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64th GEF Council Meeting
June 26 – June 29, 2023
Brasilia, Brazil

UPDATED THIRD PARTY REVIEW OF AGENCY COMPLIANCE WITH GEF MINIMUM STANDARDS

Recommended Decision:

The Council, having considered the *Updated Third Party Review of Agency Compliance with GEF Minimum Standards*:

1. Notes with appreciation the updated reviews reflecting the additional information provided by AfDB, BOAD and DBSA.
2. Acknowledges the time-bound Actions Plans submitted by ADB, AfDB, BOAD, CAF and FECO and IUCN addressing issues identified in the self-assessment and review process.
3. Decides to request the Agencies to report to the Secretariat on progress under the time-bound Action Plans and the Secretariat to report such information to each Council meeting until the Action Plans have been completed.

This recommended decision was adopted by mail on the 8th of May 2023.

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THIRD PARTY REVIEW OF COMPLIANCE WITH GEF MINIMUM FIDUCIARY STANDARDS

I. Summary

1. This document presents an update to the document GEF/C.63/09/Rev.1. It contains the updated final report of the independent Third-Party Review of compliance by all GEF Agencies with the four GEF policies that comprise GEF minimum standards, reflecting updated information not available at the time of the report submitted to the December 2022 Council meeting. The final report of the independent Third Party Reviewer (KPMG, the “Reviewer”) is attached as Annex 1.
2. Information provided by DBSA confirmed that the Agency is in full compliance.
3. Agencies identified as not fully compliant by the Reviewer were: ADB, AfDB, BOAD, CAF, and FECO and IUCN (ref. KPMG Report, Table 1, Table 2). In accordance with GEF policy and Council decisions, Agencies identified as not fully compliant are required to prepare a satisfactory Action Plan addressing how the Agency will address the identified gaps. Action Plans were prepared by each of the six Agencies and submitted to the Secretariat in accordance with Council decisions. The Action Plans have been reviewed by the Secretariat and found to be reasonable, acceptable and consistent with GEF policy. Each Action Plan is attached to this document.
4. The Action Plans will be monitored by the Secretariat and a summary report provided in advance of each Council meeting until the Action Plans have been fully implemented by the Agencies.

Attachment:

KPMG: FINAL THIRD-PARTY REVIEW OF AGENCIES' COMPLIANCE WITH GEF MINIMUM STANDARDS, CONSOLIDATED SUMMARY REPORT, 22 DECEMBER 2022



Third-Party Review of Agencies' Compliance with GEF Minimum Standards

Consolidated Summary Report

22 December 2022

ACRONYMS and ABBREVIATIONS

Agencies	GEF Partner Agencies
COs	Country Offices
EA	Executing Agency
E&S	Environmental and Social
ESC	Environmental, Social and Climate
ESIA	Environmental and Social Impact Assessment
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
ESP	Environmental and Social Plan
ESS	Environmental and Social Safeguards
ESSF	Environmental and Social Safeguards Framework
EU	European Union
FPIC	Free Prior and Informed Consent
GBV	Gender-Based Violence
GCF	Green Climate Fund
G&D / GDI	Gender & Diversity / Gender, Diversity and Inclusion
GE	Gender Equality
GEF	GEF Secretariat
HQ	Headquarters
IPP	Indigenous Peoples Plan
KPIs	Key Performance Indicators
MDBs	Multilateral Development Banks
MFS	Minimum Fiduciary Standards
MTR	Mid-Term Review
PIR	Project Implementation Review
SEAH	Sexual Exploitation, Abuse and Harassment
SE	Stakeholder Engagement
SEP	Stakeholder Engagement Plan
ToR	Terms of Reference
UN	United Nations

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I. EXECUTIVE SUMMARY

1. The GEF Policies on Minimum Fiduciary Standards (MFS), Environmental and Social Safeguards (ESS), Gender Equality (GE), and Stakeholder Engagement (SE) require GEF Partner Agencies to demonstrate that they have the necessary policies, procedures, systems and capabilities to meet these standards. Under the GEF Policy on Monitoring Agency Compliance, GEF Agencies are required to periodically undertake a self-assessment of their compliance with GEF policies and report findings to the GEF Council. The self-assessment should address any changes that impact compliance or capacity with respect to each of the GEF standards, and include evidence of implementation experience through supporting documentation. Where gaps are identified, the Agencies provide an action plan to address these gaps.
2. A risk-based, independent, third-party review of Agencies' compliance with the four GEF policies is then carried out, taking into account Agencies' periodic self-assessments, action plans, and any other available and relevant information. KPMG Finland was commissioned by the GEF Secretariat to carry out this independent third-party compliance review in advance of the GEF Council Meeting.
3. This 2022 review builds on compliance reviews carried out in 2019 (ESS-GE-SE) and 2020 (MFS). Since then, the Agencies found to be partially or non compliant with any GEF standards have been implementing action plans to achieve compliance and have reported on their progress at each subsequent GEF Council meeting. The most recent progress reports are from the 62nd GEF Council Meeting in June 2022. KPMG took those prior reviews and progress reports into account when assessing the current status of policy compliance for each Agency.
4. The scope of the review also included an assessment of each Agency's implementation capacity and effectiveness. KPMG assessed the institutional capacity of the Agencies to implement their policies, procedures, and guidelines based on a review of staffing and training, organisational structure and workflows, management tools and systems, and a track record of implementation.
5. KPMG's review work was based on the self-assessments and supporting documentation submitted by the Agencies, supplemented by interviews with key staff. The self-assessment template and accompanying guidance was provided to the Agencies by the GEF Secretariat on 15 May 2022. The deadline set by the GEF for submitting the completed self-assessments and other materials was set as 31 July 2022.
6. KPMG commenced its work in August 2022. Only seven of the Agencies had submitted the requested materials by the start of our contract and KPMG worked closely with the GEF Secretariat to secure submissions from the remaining Agencies. The self-assessments utilised in the reviews presented in this report were received by KPMG between 1 August 2022 – 26 October 2022. Subsequent self-assessments were received and reviewed by KPMG in November and December 2022. A biweekly status update on the submission of materials and review actions taken can be found in Annex A. A summary of KPMG's methodology for conducting the review can be found in the Engagement Context section.
7. As at the date of 63rd GEF Council Meeting held between 28 November 2022 and 2 December 2022, the MFS review was completed for 15 Agencies and the ESS-G-SE reviews were completed for all 18 Agencies. The three pending MFS reviews were delayed due to a lack of documentation received from the respective Agencies. The GEF Secretariat requested KPMG to submit a revised version of this report if adequate material is received and the remaining reviews can be finalised. As at the date of this report, the remaining MFS reviews have been completed.

Minimum Fiduciary Standards

8. Based on the self-assessments and supporting documentation provided by the Agencies and the review procedures performed, KPMG has determined that there is generally overall compliance and a high level of implementation capacity and effectiveness on MFS across the Agencies. Additionally, Agencies have taken positive steps to implement action plans stemming from the prior self-assessments of policy alignment to GEF. It should be noted that our MFS review does not constitute an audit, evaluation, or forensic examination.
9. Respective Agencies provided adequate examples and evidence of their capacity and implementation of policies, procedures and tools related to MFS in the reviews. We identified that there is a proportionate level of capacity and effective implementation mechanisms spread across a number of dedicated departments within the Agencies. Each Agency has its own developed systems, tools, and procedures for the implementation of MFS in the context of its legal structure and operating model. Furthermore, these conclusions are generally consistent with the findings from other relevant audit, evaluation, assessment, and donor accreditation type reports. KPMG was able to screen evidence provided by Agencies for clarity, completeness, and relevance and was able to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
10. MFS is an important priority for all Agencies and many go beyond the MFS of the GEF and apply best practices. However, some partial gaps and non-compliance were identified in some Agency reviews, which are presented in the relevant Agency-specific summaries. Our work also included a review of possible risk of non-compliance by Agencies with the MFS, independently of the findings of the Agency's self-assessment. In this regard, KPMG carried out review procedures, including documentation review, interviews with GEF personnel, and external parties to identify possible risks of non-compliance.
11. In the early part of the reviews, several agencies had delays in undertaking the MFS self-assessment process and stated difficulties in understanding the goals and requirements of the review. The MFS self-assessment guidance from the GEF was not consistently understood by some of the Agencies, which resulted in delays. The content and quality of the first versions of the self-assessments varied widely. During the process, some of the Agencies corrected their self-assessment and example documentation, and the MFS reviews of 15 Agencies were completed as at the date of the 63rd GEF Council Meeting held between 28 November 2022 and 2 December 2022. KPMG finalised the remaining MFS reviews subsequent to the 63rd GEF Council Meeting.
12. Based on the results of the MFS assessments, the Agencies' track record, KPMG's updates to and discussions with the GEF, the GEF should continue to monitor the Agencies based on its risk assessment. The GEF should complement KPMG's findings and recommendations with its own information regarding the risk determination in order to report to the GEF Council.

Environmental and Social Safeguards, Gender Equality, Stakeholder Engagement

13. KPMG conducted a desk review of the self-assessment and supporting documentation provided by the Agencies, including policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on evidence and examples provided by the Agencies, as well as publicly available materials. We also conducted an interview with ESS, gender and other specialists who play a role in management or oversight of GEF projects. Based on this, KPMG has determined that there is general overall compliance with GEF standards on ESS-GE-SE across all Agencies. The implementation capacity and effectiveness vary substantially but overall are proportionate for the size and scope of the GEF portfolio within each Agency.

14. Many of the Agencies provided KPMG with comprehensive information about their policies, procedures, tools and staffing in relation to these three GEF policies. They also provided detailed evidence and examples of implementation that enabled KPMG to assess the Agency's capacity and effectiveness in practice. A number of the Agencies have a long history of prioritising safeguards and equality, with an extensive track record of implementation across all or nearly all standards. Agencies with small or narrow GEF portfolios, however, were often unable to provide evidence or examples for each minimum standard as many of the safeguards had not been triggered by any of their projects. In these cases, our review focused on policy compliance and a gauge of the Agency's commitment to comply with all standards if and when they apply.
15. ESS and gender are top priorities for all of the Agencies, and many are leaders in the sector with policies and procedures that go well beyond the GEF minimum standards and are seen as best practices in the field. A number of the Agencies have taken steps to strengthen capacity at all operational levels through in-depth training programs and decentralization of safeguards and gender teams to regional and local offices. The better resourced Agencies are also helping to increase capacity within their executing entities and clients. Some of the smaller Agencies were less advanced in their approach to ESS and Gender, and have used their participation in GEF to upgrade their policies and procedures across all their operations. The approach to GE varied a bit, with some Agencies mainstreaming it within the ESS team and others having a dedicated unit for gender specialists. SE is usually covered within the broader ESS framework and team. Overall, we found the ESS, GE and SE teams in each Agency to be passionate and committed to enforcing safeguards and identifying opportunities to create equitable and inclusive change.
16. As of this report, the ESS-G-SE reviews for all 18 Agencies have been completed. In each case where partial compliance was found, the Agency is in the midst of an active process to update its ESS and/or Gender policies and the gaps are expected to be filled once the new policies are finalised and formally approved. It should be noted that global standards in ESS, Gender and Stakeholder Engagement are constantly evolving. While all Agencies demonstrated commitment and capacity to implement GEF requirements, continuous effort and sufficient resourcing are needed for Agencies to remain current with emerging issues and norms. As a partnership of the leading climate organizations around the world, the GEF should play an active role in not only ensuring compliance but also facilitating knowledge sharing and the development of best practices.

Overview of Findings and Action Plans

17. The main findings of the review assessment and the status of pending information is presented in the Table 1 below (status as at 22 December 2022). Details about the areas of partial compliance are presented in Table 2 on the next page.

Table 1. Agency-specific Review Status and Findings					
Agency	Finding of Reviewed Components				Pending information from Agency
	MFS	ESS	GE	SE	
ADB - Asian Development Bank	Compliant	Partial compliance (multiple)	Compliant	Compliant	N/A
AfDB - African Development Bank	Partial compliance (one)	Partial compliance (multiple)	Compliant	Partial compliance (one)	N/A
BOAD - Banque Ouest Africaine de Developpement	Partial compliance (multiple)	Compliant	Compliant	Compliant	MFS: Confirm action plan for addressing the gaps on policy and implementation
CAF - Corporación Andina de Fomento	Partial compliance (multiple)	Compliant	Compliant	Compliant	N/A
CI - Conservation International	Compliant	Compliant	Compliant	Compliant	N/A
DBSA - Development Bank of Southern Africa	Compliant	Compliant	Compliant	Compliant	N/A
EBRD - European Bank for Reconstruction and Development	Compliant	Compliant	Compliant	Compliant	N/A
FAO - United Nations Food and Agriculture Organization	Compliant	Compliant	Compliant	Compliant	N/A
FECO - Foreign Economic Cooperation Office, China	Non-compliance (one)	Compliant	Compliant	Compliant	MFS: Confirm action plan for addressing the gap
FUNBIO - Fundo Brasileiro para a Biodiversidade	Compliant	Compliant	Compliant	Compliant	N/A
IDB - Inter-American Development Bank	Compliant	Compliant	Compliant	Compliant	N/A
IFAD - International Fund for Agricultural Development	Compliant	Compliant	Compliant	Compliant	N/A
IUCN - International Union for Conservation of Nature	Partial compliance (multiple)	Compliant	Compliant	Compliant	N/A
UNDP - United Nations Development Programme	Compliant	Compliant	Compliant	Compliant	N/A
UNEP - United Nations Environment Programme	Compliant	Compliant	Compliant	Compliant	N/A
UNIDO - United Nations Industrial Development Organization	Compliant	Compliant	Compliant	Compliant	N/A
World Bank IBRD - International Bank for Reconstruction and Development	Compliant	Compliant	Compliant	Compliant	N/A
WWF-US - World Wildlife Fund, Inc	Compliant	Compliant	Compliant	Compliant	N/A

18. An overview of the identified areas of partial or non compliance and action plans for each Agency to address these gaps is presented in Table 2 below.

Table 2. Action Plans for Partially Compliant Agencies		
Agency	Areas of Partial or Non-Compliance	Action Plan
ADB	ESS: 1.4 (l, o), 3.8 (c, f), 5.10 (a, c), 5.11 (j), 6.12 (a-b, e, f, g), 7.14 (d), 9.17 (f)	ESS: Update the Safeguard Policy Statements (SPS) and secure approval by the ADB Board (expected in late 2023).
AfDB	MFS: II.8 (f) ESS: 1.4 (d, f, l, m, o), 2.5(f), 3.8(e), 4.9(i), 5.11(i-j), 6.12(f-g), 9 SE: 16(b)	MFS: Update and approve the whistle blower policy. Implementation and roll-out of the policy to governance and staff members. ESS: Finalise revisions in the updated Integrated Safeguards System (ISS) and secure approval by the AfDB Board.
BOAD	MFS: I.1(a-d), I.2(a-i), I.3(a-e), I.4(a-b), I.5(a-d), II.1(e), II.2(d, g), II.3(a, c), II.5(a-c), II.6(d-i), II.7(a, c, d), II.8(a-f)	MFS: Develop an action plan to address all partial compliance with 2020 policy assessment. Develop an action plan to document and evidence the implementation of remedial actions to address all findings stemming from internal and external audit and evaluation reports.
CAF	MFS: I.2(h), I.2(i), I.3(a), I.3(b), II.1(d) and II.3(a)	<ol style="list-style-type: none"> 1. Update CAF internal monitoring procedures. 2. Review the monitoring framework to incorporate the Project-at risk system. 3. Include specific procedures for monitoring the performance of procurement activities of executing agencies. 4. Review and update the current evaluation framework for GEF projects. 5. Review CAF access to information policy to allow transparency of the evaluation reports. 6. Review the roles and responsibilities in the evaluation framework. 7. Update the oversight functions and policies related to Executing agencies. 8. Update the procedure to oversee and monitoring oversight the executing agency, including monitoring the procurement of executing agency.
FECO	MFS: II.1(f)	<p>FECO must investigate and implement a solution to ensure the independence of the audit committee. FECO has identified two possible options to resolve this in the context of their organisational framework and GEF requirements. The options are:</p> <ol style="list-style-type: none"> 1. Adding an additional oversight body from the Ministry of Ecology and Environment to oversee the Internal Audit Committee 2. Including a majority of independent external experts. <p>FECO has suggested that solution #1 is preferred, but has yet to confirm its exact course of action and remains in the process of evaluating the options.</p>
IUCN	MFS: II.8 (d-f)	The whistleblowing policy is scheduled to be approved and issued before the end of 2022.

II. ENGAGEMENT CONTEXT

Context

1. In accordance with the GEF Policy on Monitoring Agency Compliance with GEF Policies, GEF Agencies responsible for project implementation are required to carry out self-assessments of their compliance with relevant GEF policies and report findings to the GEF Council once per GEF Replenishment cycle (i.e. every four years), starting in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7), i.e. by mid-2022. The relevant policies fall under two broad categories: i) the GEF Policy on Minimum Fiduciary Standards, and ii) Policy on Environmental and Social Safeguards, Policy on Gender Equality, and Policy on Stakeholder Engagement.
2. Each Agency is required to undertake a self-assessment and provide a certification of compliance, addressing the following issues: i) changes, if any, to the policies, procedures or capabilities on the basis of which the Agency was originally determined to be in compliance with GEF policies, ii) if changes have occurred, whether the Agency remains in compliance with those policies, and iii) evidence of experience and implementation capacity in respect of each of the GEF standards. Supporting information is to be provided by the Agencies along with the certification. Where gaps are identified, the Agencies provide an action plan to address these gaps.
3. A risk-based, independent, third-party review of Agencies' compliance with the four relevant GEF policies is then carried out, taking into account Agencies' periodic self-assessments, action plans, and any other available and relevant information.
4. KPMG has conducted this risk-based, independent, third-party review of 18 GEF Agencies' compliance with four GEF policies. The services have been provided in accordance with the GEF Policy on Monitoring Agency Compliance and the agreed upon methodology and approach. The review does not constitute an audit or an evaluation of performance. According to the Terms of Reference, KPMG utilised the following methodology:
 - a. Review each Agency's self-assessments of the adequacy of its policies, procedures, standards and guidelines to effectively implement each of the GEF policies. Where additional information is required, follow up with the Agency to request it, including providing guidance to the Agency on sources and examples.
 - b. Review the Agency self-assessment of its implementation capacity and effectiveness to comply with relevant GEF policies and effectively implement GEF projects and programs. Where additional information is required, follow up with the Agency to request it, including providing guidance to the Agency on sources and examples.
 - c. Review, as relevant, the Agency audit reports, management action plans, implementation and monitoring reports, evaluations and other relevant internal and external reports, and identify areas where risk of non-compliance with GEF policy has been identified.
 - d. Review adequacy of Agency Action Plans and other measures to address any gaps or risks of non-compliance with GEF minimum standards. This will include both Agency policy and Agency implementation capacity.
 - e. Provide access to expertise in its project team relevant to each GEF policy in order to undertake the work: i.e. fiduciary standards, environmental and social safeguards, gender equality and stakeholder engagement
 - f. Identify and consult directly with relevant Agency representatives and other parties as relevant for the review.

