



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 “Scaling-Up Resilience in Africa’s Great Green Wall (SURAGGWA)” (the Project)*

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FAO has consistently adhered to the principles of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy and applies its internal rules to ensure compliance with the objectives of the Policy on Prohibited Practices, as per Clause 9.03 of the current Accreditation Master Agreement (AMA). FAO reaffirms its commitment to maintaining this compliance throughout the implementation of the Funded Activity under the Funded Activities Agreement (FAA) to be executed with GCF.

### Project Execution and AML/CFT Compliance

The SURAGGWA Project will be executed with FAO as the Accredited Entity (AE) and the Governments of Burkina Faso, Chad, Djibouti, Mali, Mauritania, Niger, Nigeria, and Senegal as Executing Entities (EEs). FAO confirms that capacity assessments for these entities have been conducted, with the exception of Burkina Faso, which is in the final stages of completion.

FAO’s internal risk management framework ensures that all projects adhere to strict AML/CFT compliance measures, including:

1. Annual fraud prevention plans reviewed and monitored by FAO’s regional offices.
2. Bi-annual risk logs with mitigation strategies.
3. Enterprise Risk Management Unit oversight to ensure full compliance with FAO’s fraud prevention and risk management policies.
4. Application of FAO MS 701 rules in countries receiving GCF proceeds, ensuring robust financial and operational integrity.

All FAO projects, including SURAGGWA, operate in full compliance with AML/CFT policies and prohibited practices. The following key measures are strictly enforced:

### Pre-Contracting AML/CFT Compliance Measures

1. Risk Analysis – FAO leverages its field presence to conduct extensive due diligence, relying on credible and verified information before contracting partners.
2. Vetting Process – FAO employs a Know Your Customer (KYC) process that includes screening against sanctions lists, UNGM registration, and reference checks to prevent engagement with entities involved in unethical or fraudulent practices.
3. Contractual Clauses – All FAO contracts include specific AML/CFT obligations to ensure compliance with international financial integrity standards.

### Post-Contracting AML/CFT Compliance Measures

1. Continuous Information Sharing – FAO collaborates with donors and international bodies to share updates on AML/CFT risks and measures.

2. Sanctions Screening – FAO has integrated a BOT system with UNICC to screen vendors against US, EU, and UN sanctions lists, with periodic reviews.
3. Enhanced Due Diligence – Given the presence of Burkina Faso, Mali, and Nigeria on the FATF Grey List, FAO has implemented stricter monitoring measures and enhanced due diligence to mitigate financial integrity risks.
4. Conflict of Interest Management – All procurement, financial transactions, and contractual engagements adhere to FAO's Procurement Manual (502 & 507), requiring mandatory disclosure of conflicts of interest.
5. FAO Staff Code of Ethics – All personnel, contractors, and partners are required to sign FAO's Code of Ethics, with violations leading to disciplinary action.

### Capacity Assessments and Risk Categorization

FAO confirms that capacity assessments for the EEs have been completed, except for Burkina Faso, which is being finalized. The assessments indicate:

Country	Executive Entity	Capacity Assessment	Overall Risk
Burkina Faso	Ministry of Environment, Water and Sanitation – Directorate of Water and Forests	Yes	Moderate
Mali	Ministry of Environment and Sustainable Development – National Agency of the Great Green Wall	Yes	Moderate
Niger	Ministry of Hydraulics, Sanitation and Environment – General Directorate of Water and Forests	Yes	Low
Nigeria	Federal Ministry of Environment – National Agency for the Great Green Wall	Yes	Moderate
Chad	Ministry of Environment, Fisheries and Sustainable Development – National Agency of the Great Green Wall	Yes	Moderate
Djibouti	Ministry of Environment and Sustainable Development – Directorate of Environment and Sustainable Development	Yes	Moderate
Mauritania	Ministry of Environment and Sustainable Development	Yes	Moderate
Senegal	Ministry of Environment and Sustainable Development – Senegalese Agency for Reforestation and the Great Green Wall	Yes	Low

FAO's approach ensures **full transparency and accountability** by requiring executing entities to comply with national and international financial regulations.

### Financial Integrity and AML/CFT Risk Mitigation

- FAO confirms that there are **no direct financial disbursements, cash, or vouchers** provided to beneficiaries under SURAGGWA. Instead, support is delivered through technical assistance and input-based interventions.
- FAO enforces **strict procurement measures** where all materials or technologies acquired follow FAO procurement rules and remain FAO assets until the project's end.
- If **new UN Security Council sanctions** are imposed on any SURAGGWA country, FAO will immediately assess the impact and inform GCF.

### Response to Prohibited Practices

FAO has a zero-tolerance policy for fraud and other corrupt practices. If wrongdoing is detected, FAO imposes sanctions, including:

- Debarring vendors from FAO and UN business opportunities.
- Reporting fraudulent activity to relevant UN agencies and the GCF.
- Disciplinary actions, including contract termination for staff and implementing partners.

FAO remains committed to proactively identifying, mitigating, and addressing AML/CFT risks in all project activities, ensuring strict compliance with international financial integrity standards.