Islamists, with a growing narrative around the group's links to other Islamist terrorist groups. The US views the ADF as part of the Islamic State's Central Africa Province: while the group has been under US sanctions since 2014,<sup>145</sup> in March 2021, it was added to the State Department's list of Designated Foreign Terrorist Organizations as 'ISIS-DRC' (Islamic State of Iraq and Syria – DRC).<sup>146</sup>

Questions have arisen around the evidence underpinning any real-world link with the Islamic State. The Congo Research Group notes that 'the new ISIS-DRC moniker ... obfuscates as much as it illuminates' as to the nature of this relationship.<sup>147</sup> In December 2020, the UN Group of Experts on the DRC reported that while the Islamic State continued to claim responsibility for attacks in DRC, it was 'unable to confirm any direct link or support between ISIL and ADF'.<sup>148</sup> It notes that the Islamic State's claims of responsibility have often 'inaccurately described locations, dates and the number and nature of casualties ... demonstrat[ing] limited knowledge and control ... over ... [ADF] operations'.<sup>149</sup>

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141. US Department of State, 'The Lord's Resistance Army', fact sheet, 23 March 2012, <<https://2009-2017.state.gov/r/pa/prs/ps/2012/03/186734.htm>>, accessed 8 September 2021; UN Security Council, 'United Nations Security Council Consolidated List', <<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>>, accessed 22 September 2021; Aaron Maasho, 'African Union Declares Uganda's LRA a Terror Group', *Reuters*, 22 November 2011.

142. Authors' interview with NGO representative A, 8 June 2021; Ronan and Titeca, 'Kony's Rebels Remain a Threat, but They're Also Selling Honey to Get By'.

143. UN Security Council, 'Midterm Report of the Group of Experts on the Democratic Republic of the Congo', S/2020/1283, 23 December 2020.

144. US Department of State, 'The Lord's Resistance Army'; UN Security Council, 'United Nations Security Council Consolidated List'; Maasho, 'African Union Declares Uganda's LRA a Terror Group'.

145. US Department of the Treasury, 'Treasury Sanctions Rebel Group Responsible for Targeting Civilians in the Democratic Republic of Congo', 1 July 2014.

146. US Department of State, Bureau of Counterterrorism, 'Foreign Terrorist Organizations'.

147. Jason Stearns, 'DRC: Designating the ADF', Congo Research Group, 24 March 2021.

148. UN Security Council, 'Midterm Report of the Group of Experts on the Democratic Republic of the Congo'.

149. *Ibid.*

In the context of ongoing confusion over the group's core identity, evidence of ADF involvement in IWT is limited.<sup>150</sup> A review of UN Group of Experts reports from 2010–21 revealed no mentions of the ADF benefiting from poaching or trafficking of wild animals (despite evidence of the ADF benefiting from the timber trade in reports from 2011, 2012, 2015 and 2016).<sup>151</sup> While the Group of Experts notes that ivory for export passes through Beni territory, it presents no evidence that the ADF has taxed or facilitated these flows. This contrasts with regular mentions of involvement in IWT, nationally, by elements of the DRC military.<sup>152</sup> In other literature and interview testimony, limited evidence could be found that the ADF benefits from IWT impacting the Ugandan territory.

Interviewees also questioned the logic underpinning a major ADF role, noting that this could only feasibly occur through direct supply (or taxation) of wildlife products into Uganda.<sup>153</sup> Yet, numbers of high-value animals in ADF areas of operations are low. Rhinos, for example, are extinct in DRC; in terms of ivory, small numbers of elephants remain in nearby Virunga National Park (down from some 3,000 in the 1960s to a matter of hundreds today).<sup>154</sup> Further afield, this leaves Okapi or Garamba National Parks as the only realistic options for ADF poaching – evidence of which could not be found.<sup>155</sup> This does not exclude involvement in poaching of other, potentially more locally prevalent species, including for meat. Yet, again, evidence in this area remains limited.

As such, for both groups, proof of large-scale involvement is lacking – particularly in contrast to evidenced participation by other actors, including national militaries. What is clear is that neither group is currently likely to profit significantly from IWT, in a Ugandan or regional context. This owes to their position and reach – located early in the chain, in borderlands with limited infrastructure (rather than strategic locations on established global trade routes). Any funds generated at these early stages would be limited, even if involvement in IWT were large in scale. In this sense, any concerted focus on these groups as major financial beneficiaries of global IWT activity is likely to be misplaced.

While global attention to groups such as these has long proven tantalising, what is lacking in the global conversation is a focus on the stabilisation operations set up to contain the security threats

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150. Authors' interview with NGO representative J, 25 June 2021.

151. See, for example, UN Security Council, 'Final Report of the Group of Experts on the Democratic Republic of the Congo (S/2011/738)', 2 December 2011.