- g. Interact closely with Agency representatives in the collection of relevant material, provide clarification on the type of material required, and assist Agencies where necessary to collect relevant material.
 - h. Prepare Agency-specific reports detailing the findings of the review, including assessments against each of the four GEF policies, and consolidate them into one summary report for the GEF Secretariat, and eventual distribution to the GEF Council. It is expected the reports would be publicly disclosed, however elements that require confidentiality may be submitted separately and handled accordingly.
 - i. Maintain the confidentiality of all material provided to KPMG in confidence and/or return to the Agency as required. Manage any potential conflict of interest to ensure objectivity in the review and reports prepared.
5. A proportional assessment of implementation of capacity requires an understanding of the size and scope of the GEF portfolio within each Agency. Table 3 below contains information on the status of GEF projects and GEF disbursements for each Agency in FY2021 and FY2020.

Table 3. Factsheet: Year of first project approval, number of projects and amount of GEF disbursements in FY2021 and FY2020										
Number of Projects									Fund transfers received by the Agency from the Trustee (USD)	
Agency	First Project approved	Concept proposed	Concept approved	Received by GEF secretariat	Project approved	Cancelled	Completed	Total	FY2021	FY2020
1 ADB	1998	11	6		47	13	18	95	2 317 975	3 361 231
2 AfDB	2010	9	4		49	1	1	64	-105 858	33 744 465
3 BOAD	2017		1		2			3	0	0
4 CAF	2017	1	7		11	1		20	0	5 333 676
5 CI	2015	10	5		42	1	1	59	6 975 663	13 459 564
6 DBSA	2016	5			6			11	98 338	500 000
7 EBRD	2003	3	4		21	2	1	31	8 174 057	790 806
8 FAO	2002	17	35		245	8	18	323	49 965 573	74 017 797
9 FECO	2018	1			2			3	54 500	-7 677
10 FUNBIO	2017		1		1			2	2 000 000	1 500 000
11 IDB	1992	4	4		42	9	23	82	10 564 093	19 643 080
12 IFAD	2005	6	10		34	4	31	85	18 267 680	14 937 183
13 IUCN	2016	7	10		33			50	14 990 153	4 300 000
14 UNDP	1991	43	147		1149	67	1214	2620	294 217 980	386 140 799
15 UNEP	1991	36	98		651	25	444	1254	82 045 590	107 502 900
16 UNIDO	2001	12	34		222	8	133	409	31 750 193	49 346 716
17 WB	1991	29	62	4	233	109	603	1040	0	0
18 WWF-US	2013	5	5		26	2	2	40	6 897 000	11 757 193
Total		199	433	4	2 816	250	2 489	6 191	528 212 937	726 327 733
Sources:										
Columns First Project approved and Number of Projects: GEF Project database as at 10 October 2022										
Columns GEF disbursements in USD: Independent Auditors' Report on GEF Trust Fund 30 June 2021 and 30 June 2020										

6. Based on the self-assessments and supporting documentation provided by the Agencies, as well as consultations with key personnel and a review of audit, evaluation and other relevant reports, KPMG has made a determination of each Agencies' compliance by allocating an independent rating for the Agency's implementation capacity and effectiveness for the respective policy.

7. KPMG prepared individual reports detailing these findings for each Agency in the form of the completed self-assessment template with our review rating and comments, as well as this consolidated summary report. If the review identified any gaps or deficiencies in compliance or capacity, this report has identified potential actions.

Summary of the Work Performed

8. Our main review procedures of the implementation capacity and effectiveness included the following:
 - a. Opening debrief with the GEF to understand the scope and background;
 - b. Preparation and submission of an Inception Report to the GEF;
 - c. Opening meetings with each Agency to discuss the scope, objectives, process, and timing for the review;
 - d. Bi-weekly updates to the GEF on the status of the review progress and challenges;
 - e. Desk review of the Agencies' self-assessments and supporting documentation;
 - f. Interviews with Agency representatives to review examples of implementation capacity and effectiveness via discussion of procedures and and walkthroughs of systems and tools, as well as to understand the implementation to date of prior action plans;
 - g. Continuous follow-up and reminders to Agencies that have been delayed in submitting the revised self-assessment template and supporting documentation;
 - h. Updates to the Agency self-assessments to incorporate KPMG's review rating;
 - i. KPMG quality control procedures of methodology and findings;
 - j. Sharing of updated draft reporting with each Agency and incorporation of feedback;
 - k. Preparation of draft reporting to the GEF and incorporation of revision comments;
 - l. Submission of preliminary reporting to the GEF, and presentation of the review findings at the 63rd GEF Council Meeting on 29 November 2022;
 - m. Subsequent completion of remaining MFS reviews; and
 - n. Submission of final reporting to the GEF.
9. We performed a combination of review type procedures including interviews with respective staff, document inspection, and a walkthrough of relevant processes. As part of the review of available information, a conclusion of compliance, partial compliance, or non-compliance was formed.

Responsibilities of the Agencies

10. The Agencies are responsible for preparing the self-assessment and providing sufficient and reliable information to demonstrate its compliance, implementation capacity and effectiveness of the GEF policies. The Agencies are responsible for providing information, documents and access to systems and staff to the reviewer insofar as this is necessary and relevant for the purpose of this engagement.

Our Responsibilities

11. Our responsibility is to conduct an independent review on the Agencies' compliance with the GEF policies based on the Agencies' self-assessments and other information. We also specifically review cases where an Agency reports changes to the policies, procedures, or capabilities on the basis of which the Agency was found to be in compliance with relevant GEF policies and concludes it remains in compliance with those policies. We also review, in light of the changes identified, the supporting information provided, and other relevant information that the Agency continues to have adequate policies, procedures, standards and guidelines in place, as well as sufficient, demonstrated project implementation capacity, to comply with relevant GEF policies. In addition, we consider cases where there is a risk of non-compliance by an Agency with a relevant GEF policy, independently of the findings of the Agency's self-assessment. In determining whether there is a risk of non-compliance by an Agency with a relevant GEF policy based on factors other than the Agency's self-assessment, we consider the Agency's track record of implementing the policies, procedures, standards and guidelines on the basis of which it was found to be in compliance with a GEF policy. Furthermore, we consider audits, evaluations, and other external reports that provide information regarding the Agency's compliance.
12. We have performed the review procedures in accordance with the GEF Policy on Monitoring Agency Compliance with GEF Policies and the procedures outlined above. We make no representation regarding the appropriateness of the procedures. The review is not an assurance engagement and as a result we have not tested the compliance of controls in the Agencies to the extent that we would provide assurance on the effectiveness of controls. We do not express an opinion or an assurance conclusion. However, we provide a third-party review of each Agency's self-assessments of the adequacy of its policies, procedures, standards and guidelines and implementation capacity and effectiveness to comply with relevant GEF policies and effectively implement GEF projects and programs.

Distribution and Use

13. The GEF has commissioned the review in order to execute its functions through an independent reviewer. The GEF is the primary user of this report and this report may not be suitable for another purpose.

III. GENERAL OBSERVATIONS

GENERAL OBSERVATIONS

1. Based on the review procedures performed, KPMG has determined that there is a general overall compliance with GEF standards on MFS-ESS-GE-SE across all respective Agencies. The implementation capacity and effectiveness is proportionate for the size and scope of the GEF portfolio within each Agency.
2. The objective of the review was not consistently understood by the Agencies and the GEF guidance on the self-assessment template was interpreted in different ways. As a result, many of the Agencies were delayed in submitting materials and there was significant variation in the quality, content and level of detail provided in the self-assessment forms. The linkages and differences between this review and the prior reviews (in 2019 and 2020) were not fully understood, especially by Agencies still completing action plans from the earlier reviews.
3. The timing of the review was challenging for many Agencies. The information needed to complete the self-assessments was often spread across multiple units, and staff holidays during June-August 2022 made it difficult to collect relevant evidence and examples.

Minimum Fiduciary Standards

BEST PRACTICES

4. Respective Agencies provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG was able to screen evidence provided by agencies for clarity, completeness, and relevance and was able to conclude upon implementation capacity and effectiveness and identify possible risks and gaps. Based on the self-assessments and supporting documentation provided by the Agencies and the review procedures performed, KPMG has determined that there is generally overall compliance and a high level of implementation capacity and effectiveness on MFS across the Agencies. Additionally, Agencies have taken positive steps to implement action plans stemming from the prior self-assessments of policy alignment to GEF.
5. MFS is an important priority for all agencies. Many go beyond the MFS of the GEF and apply best practices in terms of risk management, oversight, governance and control frameworks, and project management. We observed systematic procedures in different types of projects and financial management systems with good internal controls and implementation tools. In all reviewed Agencies, the capacity and implementation of MFS is spread across many different units. These can differ in size between agencies, but we see that they are proportionate. Continuous improvements and developments stem from various internal processes, new systems and procedures, and audit recommendations. Many Agencies have been audited and assessed, including external and internal audits, external assessments (GCF or EU accreditation etc.), with positive results.
6. A review of the organisational structure, policies, and roles highlights that the respective Agencies have a proportionate level of capacity. A review of organisational and project level evidence indicates that the MFS are designed adequately, are proportionate, and are implemented by a broad team using a number of different implementation tools and procedures. A review of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems indicates

that there are protocols in place across the Agencies to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS.

7. The Agencies have strong training and capacity building systems to support their staff in understanding various MFS.

MAIN CHALLENGES

8. The MFS review did not bring up a trend of common gaps in the implementation capacity. The key findings of follow-up matters are the following:

- a. Guidance for the self-assessment was interpreted in different ways and there was significant variation in the level of detail initially provided by the Agencies. Several Agencies have been delayed in submitting a revised MFS self-assessment, others submitted partially incomplete self-assessments, which required revisions in the review, while some Agencies submitted adequate self-assessments on time. KPMG's review work was based on the self-assessments and supporting documentation submitted by the Agencies, supplemented by interviews with key staff. The self-assessment template and accompanying guidance was provided to the Agencies by the GEF Secretariat on 15 May 2022. The deadline set by the GEF for submitting the completed self-assessments and other materials was set as 31 July 2022.
- b. CAF's MFS included areas to be strengthened, mainly related to procurement process, monitoring, external audit and oversight of executing agencies. CAF presents an Action Plan including modified and updated internal regulations and specific internal procedures to be implemented by the end of the first quarter of 2024.
- c. FECO remains in the process of implementing its action plan to investigate and implement the solution to ensure the independence of its audit committee.
- d. IUCN is drafting a whistleblowing policy and aligning it with other existing policies. The whistleblowing policy is scheduled to be approved and issued before the end of 2022.
- e. AfDB, BOAD and DBSA did not provide an adequate MFS self-assessment and supporting documents to KPMG on the basis of which a review could have been performed within the timeline leading up to GEF 63rd Council Meeting held on 29 November 2022. KPMG remained in consultation with the GEF and the respective Agencies to complete the pending MFS reviews. The MFS reviews of AfDB, BOAD, and DBSA were completed during November and December 2022.
- f. AfDB is developing a Whistle blowing policy and subsequent implementation roll-out measures are expected to be implemented in 2023.
- g. BOAD self-assessed itself as fully compliant in relation to all standards except for the sub-standard: II.1(e). KPMG concludes that BOAD has taken some remedial actions to implement the action plan for sub-standards from the 2020 policy compliance assessment. However, based on the procedures performed and the information provided as at the date of this report, BOAD still needs to implement actions and provide additional information to evidence its policy compliance for sub-standards I.3(a), I.4(a), II.1(e), and II.3(b). Additionally, KPMG reviewed several internal and external audit and evaluation reports in relation to the review of implementation capacity and effectiveness. BOAD self-assessed itself as fully compliant in relation to all standards except for the sub-standard II.1(e) on implementation capacity and effectiveness. The reviewed reports in consolidation include a large number of identified gaps and recommendations that impact multiple MFS components. KPMG was not provided up to date management action plans to evidence if

sufficient and appropriate actions were taken by BOAD to address these findings. However, our interviews and received relevant documentation conclude that several recommendations are still in progress or are yet to be implemented. As a result, KPMG does not concur with BOAD's self-assessment rating. There is evidence available from these reports that creates a risk of partial non-compliance with GEF's MFS requirements in addition to a lack of complete and timely information from BOAD. In our view, BOAD should develop an action plan to address all partial areas of compliance with policies, and also develop an action plan to document and evidence the implementation of remedial actions to address all findings stemming from the mentioned internal and external audit and evaluation reports.

Environmental & Social Safeguards, Gender Equality, Stakeholder Engagement

GENERAL OBSERVATIONS

9. Most Agencies are policy compliant and all Agencies have adequate capacity relative to the size of their GEF portfolio. However, overall implementation capacity and effectiveness, which are connected to staff competencies, project management systems and budget availability, vary significantly based on the size, geography and priorities of the Agency.
10. Some Agencies already went beyond GEF standards on ESS and GE, while others have used the GEF requirements as an opportunity to strengthen their capacity and develop higher standards for all their operations and investments.
11. The proportion of GEF projects in each Agency's portfolio varies from 0.02% to 50%. This is reflected in the way GEF standards are integrated into institutional policies and the types of projects funded by GEF. At MDBs, GEF may fund a small part of a project (e.g., the capacity building component of a large infrastructure project) and GEF standards may only apply to those specific activities.
12. Agencies that have a limited number of GEF projects or certain types of low-risk GEF projects may not have examples of safeguards being triggered and their implementation capacity and effectiveness is difficult to assess for those standards.
13. All Agencies have seen an increase in awareness of safeguards internally, as well as at the project level within the executing entities. An acceptance of the need to consider social dimensions (e.g., gender, labor conditions, health and safety) has clearly improved in the past 5-10 years.
14. Most Agencies have increased their attention to capacity building and training. In addition to general ESS training, a number of Agencies have created standard-specific training courses or certification programmes, some of which are open to external stakeholders as well as internal staff.
15. Several Agencies expressed interest in GEF facilitating more knowledge sharing opportunities. Many pointed to the former gender working group convened by GEF as a useful forum for developing policies and sharing best practices.
16. Although ESS is still mainly looked at in terms of risk management, GE is increasingly addressed proactively in terms of creating opportunities. In general, many Agencies demonstrate a commitment to going beyond "do no harm" and focusing on "doing good".

BEST PRACTICES

17. Many Agencies are decentralizing their ESS teams and strengthening capacity at the regional and country level through training, secondments and local recruiting. Understanding the local context and proximity of projects is seen as key to successful implementation of ESS.
18. Several Agencies have developed in-depth ESS accreditation programs to build a larger pool of certified experts. Most of these are targeted at internal staff or consultants, but some are available to staff at executing agencies and external partners.
19. In addition to a general training at the inception/kick-off stage, Agencies are offering more coaching and ad-hoc advisory to local project teams throughout the project cycle. Internal knowledge sharing and collection of lessons learned from individual cases is an important component of capacity building.
20. Some Agencies have dedicated focal points or “champions” for each minimum standard or sub-standard. These experts support the general ESS specialists looking when assessing risks and impact. External technical consultants may also be contracted to support on more difficult topics, such as safeguards on Indigenous Peoples.
21. Agencies have highlighted that complex or high-risk projects often require more resources for ESS management than had initially been budgeted. FAO, for example, has developed a “price tag” system that takes into account the project’s E&S risk categorization and estimates the required budget allocation needed to ensure sufficient resources for implementing and monitoring safeguards.
22. Investments in digital tools and platforms improve efficiency and enhance oversight. Many Agencies have upgraded their portfolio management systems and created dashboards that offer a portfolio-level view of risks, responses and impact. IDB has an internal tool called ESG Compass and most of the UN agencies (UNDP, UNEP, UNIDO) have publicly-available Open Data Platforms that provide interactive and transparent access to project details.
23. Digital screening tools and process flowcharts (with clear roles, responsibilities, checkpoints and activities at each stage of the project cycle) have also streamlined operations and ensured adherence to policy requirements. IFAD, for example, integrated environmental, social and climate risks into its Operational Results Management System (ORMS), and also uses risk and impact assessment tools created by other agencies, such as the THINK Hazard tool and Climate Change Knowledge Portal developed by the World Bank, and the Ex-Ante Carbon-balance Tool (EX-ACT) developed by FAO.
24. A number of Agencies are using a Gender Tag or Gender Marker system to better categorize and track how projects across the portfolio are contributing to gender equality. EBRD uses a Gender SMART Tool and the World Bank has both a Gender Data Portal and a GBV Dashboard.
25. Agencies are developing creative communication tools and campaigns to improve understanding of safeguards issues among beneficiaries, communities and the general public. The World Bank created a YouTube video to explain its complaints mechanism and IDB created cartoons to explain GBV issues that are common in construction projects.
26. Agencies are actively involved in working groups and knowledge sharing networks in which like-minded organisations discuss ESS and GE issues and developments. Examples of these groups are the Conservation Initiative on Human Rights (CIHR), members include CI, WWF and IUCN; the Multilateral Financial Institutions Working Group on Environmental and Social Safeguards (MFI WG ESS), members include ADB, IDB, EBRD, AfDB and WB; and the UN Environment Management Group (UNEMG), members include FAO, IFAD, UNDP, UNEP, UNIDO and WB.

MAIN CHALLENGES

27. Many Agencies acknowledge that the focus on ESS and Gender is frontloaded in the project cycle. Risks and impacts are assessed and screened at project concept and design stages and relevant management or mitigation measures are developed but monitoring during project implementation is not as active or responsive as described in policies and guidelines.
28. The capacity of executing agencies/clients varies greatly, which impacts the level and quality of implementation and oversight. The Agencies acknowledge that entities such as local government ministries do not necessarily have the skills and expertise to apply ESS standards in project activities.
29. During the pandemic, monitoring efforts were curtailed and/or conducted remotely, which impacted implementation effectiveness. Supervision and monitoring missions are seen as an important opportunity to identify E&S risks early and provide needed support.
30. A segregation of duties between the implementing project team and monitoring team is important to ensure an independent assessment of risks. Projects with potentially high E&S risks require more frequent reporting or oversight, which can lead project managers to downplay risks or not report findings to higher levels at the Agency.
31. ESS expertise has traditionally been concentrated within a small group at Headquarters, and may even be limited to one individual in the case of small Agencies. When specialized knowledge in ESS is not accessible and decentralized, there can be delays in project/reporting approvals and high risks in case of staff turnover.
32. At many Agencies, gender mainstreaming is reactive (e.g., collecting sex-disaggregated data) but most ESS and Gender teams would like to proactively create opportunities for women. This requires additional budget resources to analyze and integrate gender approaches into core project design and results frameworks.
33. New standards on GBV and SEAH are becoming better understood by project implementation teams but are still not applied consistently across all regions and operating contexts. Standards on FPIC are less well understood and more training and guidance at all levels is needed.

