



Future Association For Development and Environment

جمعية المستقبل للتنمية والبيئة

Future Association for Development and
Environment (FADE)

FADE-ANTI-FRAUD POLICIES

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Introduction:

The Future Association for Development and Environment (FADE) is an independent, private, and non-profit organization that strictly adheres to political and religious neutrality. It operates based on the principles of impartiality, non-discrimination, and transparency, and is guided by its core values: **responsibility, impact, initiative, and inspiration.**

FADE is committed to delivering immediate humanitarian relief to support those in need and protect human dignity, while also creating long-term opportunities for sustainable development and enabling people to realize their full potential. The organization aims to respond to humanitarian crises, build resilience, promote inclusive and sustainable development, and contribute to effective governance and civil society building globally by investing in people and their capabilities.

FADE's commitment is guided by four core values:

- **Responsibility:** We ensure the efficient and accountable delivery of humanitarian assistance using the resources entrusted to us.
- **Impact:** We are committed to creating the most sustainable impact for the communities and individuals we serve.
- **Initiative:** We act with dynamism and an entrepreneurial spirit that creates value and overcomes challenges.
- **Inspiration:** We aim to inspire those around us through our vision, values, approaches, choices, practices, actions, and advocacy.

Policy Statement

FADE strongly condemns all forms of terrorism and will not support, tolerate, or encourage terrorism or those who use or finance it. In alignment with the United Nations Security Council Resolutions, particularly **S/RES/1269 (1999)**, **S/RES/1368 (2001)**, and **S/RES/1373 (2001)**, and with international counter-terrorism mechanisms, FADE is firmly committed to combating terrorism globally—especially terrorism financing and any related activities, including the laundering of illicit funds.

FADE pledges that neither its own funds nor donor contributions will be used—directly or indirectly—to support individuals or entities involved in terrorism or money laundering derived from illegal activities.

International and National Laws:

FADE acknowledges the rules applicable in donor countries and the legislation related to counter-terrorism and anti-money laundering.

FADE adopts a **zero-tolerance policy** towards terrorism and money laundering and adheres to the highest standards of efficiency, responsibility, and transparency in its activities. Accordingly, FADE's Anti-Terrorism and Anti-Money Laundering Policy includes:

- Promoting prevention;
- Strengthening detection;
- Establishing clear investigation procedures;
- Developing a sanctions mechanism.

This policy guides FADE staff and partners and should be considered alongside the following documents and policies:

- FADE's Code of Conduct;
- FADE's Complaints Handling Policy;
- FADE's Child Protection Policy;
- FADE's Conflict of Interest Prevention Policy;
- FADE's Data Protection Policy;
- FADE's Policy on Prevention of Sexual Exploitation, Abuse, and Harassment (PSEAH);
- FADE's Anti-Fraud, Anti-Bribery, and Anti-Corruption Policy;
- FADE's Environmental and Social Safeguards Policy;
- FADE's Gender Policy;
- Operational manuals (e.g., finance, logistics, HR, security and safety), and reference guides (e.g., transparency and compliance, monitoring and evaluation, project management and development), as well as charters (e.g., information systems usage);
- The Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief, which FADE is a signatory to;
- The **Six Core Principles** of the Inter-Agency Standing Committee (IASC) on preventing sexual exploitation and abuse.

B. FADE's Principles in Combating Terrorism and Money Laundering

FADE operates under three core principles in its fight against terrorism and money laundering:

- **Commitment to Counterterrorism and Anti-Money Laundering:**
FADE rejects any support for or participation—direct or indirect—in terrorist acts or money laundering. The organization is committed to minimizing the risks of involvement in such activities during program implementation.
- **Transparency and Accountability:**
FADE ensures full transparency and accountability to beneficiaries, partners, suppliers, and donors by granting access to information regarding the use of funds. The organization is committed to possessing and utilizing all necessary tools to manage its operations effectively.
- **Professionalism:**
FADE designs, implements, manages, and evaluates its programs based on high standards of professionalism and leverages its expertise to maximize efficiency and use resources effectively

Interpretation and Scope of Application

Article 1 – Scope of Application

This policy applies to all operations, relationships, and financial and non-financial activities of FADE. This includes, but is not limited to:

- All employees, volunteers, and board members: in all dealings.
- All partners: partner organizations, suppliers, and contractors.
- Donors: in the process of receiving funding.
- Beneficiaries: in the distribution of aid.
- Banking operations and financial transfers: all banking and cash transactions.
- Procurement and services: all purchasing and service delivery activities.