152. See, for example, UN Security Council, 'Final Report of the Group of Experts on the DRC, Submitted in Accordance with Paragraph 6 of Security Council Resolution 1896 (2009)', S/2010/596, 29 November 2010; UN Security Council, 'Resolution 2293 (2016) Adopted by the Security Council at its 7724th Meeting, on 23 June 2016', S/RES/2293, 23 June 2016.

153. Authors' interview with NGO representative J, 25 June 2021.

154. European Commission, *Study on the Interaction between Security and Wildlife Conservation in Sub-Saharan Africa: Part II (Case Studies)* (Luxembourg: European Commission, 2019); Brent Stirton, 'Elephants Return to Conflict-Ridden National Park', *National Geographic*, 2 April 2021.

155. Authors' interview with NGO representative J, 25 June 2021.

posed by such groups. In the Ugandan context, interviewees pointed to this issue repeatedly, and the need for dedicated research on how far the presence of stabilisation operations can *itself* risk inadvertently creating illicit markets for wildlife.<sup>156</sup>

Large-scale peace operations exist in Uganda's neighbouring states, from the UN Mission in South Sudan (UNMISS) to the UN Organization Stabilization Mission in the DRC (MONUSCO) and, further west, the UN Multidimensional Integrated Stabilization Mission in the CAR (MINUSCA). These operations have substantial resource requirements, including extensive physical infrastructure, from bases to logistics hubs and medical clinics. Their material footprint involves new road transport links and airfields – which can dramatically increase the accessibility of hitherto remote areas. While the environmental consequences of peace operations have increasingly been examined,<sup>157</sup> little research has focused on the potential risks and implications for IWT specifically.

In the Ugandan case, multiple interviewees offered anecdotal evidence of potential involvement in IWT by individual members of national and international military contingents.<sup>158</sup> Key vulnerabilities were cited as the operation of remote airstrips and the exemptions enjoyed from standard customs procedures at international airports.<sup>159</sup> While evidence is far from complete, these testimonies show the need to zoom out from terrorist actors to consider potential IWT risks emerging from the *response* to these issues. In parallel, awareness should be raised of the need for financial institutions to consider stabilisation operations and supporting infrastructures as potential money laundering risks around IWT.

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156. Authors' interview with NGO representative A, 8 June 2021; authors' interview with NGO representatives G and H, 21 June 2021; *ibid.*

157. Lucile Maertens and Malkit Shoshan, 'Greening Peacekeeping: The Environmental Impact of UN Peace Operations', International Peace Institute, April 2018.

158. Authors' interview with NGO representative A, 8 June 2021; authors' interview with NGO representatives G and H, 21 June 2021; authors' interview with NGO representative J, 25 June 2021.

159. *Ibid.*

# III. Uganda's Response to IWT and Illicit Finance

**P**RIOR TO CONSIDERING the response to illicit finance linked to IWT in Uganda, a brief outline is required of the national institutional setup and of domestic progress in disrupting the predicate offence of IWT. This is key to understanding opportunities and obstacles to efforts to 'follow the money'.

In Uganda, the national authority mandated to conserve wildlife is UWA – a semi-autonomous agency managing 10 national parks, 12 wildlife reserves and 14 wildlife sanctuaries, under the Ministry of Tourism, Wildlife and Antiquities.<sup>160</sup> UWA's mission is 'to conserve, economically develop and sustainably manage the wildlife and protected areas of Uganda in partnership with neighbouring communities and other stakeholders'.<sup>161</sup> As noted, the agency is supported through an MoU with NRCN – a Ugandan NGO specialised in the investigation and prosecution of IWT.

While UWA is the authority specifically mandated to conserve wildlife, responsibility for disrupting IWT is shared among multiple agencies. As such, institutional overlap is an operating reality, with UWA one in a number of agencies involved in interdicting suspects and seizing wildlife products.<sup>162</sup> Among the authorities commonly involved are the Uganda Revenue Authority (URA), Uganda Police Force and UPDF.

The URA's role in disrupting IWT owes to its responsibility for monitoring trade and enforcement at borders – including Entebbe airport – which places it at the centre of efforts to combat cross-border trafficking. The Uganda Police Force has ultimate responsibility for enforcing all laws, with jurisdiction over the 'grey between the green' – namely, the national road network between parks, used to move IWT products domestically. This responsibility for law enforcement, monitoring and surveillance, and its dispersed presence across the country, places the Uganda Police Force centrally within the counter-IWT architecture. A similar logic relates to the UPDF, given its broader security function across the national territory.

The set up to prosecute IWT cases involves a number of agencies. These include the Office of the Director of Public Prosecutions (ODPP), although UWA has a number of in-house prosecutors (with the ability to request further delegation of prosecutorial powers subject

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160. UWA, 'About Us', <<http://www.ugandawildlife.org/about-uganda-master/uganda-wildlife-authority>>, accessed 14 February 2018.

161. UWA, 'Vision, Mission and Core Values', <<https://www.ugandawildlife.org/about-us/vision-mission-core-values>>, accessed 14 February 2018.