IV. AGENCY-SPECIFIC SUMMARIES

ADB - Asian Development Bank

MINIMUM FIDUCIARY STANDARDS

1. ADB was assessed as fully compliant with no action plan in the 2020 policy alignment self-assessment process. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that ADB is fully compliant with no action plan requirement.
2. ADB has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that ADB is fully compliant. There are no pending items or an action plan requirement.
3. ADB updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness, and provided this information to KPMG. Initially, ADB was not included in the correspondence email from the GEF, which resulted in a delay in updating the MFS self-assessment. However, ADB then updated this accordingly and was still able to comply within the timeline.
4. KPMG's planning procedures included an opening meeting with ADB representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. ADB updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. ADB implements a small number of GEF projects in the context of their overall portfolio. ADB provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and assessment reports, and internal audit reports. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by ADB for clarity, completeness, and relevance. KPMG also reviewed external and internal audit and assessment reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. KPMG held an interview with several ADB representatives, including the GEF Coordination team, Office of Anti-Corruption and Integrity, Internal Audit, Finance, and Procurement. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, financial systems, and audit oversight. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed the external quality assessment and GCF accreditation report, the latest organisational external audit report on the financial statements, and relevant audit management letters.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

6. In the 2019 review, several gaps were identified across ESS minimum standards 1, 3, 5, 6-7 and 9. In April 2020, ADB issued a Guidance Note on the application of GEF ESS in ADB-administered GEF-financed projects. Based on this, GEF standards have been applied to the development of new projects and to the mid-term reviews and final evaluations of ongoing projects.
7. In August 2020, ADB began updating its Safeguard Policy Statement (SPS) to modernize and enhance the safeguards systems, implementation framework and oversight mechanisms, as well as address all identified gaps with GEF policy. The update process has been ongoing since then and has included a wide range of analytical studies and stakeholder consultations. As of KPMG's review, an ADB working group was drafting the new policy, with plans to open a public consultation period at the beginning of the new year. Final approval of the new SPS by the ADB Board is expected in late 2023.
8. ADB was mistakenly left out of the initial GEF communications about the current review and only received the guidance in mid-August 2022. Despite this, ADB managed to provide a detailed self-assessment and relevant evidence of implementation capacity and effectiveness by mid-September. ADB self-assessed as fully compliant in all standards, except for specific sub-standards within MS 3, 5, 6, 7 and 9 which were marked as partially compliant. ADB affirmed that all remaining gaps will be addressed in the updated SPS currently in development.
9. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on documents provided by ADB, as well as publicly available materials. KPMG then conducted an interview with specialists from the GEF Coordination, Gender Thematic Group, and Environment and Safeguards units.
10. KPMG concurs with ADB's self-assessment on most standards, including partial compliance on 3.8 (c, f), 5.10 (a, c), 5.11 (j), 6.12 (a, f, g), 7.14 (d), and 9.17 (f). On sub-standards 1.4 (l, o) and 6.12 (b, e), ADB marked full compliance, but KPMG finds there to be remaining gaps in these areas. Despite this discrepancy in our assessment of current compliance, KPMG expects the new SPS to address all gaps and bring ADB into full compliance with all GEF standards once it is finalised and adopted.
11. The new SPS, which will include nine standards, is being designed based on World Bank standards and benchmarking with other MDBs. The update aims to adapt the policy for different financing approaches and modalities, improve the efficiency of safeguard business processes, and improve implementation through enhanced monitoring and oversight and support for country systems and client capacities. The SPS will be accompanied by an updated Operations Manual and Staff Instructions, new client and project ESS management system requirements, and Good Practice Guidance notes for each standard.
12. ADB currently has over 115 safeguard specialists, deployed between headquarters and resident missions, in its operations departments, which consists of five regional departments and a Private Sector Operations Department (PSOD). There are also 15 ESS specialist in the Safeguards Division (SDSS) who support the Chief Compliance Officer (CCO). The operational specialists conduct the initial screening of projects and propose a risk categorization, which is reviewed and approved by the CCO and SDSS. The SDSS also conducts field missions to review ESS issues during project implementation. ADB has a detailed safeguard compliance flow chart outlining review procedures and staff roles at each stage of the project cycle.

13. The SDDS is also responsible for building capacity on the bank's safeguards for staff and borrowers. ADB has a three-module, in-house training course on safeguards and also conducts sector-specific training on e.g. biodiversity, occupational health and pollution prevention. Project-level ESS training is implemented for project management units and consultants, and training and awareness activities are offered to external clients, stakeholders and the general public.
14. Internal knowledge sharing is facilitated through ADB's Social Safeguards Network, which hosts monthly brownbag discussions and other activities. Externally, ADB is part of the Multilateral Finance Institutions' Working Group on Environment and Social Safeguards (MFI-WGESS) and also created a Joint Safeguards Practitioners Community of Practice (Joint CoP) together with the World Bank, JICA and the Australian Department of Foreign Affairs and Trade (DFAT). The Joint CoP has established safeguard learning centres in the Philippines and Vietnam.

GENDER EQUALITY

15. ADB was assessed as fully compliant with GEF policy in the 2019 review. For the current review, ADB updated its self-assessment promptly and provided evidence of implementation capacity and effectiveness. ADB self-assessed as fully compliant.
16. KPMG conducted a desk review, as described for ESS above, and interviewed specialists from the ADB Gender Thematic Group. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
17. Guidelines for Gender Mainstreaming Categories of ADB Projects were approved in March 2021. ADB uses a gender categorization system at the beginning of the project lifecycle and upon completion to measure the implementation of gender mainstreaming commitments and progress towards strategic targets. ADB's Strategy 2030 requires that 75% of the bank's operations must have gender elements, which requires a high percentage of projects to be categorized as having integrated gender mainstreaming. The project completion report (PCR) appendices include gender monitoring and gender mainstreaming matrices. A project is ranked as being successful if 80% of all actions have been fully implemented and 80% of targets met.
18. ADB has developed a Good Practice Note on Addressing Sexual Exploitation, Abuse and Harassment (SEAH) that was in draft form and being piloted at the time of KPMG's review. The note specifies roles for all stakeholders, e.g. ADB, borrowers, contractors. It is expected to be finalised and published by the end of the year.
19. The Gender Thematic Group is led by a Chief of Gender Equality and includes 29 specialists currently, with 11 new positions in the process of being recruited. In addition, there are gender consultants in the operational departments, about 12-15 at headquarters and about 25 in the regions, and each department has a Gender Anchor. The technical capacity of staff is supported through annual gender training. In 2021, two virtual training programs were conducted and ADB organised its first Gender Forum, which was attended by 1,900 internal and external participants. Training for ADB staff on the new SEAH Good Practice Note is expected to take place in November 2022.

STAKEHOLDER ENGAGEMENT

20. ADB was assessed as fully compliant with GEF policy in the 2019 review. For the current review, ADB updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. ADB self-assessed as fully compliant.

21. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
22. In the updated SPS, there will be a new standard on Stakeholder Engagement and Information Disclosure (ESS 9). Meaningful consultation is an important feature of ADB's principles and stakeholder engagement plans. Project implementation teams are supported by a Handbook on Poverty and Social Analysis and a Sourcebook for Engaging with Civil Society Organisations in ADB Operations.

AfDB - African Development Bank

MINIMUM FIDUCIARY STANDARDS

1. In the 2020 policy self-assessment, AfDB submitted a partial self-assessment covering certain standards and its review was not completed within the timeline leading up to GEF 59th Council Meeting. Subsequently, AfDB submitted its full self-assessment, which was reviewed by the external expert in April-May 2021. In May 2021, AfDB was assessed as compliant except for the sub-standard II.8 (f) – Procedures for the periodic review of handling of hotline, whistleblower, and other reported information. According to the Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022, AfDB was partially compliant with an action plan under implementation for the sub-standard II.8 (f).
2. AfDB updated its self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. However, this was not provided in a timely and adequate manner, which resulted in a delay in the review process.
3. AfDB self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness except for the substandard II.8 (f). Based on our desk review procedures, interviews, and an examination of the evidence provided and relevant audit reports, KPMG concurs with AfDB's self-assessment rating and concludes that AfDB is compliant with the GEF's MFS except for the sub-standard II.8 (f). According to AfDB, the whistle blower policy remains under development and is subject to a consultation process and approval by the governing body, and implementation roll-out in 2023.
4. KPMG's planning procedures included an opening meeting with AfDB representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. AfDB updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. AfDB provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, and training information at different organisational levels. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by AfDB for clarity, completeness, and relevance.
1. KPMG held an interview with AfDB representatives. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place to support governance and staff members with guidance and trainings on the implementation tools and elements of the MFS. We also reviewed AfDB's Green Climate Fund (GCF) accreditation granted in 2016, which indicates that AfDB has met the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

2. In the 2019 review, some gaps were found in minimum standards 1-6 and 9 and an action plan was established for AfDB to update its Integrated Safeguards System (ISS) by 2022. The Independent Development Evaluation (IDEV) function of AfDB also conducted a comprehensive evaluation of the effectiveness of the ISS in achieving its safeguards objectives in 2019. The aim was to assess the relevance and robustness of its design, and the efficiency of the system, process, resourcing and incentives in place. The evaluation found significant gaps and challenges with the bank's implementation capacity and effectiveness.

3. At the time of KPMG's review, the draft of an updated version of the ISS had been posted on AfDB's website and an external consultation process was carried out during March-May 2022. The updated ISS was reviewed by the AfDB Committee on Operations and Development Effectiveness (CODE) in its meeting on 30 November 2022. The outcome of the review was that additional revisions were needed prior to approval. A date for the next review had not been set as at the date of this report.
4. For the current review, AfDB updated its self-assessment on a delayed timeline and submitted it to KPMG in early October. AfDB provided some evidence of implementation capacity and effectiveness, but did not confirm a time for an interview. AfDB self-assessed as fully compliant with all standards apart from 9.17(a).
5. After the receipt of materials, KPMG conducted an expedited desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, and tools related to the GEF standards. The information provided on staffing was very limited. We also reviewed examples of how these are used in practice based on project links and documents provided by AfDB, as well as publicly available materials.
6. Based on our desk review, KPMG's assessment of AfDB is partially compliant with standards 1-6 and 9, in line with the previous GEF review. Based on a high-level review of the draft ISS, most of the gaps should be addressed by the updated ISS when it has been finalised and approved.
7. The draft of the updated ISS increases the number of Operational Safeguards to 10, up from five in the previous version, and will include practical and technical guidance notes. The Environmental and Social Safeguards & Compliance Department (SNSC) has a set of Business Standards, called the E&S Officer's Toolbox, that describe the E&S due diligence products and process throughout the project cycle and outline the roles and responsibilities of staff in quality assurance and compliance. It also includes practical guidance and templates for the key instruments, checklists and terms of reference. Extensive thematic guidance materials exist for different sectors and types of projects.
8. SNSC is in charge of oversight for safeguards implementation. The recommendations in the 2019 IDEV evaluation highlighted a need to strengthen the bank's E&S resources, information system and accountability, as well as ISS training. AfDB informed KPMG that there are ongoing processes to address capacity gaps identified in the IDEV evaluation, and noted that ESS specialists have been decentralized to the bank's regional hubs over the past five years to increase capacity closer to implementation. However, due to limited information provided in the self-assessment or follow-on communications, KPMG did not obtain a comprehensive picture of current staffing, training and systems.

GENDER EQUALITY

9. AfDB was assessed as fully compliant with GEF policy in the 2019 review. For the current review, AfDB updated its self-assessment and provided some evidence of implementation capacity and effectiveness. AfDB self-assessed as fully compliant.
10. KPMG conducted an expedited desk review, as described for ESS above. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan. Our assessment is limited however by the lack of an interview with a gender specialist or other AfDB staff member.
11. In response to findings from the IDEV evaluation, AfDB has made efforts to introduce a new strategy and tools for gender mainstreaming. AfDB's work on gender mainstreaming is guided by the recently approved Gender Strategy and Action Plan 2021-2025. There is no stand-alone

operational safeguard on gender equality but a combination of instruments ensure compliance with GEF, including a Gender Policy from 2001 and other ISS standards that refer to gender and the inclusion of women.

12. In 2020, AfDB adopted a Gender Marker System that is used to categorize the bank's projects based on their level of contribution to gender equality and/or women's empowerment. A recent case study by the bank highlights successful gender integration in AfDB's portfolio, including examples of two GEF-funded projects.

STAKEHOLDER ENGAGEMENT

13. One partial gap related to SE minimum standard 16(b) was identified in the 2019 GEF review, and the IDEV evaluation found gaps and challenges with SE implementation. For the current review, AfDB updated its self-assessment and provided some evidence and examples of implementation capacity and effectiveness. AfDB self-assessed as fully compliant.
14. KPMG assessed stakeholder engagement as part of the ESS desk review. Based on our desk review, KPMG's assessment is partially compliant with sub-standard 16(b). It is our understanding that this gap will be addressed in the updated ISS when it has been approved by CODE and the AfDB Board.
15. In the draft of the updated ISS, Operational Safeguard 10 on Stakeholder Engagement and Disclosure of Information outlines clear and standardised requirements on stakeholder engagement plans, including stakeholder analysis and meaningful consultations, as well as information dissemination and transparency.

BOAD - Banque Ouest Africaine de Développement

MINIMUM FIDUCIARY STANDARDS

1. In the 2020 policy alignment self-assessment process (December 2020), BOAD was assessed as partially compliant, with an action plan under implementation for 19 sub-standards. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 states that BOAD had provided additional information addressing 6 sub-standards, but for other 13 sub-standards the action plan was still in progress or there was a need for additional information in order to rate it as fully compliant.
2. BOAD updated its self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. However, this was not provided in a timely and adequate manner, and the review was not completed in time for the 63rd GEF Council meeting. The review process continued in November and December 2022.
3. BOAD submitted a full self-assessment in which they assessed themselves as fully compliant against all MFS standards except for sub-standard II.1(e) 'An annual audit opinion on the financial statements and/or, where applicable, on all GEF funds received from the Trustee and administered by the GEF Partner Agency, shall be issued by the external auditor and made public'. Based on our review procedures KPMS concludes that BOAD has taken some remedial actions to implement the action plan for the balance of 13 sub-standards from the 2020 policy compliance assessment. However, based on the procedures performed and the information provided as at the date of this report, BOAD still needs to implement actions and provide additional information to evidence its policy compliance for sub-standards I.3(a), I.4(a), II.1(e), and II.3(b).
4. KPMG's planning procedures included an opening meeting with BOAD representatives, a review of the first assessment and a desk review of the revised self-assessment and documentation. BOAD updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisational structure. However, the review process was challenging, and several discussions were required. BOAD provided narrative answers to evidence some of the areas of implementation capacity and effectiveness. Additionally, KPMG reviewed available information that was provided including organisational and staffing details, and relevant external and internal audit and evaluation reports. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by BOAD for clarity, completeness, and relevance in order to conclude upon implementation capacity and effectiveness and identify risks and gaps.
5. KPMG reviewed several internal and external audit and evaluation reports that were considered relevant to the MFS review of implementation capacity and effectiveness. These reports for example include a BOAD Monitoring Report of a GEF project dated February 2022, a BOAD internal audit report of the same GEF project from March 2022, a BOAD Evaluation Strategy 2021-2025 from December 2020, and a report from an external consultant on BOAD's anti-fraud and anti-corruption practices dated April 2021. These reports in consolidation include a number of identified gaps and recommendations that impact multiple MFS components. KPMG was not provided up to date management action plans to evidence if sufficient and appropriate actions were taken by BOAD to address these findings. However, our interviews and the received documentation indicate that several recommendations are still in progress or are yet to be implemented as at the date of this report. As a result, KPMG does not concur with BOAD's self-assessment rating. The reports indicate a risk of partial non-compliance with GEF's MFS requirements on implementation capacity and effectiveness, in addition to a lack of complete and timely information from BOAD.

6. In our view, BOAD should develop an action plan to address all partial compliance with policies, and also develop an action plan to document and evidence the implementation of remedial actions to address all findings stemming from the above-mentioned reports related to implementation capacity and effectiveness. Some of the specifics of these reports are provided below:
- a. Out of the two GEF-funded projects, one is in the implementation phase as at the date of this report. The latest monitoring report for this project is dated February 2022. It states that there is a high turnover of staff in the project management office, delays in starting the activities in the field, demotivation of personnel, and a low level of disbursements.
 - b. A March 2022 dated BOAD internal audit report for the same project highlights several deficiencies in managing the project in compliance with BOAD policies, procedures and guidelines.
 - c. BOAD's risk management policy update and the preparation of action plans in relation to seven residual risks (related to legal and fiduciary risks for example) identified as non-acceptable in 2021 are noted as ongoing as at the date of this report.
 - d. BOAD's Evaluation Strategy 2021-2025 dated December 2020 highlights weaknesses in BOAD's evaluations, a lack of resources in finance, and a lack of data and regular reporting from projects.
 - e. A December 2021 Meta-evaluation of BOAD evaluations for the period 1993-2016 highlights several weaknesses in BOAD evaluations, including a lack of final reporting from projects, a lack of regional evaluations, challenges in using the evaluation reports, and independence in relation to the evaluations where a large part of the contribution was made by internal evaluators.
 - f. BOAD's self-assessment of its Internal Audit division dated February 2022 highlights deficiencies in the internal audit procedures. This includes deficiencies non-communication of internal audit mission reports to the Audit Committee, delays to scheduled internal audit missions, and insufficient documentation of internal audit evidence. Several of the remedial actions are expected to be completed by the end of December 2022.
 - g. An April 2021 dated report from Deloitte related to BOAD's anti-fraud and anti-corruption practices includes a large number of findings and recommendations in relation to measures to improve anti-fraud protocols, investigation processes and tools, and the effectiveness of the management of the code of ethics, hotline, and whistleblower protection process. Interviews with BOAD indicates that remedial actions have been taken on 45 recommendations, and another 45 recommendations are expected to be implemented in 2023.
7. A number of pieces of documentation were requested but were not provided to KPMG to evidence the implementation capacity and effectiveness and the remedial actions taken with regards to the findings in these reports. The missing documentation relates to project appraisals, procurements, portfolio and project level monitoring, project evaluations, and documentation regarding the activities of the Ethics Committee. As a result, KPMG concludes that BOAD is not in full compliance with MFS requirements, and evidence and action plans are required to improve the implementation capacity and effectiveness.
8. We also reviewed BOAD's Green Climate Fund (GCF) accreditation granted in 2017, which indicates that BOAD has met the standards of the GCF. According to information received, BOAD remains in the process of renewing the GCF accreditation as at the date of this report.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

9. In the 2019 review process, a range of gaps were found across all minimum standards except MS2, and some gaps were found in relation to Gender Equality and Stakeholder Engagement. An action plan was established for BOAD to revise its Policies and Procedures for Environmental and Social Management (ESM). At the time of KPMG's review, BOAD had completed the revision and the new policies and procedures were in the process of being validated and approved.
10. The opening meeting with BOAD was delayed due to scheduling challenges with key staff. In the first meeting with KPMG, during the second week of September, the objective of the review was clarified and the self-assessment template examined. BOAD devoted a significant amount of time and resources to accomplishing the exercise in a limited timeframe, including translating the template into French so that different units across the bank could understand what was needed.
11. BOAD submitted the updated self-assessment at the end of September, partly filled out in French, and provided some evidence of implementation capacity and effectiveness. BOAD self-assessed as fully compliant with most standards and partially compliant with 1.4(l-o), 8.15(c-e, g) and SE16(d, f-g).
12. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by BOAD, as well as publicly-available materials. KPMG then conducted an interview in French with the Head of the Environment and Climate Finance Division, two environmental specialists, a gender specialist and the GEF Focal Point.
13. KPMG also reviewed a comprehensive audit of the bank's Environmental and Social Management System (ESMS) that was commissioned by BOAD in 2021 with an objective to strengthen institutional capacity. The audit covered BOAD's policies, procedures and guidelines on E&S and gender; evaluated human resources and institutional capacity to implement ESMS; and identified staff capacity needs to operationalise gender dimensions in the portfolio management cycle. A number of deficiencies were found, and an extensive list of recommendations was provided by the auditors to address the identified gaps.
14. Based on our desk review and interview procedures, KPMG's initial assessment of BOAD was partially compliant with standards 1 and 3-9 as identified in 2019 review. It is our understanding that these gaps are all be addressed in the updated ESM, which was pending validation and Board approval at the time of the review.
15. Subsequent to the preliminary report and presentation at the 63rd GEF Council Meeting, KPMG received written confirmation that BOAD's Board of Directors approved the new ESM at its meeting on 2 December 2022. The updated ESM is expected to be published on the BOAD website by the end of 2022. Based on this, BOAD is now considered fully compliant and there are no pending items or action plans.
16. In terms of implementation capacity and effectiveness, KPMG underscores the findings and gaps identified in the 2021 E&S Audit but was not able to assess progress on the audit action plan in detail within the scope of this assignment.
17. BOAD presented a brief update on the ongoing actions the Agency is taking to address the gaps, including the development and validation of nine new ESS standards. Further activities targeting capacity building and institutional strengthening of BOAD and its member countries are scheduled to start in 2023.

