

Funding Proposal: Annex 20 template

First Level AML/CFT (KYC) Assessment

Procedures

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| <p>1. AE AML/CFT Policies and Confirm that the Accredited Entity has applied its AML/CFT policies and procedures to this Funding Proposal and taken account of the GCF AML/CFT Policy and Standards, including the reliance on AEs to carry out Due Diligence YES</p> |
| <p>2. Have the Accredited Entity's current AML/CFT Policies and Procedures been shared with the GCF, through the accreditation, AE update or re-accreditation process? <i>(If not, provide a copy of your current AML/CFT Policies and Procedures)</i> YES</p> |

Counterparty Due Diligence

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| <p>3. For all other underlying Counterparties, including Executing Entities and third parties, has Counterparty Due Diligence, including Beneficial Ownership, been carried out and evidence obtained as required by the AE's AML/CFT Policies and Procedures? <i>(If not, explain the circumstances)</i></p> <p>Law N° 001/FIC/2022 of 16/02/2022 on Regulations anti-money laundering, combating the financing of terrorism applied to all Government entities and private sector including the AE and EE hence no extra due diligence done but the provisions for this will be included in the subsidiary agreement between AE and EE.</p> |
| <p>4. Have all underlying Counterparties been screened against lists related to UNSC Security Council Sanctions resolutions and have any positive matches been identified?</p> <p>Regarding higher level security threats, at present, there are no UN Security Council Sanctions against Rwanda.</p> <p>The UN Security Council Consolidated Sanctions list indicates approximately 20 individuals with ties to Rwanda, a small percentage of whom may live in the country. This list has been circulated to the AEs and will be cross checked when hiring for the project and once project sites are selected to ensure these individuals will not be involved in any manner with the Project or its activities, either as a counterparty, implementer, or beneficiary.</p> <p>To report and remedy any risks that may occur, the MoE will maintain a Project level grievance redress mechanism to which anyone can report on the occurrence of prohibited activities. All complaints will be investigated following the process identified in Annex 6. Any complaints believed to contribute to prohibited activities will be referred to the appropriate authorities in Rwanda.</p> <p>Assuming all staff will be made aware of the prohibited activities, all subcontractors/counterparties will be screened for engagement of activities and made aware of their obligations to alert the PMU and/or submit grievances related to such activities occurring as part of the Project, the overall impact of the money laundering and financing of terrorism risk on the Project will be LOW.</p> |

<p>5. Is either the AE or any other Counterparties or third parties an entity prohibited by the GCF AML/CFT Standards, i.e.? No</p> <ul style="list-style-type: none"> a. Shell banks, unlicensed banks, or unregulated Money or Value Transfer Service (MVTTS) providers or agents; b. Engaged in relationships with (have dealings with or provide services to) shell banks, unlicensed banks, or unregulated MVTTS providers or agents; c. Engaged in relationships with other entities which engage in relationships with shell banks, unlicensed banks, or unregulated MVTTS providers or agents for the purposes of implementing a Fund-related Activity; d. Financial Institutions that issue Bearer Shares; and e. Financial Institutions that keep anonymous accounts or accounts in fictitious names for their clients
<p>6. Are fund disbursements to anonymous, numbered accounts or passbooks, or third-party accounts prohibited by the arrangements outlined in the Funding Proposal? <i>(If not, what arrangements will be put in place prior to disbursement)</i> YES</p> <p>The GoR has robust public financial management systems in place, and these will be applied to ensure the effective management of the project.</p> <p>The MoE and FONERWA are the primary entities receiving and management project funds. They will use the Government's financial management systems and procedures, including the computerised Integrated Financial Management Information System (IFMIS) which embeds key internal into operations.</p> <p>Project funds from the GCF will be received into a dedicated MoE bank account held at the National Bank of Rwanda in US Dollars and disbursements to anonymous, numbered accounts are prohibited.</p>
<p>7. Does the FP involve disbursing funds, directly or indirectly, through Cash Couriers for the purposes of implementing a Fund-related Activity? NO</p>
<p>8. Have any counterparties been identified as providing an elevated level of ML/TF risk, including: NO</p> <ul style="list-style-type: none"> a. Politically Exposed Persons (PEP) including their immediate family members or close associates, or PEP-linked entities; b. Financial Institutions providing Correspondent Banking or Money or Value Transfer Services (MVTTS); c. Designated Non-Financial Businesses and Professions; d. Entities issuing Bearer Shares or with nominee shareholders or directors; e. Trusts; f. Entities with unduly complex structure of ownership; and g. Non-Profit Organisations (NPOs).
<p>9. Any other entities identified through the AE's AML/CFT Policies and Procedures? No.</p>
<p>10. Has Enhanced Due Diligence been carried out on such entities? No, because of no existence of such entities.</p>

ML/TF Risks

Has the AE carried out an ML/TF Risk Assessment in relation to the Funding Proposal, in accordance with the AE's AML/CFT Policies and Procedures?

The International Monetary Fund published an assessment of Anti Money Laundering and Combating Financing of Terrorism in 2015 indicating that while the risk of AML/CFT is low, at that time more could be done to bolster the systems in place to address the issue. At present, the GoR has robust measures to fight money laundering and terrorist financing. This was done first by enacting the law N° 001/FIC/2022 of 16/02/2022 on Regulations relating to anti-money laundering, combating the financing of terrorism. The Rwanda government has also put in place a special agency for this purpose named Financial Intelligence Center (FIC) with a clear mission to promote financial system integrity by conducting effective financial intelligence to counter money laundering, the financing of terrorism and related financial crimes in governmental institutions, projects, and parastatal agencies under the supervision of the Ministry of Finance and economic planning.

MoE and the GCF Project under its supervision will also comply with FIC regulations.

The MoE also has an Internal Audit function as well as regular audit conducted by the Office of the Auditor General to carry out the efficiency and effectiveness of internal controls.

11. Have all identified ML/TF Risks been outlined in Section F1 of the Funding Proposal? If not, please explain why and outline the risks and proposed mitigations:

This will be included in the re-submitted FP