162. Authors' interview with independent expert A, 4 May 2021.

to qualifications).<sup>163</sup> While UWA is assigned the lead role in prosecuting IWT cases, the ODPP assigns a state prosecutor in a liaison and advisory capacity. Should a case be elevated to the High Court, responsibility is transferred to the ODPP. The Uganda Judiciary holds responsibility for hearing IWT cases and handing down sentences.

Across this setup, significant recent steps have been taken to enhance the response to IWT, with tangible results. This comes against the backdrop of a historically limited response, with wildlife management – including efforts to combat IWT – suffering persistently low prioritisation at national level.<sup>164</sup> This has been reflected in: weak legislation (until recently); persistent under-resourcing of key agencies; low levels of prosecutions; and the issuance of weak penalties. Under-resourcing, in particular, has long created challenges for agencies such as UWA, at times affecting the ability to train, regularly pay and adequately equip rangers.<sup>165</sup> Until 2019, meanwhile, the legislation in force – the Uganda Wildlife Act 1996 – was assessed to fail to adequately penalise illegal trade in CITES-listed specimens.<sup>166</sup> As noted by TRAFFIC in 2018, ‘intrinsic weakness [in] legislation ... hamper[ed] the effectiveness of ... efforts to strengthen enforcement and co-operation in fighting wildlife crime’.<sup>167</sup>

In recent years, important measures have been taken to address these gaps, as wildlife as a sector appears to have ascended the national political agenda.<sup>168</sup> Notably, the passage of the Uganda Wildlife Act 2019 points to a determination to treat IWT as a serious crime, bringing legislation to the level of that in neighbouring Kenya and Tanzania.<sup>169</sup> Crucially, the new Act addresses key weaknesses in earlier legislation, offering stronger penalties – including life imprisonment for those who, without a permit, are found in possession of, hunting or trading in protected species.<sup>170</sup>

In parallel, the establishment of the Standards, Wildlife and Utilities Court represents an effort to tackle obstacles where IWT cases are handled by prosecutors and judicial officers with a

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163. Shamini Jayanathan, ‘Stopping Poaching and Wildlife Trafficking through Strengthened Laws and Improved Application. Phase 1: An Analysis of Criminal Justice Interventions Across African Range States and Proposals for Action’, July 2016.

164. Authors’ interview with independent expert A, 4 May 2021.

165. In the 2015–20 UWA Management Plan, the agency acknowledges that shortfalls must be met by external support, with the coronavirus pandemic exacerbating existing levels of under-resourcing. See UWA, ‘Strategic Plan (Revised Edition 2015/16 – 2019/20)’; Maron, ‘Pandemic-Induced Poaching Surges in Uganda’.

166. Ecolx, ‘Uganda Wildlife Act, 1996 (Cap. 2000)’, <<https://www.ecolx.org/details/legislation/uganda-wildlife-act-1996-cap-2000-lex-faoc009000/>>, accessed 15 September 2019.

167. Rossi, ‘Uganda Wildlife Trafficking Assessment’.

168. Authors’ interview with NGO representative C, 11 June 2021.

169. Authors’ interview with government agency representative B, 21 June 2021.

170. Uganda Wildlife Act, 2019.

generalised mandate.<sup>171</sup> The court was created to ensure that cases are dealt with by officials with specialist knowledge – as well as to reduce a large and growing backlog of cases.<sup>172</sup> As noted by Chief Justice Bart M Katureebe at the court’s launch in May 2017:

Cases accruing from this area of the law have previously been handled by the courts generally across the country. It is ... easy to conclude that we have been performing miserably. By invoking the intrinsic benefits of specialisation, we want to realise a turn-around in this area of access to justice.<sup>173</sup>

These developments have been accompanied by significant momentum at enforcement level. NRCN continues to see significant success in disrupting IWT, benefiting from an innovative model allowing a specialised NGO to investigate and prosecute on behalf of government. Between January 2015 and June 2021, NRCN made 911 arrests, 601 (66%) of which have led to convictions, representing a notable success rate in the national context.<sup>174</sup> The remaining 310 (34%) cases are in progress or pending trial (182), have been withdrawn (93) or acquitted (35).

The institution of a Special Wildlife Crime Unit (SWCU), meanwhile, has seen UWA and NRCN partner with the NGO Focused Conservation to strengthen operational outcomes. The SWCU comprises investigators, police officers and lawyers, who conduct undercover investigations, make arrests and work to achieve successful prosecutions. Since launching in July 2019, the SWCU has run 369 operations, leading to 115 arrests and the seizure of 1,600 kg of ivory, 700 kg of pangolin scales and over 200 hippo teeth.<sup>175</sup> The SWCU has also focused on corrupt facilitation – with arrests including that of a police officer in February 2020 attempting to sell ivory and pangolin scales.<sup>176</sup>

Together, these innovations are seeing increasing results. These include more meaningful penalties: in March 2021, the prosecution of an ivory trafficker found in possession of 41 kg of ivory resulted in a fine of 12 million Ugandan shillings or a default sentence of 20 years.<sup>177</sup> This progress has earned Uganda a reputation for the dynamism of its response, characterised by strong momentum and a willingness to experiment with new approaches.<sup>178</sup>

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171. Uganda Judiciary, ‘Speaking Notes for the Hon. Justice Bart M. Katureebe, Chief Justice, at the Launch of the Standards, Utilities and Wildlife Division, High Court Grounds, Kampala, 26<sup>th</sup> May 2017’.