18. The comprehensive revision undertaken by BOAD has resulted in new ESM intervention policies (Politique d'Intervention de la Banque Ouest Africaine de Developpement en Matiere de Gestion Environnementale et Sociale dans le Financement des Projets) and procedures (Procedures d'Intervention de la Banque Ouest Africaine de Developpement en Matiere de Gestion Environnementale et Sociale dans le Financement des Projets). The procedures include implementation guidelines for each standard.
19. The Environment and Climate Finance Division at BOAD, which is in charge of overseeing the implementation of safeguards, consists of a small but experienced team of four Environmental Specialists and one Social & Gender Specialist. External consultants are regularly used to fill capacity gaps, especially with complex projects. The Agency acknowledges that staffing is currently not proportionate to the total volume of BOAD projects, and the risk this poses to implementation effectiveness. However, there is commitment and arrangements underway at BOAD to roll-out a capacity building programme in 2023 after the new policy has been adopted. This is expected to include recruitment of more E&S specialists, optimization of the use of consultants and the development of wider staff training on safeguards.

GENDER EQUALITY

20. In the 2019 review, one partial gap was found in paragraph GE19(c). An action plan was established for BOAD to revise its Gender Policy. At the time of the current review, BOAD had completed the revision of the Gender Policy and development of the Gender Strategy. Gender was also integrated into the ESM policy update, as an independent standard. The revised gender documents were in the approval process together with the updated ESM. For this review, BOAD self-assessed as fully compliant in relation to Gender Equality.
21. KPMG conducted a desk review, as described for ESS above, and interviewed BOAD's gender specialist. KPMG also reviewed the gender-related findings of the 2021 external audit report, which identified a number of gaps, challenges and recommendations in terms of implementation capacity. Based on this information and our procedures, KPMG initially assessed BOAD as partially compliant in line with the 2019 GEF review, due to the fact that the policy was not yet formally approved. The Gender Policy was approved by BOAD's Board on 2 December 2022, together with the updated ESM. Based on this, BOAD is now considered fully compliant and there are no pending items or action plans.
22. In addition to the new gender standard in the 2022 version of BOAD's Policies and Procedures for ESM, BOAD is also in the process of elaborating a new gender strategy, with a focus on women's empowerment programs, and a Gender Marker and monitoring system. BOAD currently uses a checklist based on the 2012 gender policy for integration of gender and climate change in projects, and this is applied in all BOAD interventions. BOAD also has guidelines that describe the methodology and procedures for gender mainstreaming and provides templates for instruments such as gender analysis and action plans.
23. In terms of staffing, BOAD has one dedicated gender specialist in the bank. External consultants can be contracted for specific tasks e.g., at project design and development stage. BOAD's ESM capacity building efforts include provisions for gender training and recruitment of a social specialist in 2023. KPMG considers implementation capacity and effectiveness to be adequate but limited due to a lack of human resources. It is noted however that BOAD's GEF portfolio represents a fraction of the total volume of BOAD investments. With only two projects currently approved for GEF funding, BOAD considers that it has full capacity to implement GEF projects, independently of the Bank's broader operations.

STAKEHOLDER ENGAGEMENT

24. In the 2019 review process, partial gaps were found in SE16(c-d, f) and an action plan was established to address the gaps. For the current review, BOAD self-assessed as partially compliant in relation to 16(d).
25. KPMG conducted a desk review, as described above, and interviewed BOAD's safeguards specialists. KPMG also reviewed the relevant findings of the 2021 external audit report, which identified a number of gaps, challenges and recommendations. Based on these procedures, KPMG found that the gap with 16(f) had been addressed and the projects receiving GEF funding are identified on the BOAD website. KPMG initially concurred with the self-assessment of partially compliant with regards to 16(d) and further found 16(c) to be partially compliant, pending the approval of the new ESM. The updated ESM was approved by BOAD's Board on 2 December 2022. Based on this, BOAD is now considered fully compliant and there are no pending items or action plans.
26. Requirements regarding SE are included in BOAD's Operational Policy 1 on Environmental and Social Assessment of Projects and E&S Management System. They are further elaborated in OP15 on Public Participation, which is part of the Environmental and Social Impact Assessment (ESIA) process. These documents clearly describe the requirements and procedures related to stakeholder analysis and engagement plans, as well as information dissemination and transparency procedures.

CAF - Corporación Andina de Fomento

MINIMUM FIDUCIARY STANDARDS

1. In the 2020 policy alignment self-assessment process, CAF was assessed as partially compliant, with an action plan under implementation for 13 sub-standards. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that CAF had fully implemented action plans for 11 sub-standards and was partially compliant for the sub-standards II.1 (d) and II.3 (a). According to the Progress Report, CAF had an action plan under implementation to fulfil the gaps.
2. In the current review about implementation capacity and effectiveness, CAF has self-assessed itself as fully compliant against all standards except for six sub-standards: I.2(h-i), I.3(a-b), II.1(d) and II.3(a). Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with CAF's self-assessment ratings and concludes that CAF is partially compliant with the GEF's MFS. CAF prepared an action plan to fulfil the gaps in the MFS implementation capacity and effectiveness. The MFS areas to be strengthened relate to procurement processes, monitoring, external audit and oversight of executing agencies. CAF's action plan includes modified and updated internal regulations and specific internal procedures to be implemented by the end of the first quarter of 2024.
3. CAF updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. Initially, CAF did not submit the material to KPMG within the schedule set by GEF, which resulted in a delay in performing the review. However, CAF then updated this accordingly.
4. KPMG's planning procedures included an opening meeting with CAF representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. CAF updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. CAF provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by CAF for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. KPMG held an interview with several CAF representatives, including the GEF Coordinator, Chief Executive - Development Cooperation Funds, and the Principal Executive, Green Business Unit. KPMG's review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed CAF's Green Climate Fund

(GCF) accreditation granted in 2015, which indicates that CAF has met the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

6. In the 2019 review, partial gaps were found across ESS minimum standards 1-9 and an action plan was developed. CAF addressed all identified gaps through updated policies and processes, including the CAF-GEF Manual on Environmental and Social Safeguards, CAF-GEF Accountability Mechanism, Prevention of Gender Discrimination and Workplace Sexual Harassment in CAF-GEF Projects, and Actor Engagement Framework for CAF-GEF Projects. CAF was assessed to have satisfactorily completed its plan of action and be in compliance at the 61st GEF Council Meeting in November 2021.
7. For the current review, CAF updated its self-assessment in a timely manner and provided relevant evidence of implementation capacity and effectiveness. CAF self-assessed as fully compliant with all standards.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on documents provided by CAF, as well as publicly-available materials. KPMG then conducted an interview with specialists from the CAF-GEF Coordination, Gender and Diversity, and Trust Fund/Green Business units. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plans.
9. CAF's updated ESS Manual and guidelines were published in July 2021 and are being applied to all GEF and GCF-supported projects. The document describes the objectives, scope, requirements and procedures (for Origination, Evaluation, Formalisation and Administration) of each standard. CAF has clear tools and procedures related to ESS that detail the process steps and staff arrangements needed to ensure proper execution.
10. It should be noted that, due to the nature and size of CAF's portfolio, several ESS sub-standards have yet to be triggered and there is no track record on implementation effectiveness. If risks related to these sub-standards are identified, CAF affirmed plans to contract expert consultants to support ESS staff in applying and complying with relevant safeguard procedures.
11. The key safeguards specialist, currently the Principal Executive in the Green Business Unit, is in charge of overseeing ESS implementation in GEF projects and approving screening documents and preliminary ESS assessments. He is supported by a range of in-house E&S specialists based in other units, and CAF maintains a roster of experienced consultants who can support when needed. The exact number of staff working on ESS was not provided.
12. Executing Agencies/clients are required to pass a due diligence process and comply with CAF standards, which has resulted in the exclusion of some government agencies. The capacity and expertise of Executing Agencies in E&S management varies and CAF provides needs-based coaching to clients.
13. CAF has sufficient tools and systems for safeguards management across the project cycle, including an online portal. As the project portfolio continues to grow, CAF aims to develop more advanced tools and systems to ensure effective implementation at a larger scale. CAF is also planning to develop an enhanced training platform to meet increased demand for capacity building.

GENDER EQUALITY

14. CAF was assessed as fully compliant with GEF policy in the 2019 review. For the current review, CAF updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. CAF self-assessed as fully compliant.
15. KPMG conducted a desk review, as described for ESS above. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
16. In the CAF-GEF ESS Manual, GE and gender mainstreaming are integrated as a project safeguard (S09). During 2021-2022, CAF went through an organizational restructuring that reflected a stronger commitment to gender. The gender unit was upgraded at the corporate level and currently has four specialists. The gender safeguard in the ESS Manual is being revised, and the enhanced standard and related templates are expected to be in force by the end of 2022. CAF has begun to classify projects based on their gender risks and focuses on ensuring that there are measurable gender indicators in all projects. The Agency is also engaged in capacity building, and is currently hiring a consultant to develop tailored workshops on gender for internal staff and management,

STAKEHOLDER ENGAGEMENT

17. The 2019 review identified two partial gaps related to the SE minimum standards. These gaps were addressed through an update to the first project safeguard (S01) in the ESS Manual and commitments to disclosing information related to GEF funding. CAF was assessed to have satisfactorily completed its plan of action and be in compliance at the 61st GEF Council Meeting in November 2021.
18. For the current review, CAF updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. CAF self-assessed as fully compliant. KPMG assessed stakeholder engagement as part of the ESS desk review and interview procedures. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
19. CAF does not have a specific policy on SE, but clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency, are included in the updated ESS manual.

CI - Conservation International

MINIMUM FIDUCIARY STANDARDS

1. CI was assessed as fully compliant with no action plan in the 2020 policy alignment self-assessment process. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that CI is fully compliant with no action plan requirement.
2. CI has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that CI is fully compliant. There are no pending items or an action plan requirement.
3. CI updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with CI representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. CI updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. CI provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, other relevant external and internal audit reports, and evidence of internal audit procedures and reporting to the governing body. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by CI for clarity, completeness, and relevance. KPMG also reviewed evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
4. KPMG held an interview with several CI representatives, including the GEF Coordinator, Grants Managers, and the Director of Grants Management. We also engaged with other units in relation to the implementation capacity as MFS is spread across a number of units. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed the 2021 GCF accreditation report that had no exceptions, the latest organisational external audit report on the financial statements, audit committee sample reporting, and relevant audit management letters.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. In the 2019 self-assessment and review process, a range of partial gaps were found across each of the minimum standards for ESS and an action plan was established. CI addressed all identified gaps in its revised Environmental and Social Management Framework (ESMF). The new ESMF, including guidance notes and other tools, was submitted for GEF review in 2020 and CI was assessed to have satisfactorily completed its plan of action.

6. For the current review, CI updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. CI self-assessed as fully compliant with all standards.
7. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by CI, as well as publicly available materials. KPMG then conducted an interview with the Coordinator and the Environmental & Social Framework (ESF) Director in the CI-GEF/GCF Projects unit. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
8. The ESMF was originally created in 2013 and has been revised several times. The update in 2020 was based on a GEF/GCF gap analysis, conducted after the 2019 review, and consultations. ESS roles and responsibilities are clearly described in the ESMF, and the process description for the project cycle is accompanied by clear practical guidance and templates. GEF/GCF projects currently make up about 50% of CI's project portfolio and CI noted that participation in the GEF has helped build CI's institutional capacity. A corporate-level safeguards system developed last year adopted GEF policies and guidance. Through this system, GEF standards are being applied to all CI operations as of July 2022.
9. Until recently, ESS for GEF projects was dependent solely on the expertise and resources of the ESF Director, which posed a moderate risk to implementation capacity and effectiveness. As part of the recent policy and systems updates, however, CI has invested in strengthening its internal resources. A new ESF Manager was added to the GEF/GCF Projects unit in April 2022. The Safeguards team also developed an e-training course on the ESMF that is mandatory for project leads and recommended for all project teams and regional offices working on GEF projects. More than 150 people (internal staff and external consultants) have completed the e-training and CI recently conducted an evaluation of the e-course. In addition, a more in-depth ESS practitioners training was developed and through that 45 people have become ESS certified within CI. CI has prioritised the creation of new and expanded training materials during this year.
10. CI has developed new systems and tools to streamline and improve documentation throughout the project cycle. As a relatively small Agency, CI also has the ability to quickly adjust and improve templates and processes in response to learnings. A new project approval request (PAR) system was implemented last year with safeguards checkpoints and electronic signoffs at multiple stages. The ESF Director screens all projects at the PIF stage and again at the end of the PPG stage, as some standards are only triggered after the project plan and implementation sites are confirmed. A new project management system (PMS) is in development to digitise more of CI's documentation and reporting. ESS risks are monitored through annual reporting and site visits.

GENDER EQUALITY

11. CI was assessed as fully compliant with GEF policy in the 2019 review. For the current review, CI updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. CI self-assessed as fully compliant.
12. KPMG assessed GE as part of the broader ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.

13. CI's current Gender Mainstreaming Policy is integrated in the ESMF, and the policy outlines clear and standardised requirements on gender analysis and Gender Mainstreaming Plan (GMP). In addition, CI has separate Guidelines for Integrating Gender & Social Equity into Conservation Programming, which provides practical guidance to recognize, understand and integrate gender and social equity into community-based conservation projects.
14. The ESF specialists have relevant expertise to review gender-related components in most GEF-funded projects and, if a project has a significant focus on gender, CI's Gender Advisor is consulted. CI provides gender training to internal staff and project partners and is working on mainstreaming gender more in the project design stage.

STAKEHOLDER ENGAGEMENT

15. The 2019 review identified one partial gap related to SE minimum standards. This was addressed in the revised ESMF, and CI was assessed as fully compliant in 2020. For the current review, CI updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. CI self-assessed as fully compliant.
16. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. KPMG reviewed a sample of Stakeholder Engagement Plans (SEPs) from GEF-funded projects and evidence of implementation, such as recordings of stakeholder workshops. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
17. CI's Stakeholder Policy is integrated in the ESMF, and the policy outlines clear and standardised requirements on SEPs, including stakeholder analysis and information dissemination. CI's public GEF Project Database has a large and transparent collection of project documentation.

DBSA - Development Bank of Southern Africa

MINIMUM FIDUCIARY STANDARDS

- 1 In the 2020 policy self-assessment, DBSA was assessed as partially compliant, with an action plan under implementation for 5 sub-standards. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that DBSA had fully implemented action plans for 4 sub-standards and was partially compliant for the sub-standard 1.2 (g) – Procurement of goods guidelines encourage consideration of sustainability concepts. According to the Progress Report, an update on timing to fulfil the gap was pending from DBSA.
- 2 DBSA has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided and relevant audit reports, KPMG concurs with DBSA's self-assessment rating and concludes that DBSA is fully compliant with the GEF's MFS. DBSA has reached a fully compliant status for sub-standard 1.2 (g) by updating its Supply Chain Management Policy, published on 11 August 2022, to include a provision on sustainability concepts.
- 3 DBSA updated its self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. However, this was not provided in a timely and adequate manner, which resulted in a delay in the review process.
- 4 KPMG's planning procedures included an opening meeting with DBSA representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. DBSA updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. DBSA provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by DBSA for clarity, completeness, and relevance. KPMG also reviewed external audit reports and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
- 5 KPMG held an interview with DBSA representatives, including the former and substitute GEF Coordinators, Climate Change Specialist, and Climate Finance Specialist. KPMG's review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed DBSA's Green Climate Fund (GCF) accreditation.

Environmental & Social Safeguards

6. In the 2019 review process, some partial gaps were found across minimum standards 1, 2, 3, 5, 8 and 9 and an action plan was established. DBSA addressed the majority of gaps with a revision of its Environmental and Social Safeguard Standards (ESSS) in March 2020. However, the GEF

reassessment found remaining partial gaps for sub-standards 2.5 (b, f) related to DBSA's Independent Grievance Redress Mechanism (IGRM). The remaining gaps have been addressed in a new ESSS version that is expected to be approved by DBSA's IDKC Management Committee on 28 October 2022.

7. For the current review, DBSA updated its self-assessment on a delayed timelines which shortened KPMG's period for review. The evidence of implementation capacity and effectiveness provided by DBSA was limited but sufficient. DBSA self-assessed as fully compliant.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by DBSA, as well as publicly-available materials. KPMG then conducted an interview with the Head of the ESG Unit. DBSA also shared with KPMG a video recording of a meeting with ESG team members introducing the ESMS and related procedures.
9. Based on our desk review and interview procedures, and on the expected approval of the updated ESSS on the same date as this report, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan related to individual standards. However, DBSA acknowledges limitations in terms of certain tools and procedures, as well as human resources in the ESG team. According to DBSA, they are able to manage safeguards implementation and monitoring for the GEF portfolio due to the limited number of projects and the fact that most are low risk (as opposed to the bank's investments in large infrastructure projects). KPMG finds that DBSA's current implementation capacity and effectiveness is adequate in relation to its GEF portfolio.
10. The ESSS document comprises 11 standards and related annexures that clearly describe procedures for application of safeguards across the DBSA investment value chain. GEF projects are typically integrated into larger projects at DBSA, and the E&S risk categorization is generally low. Most of the safeguards have not been triggered in relation to GEF-funded projects. DBSA recently contracted an advisory team from the Frankfurt School of Finance & Management to support in the next comprehensive revision of the safeguards management system and related tools and procedures. Part of the revision will look at capacity building and strengthening for internal staff.
11. The Climate and Environmental Finance Unit (CEFU) is responsible for GEF coordination at DBSA. The GEF Focal Point is currently an interim appointee after the recent departure of the staff member who held the position. The Head of ESG Unit is in charge of safeguards oversight and a small team of specialists (five environmental and socio-institutional analysts, a gender specialist and three graduate trainees) are involved in appraisal of projects' adherence to E&S safeguards from preparation to monitoring. In addition, monitoring and evaluation specialists and technical information specialists from the Operations Evaluation unit closely participate in reporting. External consultants can be hired for specific purposes but maintaining a roster of E&S consultants is against the procurement rules of DBSA, according to the interviews. DBSA does not have any standardized training on safeguards, but workshops and trainings are organized on an as-need basis for the project teams. The ESG team participates in thematic external trainings around safeguards topics.
12. The ESG team relies on reports from client project teams to monitor safeguards implementation, rather than conducting their own supervision missions. The safeguards capacity of clients is diverse but there is growing awareness of the importance of managing E&S risks. One issue

brought up by the ESG team is the poor quality of ESIA's and a lack of professional consultants in the region capable of carrying out such extensive studies.