Article 2 – Definitions

1. **Terrorist Act:** Any act constituting a serious breach, its financing, or laundering of proceeds thereof, intended to kill or injure civilians or non-combatants during an armed conflict, aiming to intimidate the population or coerce a government or international organization to act or refrain from acting.
 - **Financing of Terrorist Activities:** Providing or collecting funds by any means, directly or indirectly, unlawfully and intentionally, to be used wholly or partly in committing a terrorist crime.
 - **Laundering of Funds from Terrorist Activities:** Falsely justifying the origin of funds from a terrorist crime and assisting in hiding or transferring proceeds for terrorist purposes.
2. **Money Laundering (AML – Anti-Money Laundering):** The process of concealing or altering the source of illegally obtained money (e.g., fraud, drugs, corruption) to make it appear legitimate for entry into the formal financial system.
3. **Participation in Terrorist Group Activities:** Providing information, resources, or funding to a terrorist group, knowing it will contribute to their criminal acts.
4. **Terrorist Group:** An organized group of more than two persons working together to commit terrorist crimes, with specific definitions per sanction lists recognized by donors.
5. **Material Support to Terrorism:** Providing services, assets, or property, including illicit trade in artifacts, knowing it will be used for terrorism.
6. **Funds:** Tangible or intangible assets and legal instruments proving ownership, including bank deposits and checks.
7. **Beneficiaries:** Individuals who directly or indirectly benefit from FADE programs.
8. **Consultant:** A third party providing advisory services to FADE or its sister organizations, whether paid or unpaid.
9. **Associated Entities:** Legal persons involved in project implementation without responsibility for budget management.
10. **Governance:** Elected persons participating in FADE's or sister organizations' administrative bodies.

11. **Implementing Partners:** Partners delegated to implement projects or activities with allocated budgets.
12. **Stakeholders:** Individuals or groups contributing to or benefiting from the activities of FADE or its sister organizations.
13. **FADE Staff:** All individuals working for FADE or its sister organizations, including volunteers and trainees.
14. **Subcontractor:** An individual or group receiving a budget to implement a specific project or activity.
15. **Supplier:** A third party providing goods or services to FADE or its sister organizations.

Article 3 – Information and Commitment to Policy

1. This policy is issued under the authority of FADE. All FADE employees and entities referenced in Article 1 must comply with it, understand its provisions, and seek advice when uncertain.
2. The requirement to respect this policy must be included in employment terms and contracts with external entities.
3. Managers are responsible for ensuring that their subordinates comply with the policy and for taking appropriate disciplinary action in case of violations.
4. This policy forms part of the employment terms for FADE staff and the operational conditions for other entities upon signing acknowledgment.
5. FADE will regularly review and update this policy's provisions.

Article 4 – Policy Objectives

This policy aims to:

1. Implement mechanisms to combat terrorism and money laundering through prevention, reporting, procedures, investigation, and sanctions applicable to FADE employees and related entities.
2. Define the rules of conduct that FADE employees and other entities must adhere to.
3. Inform third parties of the expected behavior from FADE employees and related entities.

General Principles

Article 5 – Neutrality

FADE employees and other relevant entities must perform their duties with neutrality and non-politically, in accordance with the law, legitimate instructions, and ethical rules.

Article 6 – Integrity

In carrying out professional roles, actions must be conducted with integrity, taking into account only the relevant circumstances.

Article 7 – Stakeholder Trust

Behavior must always reflect FADE's core values of integrity, neutrality, and efficiency to enhance the trust of stakeholders.