172. Authors’ interview with independent expert A, 4 May 2021.

173. Uganda Judiciary, ‘Speaking Notes for the Hon. Justice Bart M. Katureebe, Chief Justice, at the Launch of the Standards, Utilities and Wildlife Division, High Court Grounds, Kampala, 26<sup>th</sup> May 2017’.

174. NRCN data on long-term key investigation and prosecution indicators, January 2015 to June 2021.

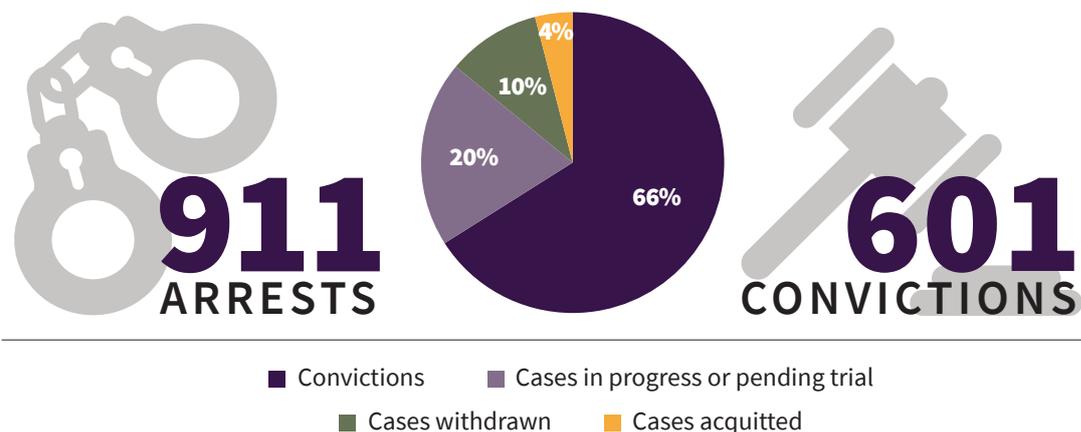
175. Information provided by Focused Conservation Solutions, 19 August 2021.

176. Cision PRWeb, ‘New Wildlife Crime Unit Cracks Down on Ivory Traffickers in Uganda’, 22 February 2020.

177. *Africa Tembelea*, ‘Wildlife Court Sentences Ivory Dealer to 20 Years in Jail’, 11 March 2021.

178. Authors’ interview with academic D, 30 June 2021; authors’ interview with NGO representative A, 8 June 2021.

**Figure 8:** Record of NRCN Investigations and Prosecutions, January 2015–June 2021



Source: NRCN data on long-term key investigation and prosecution indicators.

The same applies to the financial dimensions of IWT. This is a recent development: historically, in Uganda – as elsewhere – a lag in recognising the status of many types of IWT as serious and organised crime has delayed uptake of law enforcement techniques used as standard for other crimes.<sup>179</sup> For other crime types, financial investigation tools have long been routinely used at a global level to identify criminals and their networks of facilitators. Yet, where IWT is concerned, efforts to follow the money have long been neglected.<sup>180</sup> This is as true in Uganda as elsewhere – despite Uganda’s Anti-Money Laundering Act 2013 establishing IWT clearly as a predicate offence to money laundering.<sup>181</sup>

In recent years, the imperative of following the financial footprints of wildlife criminals has increasingly been recognised by Ugandan authorities. This recognition has manifested in a range of ways, including growing involvement by the Financial Intelligence Authority (FIA).<sup>182</sup> The FIA is Uganda’s financial intelligence unit, which sits at the heart of the country’s architecture to tackle financial crime. It is a relatively young institution, having been set up in 2014 (following its establishment by the Anti-Money Laundering Act 2013).

Recent initiatives have sought to support and raise awareness of the role of agencies such as the FIA in IWT investigations. Examples include financial investigation workshops in Uganda led by RUSI in 2017, EIA in 2019/20 and UNODC in 2021. Over time, these and other domestic efforts

179. Cathy Haenlein and Tom Keatinge, ‘Follow the Money: Using Financial Investigation to Combat Wildlife Crime’, *RUSI Occasional Papers* (September 2017).