GENDER EQUALITY

13. DBSA was assessed as fully compliant with GEF policy in the 2019 review. For the current review, DBSA updated its self-assessment and provided sufficient evidence of implementation capacity and effectiveness. DBSA self-assessed as fully compliant.
14. KPMG conducted a desk review and interview, as described for ESS above. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan. KPMG finds DBSA's current gender capacity adequate for the current portfolio but too limited to achieve the Agency's stated plans and objectives in this area.
15. DBSA addresses gender issues in an ESSS Gender Mainstreaming standard, which describes the objectives and requirements for the client to ensure gender-sensitive project design and implementation. The Annexed guidelines provide practical instructions and templates for gender analysis and action plans at different stages. DBSA is making efforts to enhance gender mainstreaming across the bank's operations and investments. The first gender-related KPIs were introduced in 2020 and adoption of the UN Gender Marker tool has been initiated to categorize the gender contribution of projects.
16. DBSA does not have a specialized gender unit but does have one gender specialist in the ESG team who provides training to frontline teams. Currently, DBSA has only six GEF projects in implementation and the capacity is adequate. However, in order to achieve the Agency's stated commitment to screening, assessing and monitoring all DBSA projects for gender inclusivity, as well as supporting clients with gender issues, capacity would need to be significantly expanded.

STAKEHOLDER ENGAGEMENT

17. DBSA was assessed as fully compliant with GEF policy in the 2019 review. For the current review, DBSA updated its self-assessment and provided sufficient evidence of implementation capacity and effectiveness. DBSA self-assessed as fully compliant.
18. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
19. The ESSS Stakeholder Engagement and Information Disclosure standard describes the requirement for DBSA clients to engage stakeholders throughout the project life and outlines clear and standardised requirements on SEPs, including stakeholder analysis and information dissemination.

EBRD - European Bank for Reconstruction and Development

MINIMUM FIDUCIARY STANDARDS

1. In 2020, the EBRD undertook a self-assessment against the GEF's Minimum Fiduciary Standards, and was assessed as 'partially compliant with action plan pending' for Standards I.3 (b) and II.2 (h). These standards were related to roles and responsibilities of the monitoring function, and to separation of functions between project implementation and execution. The EBRD has since implemented institutional changes, and the 'Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards' dated June 2022 highlights that EBRD is 'fully compliant with action plans fully implemented'.
2. During phase 2 of its self-assessment carried out at the end of 2021 and early 2022, EBRD self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that EBRD is fully compliant. There are no pending items or an action plan requirement.
3. KPMG's review procedures included an opening meeting on 9 September 2022 with EBRD representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. EBRD's self-assessment described their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. EBRD provided documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates and workflows, walkthroughs of project and financial systems, training information, and other relevant external reports. KPMG screened accompanying evidence provided by EBRD for clarity, completeness, and relevance.
4. KPMG held interviews with the Donor Co-Financing Department (responsible for overall GEF coordination), Internal Audit function and Investigations function representatives. KPMG's review of the organisational structure and policies highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate and are implemented by using a number of different types of implementation tools and procedures. KPMG reviewed a sample of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Fiduciary risk, compliance and oversight is implemented, monitored, and tracked across different units in several ways. We reviewed available information as evidence that policies, implementation capacity and effectiveness are in place. We also reviewed EBRD's Green Climate Fund (GCF) accreditation granted in 2015, which indicates that EBRD meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. EBRD was assessed as fully compliant in all areas in the 2019 review. For the current review, EBRD updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. EBRD self-assessed as fully compliant with all standards.
6. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, training and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by EBRD, as well as

publicly available materials. KPMG then conducted an interview with climate team in the Donor Co-Financing Department and several safeguards' specialists from the Environmental and Sustainability Department (ESD), Gender and Economic Inclusion (GEI) Department, and Independent Project Accountability Mechanism (IPAM) team. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.

7. EBRD's Environmental and Social Policy (ESP) adopted in 2019 includes 10 performance requirements (PRs) and is supported by Procedures for Environmental and Social Appraisal and Monitoring. EBRD is developing new technical guidance for some requirements, such as biodiversity (PR6) and cultural heritage (PR8), that will be released within the next year. EBRD has also begun its ESP review process, which happens about every five years and includes extensive stakeholder consultations and benchmarking with other MDBs. The new ESP should be ready for approval in 2024.
8. Environmental and social advisors in ESD are responsible for ESS appraisal and due diligence of projects and are involved in compliance monitoring. Institutional compliance and learning are led by the IPAM team, an independent office reporting directly to the Board of Directors, reviews environmental, social and transparency-related issues from project-affected communities and civil society organisations. IPAM was created by EBRD's new Project Accountability Policy, which came into effect in July 2020. The team now consists of seven staff and is led by a Chief Accountability Officer (CAO), a position created to strengthen the EBRD's credibility and facilitate high-level engagement with the board and external parties. The IPAM team provides awareness and training to bank staff and to external stakeholders through outreach sessions.
9. EBRD has well-documented procedures for safeguard screening, implementation, and monitoring, and these are undertaken throughout the lifecycle of any proposed investment or activity. The bank's tools and systems are currently being updated as part of a broader digital transformation. EBRD also builds capacity and provides tools for external partners, such as a 2020 Protocol for Digitalised MRV and the bank's flagship Green Cities Policy Tool.

GENDER EQUALITY

10. EBRD was assessed as fully compliant with GEF policy in the 2019 review. For the current review, EBRD updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. EBRD self-assessed as fully compliant.
11. KPMG conducted a desk review, as described for ESS above, and interviewed gender specialists at EBRD. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
12. EBRD's Strategy for the Promotion of Gender Equality 2021-2025 (SPGE) aims to strengthen support of gender equality in climate change. The GEI Department leads on gender mainstreaming activities and promotion of GE in all operations. While advisors in ESD focus on gender-related risks, GEI advisors look for opportunities.
13. In 2021, EBRD launched a Gender SMART, a targeted process that is designed to complement standard ESS due diligence and more systematically integrate gender into the bank's investments. The tool enables bankers to identify gender opportunities, regardless of their own knowledge or interests, and insert gender considerations earlier in project design. The Gender SMART tag has been included the EBRD's Corporate Scorecard, which provides incentives for gender mainstreaming.

14. The current SPGE places particular focus on addressing gender-based violence and harassment (GBVH). EBRD is part of a joint working group on GBVH with other MDBs, and has recently issued new guidance for the private sector on GBVH and good practice notes on addressing GBVH in specific sectors (e.g. agribusiness, education, tourism). In 2022, an e-learning module was developed on responding to GBVH incident reports in a survivor-centric manner; by July, over 62% of EBRD staff had completed the training.
15. EBRD's Gender Academy provides that and other training on gender-related ESS requirements, gender tools and the bank's Equality of Opportunity Strategy (EOS) 2021-2025.

STAKEHOLDER ENGAGEMENT

16. EBRD was assessed as fully compliant with GEF policy in the 2019 review. For the current review, EBRD updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. EBRD self-assessed as fully compliant.
17. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
18. EBRD has clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency. SE and information disclosure requirements are integrated in the ESP (PR10). The policy requires clients to undertake meaningful consultation based on the nature and scale of the project's adverse risks and impacts and the level of stakeholder interest. For projects that are likely to be associated with adverse environmental and/or social risks and impacts, the client will develop and implement a stakeholder engagement plan (SEP) or equivalent documented process, proportionate to the nature and scale of the risks, impacts and development stage of the project (all Category A projects and some Category B).

FAO - United Nations Food and Agriculture Organization

MINIMUM FIDUCIARY STANDARDS

1. FAO was assessed as fully compliant with no action plan in the 2020 policy alignment self-assessment process. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that FAO was fully compliant in 2020 with no action plan requirement.
2. FAO has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of relevant audit reports, KPMG concurs with the self-assessment rating and concludes that FAO is fully compliant in terms of the MFS implementation capacity and effectiveness. There are no pending items or an action plan requirement.
3. KPMG's procedures included an opening meeting with FAO representatives and a desk review of the self-assessment and supporting evidence documentation. KPMG held interviews with FAO representatives to discuss and review examples of implementation capacity and effectiveness. The interviewees included the GEF Coordination Team, the policy work and financial management.
4. After the interviews, FAO provided additional documentation evidence, including details on how the fiduciary components are applied in practice, training information at different organisational levels and information on mandatory trainings, and other relevant external and assessment reports such as external quality review summary on FAO's Internal Audit function. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by FAO for clarity, completeness, and relevance. KPMG also reviewed external and internal audit and assessment reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, financial systems, and audit oversight. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed FAO's Green Climate Fund accreditation granted in 2016, which indicates that FAO meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

6. In the 2019 review a range of partial gaps across several minimum standards were found. Since then, FAO conducted a major revision of its Framework for Environmental and Social Management (FESM), including an extensive consultation process, and issued a guidance note on "Mainstreaming environmental and social management standards in the FAO-GEF project cycle." The updated FESM was formally approved by FAO's Director General in July 2022. A series of updated guidance notes are in the process of being rolled out after FAO's DG approval.

7. For the current review, FAO updated its self-assessment in a timely manner and provided extensive evidence of implementation capacity and effectiveness. FAO self-assessed as fully compliant based on the updated FESM.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by FAO, as well as publicly available materials. KPMG then conducted an interview with key staff from the GEF Coordination Unit and the Environmental and Social Management Unit (ESM) within the Office of Climate Change, Biodiversity and Environment (OCB). Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant based on the new FESM, which addresses all gaps, and KPMG's assessment of the Agency's strong implementation capacity and effectiveness.
9. The new FESM includes nine standards and establishes two E&S operational pillars (ESOP), which set the principles and mechanisms to screen and manage risks and potential impacts. The FAO-GEF guidance note provides clear and practical guidelines and a detailed description of procedures, as well as templates/outlines for specific ESS instruments. FAO understands the need for more resources to be invested in safeguards expertise and instruments at the PPG stage, particularly in high-risk projects. The FESM was approved together with a business plan that introduces a new approach to sustainability and financial resources. A "price tag" will be defined for each project, based on the risk categorization, to ensure sufficient and proportionate budget allocations for safeguards compliance.
10. The ESM Unit at FAO HQ, composed by 7 people, is in charge of overseeing mainstreaming and implementation of FAO's E&S policies and procedures, and providing guidance to each Project Task Force. The Project Task Force appoints a Lead Technical Officers (LTO), who has responsibility for safeguards risk determination and management, and a GEF Program Technical Advisor, who plays a role in building safeguards capacity at the project level. Several project teams also have dedicated safeguards specialists in projects with medium/ high risk profiles. Each of the five FAO Regional Offices has its own safeguards focal point, and some decentralized offices also have part-time focal points for Grievance Redress Mechanism (GRM). In addition, FAO has a Technical Network (TN) for ESS. TNs are voluntary communities of technical professionals sharing the same disciplinary interest but not directly involved in the project/programme. TN members are solicited for expert advice/clearance on ESS issues arising from the E&S risk and impact assessments.
11. To ensure safeguards are triggered and implemented appropriately, FAO highlights the importance of a corporate governance firewall and segregation of duties. LTOs and Technical Advisors in the Project Task Force are under different lines of management from the Budget Holder, who is normally located in FAO Country Offices. FAO also has an E&S compliance review mechanism within its Office of the Inspector General (OIG).
12. Triggered by the approval of the new FESM, FAO is investing in human resources for safeguards and compliance at Headquarters and implementation at Regional Offices. As part of the operationalization and integration of FESM into the project cycle, FAO is planning additional recruitments and has begun to conduct trainings for GEF project teams and LTOs. The objective is to increase capacity at the regional level by 2024 and grow the community of safeguards focal points through training-of-trainers.
13. FAO has solid procedures and systems for implementing safeguards in project design, risk screening, implementation, and monitoring. A safeguards checklist is embedded in the Field

Programme Management Information System (FPMIS), the project management software, and quality assurance processes.

GENDER EQUALITY

14. FAO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, FAO updated its self-assessment in a timely manner and provided detailed evidence of implementation capacity and effectiveness. FAO self-assessed as fully compliant.
15. KPMG conducted a desk review, as described for ESS above, and interviewed FAO's safeguards specialists. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
16. FAO's Policy on Gender Equality 2020-2030 is implemented through the Strategic Framework (2022-2031), which considers gender as both a cross-cutting theme across all Programme Priority Areas (PPAs) and as a stand-alone PPA on GE and rural women's empowerment under Better Lives (BL1). The policy has four core objectives and is aligned with the UN-SWAP 2.0. The Gender Action Plan describes the standard requirements and accountability framework, and defines the roles and responsibilities of senior managers, gender teams, gender focal points and all employees in contributing to gender objectives and implementation of the standards. FAO has a centralized gender unit at the HQ and capacity in gender topics across regional and country offices.
17. The level of gender mainstreaming in programme and project design, and the implementation of gender-related activities, can be tracked through a Gender Marker coding system. FAO's performance against gender-sensitive indicators has been strong; in 2020, 90% of projects were formulated based on a gender analysis. For GEF projects, there are specific Guidelines for FAO-GEF gender-responsive project design.

STAKEHOLDER ENGAGEMENT

18. FAO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, FAO updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. FAO self-assessed as fully compliant.
19. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
20. Environmental and Social Operational Pillar 2 (ESOP 2) under the new FESM sets the requirements for SE (including stakeholder analysis and engagement plans), information disclosure, and grievance, conflict resolution and accountability mechanisms. FAO's Operational Guidelines for Stakeholder Engagement instruct Project Task Forces and other relevant staff how to comply with the ESOP 2 requirements throughout FAO's project cycle.

FECO- Foreign Environmental Cooperation Office (China)

MINIMUM FIDUCIARY STANDARDS

1. FECO was assessed as partially compliant, with an action plan under implementation from the 2020 policy alignment self-assessment process. FECO confirmed actions to the GEF on those standards not rated as fully compliant have been completed, leaving two outstanding issues based on the June 2022 Progress Report. These outstanding issues related to:
 - a. II.6 (e), revising the internal audit policy guidance to describe the risk-based methodology for preparing the audit plans; and
 - b. II.1 (f), developing a solution to demonstrate fulfilment of the GEF standard in relation to an independent audit committee.
2. In August 2022, FECO did not update the revised MFS self-assessment for implementation capacity and effectiveness. Instead, FECO used a summary template, the sub questions were not included. In response, KPMG requested FECO to update the self-assessment again for completeness, which was submitted on 2 September 2022.
3. Based on the revised self-assessment in 2022, FECO stated that these two aspects are still under implementation with a proposed action plan. Except for this, FECO has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. During the review processes, FECO approved its policy “*Provisions on Internal Audit Work (2022 Edition)*” in which FECO addressed the Standards II.6 (e) (the risk-based issue), updated the self-assessment (to reflect the approval), and submitted relevant documents to KPMG on 13 September 2022. FECO remains in the process of implementing the action plan in relation to II.1 (f) to develop a solution to demonstrate fulfilment of the GEF standard in relation to an independent audit committee.
4. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concludes that FECO does not comply with the MFS II.1(f) in relation to having an independent audit committee function. The 2020 self-assessment identified that the GEF standard requires an independent audit committee or equivalent. While FECO’s audit committee mandate meets the requirements, the membership of the committee continues to comprise the internal management team.
5. FECO has not implemented any actions in relation to this issue. The Internal Audit Committee that is responsible for oversight is not independent as they are part of the management team. FECO has identified two possible options to resolve this in the context of their organisational framework and in meeting the GEF requirements. This includes:
 - a. Adding an additional oversight body from the Ministry of Ecology and Environment to oversee the Internal Audit Committee
 - b. Including a majority of independent external experts.
6. FECO has suggested that solution #1 is preferred. FECO suggests using the Ministry of Ecology and Environment (the Department for Science, Tech and Finance) to perform the supervision. The website for this Ministry highlights that it has the role to “undertake supervision and inspection of projects financed by Central Governments”. There is a unit within the department called: Auditing and Project Supervision Office. FECO has yet to confirm its exact course of action. FECO’s Action Plan reflects the pending item, and FECO should now implement the action in an adequate and timely manner.

7. FECO updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. KPMG's planning procedures included an opening meeting with FECO representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. FECO updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. FECO provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessment and screened accompanying evidence provided for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
8. KPMG held an interview with several FECO representatives from FECO's GEF Implementation Office. Through the Office, we also engaged with other units in relation to the implementation capacity as MFS is spread across a number of units. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. We reviewed available information as evidence that policies, implementation capacity and effectiveness is in place. We also reviewed the latest external audit reports on the financial statements, and other assessment reports.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

9. FECO was assessed as fully compliant in all areas in the 2019 review. For the current review, FECO updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. FECO self-assessed as fully compliant with all standards.
10. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, reporting mechanisms, and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by FECO, as well as publicly available materials. KPMG then conducted an interview with the Safeguards Coordinator and two Safeguards Focal Points. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
11. FECO updated its Environmental and Social Safeguards Framework (ESSF) in 2019 to align with GEF requirements. The ESSF is only applied to GEF and GCF-funded projects. FECO has clear tools and procedures for implementing the ESSF that detail the process steps and staff arrangement to ensure proper execution. Currently, FECO only has two GEF-funded projects in implementation. Due to the nature of the project components, both were categorized as "low risk" with minimum or no negative E&S risks or impacts at the screening stage. Consequently, FECO has not prepared Environmental and Social Assessments (ESAs) and no safeguards have been triggered. Based on their policy, FECO is not required to report on safeguards implementation. In their current GEF portfolio, the same government agency is the EA for both projects.

12. FECO's capacity in terms of staffing and expertise on safeguards is at a sufficient level due to its long history as an executing agency (EA) in GEF-funded projects implemented by the World Bank and UNDP. FECO's Safeguard Management team consists of a Safeguards Coordinator, three Safeguards Focal Points, a Gender Focal Point and a Grievance Focal Point. In addition, project staff participate in trainings on safeguards and gender mainstreaming organized by the implementing agencies for projects executed by FECO. FECO does not have a standardized internal training on safeguards, but does facilitate occasional training and knowledge sharing between different internal divisions and provides capacity building to their EAs as needed.

GENDER EQUALITY

13. FECO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, FECO updated its self-assessment in a timely manner and provided some evidence of implementation capacity and effectiveness. FECO self-assessed as fully compliant.
14. KPMG conducted a desk review, as described for ESS above, and interviewed the safeguards specialists on gender topics. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
15. FECO's gender policy was updated in 2020 and renamed the Gender Equality Policy. FECO has a trained Gender Focal Point responsible for coordination and oversight of the policy, as well as a pool of external gender specialists to be contracted for specific tasks, such as capacity building. The Gender Equality Policy describes the gender mainstreaming methodology and the need for training on at project-level.
16. FECO has prepared basic Gender Action Plans for the two ongoing projects. The gender analysis is limited and does not demonstrate a strong understanding of the complexity of the topic. In order to adequately address all aspects of the gender policy, capacity could be strengthened.

STAKEHOLDER ENGAGEMENT

17. FECO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, FECO updated its self-assessment in a timely manner and provided some examples of implementation capacity and effectiveness. FECO self-assessed as fully compliant.
18. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
19. FECO does not have a stand-alone policy on SE or a separate SE standard in the ESSF, but the relevant requirements are integrated across several sections of the ESSF. FECO has a MoU with GEF that exempts the Agency from the GEF standards MS4 (Restrictions on land use and involuntary resettlement) and MS5 (Indigenous Peoples), in which SE is an important element. FECO will not propose projects that involve resettlement or indigenous people, and those should be screened out by screening procedure.