Article 8 – Hierarchical Accountability

FADE employees report to their direct manager or department head, unless otherwise provided by law.

Article 9 – Confidentiality

Information and documents obtained during work must be handled with appropriate confidentiality, while respecting stakeholders' rights to access information.

Article 10 – Political or Public Activity

1. FADE employees must ensure their political activities or participation in public discussions do not affect stakeholder trust in their integrity.
2. FADE resources must not be used for partisan purposes.

Article 11 – Privacy Protection

Necessary measures must be taken to protect the privacy of FADE employees and other related entities.

Article 12 – Information Retention

1. Disclosure of information must comply with applicable laws and FADE's regulations.
2. Security and confidentiality of information entrusted to employees must be ensured.
3. Employees must not seek or misuse inappropriate information.
4. Professional information that should be shared must not be withheld, nor should inaccurate information be disseminated.
5. This article is read in conjunction with Article 19.

Article 13 – Professional Resources

Human, material, and financial resources must be managed efficiently and not used for personal purposes unless authorized in writing.

Article 14 – Responsibilities of Direct Managers

1. Managers are responsible for their subordinates' policy violations if preventive actions are not taken.
2. They must implement measures to prevent employees from engaging in terrorism or money laundering, including training and leading by example with ethical behavior.

Article 15 – Prohibition of Terrorism and Money Laundering

FADE employees and other related entities are prohibited from directly or indirectly participating in any terrorist act or money laundering.

A. Mechanisms for Preventing Participation in Terrorism and Money Laundering

Article 16 – Importance of Prevention

FADE recognizes that preventing terrorism and money laundering requires an effective organizational culture focused on sound financial use. Therefore, internal control mechanisms are established in finance, logistics, HR, security, transparency, investigation, monitoring, and evaluation.

Article 17 – Prevention and Identification Mechanisms

1. Conduct regular risk analyses related to counter-terrorism and anti-money laundering, including legal requirements, security assessments, and stakeholder considerations.
2. Identify risk factors within project cycles and supply chains, understand their likelihood and consequences, and implement appropriate countermeasures.
3. Enforce a strict code of conduct including anti-fraud, anti-money laundering, and reporting of financial dealings with armed groups.
4. Provide clear understanding of policies and values to all employees and relevant entities.
5. Maintain accurate financial records and publish detailed annual financial statements.
6. Conduct annual external audits of expenditures and external verification of specific projects.

7. Review third-party contractors to ensure no links to terrorism.
8. Provide regular training for staff and partners on anti-fraud, anti-money laundering, and counter-terrorism.
9. Maintain respectful dialogue with beneficiaries and stakeholders to build trust and reduce risks.
10. Apply the “Know Your Supplier” principle in all procurement processes.

A. Due Diligence and Vetting of Partners, Suppliers, and Beneficiaries:

- **Sanctions Screening:** Periodic screening of all partners, suppliers, service providers, key staff, and samples of beneficiaries to ensure they are not listed on local or international sanctions lists (e.g., UN lists, OFAC).
- **Know Your Customer/Partner (KYC/KYP):** Collect sufficient information on partners’, donors’, and suppliers’ identities, legal structures, and sources of funds.
- **Risk Assessment:** Evaluate risks associated with each party considering factors like geography (conflict zones), nature of activity, and party’s history.
- **Documentation:** Maintain detailed records of all checks and evaluations.

B. Cash and Financial Transactions Management:

- Limit cash transactions, prefer bank transfers or checks for large amounts to ensure transparency. Set cash limits in offices and field.
- Verify that payment beneficiaries (salaries, supplier payments, cash assistance) are authorized recipients.
- Verify sources of large or unusual donations to confirm legitimacy.
- Apply strict controls on fund disbursement including multiple approvals, spending limits, and periodic expense reviews.