180. *Ibid.*

181. Authors’ interview with independent expert D, 24 June 2021; Anti-Money Laundering Act, 2013.

182. Authors’ interview with government agency representative C, 22 June 2021; authors’ interview with NGO representative L, 5 July 2021; authors’ interview with independent expert D, 24 June 2021.

have seen increased coordination between the FIA, UWA and other key agencies.<sup>183</sup> Whereas contact between the FIA and UWA had previously been limited, the two agencies now enjoy an MoU and firm operational links, with multiple recent IWT investigations resulting in close joint working where financial leads are uncovered. Underpinning this has been the inclusion of IWT in the 2017 NRA, a notable step allowing the allocation of resources to mitigate this risk in practice.

The FIA has been further brought into the wider response to IWT via the establishment of the National Wildlife Crime Coordination Task Force (NWCCTF). This structure was launched in February 2018 as an inter-agency umbrella, bringing together 13 law enforcement agencies to enhance collaborative working to disrupt IWT.<sup>184</sup> The initiative grew out of expanding recognition of the need for agencies with distinct mandates, skills and expertise to collaborate to achieve positive outcomes.<sup>185</sup> This includes the FIA, which has played a prominent role in NWCCTF initiatives.

The task force, however, exists primarily as a higher-level coordination body. From a more operational perspective, relevant developments include the agreement in January 2020 to establish an operational-level Joint Financial Investigations Team (JFIT), staffed by UWA, URA, the Uganda Police Force, FIA, ODPP and NRCN, to run parallel financial investigations on 'significant' IWT cases.<sup>186</sup> It was agreed that the JFIT would meet on a case-by-case basis to coordinate parallel financial investigations.<sup>187</sup> The momentum for this grew from roundtable engagements in early 2020 to identify successes, challenges and future directions relating to parallel financial investigations.

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183. Authors' interview with government agency representative C, 22 June 2021; authors' interview with NGO representative L, 5 July 2021; authors' interview with independent expert D, 24 June 2021.

184. NWCCTF members include: the Ministry of Tourism, Wildlife and Antiquities; UWA; Uganda Police Force; UPDF; FIA; URA; the Internal Security Organisation; the External Security Organisation; the National Forestry Authority; the National Environmental Management Authority (Environmental Police); the Civil Aviation Authority; the Office of the Director of Public Prosecutions; and the Directorate of Citizenship and Immigration Control. See Wildlife Conservation Society, 'National Wildlife Crime Coordination Task Force (NWCCTF)', <<https://uganda.wcs.org/Portals/141/images/strengthening-anti-poaching-techniques-and-counterering-wildlife-trafficking/National-Wildlife-Crime-Coordination-task-Force-Member-Institutions.pdf?ver=2020-03-12-110538-347>>, accessed 9 September 2021.

185. Authors' interview with independent expert A, 4 May 2021; authors' interview with independent expert D, 24 June 2021.

186. Authors' interview with NGO representative K, 29 June 2021. While 'significant' cases were not defined, there was agreement around the need to move beyond the current focus on lower-level traffickers.

187. Authors' interview with NGO representative K, 29 June 2021.

Although the coronavirus pandemic has limited progress in operationalising the JFIT,<sup>188</sup> together these examples point to significant momentum, beyond that seen in many regional states. While domestic considerations have been crucial, international pressure has also sustained momentum. Importantly, the FATF's placement of Uganda on its grey list has increased Ugandan authorities' motivation to demonstrate the effectiveness of the national AML/CTF framework.<sup>189</sup> This is assessed by the FATF against a series of 11 'immediate outcomes' (IOs). Uganda has shown itself to be performing well in respect of IO6 (Financial Intelligence).<sup>190</sup> However, the FATF has identified ongoing deficiencies in respect of IO7 (Money Laundering Investigation and Prosecution). In this context, the FIA has welcomed any initiative – including action against the finances of IWT – capable of evidencing improved effectiveness in respect of IO7, as well as technical compliance with FATF Recommendation 30 (including in respect of parallel financial investigations).<sup>191</sup>

All these developments have galvanised action on the financial dimensions of IWT, with Uganda showing clear regional leadership. Often, however, these efforts have run into obstacles, which have limited criminal justice outcomes.

A first challenge in launching parallel financial investigations concerns a lack of capacity and technical expertise.<sup>192</sup> While the value of financial tools is appreciated, the complexity of financial investigations can challenge officers accustomed to dealing with charges of possession of physical commodities.<sup>193</sup> At times, financial investigations are viewed as 'too difficult' and not embarked on for this reason.<sup>194</sup> Capacity challenges may include limited awareness of the techniques required to obtain financial information, the fundamentals of conducting financial analysis and requirements for effective case preparation.<sup>195</sup> This can culminate in a failure to: conduct financial profiles on all suspects, commercial entities and property; produce effective financial investigation strategies; or conduct enquiries into income and assets in key cases.