FUNBIO - Fundo Brasileiro para a Biodiversidade

MINIMUM FIDUCIARY STANDARDS

1. In the 2020 policy alignment self-assessment process, FUNBIO was assessed as partially compliant, with an action plan under implementation for ten sub-standards. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that FUNBIO had fully implemented action plans and is fully compliant with no action plan requirement.
2. FUNBIO has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that FUNBIO is fully compliant with GEF's MFS. There are no pending items or an action plan requirement.
3. FUNBIO updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with FUNBIO representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. FUNBIO updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. FUNBIO provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the self-assessment and screened accompanying evidence provided by FUNBIO for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
4. KPMG held an interview with several FUNBIO representatives, including the GEF Coordinator, the Project Management Officer, the Financial Superintendent, the Internal Auditor, and the GEF Project Assistant. KPMG's review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed FUNBIO's Green Climate Fund (GCF) accreditation granted in 2018, which indicates that FUNBIO meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. In the 2019 review, partial gaps were found in MS6 and MS7 and an action plan was developed. FUNBIO updated its Environmental and Social Safeguards Policy (ESSP) to address the identified gaps and was confirmed as fully compliant in the 59th GEF Council Meeting in November 2020.

6. For the current review, FUNBIO updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. FUNBIO self-assessed as fully compliant with all standards.
7. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on documents provided by FUNBIO, as well as publicly available materials. KPMG then conducted an interview with the GEF Coordinator/Safeguards Focal Point and an Environmental Specialist. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plans.
8. The current version of FUNBIO's ESSP was approved in March 2020 and it will undergo its next revision in March 2023. FUNBIO's basic safeguards' structure is based on the performance standards of the International Finance Corporation (IFC). FUNBIO's own policy document is very limited and to a large extent refers to IFC standards and related material. FUNBIO recognises the importance of safeguards and, according to its policy, proposes to apply them in all donor-funded projects executed by FUNBIO.
9. Although FUNBIO is only implementing one GEF-funded project, the Agency has gained significant experience and strengthened its capacity on ESS as an EA for dozens of projects in partnership with other GEF Agencies. The GEF Coordinator leads the implementation of the ESSP and acts as the Safeguards Focal Point, particularly responsible for Standard 1. In addition, FUNBIO has seven technical and thematic specialists appointed as focal points for each safeguard standard, ensuring expertise in all relevant areas. The project managers are also trained on safeguards and external consultants are hired as needed, depending on which standards are triggered, and when handling complex and sensitive topics such as indigenous peoples in the Amazon. The FUNBIO safeguards team participated in an extensive, multi-week training on safeguards conducted by the World Bank, and further training is organized periodically. Staff turnover at FUNBIO is extremely low and the organization has been able to retain and rotate the project staff internally, thus maintaining a high level of expertise in safeguards.
10. FUNBIO is interested in further developing the ESSP and improving team capacity and implementation tools as their GEF portfolio grows. They are planning to improve the screening sheet and integrate safeguards into the project management system to streamline processes. As a conservation organization operating only in Brazil, FUNBIO has the advantage of being familiar with the social, cultural and environmental context, as well as with the partner organizations and government agencies working in the sector.
11. FUNBIO has clear procedures and basic tools for safeguard screening, implementation, and monitoring. In terms of detailed guidelines and templates, the Agency relies on relevant IFC documentation. Since FUNBIO has only had two GEF concepts approved and one project under implementation, several sub-standards have yet to be triggered.

GENDER EQUALITY

12. FUNBIO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, FUNBIO updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. FUNBIO self-assessed as fully compliant.

13. KPMG conducted a desk review, as described for ESS above. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
14. In 2022, FUNBIO updated its stand-alone Gender Mainstreaming Policy, which is applied to GEF and GCF-funded projects. FUNBIO has a Gender Mainstreaming Focal Point, and short-term specialists on gender-sensitive issues can be drawn from a pool of experts for further support. FUNBIO aims to better integrate gender-responsive design in projects. A consultant was hired in 2021 to work on improving gender mainstreaming and ensuring that gender is proactively considered in all stages of the project lifecycle, as opposed to solely collecting sex-disaggregated data or ensuring women's participation.

STAKEHOLDER ENGAGEMENT

15. In the 2019 review, some partial gaps were found related to SE. FUNBIO addressed all identified gaps in its new Policy on Stakeholder Engagement. FUNBIO was confirmed as fully compliant the 59th GEF Council Meeting.
16. For the current review, FUNBIO updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. FUNBIO self-assessed as fully compliant.
17. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
18. FUNBIO's current Policy on Stakeholder Engagement has been in effect since 2019 and is expected to be updated in December 2022. The policy has clear requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency.

IDB - Inter-American Development Bank

MINIMUM FIDUCIARY STANDARDS

1. The 2020 policy alignment self-assessment highlights that IDB was assessed as partially compliant and with an action plan under implementation for the standard II.1 (e). Based on the June 2022 Progress Report, IDB confirmed that the action plan regarding the gap on standard II.1 (e) was under implementation and not yet closed. The outstanding issue relates to the fact that an annual audit opinion on the annual financial statements of the IDB Combined Trust Funds is to be made public on IDB's website. The IDB published this information on its website subsequently, and therefore has implemented its prior action plan.
2. IDB has self-assessed itself as fully compliant against all MFS standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that IDB is fully compliant. There are no pending items or an action plan requirement.
3. IDB updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. Initially, IDB did not submit the material to KPMG within the schedule set by GEF, which resulted in a delay in performing the review. However, IDB then updated this accordingly.
4. KPMG's planning procedures included an opening meeting with IDB representatives and a desk review of the self-assessment and documentation. IDB implements a relatively small number of GEF projects in the context of their overall portfolio. IDB provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, walkthroughs of project and financial systems and tools, and information on capacity building and trainings. KPMG reviewed the self-assessment and screened accompanying evidence for clarity, completeness, and relevance. KPMG also reviewed external and internal audit and assessment reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. KPMG held an interview with several IDB representatives, including the IDB-GEF Technical Coordination Team, Office of Outreach and Partnerships (Resource Mobilization Division and Grants and Co-financing Management Unit), Operations Financial Management and Procurement Services Office, Office of Institutional Integrity, Office of Ethics and Legal Office.
6. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed a walkthrough of a project cycle including registration, funding process, preparation, approval, execution and closure steps. The walkthrough further included monitoring aspect, preparation and execution of results-based management and different types of implementation tools to track and report on project performance, such as Technical Cooperation Monitoring and Reporting module. KPMG also got acquainted with the practical implementation of investigations and sanctions systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed IDB's Green Climate Fund (GCF) accreditation granted in 2018, which indicates that IDB meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

7. IDB was assessed as fully compliant with GEF policy in all areas in the 2019 review. For the current review, IDB updated its self-assessment in a timely manner and provided relevant evidence of implementation capacity and effectiveness. IDB self-assessed as fully compliant with all standards.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, reporting mechanisms, tools, training and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on documents provided by IDB, as well as publicly available materials. KPMG then conducted an interview with the IDB-GEF technical coordination team and 9+ specialists from related units, including Climate Change Division (CCS), Gender and Diversity Division (GDI), Environmental and Social Solutions Unit (ESG), Office of Outreach and Partnerships, and others. The IDB staff gave detailed presentations on the application of safeguards at IDB and offered KPMG a walk-through of their digital tools. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plans.
9. IDB's current Environmental and Social Policy Framework (ESPF) came into effect 31 October 2021. The process of updating the ESPF from the previous version included extensive stakeholder consultations, which are documented on IDB's website. The updated ESPF has a results-based focus and introduces new topics and concepts, such as doing good rather than just do no harm. The safeguards team has received positive feedback on the new framework as being more streamlined and integrated. The ESG operational manual, E&S Review Procedures, clearly defines roles and responsibilities and has a process flowchart that describes E&S solutions in the IDB project cycle. Since its release, the ESPF has been applied to all new operations that are covered by the framework.
10. To enhance its implementation capacity and effectiveness, IDB has been working to clarify procedures and responsibilities, adopt new tools and systems, and invest in capacity building. The ESG unit is currently comprised of 51 specialists and, in recent years, has been going through a decentralization process. Many personnel are now based in the five Regional Hubs rather than headquarters in order to be in closer proximity to clients and projects. For each environmental and social performance standard (ESPS), IDB has appointed two dedicated "champions" who are trained and have special expertise in that topic. Each champion has an individual work plan that includes knowledge sharing (such as brown bags, workshops, blogs). An online training on the ESPF is mandatory for all relevant IDB staff and has been rolled out to 140 clients/Executing Agencies in 14 countries as part of the Bank's focus on borrower capacity building. There are also standard-specific online courses for 7 of the 10 standards that will be available for internal and external stakeholders.
11. IDB has very clear, standardised, and well-documented procedures for safeguard screening, implementation and monitoring. IDB's ESG Compass is an exemplary digital tool that tracks safeguards throughout the project lifecycle. Each project receives an E&S impact categorisation and E&S risk rating at the beginning of the project lifecycle and the safeguards performance review (SPR) is integrated into ESG Compass for all operations supervised by ESG. The E&S risk rating is monitored by a new E&S Risk Management (ESR) Unit created in 2020. In addition, there is an ESG Forum with all relevant documents, guidelines, protocols, tools and templates organised and colour coded in a SharePoint space. There is also a toolkit for risk and impact screening.

GENDER EQUALITY

12. IDB was assessed as fully compliant with GEF policy in the 2019 review. For the current review, IDB updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. IDB self-assessed as fully compliant.
13. KPMG conducted a desk review, as described for ESS above, and interviewed specialists from the Gender and Diversity Division (GDI). The specialists gave a specific presentation on gender mainstreaming at IDB. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
14. GE used to be a separate policy but is now integrated in the ESPF through a gender performance standard (ESPS 9). IDB's Gender and Diversity Sector Framework Document is updated every three years and its new Gender and Diversity Action Plan, which is about to be approved, operationalises gender commitments. IDB prioritises gender through both direct investment and mainstreaming, and every IDB operation is required to do a minimum gender analysis. IDB is applying a proactive approach with an objective to expand the quantity and quality of projects that support G&D and improve results indicators at the impact level. Recent reports on implementation show significant progress on gender-related indicators, surpassing the targets for G&D mainstreaming.
15. The GDI team has 40 professionals based in HQ or in-country offices and designated focal points for each sector and for countries. In addition to the guidelines for ESPS 9, IDB launched an online training program, hosts virtual workshops, and created sensitization materials, including animated videos on sexual and gender-based violence (SGBV) that can happen in infrastructure projects.

STAKEHOLDER ENGAGEMENT

16. IDB was assessed as fully compliant with GEF policy in the 2019 review. For the current review, IDB updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. IDB self-assessed as fully compliant.
17. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
18. Stakeholder Engagement and Information Disclosure was a separate policy but, as with gender, is now integrated in the ESPF as a performance standard (ESPS 10). The standard outlines clear requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency. In support of ESPS 10 implementation, the ESG unit issued a technical note on Reprisal Risk Management in April 2022. An action plan for implementation of the IDB Group-Civil Society Engagement Strategy was issued for 2019-2021 and an updated version is currently being prepared.

IFAD - International Fund for Agricultural Development

MINIMUM FIDUCIARY STANDARDS

1. IFAD was assessed as fully compliant with no action plan in the 2020 policy alignment self-assessment process. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that IFAD is fully compliant with no action plan requirement.
2. IFAD has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that IFAD is fully compliant. There are no pending items or an action plan requirement.
3. IFAD updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with IFAD representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. IFAD updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. IFAD provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by IFAD for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
4. KPMG held an interview with several IFAD representatives, including a senior technical climate finance expert, an accounting officer, and a financial risk officer. We also engaged with other units in relation to the implementation capacity as MFS is spread across a number of units. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. Fiduciary risk, compliance and oversight is implemented, monitored, and tracked across different units in several ways. We reviewed available information as evidence that policies, implementation capacity and effectiveness is in place. We also reviewed the latest organisation and GEF specific external audit reports on the financial statements, audit report on the effectiveness of internal control, audit committee sample reporting, relevant audit management letters, and other external assessment reports.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. In the 2019 review process, several gaps were identified across minimum standards 3 and 5, and no standard was in place to meet the requirements of standard 8. IFAD addressed all gaps

through an updated version of its Social, Environmental and Climate Assessment Procedures document (SECAP), which was launched in September 2021. IFAD was confirmed as fully compliant at the 61st GEF Council Meeting in November 2021.

6. IFAD updated its self-assessment for the current review in a timely manner and provided relevant evidence of implementation capacity and effectiveness. IFAD self-assessed as fully compliant with all standards, except Accountability, Grievance and Conflict Resolution (MS 2) which they marked as partially compliant. Based on the interview, IFAD marked partially compliant because they were awaiting Executive Board approval on the Enhanced SECAP Complaints Procedure. The update includes recruiting additional support, such as an independent expert to manage the complaints review process and setting up a roster of consultants for additional support, e.g. with fact-finding missions and mediation. As confirmed in the 2019 review, however, the existing Complaints Procedure in effect is already compliant with GEF standards.
7. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to GEF standards. We reviewed examples of how these are used in practice based on project documents provided by IFAD, as well as publicly available materials. KPMG then conducted an interview with specialists from the SECAP team and the Environment, Climate, Gender and Social Inclusion (ECG) Division. Based on our desk review and interview procedures, as well as our understanding of compliance on MS 2 as discussed above, KPMG finds that IFAD is fully compliant with all standards and there are no pending items or action plans.
8. The updated SECAP comprises three volumes and is in effect for new projects in the design phase, with one project so far approved under the new procedures. IFAD policies and strategies related to SECAP are in the process of being updated and enhanced. In February 2022, IFAD's Executive Board also approved a new Biodiversity Strategy for 2022–2025. The updated Complaints Procedure, mentioned above, is expected to be approved by the Audit Committee and Executive Board before the end of the year. The IFAD Policy on Engagement with Indigenous Peoples is being updated and will include new requirements on FPIC, food security and nutrition and other aspects that reflect the current context of the standard; approval is expected by the end of the year. During its last replenishment, IFAD also committed to increasing its support to Indigenous Peoples (IPs), with a new target of at least 10 new projects including indigenous peoples as a priority target group at design. The threshold set for these 10 projects is that at least 30% of the project beneficiaries be Indigenous Peoples.
9. At the HQ level, there is a Lead SECAP Advisor and a SECAP compliance officer in the Operational Policy and Results (OPR) Division and three SECAP specialists in the ECG. All are responsible for ensuring compliance of IFAD projects with the SECAP requirements. They are supported by specialists from the Biodiversity, Indigenous Peoples, and Gender and Social Inclusion teams on those respective standards. At other levels, ECG has a regional specialist based in each of the five regions and every Project Delivery Team (PDT) includes two ECG staff members responsible for SECAP issues. Project screening, monitoring, and reporting is also supported by four outposted social inclusion officers and four national climate and environmental officers. Specialized consultants are hired during project design and supervision as needed. The SECAP Unit in OPR reviews and approves project risk categorizations and SECAP documents.
10. IFAD has developed an e-learning course on SECAP that is mandatory for ECG staff, country directors, and programme officers. It includes deep dives into the nine safeguard standards, as well as procurement, stakeholder engagement and grievance redress mechanisms. In 2022, IFAD also launched a fund for Strengthening Borrowers Capacity on Environmental, Social and

Climate Best Practices (SUSTAIN) that aims to facilitate the application of the updated SECAP by project management units.

11. E&S and climate risk screening is systematically conducted through IFAD's Operational Results Management System (ORMS). SECAP elements were incorporated into ORMS after the 2021 update. ORMS flags significant environmental, social and climate (ESC) risks and impacts that may be triggered and informs users about the proper procedures and plans that have to be developed to address them. ORMS is updated continuously throughout the project lifecycle and automatically integrates projects' ESC risks into an Integrated Project Risk Matrix (IPRM). IFAD also uses tools developed by other agencies to assess ESC risks and impacts, such as the THINK Hazard tool developed by the World Bank and the Ex-Ante Carbon-balance Tool (EX-ACT) developed by FAO.

GENDER EQUALITY

12. IFAD was assessed as fully compliant with GEF policy in the 2019 review. For the current review, IFAD updated its self-assessment in a timely manner and provided evidence of implementation capacity and effectiveness. IFAD self-assessed as fully compliant.
13. KPMG conducted a desk review, as described for ESS above. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
14. Gender equality is one of the principles of engagement in IFAD's current Strategic Framework, with a special focus on rural women's empowerment. An update to IFAD's gender policy is in development and expected to be released at the end of 2022, together with the updated Indigenous Peoples Policy and a Disability Inclusion Strategy.
15. IFAD uses a Gender Marker System that assesses project implementation on the basis of the three strategic objectives in the current gender policy, e.g. a project receives a rating of 4 if two objectives are met, 5 if all three are met, and 6 (transformative) if a project goes above and beyond the policy. In the 2021 Report on IFAD's Development Effectiveness (RIDE), 86% of projects had a score of 4+ and 49% were considered gender transformative.
16. The ECG gender and social inclusion team is fully resourced and includes dedicated staff at HQ and the Regional Hubs. IFAD's broader Gender Architecture comprises a "Champion" at the level of Associate Vice President, 37 gender focal points (17 at Hub level), and 17 alternates (6 at Hub level). In addition, there are 100 Gender and Social Inclusion Technical Experts who support project supervision and implementation missions, and 350 Gender Focal Points and implementation partners at the project-level. There is a mandatory Gender Equality Corporate workshop and 25 other trainings that reference gender equality available on IFAD's Learning Management System.

STAKEHOLDER ENGAGEMENT

17. In the 2019 review, one partial gap was found for SE. IFAD addressed this gap in 2019 through a new Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability. The Agency was confirmed as fully compliant at the 61st GEF Council Meeting in November 2020 (when the new SECAP was also assessed).
18. For the current review, IFAD updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. IFAD self-assessed as fully compliant. KPMG conducted a desk review, as described for ESS above. Based on these procedures,

KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.

19. According to the framework, stakeholder consultations are proportional to the scale and nature of the project and a stakeholder engagement plan is drafted during the concept phase. For projects with high and substantial E&S risks and impacts, site visits and interviews are required to be conducted by independent specialists.

