



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-Fifth Session**  
Rome, 22-23 April 2002

**MEASURES TO AVOID FINANCING TERRORISM**

1. IFAD has always taken seriously its responsibility to ensure that funds entrusted to it by its Member States reach the intended communities and achieve the desired results against rural poverty. The present situation underscores the need for continuous vigilance to ensure that the funds entrusted to international financial institutions are not inadvertently provided to terrorist organizations.
2. In this respect, IFAD has taken a number of steps, both internally and with regard to our Member States, to ensure continued and strengthened vigilance against any inadvertent funding of terrorist organizations.
3. In line with United Nations Security Council Resolutions 1267, 1333 and 1390, and consistent with Member States' obligations under Security Council Resolution 1373 to prevent and suppress the financing of terrorist acts, IFAD sent an official written notification on 26 February 2002 to all Governors of Member States and all heads of IFAD's cooperating institutions, recalling the necessity to exercise due diligence to prevent any funds falling into terrorist hands.
4. Consistent with procedures at the United Nations and the World Bank, a list containing the names of suspected individuals and/or organizations linked to terrorist activities was distributed internally to all operational units dealing with procurement and processing of payments to ensure that no payments are made to any cited person or entity.
5. The Fund will maintain strict procedures that will continue to subject all payment requests to the sharpest scrutiny and to ensure that payments are only executed when the payee and purpose are fully known, understood and authorized. To strengthen these processes still further, steps will be taken to increase staff awareness of the present challenge, to provide enhanced training for staff directly concerned with the payment process, and to introduce technological measures that provide early warning on suspect payment requests.
6. Further, in March 2002, IFAD established an internal task force to coordinate these efforts across the institution and to ensure that all relevant units are alert to the potential risks.
7. IFAD is committed to maintaining constant vigilance against terrorist financing and is undertaking all the necessary and appropriate measures, including the use of information technology, to ensure further enforcement of our internal procedures.