



Food and Agriculture Organization  
of the United Nations

## Annex 20

### First level AML/CFT (KYC) assessment

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*For the GCF-FAO Project “Enhancing the resilience of Serbian forests to ensure energy security of the most vulnerable while contributing to their livelihoods and carbon sequestration (FOREST Invest)”*

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FAO has consistently complied with the principles of Anti-money Laundering and Countering the Financing of Terrorism Policy and applied its own rules in order to comply with the objectives of the Policy on Prohibited Practices, as per Clause 9.03 of the current Accreditation Master Agreement (AMA) and will continue complying with such obligation for the Funded Activity in alignment with the Funded Activities Agreement to be executed between FAO and the GCF.

The proposed Project foresees that FAO and the Government of Serbia, acting through the Ministry of Agriculture Forestry and Water Management (MAFWM), Srbijašume (Serbia Shume) and Vojvodinašume (Vojvodina Shume) each act as an Executing Entity (“EE”) for the implementation of the Project as described in the Funding Proposal.

The Project will be executed in full compliance with the following policies and procedures regarding AML/CFT (KYC), as also confirmed in the current AMA and assessed in the re-accreditation decision (B.37/18);

- [FAO Administrative Circular 2015/08 Policy Against Fraud and Other Corrupt Practices](#)
- FAO Administrative Circular 2014/27 [FAO Vendor Sanctions Policy](#)
- [FAO Administrative Circular 2021/10 Whistleblower Protection Policy](#)
- The [Standards of Conduct for the International Civil Service](#), incorporated into FAO’s Administrative Manual Section 304
- FAO General Terms and Conditions for Services (April 2015) clauses 33 – 36
- FAO General Terms and Conditions for Goods (April 2015) Clauses 29 – 32
- FAO Administrative Circular 2020/04: FAO’s Financial Disclosure Program
- FAO Procurement Service’s sanctions Due Diligence procedures
- UN Global Marketplace ineligibility lists, which incorporates the Consolidated UN Security Council Sanctions List
- [UN Supplier Code of Conduct](#)

These policies and procedures apply to all FAO personnel and all contractual arrangements between FAO and implementing partners, suppliers or other third parties for administrative, technical or operational purposes.

In addition, FAO will include in the Project Agreement to be signed with the Government of Serbia clauses related to AML/CFT, providing, *inter alia*, that:

- a) The Government shall comply, and shall require all persons and entities engaged in its activities under the Project to comply, with all internal anti-money laundering, counter-terrorism financing laws, rules, and regulations;
- b) The Government confirms it has obtained sufficient undertakings from all persons and entities involved in its activities under the Project that they shall not engage in any prohibited practices; the Government undertakes and confirm that it shall comply with the substantive objectives of the GCF's Policy on Prohibited Practices;
- c) Consistent with numerous United Nations Security Council resolutions adopted under Chapter VII of the UN Charter, the Government and FAO are firmly committed to the international fight against terrorism and, in particular, against the financing of terrorism. It is the policy of the Government and FAO to seek to ensure that none of their funds are used, directly or indirectly, to provide support to individuals or entities: i) associated with terrorism, as included in the list maintained by the Security Council Committee established pursuant to its Resolutions 1267 (1999), 1989 (2011) and 2253 (2015); or ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council. This provision must be included in all agreements that may be concluded with third parties for the implementation of activities under the Project.

During project implementation FAO, as AE, will ensure close monitoring and supervision through its Representations, Regional Offices and Headquarters in order to ensure that the activities are implemented in full compliance with the signed project agreement and the FAA/AMA.

#### **FAO'S ACTIONS TO BE TAKEN IN CASES OF PROHIBITED PRACTICES**

FAO is committed to identifying, mitigating and addressing fraud, corruption and other Prohibited Practices. If wrongdoing by a Third Party involved in FAO operations is established, FAO has in place a mechanism to impose the most appropriate sanction(s) or corrective and rehabilitative measure(s) in accordance with the FAO Sanctions Procedures. Any Third Party that is proven to have engaged in unethical, corrupt or fraudulent activities may be debarred and deemed ineligible to conduct business relations with FAO, among other possible sanctions. Debarred Vendors will be classified as Ineligible Vendors and included on the UN Ineligibility List shared with other UN agencies through the UN Global Marketplace. If wrongdoing is established, FAO will inform GCF and, as necessary, discuss possible approaches with regard to any funds that may have been misappropriated or otherwise affected.

As per FAO rules, regulations and procedures, established unsatisfactory conduct by FAO staff members and all other personnel gives rise to administrative and/or disciplinary action. FAO does not tolerate any type of fraudulent and other corrupt practices within the workplace or associated with the work performed on behalf of the Organization. It has a zero-tolerance policy in respect of fraud and other corrupt practices in all its manifestations and, accordingly, FAO will consistently impose a disciplinary measure on FAO staff members, including dismissal, termination of contractual relationships in the case of other FAO personnel, debarment from doing business with FAO in the case of a third-party entity, or other sanctions, as appropriate. Such actions will be taken in accordance with the relevant provisions of FAO's Administrative Manual.