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188. *Ibid.*

189. Authors' interview with independent expert C, 23 June 2021; Republic of Uganda, 'National Strategy for Combating Money Laundering and the Financing of Terrorism and Proliferation 2020/21 – 2024/25', September 2020, <[https://www.esaamlg.org/reports/Uganda\\_National\\_AML-CFT\\_%20Strategy\\_%20Sept2020.pdf](https://www.esaamlg.org/reports/Uganda_National_AML-CFT_%20Strategy_%20Sept2020.pdf)>, accessed 9 September 2021.

190. Authors' interview with independent expert C, 23 June 2021.

191. *Ibid.*

192. Authors' interview with government agency representative A, 7 June 2021; authors' interview with government agency representative B, 21 June 2021; authors' interview with government agency representative H, 20 July 2021.

193. Authors' interview with government agency representative A, 7 June 2021; authors' interview with government agency representative B, 21 June 2021; authors' interview with government agency representative H, 20 July 2021; authors' interview with NGO representative F, 18 June 2021; authors' interview with NGO representative I, 24 June 2021.

194. Authors' interview with independent expert A, 4 May 2021; authors' interview with NGO representative I, 24 June 2021.

195. Authors' interview with independent expert C, 23 June 2021.

Capacity and awareness gaps may also restrict the actions of prosecutors and judicial officers, limiting criminal justice outcomes.

Meanwhile, limited efforts have been made to conduct closed case reviews, whereby historic IWT cases are revisited for financial leads that may have gone unaddressed.<sup>196</sup> Few case studies have been developed of ‘what works’ in efforts to follow the money linked to IWT, with no corrective thus on offer to the perception of financial investigations as ‘too difficult’ to pursue. As a result, despite clear willingness and substantial practical effort, Uganda has never seen a successful conviction for IWT-related money laundering.<sup>197</sup> Meaningful asset forfeiture remains limited, with most identified assets remaining unfrozen and unconfiscated.<sup>198</sup> While the Kromah case (Box 1) presented multiple opportunities to follow the money, domestic impediments ultimately saw Kromah extradited to the US – including on money laundering charges.<sup>199</sup>

A further obstacle to conducting effective financial investigations lies in ensuring effective inter-agency cooperation. While numerous inter-agency structures have been developed with external support, these have often suffered due to overlap, lack of donor coordination, and lack of clarity on intended purpose.<sup>200</sup> The result, at times, has been confusion over which structures to use when and how, and which should focus on policy versus operations.<sup>201</sup> Growing international focus on Uganda as a hub for IWT has long manifested in a crowded donor and NGO landscape, with this programmatic discord now damaging coherent financial approaches to IWT.<sup>202</sup>

Here, further obstacles persist around a lack of trust between agencies, corruption and direct involvement of staff from key agencies in IWT offences. These challenges manifest prominently in relation to financial investigation, which involves sensitive enquiries into those through whose hands money linked to IWT moves.<sup>203</sup> Here, corruption has repeatedly emerged as a

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196. On the value of this exercise, see Alexandria Reid and Tom Keatinge, ‘Case Closed? Why We Should Review Historic Wildlife Trafficking Cases from a Financial Perspective’, *RUSI Newsbrief* (Vol. 40, No. 2, 27 March 2020).

197. Authors’ interview with NGO representative I, 5 July 2021; authors’ interview with government agency representative C, 7 June 2021.

198. Authors’ interview with independent expert A, 4 May 2021.

199. Authors’ interview with NGO representative L, 5 July 2021; authors’ interview with NGO representative K, 29 June 2021.

200. Authors’ interview with independent expert A, 4 May 2021; authors’ interview with independent expert C, 23 June 2021.

201. *Ibid.*

202. *Ibid.*

203. Authors’ interview with NGO representative L, 5 July 2021; Alexandria Reid, Rob Parry-Jones and Tom Keatinge, ‘Targeting Corruption and Its Proceeds: Why We Should Mainstream an Anti-Corruption Perspective into “Follow the Money” Approaches to Natural Resource Crime’, *Targeting Natural Resource Corruption*, October 2020, <<https://www.worldwildlife.org/pages/tnrc-topic-brief-targeting-corruption-and-its-proceeds>>, accessed 9 September 2021.

challenge – presenting investigative blockages, restricting access to information and otherwise limiting progress.<sup>204</sup> This operating reality again raises questions as to the appropriate structure for financial investigations.

In this regard, a lack of systematic engagement with IWT by the country's anti-corruption agency – the Inspectorate of Government (IG) – is telling. Interviewees repeatedly cited the limited penetration of Uganda's anti-corruption architecture into the sector and its lack of prioritisation of IWT. No dedicated unit exists in the IG to investigate corruption linked to environmental crime – in contrast to Tanzania, where the Prevention and Combating of Corruption Bureau has a unit dedicated to corruption as an enabler of environmental crimes.<sup>205</sup> While a Directorate of Special Investigations in the IG exists to 'expeditiously investigate organized, syndicated and high profile cases of corruption of a value in excess of UGX 1 Billion shillings',<sup>206</sup> its focus on cases linked to IWT has been limited.

