
**Anti-Money Laundering and Countering the
Financing of Terrorism Policy 2023**

Corrigendum

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The Executive Board is hereby invited to consider the amendments to document EB 2023/140/R.12. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined. Double strikethrough indicates deletion of previously added and underlined text; double underlining indicates pre-existing added text.

Page 1, paragraph 2:

"This concern arises from the fear that such activities could ~~seriously~~ jeopardize the integrity of national financial systems and hamper economic development. Combating ML and TF and ensuring adherence to applicable sanctions on ML and TF and related ML and TF risks areas, and non-adherence to applicable sanctions, is a problem of global concern, requiring concerted and cooperative action on the part of a broad range of institutions."

Page 3, paragraph 14:

"The Fund is committed to promoting and adhering to the highest standards of probity and accountability in the use of its financing and will not tolerate the diversion of its resources and the resources entrusted to it by Member States, non-Member States and other sources, through ML, ~~and~~ TF, non-adherence to applicable sanctions, and related ML and TF risk areas. The intent of this Policy is to reduce the risk of the Fund's exposure to serious reputational damage, financial loss or legal liability that could result in a loss of credibility with Member States, international contributors, donors and other key stakeholders. The objective of the proposed policy is to affirm the Fund's continued commitment to combating ML, ~~and~~ TF, non-adherence to applicable sanctions and related ML and TF risk areas, and strengthening the safeguards and measures in place to ensure the Fund's continued achievement of its objectives, including the adherence to sanctions applicable to IFAD on ML and TF."

Page 4, paragraph 21(iii):

"Encourage a culture that identifies and mitigates ML, ~~and~~ TF, non-adherence to applicable sanctions and related ML and TF risk areas to support achievement of the Fund's strategic objectives;"

Page 4, paragraph 21(iv):

"Integrate the detection of ML, ~~and~~ TF, applicable sanctions and related ML and TF risks activities into business processes by applying due diligence measures, assessing the risk of ML, ~~TF,~~ non-adherence to applicable sanctions and related ML and TF risks areas and implementing procedures to drive effective and accountable decision-making;"

Page 4, paragraph 21(vi):

"Existence of appropriate competencies and training to discharge responsibilities and provide support for ~~ML and TF~~ management of ML, TF, non-adherence to applicable sanctions and related ML and TF risk areas."

Page 5, paragraph 23(iii):

"President and Senior Management: The President has overall responsibility, and Senior Management is accountable for the oversight and monitoring of AML ~~and~~ CFT and the observance of sanctions applicable to IFAD on ML and TF." ~~adherence to applicable sanctions, and related ML and TF risks."~~

Page 5, paragraph 23(vi):

"The Financial Controller's Division (FCD) is the custodian of this Policy,

responsible for the development and updating of related procedures and guidance, day-to-day screening for ML, TF, applicable sanctions applicable to IFAD on ML and TF and related ML and TF risks, providing the authoritative views and advice relating to this Policy in consultation with the Office of the General Counsel, monitoring the application and implementation of this Policy, implementing and updating an industry-standard software solution to assist in implementing this Policy, and reporting on results and findings for information, action and resolution."

Page 5, paragraph 23(x):

"Other IFAD front-line departments⁴ (e.g., Programme Management Department [PMD], Strategy and Knowledge Department [SKD], Corporate Services Department [CSD], Financial Operations Department [FOD], etc.) have responsibility for compliance with this policy and supporting the enhanced due diligence process to mitigate ML and, TF, ~~non-adherence to applicable sanctions and related ML and TF risks.~~"

Page 6, paragraph 23(xiii):

"IFAD personnel in the various departments, ~~and divisions and offices~~ have a responsibility to comply with this policy and support the enhanced due diligence processes to mitigate ML and, TF, ~~non-adherence to applicable~~ sanctions and related ML and TF risks."

Page 6, paragraph 27:

~~"Reviewing the language currently used in-~~ At various intervals, financing agreements will be reviewed and, if necessary, reformulating and strengthening the representations and covenants that the Fund typically includes in its legal documentation will be reformulated and strengthened to focus more specifically on ML and, TF, applicable sanctions applicable to IFAD on ML and TF and ML- and TF- related risks to ensure consistency with this Policy. In the case of lending to or through private-sector organizations and enterprises, providing the language to be used in financing documents will be provided or imposing due diligence requirements will be imposed on these entities. In the case of loans extended to entities responsible for the implementation of projects for on-lending, looking at the contractual language to impose to be used for due diligence requirements on these entities will be imposed."

Page 6, paragraph 28:

"The system solution to screen, monitor, track and report on ML, TF, ~~non-adherence to applicable sanctions and related ML and TF risks~~ will be kept up to date and fit for purpose to implement this Policy."

Page 7, paragraph 30:

"IFAD will provide ongoing training to relevant IFAD personnel on ML and, TF, applicable sanctions applicable to IFAD on ML and TF and related ML and TF risks, risk related training to relevant IFAD personnel with special attention to the business/operational units. The main objective of the training is to improve the understanding, abilities, and analytical capacity of relevant personnel with respect to ML, ~~and TF risk,~~ applicable sanctions and related ML and TF risks and its _reputational and other impact on the Fund's operations."