



Food and Agriculture Organization
of the United Nations

Annex 20

First level AML/CFT (KYC) assessment

For the GCF-FAO Project “Forest Landscape Restoration for Climate Benefits and Resilience (Fiji FLR)”

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 Fiji, acting through the Ministry of Fisheries and Forestry (MoFF) and the Ministry of Agriculture and Waterways (MoAW), as well as the Fiji Hardwood Corporation Limited (FHCL), and the Fiji Pine Limited (FPL) 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 Fiji 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.

Project Execution and AML/CFT Compliance

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.

All FAO projects, including the Fiji FLR, 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.
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.

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 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, 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:

- Debaring vendors from FAO and UN business opportunities. 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.
- 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.

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.