In the Ugandan context, interviewees noted the inability of anti-corruption authorities with limited resources to address corruption across the breadth of social, economic and political life.<sup>207</sup> With Uganda ranked 142<sup>nd</sup> out of 180 countries globally on Transparency International's Corruption Perceptions Index 2020,<sup>208</sup> the question of prioritisation is ever present, with the IG unable – with the resources at its disposal – to address corruption everywhere it occurs.<sup>209</sup> In this context, with the exception of a high-profile 2017 investigation into the then executive director of UWA ordered by the president,<sup>210</sup> a clear focus on corruption as an enabler of IWT has not been evident. This poses challenges to investigating corruption, through financial investigation or other means.

A further challenge in the Ugandan context links to relatively weak engagement by the private sector on the topic.<sup>211</sup> This manifests in relatively low levels of suspicious transaction reports filed by the regulated sector relating to IWT.<sup>212</sup> While financial institutions and other reporting entities are legally required to be alert to the risk of facilitating illicit financial flows linked to IWT

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204. Authors' interview with NGO representative K, 29 June 2021.

205. OECD, 'Strengthening Governance and Reducing Corruption Risks to Tackle Illegal Wildlife Trade: Lessons from East and Southern Africa'.

206. Inspectorate of Government, 'Bi-Annual Inspectorate of Government Performance Report to Parliament', January–June 2020, <[https://www.igg.go.ug/media/files/publications/IG\\_Report\\_to\\_Parliament\\_Jan\\_-\\_June\\_2020.pdf](https://www.igg.go.ug/media/files/publications/IG_Report_to_Parliament_Jan_-_June_2020.pdf)>, accessed 9 September 2021.

207. Authors' interview with NGO representative C, 11 June 2021.

208. Transparency International, 'Corruption Perceptions Index 2020', <<https://www.transparency.org/en/cpi/2020/index/>>, accessed 8 September 2021.

209. Authors' interview with NGO representative C, 11 June 2021.

210. Namugerwa Martha, 'Museveni Directs IGG to Suspend UWA Boss Seguya Over Corruption, Smuggling, Mismanagement of Wildlife Body', *Business Guide Africa*, 1 June 2017.

211. Authors' interview with NGO representative F, 18 June 2021; authors' interview with independent expert C, 23 June 2021.

212. *Ibid.*

and report suspicions to the FIA, a number of factors may limit this activity in practice. One is a lack of awareness of the threat and of clear red flags in the Ugandan context. This owes, in part, to knowledge gaps on the finances of IWT (see Chapter II) and to as-yet insufficient levels of awareness raising and communication of evolving trends, typological information and identified risk factors by organisations that deal with this data regularly.<sup>213</sup> The result is that information within the private sector may go undetected, impeding efforts to follow the financial footprints of wildlife criminals.

A final gap in the Ugandan response is the fact that financial investigations (alongside broader IWT investigations) have often been pursued independent of a more holistic response to the threat. It is clear that financial investigation techniques offer crucial options to identify and apprehend those who profit most significantly from IWT. However, it is also clear that these – and other investigative tools – are measures that are reactive in nature.<sup>214</sup> To effectively protect key species, and reduce pressure on the criminal justice system, they must be used alongside proactive interventions that prevent offending *before* wildlife is killed.<sup>215</sup> Such preventive approaches have so far been limited, leaving untouched dominant utilitarian attitudes to wildlife across the country – whereby animals are seen as resources to be consumed.<sup>216</sup>

Experience in Uganda thus paints a mixed picture, whereby significant practical efforts to investigate illicit money flows linked to IWT continue to be met with challenges. These include a persistent capacity ceiling, widespread corruption and as-yet limited private-sector engagement on the topic. If these obstacles can be addressed, the momentum currently in train could have highly positive results. This potential extends beyond the country: if key challenges can be overcome, effective financial investigation in Uganda – as a key transit hub – could have a systemic transformative impact on the wider regional IWT system. With this in mind, the final chapter offers key conclusions and recommendations to build on progress to date.

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213. *Ibid.*

214. Authors' interview with academic C, 17 June 2021.

215. Authors' interview with NGO representative L, 5 July 2021; authors' interview with academic C, 17 June 2021.

216. Basel Institute on Governance, 'A Worm's-Eye View of Wildlife Trafficking in Uganda'.



# Conclusions and Recommendations

**U**GANDA'S STATUS AS a regional transit hub makes it a crucial case study for exploring progress on the financial investigation of IWT. A 'one-stop shop' for regionally based criminal actors looking to buy and sell illegal wildlife and launder the proceeds, targeted action on the finances of IWT here is crucial. Though Uganda's role in IWT is well evidenced, limited information exists on the accompanying financial flows. To address this gap, this paper has explored the nature of the link between IWT and illicit finance in Uganda, and how effectively the country has responded to date.