C. Suspicious Activity Monitoring (SAM):

- Train employees to identify suspicious indicators such as:
 - Large unexplained cash transactions.
 - Payments to unknown or suspicious individuals/entities.
 - Frequent or sudden changes in fund destinations.
 - Transactions with parties in high-risk or sanctioned areas.
 - Refusal to provide ID or sufficient information.
 - Structuring transactions to avoid detection.
- **Suspicious Activity Reporting (SAR):**
 - Any employee suspecting suspicious activity (money laundering or terrorist financing) must immediately report to the compliance officer (or CFO) without personal investigation.
 - Reports must be confidential and protect whistleblower identity.
 - The compliance officer evaluates the report and, if confirmed, notifies the Financial Intelligence Unit (FIU) or relevant Palestinian authorities according to law.

D. Training and Awareness:

- Mandatory AML/CTF training for all employees covering policy, suspicious indicators, and reporting procedures.
- Continuous awareness-raising on policy compliance importance.

Article 2.7 – Whistleblower Protection

FADE commits to protecting any person reporting suspicious activities in good faith from retaliation or harm.

Article 2.8 – Review and Audit

This policy and procedures will undergo regular internal and external reviews and audits to ensure ongoing compliance with laws and regulations and will be updated in line with best practices and changes in operational environments or international laws.

Reporting Duty

Article 18 – Reporting

In case of suspicion of terrorist activity or money laundering, FADE shall:

1. Encourage confidential reporting through the Transparency Hotline platform (<https://transparency.FADE.org/>) or via email at transparency@FADE.org.
2. Investigate and take necessary actions.
3. Notify donors if a link between funds and a terrorist organization is discovered according to agreed mechanisms.

Behavior in Case of Terrorism or Money Laundering Incidents

Article 19 – Required Procedures

1. FADE employees and other relevant entities bear the responsibility to be vigilant against any terrorist or money laundering attempts, take necessary measures, and report promptly to management and the designated platform once aware.
2. If offered involvement in terrorist acts or money laundering, they must:
 - Refuse execution;
 - Attempt to identify the offeror;
 - Avoid prolonged contact with the offeror;
 - Try to have witnesses present;
 - Quickly prepare a written report and notify management and the platform.
3. No one shall be penalized for refusing to receive or transfer suspicious funds or for reporting in good faith.

4. FADE prioritizes the safety of its employees; they should not expose themselves or others to risk while complying with this policy and must report any incidents.
5. FADE commits to informing donors upon discovery of any link between funds and terrorism or money laundering.

Investigation Mechanisms at FADE

Article 20 – Investigations

1. Employees and entities must report any suspicions to their manager or the designated platform.
2. The Investigation Unit sends a response via email outlining next steps and expected processing time.
3. The report is processed at local, national, or central levels based on assessment.
4. Cooperation with investigations and confidentiality of information must be maintained.
5. All confirmed cases and actions taken are recorded in a dedicated register.
6. Reports are submitted to the Risk and Audit Committee, which then reports to the Board of Directors.

Article 21 – Investigation Authority

The Investigation Unit at FADE headquarters is responsible for all matters related to terrorism and money laundering.

Article 22 – Special Investigations

1. Aim to verify and assess the extent of fraud and financial violations related to terrorism and money laundering.
2. Investigations can be conducted locally, regionally, or centrally.
3. The Director of the Transparency and Compliance Unit conducts investigations with the utmost confidentiality.
4. All inquiries must be documented in writing.

Sanctions Mechanism

Article 23 – Post-Investigation Actions

If a violation is confirmed, the Transparency and Compliance Unit and General Management are notified, and appropriate actions are proposed such as disciplinary measures, suspension or termination of contracts, and referral of complaints to relevant authorities.

Policy Implementation

Article 24 – Policy Enforcement

The Transparency, Compliance, and Investigation Department independently oversees the anti-terrorism and anti-money laundering policy at FADE, ensures its application, and promotes transparency within the organization. The policy came into effect after Board approval on March 17, 2023.

Article 25 – Policy Commitment

FADE employees and other entities referred to in Article 1 confirm their commitment to these principles by signing the policy acceptance form and/or employment contract.