Key findings include the limitations posed by a delay in adopting tools to 'follow the money' and identify those who profit from IWT offences. This restricts available information on the nature of the link between IWT and illicit finance in the Ugandan context. Despite this, it is clear from recent investigations that money linked to IWT moves in at least five ways: through the formal banking system; via foreign exchange bureaus; mobile money services; trade-based money laundering; and hand-to-hand in cash. The form of transfer differs with the sums exchanged at each stage, requiring investigators to 'follow the value' – as opposed to a narrow focus on the money.

In terms of the response, the paper finds that Uganda has taken tangible recent steps to strengthen action against both the predicate offence of IWT and associated finances. On the financial side, key developments include: coverage of IWT in the country's 2017 NRA; the establishment of multi-agency structures encompassing agencies with expertise in countering financial crime; and the increasingly regular consultation of the FIA during IWT investigations. These are positive developments, which have seen Uganda recognised for its leadership in this area.

Yet, these innovations have not always led to criminal justice outcomes. While wildlife products continue to be seized and significant progress has been made in convicting IWT offenders, Uganda has not seen convictions for associated money laundering. As a result, in the case of IWT, the country's comprehensive framework to address money laundering continues to go unexploited. In most cases, provisions to freeze and seize proceeds of crime go unused, with criminal assets unconfiscated. This means that IWT offenders can continue to enjoy the financial fruits of their endeavours – as can their families and associates.

In assessing the current use of financial approaches to IWT, this paper has identified a number of blockages that impede more effective uptake. These range from gaps in capacity and technical expertise, to insufficient Uganda-specific typologies, corruption and as-yet inadequate private sector engagement on this issue. Yet, it is also clear that ongoing domestic and international engagement and momentum offers opportunities for progress. With the finances of IWT gaining unprecedented global policy attention, now is the time to exploit these opportunities.

To facilitate progress on disrupting the finances of IWT in Uganda, a number of recommendations are offered:

- **Advance Uganda-specific typologies.** With Uganda occupying a unique space in the regional IWT supply chain, all relevant entities should collaborate to develop further typologies and red flags that reflect the country's position and specific risk indicators, to direct public and private sector resources appropriately.
- **Consider risks posed by national and international security operations.** Dedicated analysis should consider how far the supporting architecture around large-scale peace operations regionally should be considered a potential IWT and money laundering risk – as part of broader awareness raising on the need to expand the aperture from the potential role of terrorist actors in IWT to the associated security response.
- **Provide technical assistance and mentorship.** Dedicated on-the-job mentorship must be provided to equip those responsible for disrupting IWT with the financial investigation skillset required, empowering investigators with the techniques to source and analyse financial information linked to IWT.
- **Provide mentorship on case preparation.** Alongside the investigative assistance above, mentorship should be provided to ensure that relevant officials are aware of requirements in terms of case preparation for court, ensuring that the correct evidence is collected, in the correct ways, to allow successful money laundering prosecutions.
- **Conduct reviews of closed IWT cases for financial investigation opportunities.** Historic IWT cases in Uganda should be revisited to establish financial leads that may have gone unaddressed. This presents a crucial capacity-building opportunity, while potentially presenting operational opportunities where financial leads are found.
- **Clarify the role of inter-agency structures.** A variety of inter-agency structures have been established in Uganda, with confusion persisting as to the purpose of each grouping and how they link together. A clear national strategy is required to establish which structures should be used for which purposes when it comes to parallel financial investigations.
- **Establish mechanisms to enhance donor coordination.** Uganda presents a case study of the results where donors fail to coordinate, creating a chaotic implementing environment. A NWCCTF has been formed to coordinate activity between domestic security and law enforcement agencies. A similar mechanism must urgently be implemented to prevent conflicting external programming on the finances of IWT.
- **Develop case studies of 'what works'.** To counter a perception of financial investigations as 'too difficult', a body of successful case studies must be developed, in Uganda and beyond, documenting how cases were built, evidence collected and convictions achieved, while highlighting stumbling blocks and how to avoid them.
- **Bolster private sector action.** All relevant actions should be taken to equip private sector actors in Uganda with the awareness required to identify suspicious transactions linked to IWT, including regular provision of information on evolving Uganda-specific trends and typologies, with IWT prioritised in government outreach.
- **Support transnational cooperation.** With illicit finance linked to IWT operating across borders, and with current levels of cooperation limited, awareness must be raised of

the need for agencies to coordinate internationally, with dedicated support provided to financial investigations where these extend beyond Ugandan borders.

- **Prioritise preventive measures alongside financial approaches.** While highly useful, financial investigation tools are ultimately reactive and must be complemented by proactive measures *prior* to wildlife harvesting. Alongside UWA and the Ministry of Tourism, Wildlife and Antiquities, a broader range of agencies should engage in preventive messaging, including: the Ministry of Gender, Labour and Social Development; the Ministry of Local Government; and the Ministry of Information and Communications Technology and National Guidance.



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