IUCN - International Union for Conservation of Nature

MINIMUM FIDUCIARY STANDARDS

1. IUCN was assessed as partially compliant with an action plan provided in the 2020 policy alignment self-assessment process for the standard II.8(d-f) related to the absence of whistleblowing protection policy. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that IUCN is partially compliant with an action plan under implementation for the same standard. The whistleblowing policy is still in a review process and thus the action plan is under development.
2. IUCN self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness, including the above standard II.8. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, IUCN revised their self-assessment and reported to be partially compliant with the standards II.8 (d-f) related to the whistleblowing protection process. KPMG concurs with the updated self-assessment rating and concludes that IUCN is fully compliant except for these sub-standards. IUCN has prepared an action plan in response to these partial compliance aspects. As at the date of this report, The Whistleblowing Policy is going through an internal review and approval process and it is expected to be issued before the end of 2022. In other respects, there are no pending items or an action plan requirement.
3. IUCN updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG. Initially, IUCN did not submit the material to KPMG within the schedule set by GEF, which resulted in a delay in performing the review. However, IUCN then updated this accordingly.
4. KPMG's planning procedures included an opening meeting with IUCN representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. IUCN updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. IUCN provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists, registers and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessment and screened accompanying evidence for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. KPMG held an interview with the Portfolio Manager, Multilateral Finance and Business Development and Senior Manager, and Grants Finance Team. Our review of the organisational structure and policies highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by using a number of different types of implementation tools and procedures, with the exception identified above. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. Fiduciary risk, compliance and oversight is implemented, monitored, and tracked across different units in several ways. We reviewed available information as

evidence that policies, implementation capacity and effectiveness is in place. We also reviewed IUCN's Green Climate Fund (GCF) accreditation granted in 2016, which indicates that IUCN meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

6. In the 2019 review, a range of partial gaps across minimum standards 1, 2, 5-8 and 9 were found. IUCN addressed the identified gaps through an update to its ESS standards (including on Indigenous Peoples and Cultural Heritage), a revised E&S Management System (ESMS) Screening Questionnaire, and updated guidance notes on Environmental and Social Assessment and Monitoring and Grievance Mechanism. Based on these documents, IUCN was confirmed as fully compliant at the 59th GEF Council Meeting in November 2020.
7. For the current review, IUCN updated its self-assessment in a timely manner and provided extensive evidence of implementation capacity and effectiveness. IUCN self-assessed as fully compliant with all standards except for sub-standards 6.12(a) and 8.15(a-d, g, j-k). The next ESMS update is planned for 2023 and IUCN noted that these issues will be covered more explicitly in that version. A guidance note on non-tangible cultural heritage will be finalized by December 2022, and the new ESMS will include a separate standard on labour and working conditions, including relevant procedures and templates for compliance checks.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by IUCN, as well as publicly available materials. KPMG then conducted an interview with the ESMS Coordinator and GEF/GCF Portfolio Manager. IUCN self-assessed as partially compliant on some sub-standards but, based on our desk review and interview procedures, KPMG assesses IUCN as fully compliant with a sufficient level of implementation capacity and effectiveness.
9. The ESMS Manual describes the ESMS Policy Framework (including ESMS principles), institutional and operational arrangements, and ESMS review procedures along the project cycle. IUCN has four standards and practical guidance notes providing further instructions and outlines for safeguards instruments. The policies apply to the entire IUCN portfolio, of which the proportion GEF/GCF project is approximately 50% and most are categorized with low E&S risk. IUCN has gone through an organizational restructuring process and is in the process of adapting to its new role as an implementing agency, compared to its traditional focus on research and advocacy. This transition and the growing portfolio of GEF projects has influenced its review and revision of E&S-related procedures and staffing. IUCN has a very ambitious approach to safeguards and is planning a comprehensive update to the ESMS in 2023.
10. The ESMS Coordinator has the main responsibility for oversight and implementation of ESMS procedures, and assurance of projects' compliance with E&S standards. The coordinator is supported by an expert team consisting of IUCN senior and technical staff drawn from the HQ and regional/national offices. Their role is to ensure integration of safeguard principles in early project design and support screening of projects with their thematic, regional, or country know-how. ESMS implementation is further supported by a small roster of safeguard consultants operating under framework contracts, who are involved in the development of safeguard instruments during project preparation. IUCN recently recruited three new ESMS specialists to enhance capacity in regional offices with a large GEF/GCF portfolio and to reduce the coordinator's workload. The new specialists will be appointed as ESMS Focal Points and will support the screening, clearance and monitoring of ESMS implementation.

11. Members of the expert team are trained regularly on ESMS standards and procedures. IUCN also provides safeguards training to project teams of executing agencies at the inception stage and aims at providing support and consultation on an ongoing basis. IUCN aims to conduct annual supervision missions to monitor progress and identify and address any capacity gaps.
12. In terms of tools and systems, IUCN has an internal project portal where risks and review steps are embedded in the workflow from concept note to final evaluation. The ESMF questionnaire is constantly updated, and a new Open Portal was recently released to publicly disclose project information. According to IUCN, the biggest challenge with implementation efficiency is the slow speed of different internal procedures, many of which are still manual. As part of its organizational restructuring, IUCN is looking to streamline its approach and develop more digitalised tools.

GENDER EQUALITY

13. IUCN was assessed as fully compliant with GEF policy in the 2019 review. For the current review, IUCN updated its self-assessment in a timely manner and provided detailed evidence of implementation capacity and effectiveness. IUCN self-assessed as fully compliant.
14. KPMG conducted a desk review, as described for ESS above, and interviewed safeguards specialists. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
15. IUCN has an extensive Gender Analysis Guide and a GEF-specific Gender Mainstreaming Guidance for Project Design & Development which includes practical instructions and detailed guidance on preparing Gender Analysis and Gender action plans. In addition, IUCN has produced different gender toolkits and guidelines specific to the objectives and context of projects, e.g., coastal management and forest restoration. IUCN has a global 5-people gender team based in the US who work with consultants on gender-focused portfolio and provide technical support and capacity building to other IUCN staff and partners during development and execution of the projects. In addition, there are gender focal points at each regional office.

STAKEHOLDER ENGAGEMENT

16. IUCN was assessed to have one partial gap with the SE minimum standards in the 2019 review. In 2020 IUCN submitted its revised and updated Environmental and Social Standards, and IUCN was assessed to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment. For the current review, IUCN updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. IUCN self-assessed as fully compliant.
17. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
18. IUCN has clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency. IUCN issued a Guidance Note on Stakeholder Engagement in May 2021 that describes internal procedures for identifying relevant stakeholders and deciding the appropriate level of involvement throughout the project lifecycle.

UNDP - United Nations Development Programme

MINIMUM FIDUCIARY STANDARDS

1. UNDP initially self-assessed itself as fully compliant against the revised standards in the 2020 policy alignment self-assessment process. Subsequently, findings of UNDP's Office of Audit and Investigations (OAI) prompted UNDP to revisit its self-assessment and undertake a comprehensive internal review. These internal audit findings, in addition to separately reported grievances and whistle blower cases, highlight issues in compliance, including information about the grievance and whistle blower cases involving GEF-funded projects at UNDP, allegations relating to fraud, misuse of funds, conflict of interest and retaliation against whistle blowers, and the "high-risk" issues of compliance noted in the system-wide audit of the UNDP. These internal audit findings highlighted areas where the policies, procedures and systems for implementation and oversight of GEF-supported programming at all levels of operations needed further strengthening, particularly in high-risk environments where UNDP was active.
2. The December 2020 OAI audit report identified a total of 12 recommendations, of which 5 recommendations were ranked as high priority and 7 recommendations were ranked as medium priority. UNDP accepted the audit findings and recommendations and set up a management action plan and enhanced monitoring measures that reflects a 'whole-of-UNDP effort' in addressing the OAI audit findings and recommendations. The GEF compliance conclusion was deferred at this point.
3. The GEF accelerated the timing for the independent third-party review, and it was the subject of a separate document presented to the GEF Council. The GEF commissioned an independent third-party reviewer to check UNDP's compliance with the MFS in 2021. The final review report dated 30 September 2021 was presented and discussed in the GEF Council meeting in December 2021. The independent reviewer confirmed that UNDP's revised self-assessment was largely appropriate. The reviewer noted, however, that implementation of many required action plan items was in very early stages and that it was premature to verify impacts at an operational level. The reviewer observed general agreement with the concerns leading to the OAI audit, and the findings of the audit among UNDP staff interviewed. The reviewer concluded that the UNDP's OAI was functioning well, noting that OAI has: i) communicated satisfaction with the remedial actions that UNDP intends to take to remediate compliance issues, ii) conducted and reported on the results of its first follow-up audit; iii) planned a second follow-up audit to ascertain the extent to which remediation is occurring in the field, and iv) continued to hold UNDP management to account. The reviewer's assessment of senior UNDP leadership commitment is generally positive and represents that this commitment, coupled with OAI's role and function, increases the third-party reviewer's level of confidence that UNDP is on the right track vis-à-vis GEF-financed activities, thereby reducing GEF's risk exposure due to UNDP as an implementing partner.
4. The GEF Council urged UNDP to continue to implement actions required to come into full compliance with GEF MFS. They requested UNDP to present a time-bound Action Plan to address the gaps identified by the review, to be presented by 31 March 2022. They also requested UNDP to continue to provide monthly reports to the GEF Secretariat on implementation of all actions under its Action Plan and the GEF Secretariat to continue to provide updates to the GEF Council based on these reports until the end of FY22. The main findings from the review report highlights 21 specific MFS sub-questions that were assessed as partially compliant. UNDP allocated the 12 recommendations from the OAI report to 21 sub areas in the MFS and developed a management action plan in response.

5. The approach to this second independent review aims to build on the review procedures undertaken up to October 2021. This includes a focused risk-based review of UNDP's revised MFS self-assessment, a review of implementation capacity and effectiveness, a review of actions taken to address the 21 specific gaps carried forward from the October 2021 review report, and a review of reporting submitted to the GEF and the latest Action Plan.
6. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant external and internal UN oversight reports, KPMG concurs with the revised self-assessment rating and concludes that UNDP is fully compliant. UNDP continued to implement new procedures in response to the management action plan over the period from November 2021 to September 2022. Upon starting this review process in August 2022, UNDP had self-assessed itself as fully compliant, except one item relating to finalising the AML/CFT policy and endorsement of the implementation plan. The implementation of the AML-CFT policy and related trainings was completed in September 2022 and is therefore completed. UNDP has updated the self-assessment work sheets regarding AML-CFT with the information.
7. UNDP's monthly reports to the GEF Council over this period reflects the status of the implementation of management actions in response to the OAI on management and oversight of GEF resources. UNDP notes that both the GEF and GCF portfolios have been the subject of in-depth assessments and verifications by independent audit firms, further follow up audits by OAI, mid-term reviews and evaluations of GEF-funded projects, and the third-party reviewer's independent assessment of UNDP's policy compliance with GEF MFS. The findings and recommendations of these audits and assessments have helped to further strengthen systems and processes.
8. The UNDP monthly report dated 30 September 2022 to the GEF council is the twentieth of a series of monthly reports designed to inform the GEF on the status of the implementation of the OAI audit management actions. The next UNDP report will be provided by 31 October 2022. The report highlights that all actions have been implemented. However, the OAI is expected to undertake a second follow up in 2023.
9. UNDP updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with UNDP representatives, a review of the first assessment, a review of the third-party review in 2021, and a desk review of the revised self-assessment and documentation. As part of our procedures, we also interviewed the external reviewer who led the third-party review in 2021 to build up an understanding of the self-assessment and recommendations. UNDP updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. UNDP particularly focused and built on the management action plan recommendations in the context of its self-assessment, providing updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by UNDP for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
10. KPMG held an interview with several UNDP representatives, including a Programme Specialist, Programming Analyst, and Director and Executive Coordinator of Nature, Climate and Energy. We also engaged with other units in relation to the implementation capacity as MFS is spread

across a number of units. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. Specifically, this includes audits and reviews from OAI, UN Board of Auditors, and the UN Joint Inspection Unit, the findings of which are taken into account.

11. Lastly, in terms of risks of non-compliance, KPMG performed procedures in relation to reviewing complaints and cases involving issues of compliance. We interviewed GEF's Conflict Resolution Commissioner to discuss various information and matters of relevance. Our review did not include an assessment of any individual whistle blower case. We also enquired with UNDP on risks of non-compliance stemming from complaints and investigations. We enquired with UNDP who confirmed that from their activities in the past six months, UNDP has not identified common concerns of non-compliance with GEF MFS. UNDP OAI also provides regular reports to the GEF Council on grievance cases and UNDP acknowledge that the current cases do not reveal structural concerns or issues around non-compliance with GEF MFS.
12. Our review conclusions are based on the described review procedures, which do not constitute an audit, evaluation, or a forensic assignment. UNDP should continue to report to the GEF at regular intervals. This should include an update on any significant observations and recommendations stemming from the OAI's self-assessment of its independence (the report is due in early 2023), an update of OAI's follow-up audit (expected to occur in 2023), an update of any grievance or whistle blower cases, and an update of any other internal and/or external reports that may be relevant to the MFS of UNDP.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

13. UNDP was assessed as fully compliant with GEF policy in all areas in the 2019 review. For the current review, UNDP updated its self-assessment in a timely manner and provided extensive evidence of implementation capacity and effectiveness. UNDP self-assessed as fully compliant with all standards.
14. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by UNDP, as well as publicly available materials. KPMG then conducted an interview with several safeguards specialists from the Nature, Climate and Energy (NCE) unit within the Bureau for Policy and Programme Support (BPPS), which is the unit responsible for managing GEF projects. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
15. The UNDP Social and Environmental Standards (SES) were created in 2015 and updated during, and taking into account, the previous GEF review in 2019. The policy update came with a mandate to strengthen institutional arrangements and capacity. An inter-bureau SES Task Force conducted an independent review and held consultations with Country Offices (COs) and Regional Bureaus (RBs), which exposed gaps in the quality of implementation. Based on these

findings, the Task Force developed a SES Implementation Plan and SES Learning and Communication Strategy in July 2020. The plan and strategy include sustained investment in improving the quality of SES policy, oversight, and support functions, as well as investment in staff training and capacity-building at all levels. In addition, the BPPS Effectiveness Group developed new materials, procedures, and systems to match the updated policy. The updated SES officially came into effect in January 2021. The accompanying Social and Environmental Screening Procedures (SESP) and SES Toolkit were issued during 2021 and continue to be updated and expanded as needed (such as a Supplemental Guidance on FPIC that was issued in June 2022).

16. UNDP capacity-building efforts have included recruitment of new staff at all levels and an accelerated focus on training (e.g. training of trainers, standard-specific horizon briefings, materials that incorporate lessons learned, such as a recent training on project-level grievance mechanisms). At HQ, a SES Oversight Coordination Hub was established in 2022 to ensure that SES support and implementation is aligned and efficient across all countries. UNDP's objective is to build an approach that targets high-risk programming and is independent from project delivery teams.
17. There are currently 60 staff working on SES oversight at Central Hub and Regional Hubs. The NCE unit has expanded its dedicated SES team, developed GEF-specific oversight and clearance procedures, and is working with the RBx to support COs during implementation. Each of the RBx have a dedicated SES focal point and most COs have a SES focal point or SES committee. In three regions, additional staff are being recruited to provide dedicated regional SES support to NCE Programming. UNDP also has a roster of external consultants who are safeguards specialists. The compliance function of the SES Accountability Mechanism is managed by an independent Social and Environmental Compliance Unit (SECU) within the Office of Audit and Investigation.
18. UNDP has very clear, standardised, and well-documented procedures for safeguard screening, implementation, and monitoring. Safeguards are built into the clearance and approval process in the Project Information Management System (PIMS+). A completed SESP must be uploaded to the quality assurance tool during project design and there are supplementary screening requirements for project supported by vertical funds. For GEF projects, the NCE conducts a pre-SESP screening to identify ESS risks and opportunities early and integrate responses into the project design phase. ESS risks are integrated in UNDP risk management systems and risk registers, which can be tracked on a programme-level risk dashboard. Safeguards have been added to the Project Implementation Review (PIR) process and will be included in the country-level Results-oriented Annual Reporting (ROAR) for the first time in 2022. SECU maintains a public registry of all ESS-related complaints and investigations. In 2023, UNDP will upgrade its enterprise resource planning (ERP) to a cloud-based Quantum+ system and the SESP will be integrated in that as an online tool.

GENDER EQUALITY

19. UNDP was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNDP updated its self-assessment in a timely manner and provided detailed evidence of implementation capacity and effectiveness. UNDP self-assessed as fully compliant.
20. KPMG conducted a desk review, as described for ESS above, and interviewed the gender specialist from the NCE unit. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.

21. UNDP's current Gender Equality Strategy covers 2022-2025. Gender analysis, mainstreaming and action plans are required to be integrated and implemented at all stages of the project management cycle by RBx and COs. Gender specialists are also consulted on ESS policies, guidance, and training (e.g. FPIC, REDD).
22. The global Gender Team consists of 24 staff assigned to thematic sub-groups (e.g. GBV, climate change, economic empowerment) and there are gender teams in each regional hub. Each CO is required to have a multidisciplinary gender focal team, and it is recommended that they also have a dedicated gender specialist. UNDP assesses and improves the capacity of RBx and COs through a Gender Seal Initiative that combines quality assurance with learning and offers three levels of certification (gold, silver, bronze).
23. UNDP applies a Gender Marker rating system to track investments in gender equality. Project implementation is monitored using a gender results effectiveness scale that tags results in 9 areas. Gender data is collected through UNDP's standard monitoring and evaluation processes, and it can be aggregated and analysed at a portfolio level for learning purposes. UNDP produces an annual report on the implementation of its Gender Equality Strategy and reports annually to UN Women on progress against KPIs in the UN system-wide Action Plan on Gender Equality and Empowerment of Women (UN-SWAP).

STAKEHOLDER ENGAGEMENT

24. UNDP was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNDP updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. UNDP self-assessed as fully compliant.
25. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
26. UNDP has clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency. In December 2020, UNDP issued a SES Guidance Note on Stakeholder Engagement and a SES Guidance Note on Disclosure, which describe how to operationalise SES requirements during project development and implementation. The corporate SES team manages the Stakeholder Response Mechanism (SRM) and maintains a public case registry.

UNEP - United Nations Environment Programme

MINIMUM FIDUCIARY STANDARDS

1. In the 2020 policy alignment self-assessment process, UNEP was assessed as partially compliant, with an action plan under implementation for the standard 1.2 (b). UNEP has subsequently confirmed to the GEF that this action has been completed, resulting in no outstanding issues based on the June 2022 Progress Report. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that UNEP is fully compliant with no action plan requirement.
2. UNEP updated and provided their self-assessment and supporting evidence in relation to implementation capacity and effectiveness to KPMG in a timely and adequate manner. UNEP has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that UNEP is fully compliant. There are no pending items or an action plan requirement.
3. KPMG noted that UNEP's external audit report by the UN Board of Auditors in 2021 highlighted two observations and recommendations related to GEF funding. The auditor drew attention to a low implementation rate of GEF projects and a lack of project information systems to trace, review and evaluate the project implementation progress. UNEP agreed with the observations. As explained by UNEP, the low GEF project implementation level is an impact of the COVID-19 pandemic. UNEP has improved the functionality of existing systems in regard to flagging, reviewing, and reporting on the slow implementation of GEF projects, which is demonstrated through the Quarterly Business Reviews, Dashboards and tracking registries. At the time of 2021 audit, UNEP was using an interim PIMS+ system while waiting for the new Integrated Planning, Management, and Reporting Solution (IPMR) to roll out. IPMR roll out was delayed, but according to UNEP, most of the issues were resolved in early 2022 and work has commenced to move the entire active GEF portfolio to the new system. In October 2022, the IPMR migration was underway. In light of the above, UNEP has self-assessed itself as fully compliant with the GEF MFS.
4. KPMG's procedures included an opening meeting with UNEP representatives and a desk review of the self-assessment and supporting evidence documentation.
5. UNEP provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. Based on the work done up to that point, KPMG held an interview with UNEP representatives to discuss and review examples of implementation capacity and effectiveness. The interviewees included representatives from the GEF Coordination team, Financial Management Services, and Legal Services. After the interviews, UNEP provided additional documentation evidence, including further details on how the fiduciary components are applied in practice and internal audit work plans.
6. KPMG reviewed the draft self-assessment and screened accompanying evidence provided by UNEP for clarity, completeness, and relevance. KPMG also reviewed external and internal audit and assessment reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.

7. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, financial systems, and audit oversight. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed UNEP's Green Climate Fund (GCF) accreditation granted in 2015, which indicates that UNEP meets the standards of the GCF.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

8. In the 2019 review, a range of partial gaps across several minimum standards were found and UNEP was assessed to have no standard that met the requirement of MS9. UNEP undertook a thorough update of its Environmental and Social Sustainability Framework (ESSF) and associated screening tool, the Safeguard Risk Identification Form (SRIF), to address all identified gaps. UNEP was confirmed as fully compliant at the 59th GEF Council Meeting in November 2020.
9. For the current review, UNEP updated its self-assessment in a timely manner and provided extensive evidence of implementation capacity and effectiveness. UNEP self-assessed as fully compliant with all standards.
10. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by UNEP, as well as publicly available materials. KPMG then conducted an interview with staff from the GEF Coordination Office and Safeguards & Gender Unit. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
11. UNEP has developed guidance notes for each safeguard standard to provide practical support for implementation of ESSF (2020) at different stages of the project cycle. The implementation arrangements (workflows, tools, roles and responsibilities) are clearly described in existing documents, but UNEP is in the process of enhancing implementation effectiveness by updating several manuals and systems based on wide consultations with internal and external experts. An updated Project Cycle Management Manual and a separate Safeguards Manual, including guidance notes, will be closely linked and are expected to be finalised in the coming months.
12. UNEP has strong capacity and expertise in safeguards implementation and oversight across the entire organization. The main responsibility for ESSF compliance lies with the Gender and Safeguards Unit, which consists of seven specialists, and the GEF Coordination Office, which has 10 staff. In addition, an extensive number of staff under four thematic units are involved in GEF project operations, resulting in a GEF team of about 80-90 people. The Safeguards Advisory Group (SAG) provides strategic, programmatic, and operational advice to UNEP staff. The role of the Project/Concept Review Committees (PRC/CRC) is to review the quality of project screening and provide expert opinions to ensure that gender and safeguards are considered in project design, especially in the situation analysis, project intervention, log frame and budget. UNEP aims to step up its monitoring of safeguards during project implementation and enhancing

its capacity to conduct oversight missions, instead of relying on reports from the executing agencies.

13. All UNEP staff involved in GEF project operations are required to attend GEF-specific training and other courses to increase competency in their respective fields. The majority of GEF Task Managers have attended several interactive trainings on safeguards and gender, organized by internal teams and external partners. With a portfolio of more than 300 GEF projects, however, UNEP acknowledges the challenges of building capacity at project level and ensuring a commitment to safeguards by project managers and executing agencies. UNEP has ambitious plans for strengthening its project management training and building up a comprehensive online training platform that will include training materials, guidance on safeguards and gender topics, tools, templates, etc.
14. In terms of tools and management systems, UNEP is currently launching a new online platform for Safeguards and Gender (SAGE), where the SRIFs and other key instruments will be prepared and stored. SAGE will help monitor and manage risks during project development and implementation, especially for complex and moderate risk projects. SAGE has been in pilot testing during 2022 and is expected to be launched at the end of the year. UNEP has also adopted a new Integrated Planning, Management and Reporting Solution (IPMR) for managing the lifecycle of UN programmes and projects.

GENDER EQUALITY

15. UNEP was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNEP updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. UNEP self-assessed as fully compliant.
16. KPMG conducted a desk review, as described for ESS above, and interviewed Programme Officers from the Gender & Safeguards Unit. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
17. UNEP's work is guided by the Gender Parity Report and Action Plan 2021-2023. The Agency's Medium-Term Strategy (MTS) for 2022-2025 and Programme of Work 2022-2023 also recognize gender equality as an operating principle that guides implementation activities. UNEP is currently developing a new gender policy and strategy based on an evaluation of its Policy and Strategy on Gender Equality and Environment during 2015-2020. The new gender policy is expected in 2022.
18. UNEP has strong capacity and expertise in the Gender and Safeguards Unit, led by a Senior Gender Advisor. In response to an agency-wide capacity assessment on gender topics, a capacity development program will be rolled out in 2023, targeting internal staff and multilateral partners. UNEP provides mandatory training to all staff in the prevention of SEAH and protection of human rights and gender equality.
19. UNEP is committed to the UN-SWAP 2.0 "Accountability framework for mainstreaming gender equality and the empowerment of women in United Nations entities". UNEP applies a Gender Marker tool through the Quality of Project Design Assessment Matrix (QPDAM), and a certain rating level (2a) is required during screening in order for the project to be approved internally. Consideration of gender aspects across the project cycle is regularly assessed by UNEP evaluation consultants, and the Evaluation Office has issued a gender method guidance note.

STAKEHOLDER ENGAGEMENT

20. UNEP was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNEP updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. UNEP self-assessed as fully compliant.
21. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
22. The ESSF section on operationalizing the framework includes an approach to Stakeholder Engagement and Accountability, and practical guidelines on Stakeholder Engagement Criteria and Stakeholder Response Mechanism are provided as annexes. UNEP also produced a 10-minute training video to guide project staff on the stakeholder engagement approach. Project information is disclosed in regular reports and on several website and platforms such as UNEP Open Data, UNEP Document Repository, and the new UNEP GEF website.

UNIDO - United Nations Industrial Development Organization

MINIMUM FIDUCIARY STANDARDS

1. As part of the *Report on the Assessment of GEF Agencies' Compliance with the GEF Minimum Fiduciary Standards* (GEF/C.59/05/Rev.02) UNIDO was assessed as partially compliant with the GEF Updated Policy on Minimum Fiduciary Standards (GEF/C.57/04/Rev.02), and an action plan was put together for the standard I.2 (f) based on the 2020 UNIDO self-assessment process. In October 2021, UNIDO confirmed to the GEF Secretariat that its action plan had been completed, leaving no outstanding issues. As such, *Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards* dated June 2022 (GEF/C.62/Inf.06) the GEF Secretariat reported UNIDO to the GEF Council as fully compliant with no action plan requirement.
2. UNIDO subsequently updated and provided its self-assessment and supporting evidence in relation to its GEF implementation capacity and effectiveness to KPMG in a timely and adequate manner. UNIDO has self-assessed itself as fully compliant against all standards concerning its implementation capacity and effectiveness. Based on a desk review, interviews, an examination of the evidence provided, and a review of prior action plans and audit reports, KPMG concurs with the self-assessment rating and concludes that UNIDO is fully compliant. As such, there are no pending items or an action plan requirement for UNIDO.
3. KPMG's review included an opening meeting with UNIDO representatives and a desk review of the self-assessment and supporting evidence documentation. Based on the desk review work done, KPMG then held a remote interview with several UNIDO representatives to discuss and review examples and walkthroughs of implementation capacity and effectiveness. The interviewees included UNIDO staff from the GEF Coordination Team, Financial Services, Quality, Impact and Accountability Division, Procurement Services, Risk Management, Internal Oversight Division, Office of Strategic Planning and UN Engagement, Office of Change Management and Independent Evaluation Unit.
4. After the interview, UNIDO provided additional documentation evidence, including details on how the fiduciary components are applied in practice, information on mandatory and voluntary trainings held at different organisational levels, and other relevant external and assessment reports such as the external quality review report on UNIDO's Internal Oversight Division. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by UNIDO for clarity, completeness, and relevance. KPMG also reviewed external and internal audit and assessment reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
5. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of organisational capacity. We reviewed a number of organisational and project level evidence that indicates that UNIDO's fiduciary systems are adequately designed, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, financial systems, and audit oversight. KPMG found that there are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of fiduciary oversight. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. We also reviewed UNIDO's Green Climate Fund (GCF) accreditation granted in 2020, which indicates that UNIDO meets the standards of the GCF and is eligible to submit funding proposals for approval.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

6. In the 2019 review, partial gaps were found across minimum standards 1-8 and an action plan was developed for UNIDO to address the gaps. UNIDO addressed all identified gaps through an updated version of its Environmental and Social Safeguards Policies and Procedures (ESSPP) and was confirmed as fully compliant with GEF requirements at the 61st GEF Council Meeting in December 2021.
7. For the current review, UNIDO updated its self-assessment in a timely manner and provided relevant evidence of implementation capacity and effectiveness. UNIDO self-assessed as fully compliant with all standards.
8. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to GEF standards. We also reviewed examples of how these are used in practice based on documents provided by UNIDO, as well as publicly available materials. KPMG then conducted an interview with the GEF Coordination Team and safeguards compliance specialists from the Partnerships Coordination Division, gender experts from the Gender Equality and Empowerment of Women Unit, and a change management expert. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plans.
9. UNIDO's updated ESSPP was launched in mid-2021. The ESSPP clearly describes 12 Operational Safeguards (OSs) and related procedures and tools applied along the project cycle. UNIDO is currently going through an organisational restructuring led by its newly appointed Director General. The safeguards team sees this as a good opportunity to improve and streamline processes and realign the composition and the organizational location of the staff working on ESS and Gender Equality and Empowerment as means to ensure continuous and consistent implementation capacity in projects.
10. UNIDO's ESS team within the Partnerships Coordination Division, consisting of an ESS compliance officer and two ESS compliance experts, has overall responsibility for monitoring implementation of the ESSPP and its application in UNIDO projects. The GEF Coordination and safeguards teams work closely with project managers, field office staff, and project teams of executing entities, as well as UNIDO Corporate Management and Operations (CMO) service departments, including procurement teams, on integrating ESS requirements and considerations into UNIDO project design, implementation, monitoring and evaluation practices. The project development teams also retain project-specific ESS experts throughout the project cycle. Independent experts are contracted, where appropriate, in the screening, assessment and monitoring of projects with complex environmental and social issues.
11. After the adoption of UNIDO's first ESSPP in 2015, an overarching training on ESS was offered to improve internal capacity and enhance the understanding and mainstreaming of ESS in project design. Further e-learning modules are currently in development. Besides online trainings, UNIDO has provided targeted guidance and consultation to project teams and project managers, as a more effective and beneficial way to ensure that projects are aligned with ESSPP standards.
12. UNIDO has a well-functioning ERP system to manage portfolio and workflow. Projects and their related documents can be viewed on UNIDO's comprehensive Open Data Platform. Internally, information pages on ESS-GE-SE issues have been created on the Agency's intranet. These include guidance notes and specific information for project managers on their responsibilities at different project stages. Best practice notes are currently being developed for certain themes and the website is being improved to make the ESSPP more accessible.

GENDER EQUALITY

13. UNIDO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNIDO updated its self-assessment in a timely manner and provided detailed evidence of implementation capacity and effectiveness. UNIDO self-assessed as fully compliant.
14. KPMG conducted a desk review, as described for ESS above and interviewed UNIDO's gender experts. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
15. UNIDO's key documents on gender are the Policy on Gender Equality and the Empowerment of Women (2019) and the Strategy for Gender Equality and the Empowerment of Women 2020-2023. Further practical guidelines on gender-responsive project design, implementation and monitoring are provided in the UNIDO Guide to Gender Analysis and Gender Mainstreaming in the Project Cycle. UNIDO applies a Gender Marker to assess the project's contribution to gender equality and empowerment of women.
16. Overall responsibility for the policy lies with the Director General and the Gender Mainstreaming Board, supported by the Gender Equality and the Empowerment of Women Unit. The Gender Unit oversees a decentralised network of gender focal points at HQ, regional, country and liaison offices responsible for screening and oversight of gender issues, especially along the project cycle. One of the key priorities of the gender strategy is to further strengthen capacity and effectiveness in UNIDO's gender initiatives. UNIDO aims to integrate a stronger gender perspective into project design through more comprehensive gender analyses, for example on industrial processes and value chains. Mandatory basic training on gender issues is required for all UNIDO staff and personnel, and further thematic trainings are offered to specific project personnel on gender dimensions e.g. in agri-business development. Capacity building needs for executing partners are assessed as part of the due diligence process.

STAKEHOLDER ENGAGEMENT

17. UNIDO was assessed as fully compliant with GEF policy in the 2019 review. For the current review, UNIDO updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. UNIDO self-assessed as fully compliant.
18. KPMG conducted a desk review, as described for ESS above and interviewed UNIDO's safeguards specialists. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
19. UNIDO does not have a free-standing stakeholder engagement policy but clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency, are outlined in the Operational Safeguard on Information Disclosure and Stakeholder Consultation under ESSPP. Practical guidance on methodological approach and integration of the safeguard into UNIDO's project cycle are described in an annexed guidance note, including a list of Best Practices for Disclosure and Consultation.

World Bank IBRD - International Bank for Reconstruction and Development

MINIMUM FIDUCIARY STANDARDS

1. The World Bank was assessed as fully compliant with no action plan in the 2020 policy alignment self-assessment process. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that the World Bank is fully compliant with no action plan requirement.
2. The World Bank has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that the World Bank is fully compliant. There are no pending items or an action plan requirement.
3. The World Bank updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with the World Bank representatives, a review of the first assessment, and a desk review of the revised self-assessment and documentation. The World Bank updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. The World Bank provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by the World Bank for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
4. KPMG held an interview with several World Bank representatives. The implementation capacity in relation to MFS is spread across a number of units. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there are various internal and external audits and evaluations carried out that feed into policies and implementation processes. Fiduciary risk, compliance and oversight is implemented, monitored, and tracked across different units in several ways. The World Bank has processes that include periodic reviews to uncover any deficiencies and provide opportunities for enhancements. We reviewed available information as evidence that policies, implementation capacity and effectiveness is in place.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. The World Bank was assessed as fully compliant in all areas in the 2019 review. For the current review, the World Bank updated its self-assessment in a timely manner and provided extensive evidence of implementation capacity and effectiveness. The World Bank self-assessed as fully compliant with all standards.

6. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by the World Bank, as well as publicly-available materials. KPMG conducted a brief interview with the GEF Coordinator and emailed a set of questions on issues where clarification was needed. Based on our desk review and communications with World Bank staff, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
7. The World Bank's Environmental and Social Framework (ESF) includes Environmental and Social Policy for Investment Project Financing and outlines the bank's 10 overarching E&S standards, which go above and beyond GEF requirements. The policy is supported by a series of technical notes, guidance documents, toolkits and other resources. Guidance notes are organised by standard and thematic area, and Good Practice Notes are available to guide staff and partners in ESF implementation. The Operating Procedures for the Inspection Panel and Accountability Mechanism are currently being updated and recently completed a public consultation process.
8. The World Bank has solid capacity in terms of skilled staff. Over 100 E&S Specialists were recruited to support with implementation of the ESF between 2017 and 2020. In order to strengthen capacity, increase operational efficiency and effectiveness, the World Bank has developed a unique Accreditation Process for Environmental and Social Specialists. As of July 2022, the bank had 329 ESF-accredited staff and consultants.
9. The World Bank provides a wide range of self-paced, virtual face-to-face trainings, webinars and customized capacity building on safeguards and gender issues to internal staff and project partner staff. There are several basic courses, such as an ESF Fundamentals course, as well as specific training for E&S Specialists and administrative operations staff. The bank also has an active YouTube channel and has published several creative videos on elements of the ESF, such as one entitled "What is the World Bank Inspection Panel?".
10. The World Bank has an Open Portal project database with a wide range of detailed project documentation, including E&S action plans, assessments and reports. Under the Accountability and Decision-Making Frameworks, the World Bank has several internal systems and tools to streamline and manage documentation and approvals in the GEF project cycle. The Environmental and Social Management System (ESMS) includes an integrated Disclosure Tool and an ESF data monitoring system. Project E&S risk ratings are automatically entered into an additional tool, the Systematic Operations Risk-Rating Tool (SORT), from the ESMS.

GENDER EQUALITY

11. The World Bank was assessed as fully compliant in the 2019 review. For the current review, the World Bank updated its self-assessment in a timely manner and provided detailed evidence of implementation capacity and effectiveness. The World Bank self-assessed as fully compliant.
12. KPMG conducted a desk review, as described for ESS above, and conducted an interview with specialists from the Environment and Gender Department. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
13. All GEF requirements are addressed in the Gender Strategy (2016-2023) and the ESF. The World Bank utilises a Gender Tag system to measure the implementation of the Gender Strategy. The Gender Tag process begins at the project concept stage and involves a gap analysis, actions and indicators throughout the project lifecycle. The Gender Tag for Impact: Good Practice Note

provides in-depth guidance on the process. In terms of performance, the bank surpassed its targets in 2021.

14. The gender analysis for GEF-funded projects is usually carried out by a social development specialist with expertise on gender or by an external consultant. Currently there are close to 170 bank staff with the title social development specialist and more than 50 staff and consultants designated "Certified GP expert". Over 750 staff are trained on the Gender Tag methodology and over 150 staff are trained as global practice Tag experts or Regional Assessors. There are also designated gender focal points at the regional level, and several regions have their own gender targets and policies.
15. The World Bank has made significant efforts in recent years to commit to addressing Gender-Based Violence (GBV). Good Practice Notes on GBV have been developed for specific social standards, sector-specific GBV guidance is in the process of being developed, and there are 7-8 specialists focused entirely on GBV issues at the bank. A specific GBV Risk Assessment Tool has been developed for project teams to identify GBV and SEA risks at the beginning of the project that may trigger a requirement for a GBVH action plan. A GBV Dashboard collects data globally and illustrates how GBV components are integrated in the projects. GBV is planned to be included in the next update of the bank's Gender Strategy as a new, fifth pillar. The bank's strong commitment to this issue is demonstrated by the fact that, in January 2021, the World Bank became the first MDB to introduce a mechanism to disqualify a contractor for failing to comply with GBV-related obligations.

STAKEHOLDER ENGAGEMENT

16. The World Bank was assessed as fully compliant with GEF policy in the 2019 review. For the current review, the World Bank updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. The World Bank self-assessed as fully compliant.
17. The World Bank has clear and standardised requirements on stakeholder analysis and engagement plans, as well as information dissemination and transparency. Stakeholder Engagement and Information Disclosure is addressed in the World Bank's ESF standard 10, and a standard-specific Guidance Note for Borrowers provides additional practical instructions.

WWF-US - World Wildlife Fund Inc.

MINIMUM FIDUCIARY STANDARDS

1. WWF-US was assessed as compliant except for I.2 (c), (d), (e), (f), (h), (j) II.2 (d), II.4 (e), II.7 (a), (c), (d), (e), and II.8 (f). WWF included a signed certificate with an action plan. The Progress Report on GEF Agencies Compliance with the GEF Minimum Fiduciary Standards dated June 2022 highlights that WWF-US is fully compliant with the action plan fully implemented.
2. WWF-US has self-assessed itself as fully compliant against all standards in relation to implementation capacity and effectiveness. Based on our desk review procedures, interviews, an examination of the evidence provided, and a review of applicable prior action plans and relevant audit reports, KPMG concurs with the self-assessment rating and concludes that WWF-US is fully compliant. There are no pending items or an action plan requirement.
3. WWF-US updated their self-assessment and supporting evidence in relation to implementation capacity and effectiveness, and provided this information to KPMG in a timely and adequate manner. KPMG's planning procedures included an opening meeting with WWF-US representatives, a review of the first assessment and the implementation of the action plan, and a desk review of the revised self-assessment and documentation. WWF-US updated the self-assessment to describe their implementation capacity and effectiveness, and implementation tools in the context of GEF funded projects and the overall organisation. WWF-US provided updated documentation evidence, including details on how the fiduciary components are applied in practice, organisational and staffing details, templates, checklists and workflows, walkthroughs of project management and financial systems, training information at different organisational levels, and other relevant external and internal audit reports. KPMG reviewed the draft self-assessments and screened accompanying evidence provided by WWF for clarity, completeness, and relevance. KPMG also reviewed external and internal audit reports, and evaluation reports to conclude upon implementation capacity and effectiveness and identify possible risks and gaps.
4. KPMG held an interview with several WWF-US representatives, including the Programme Manager, Director Programme Operations, Director Integrity and Risk, and Deputy General Counsel. The capacity at governance and departmental levels was also included in the review, for example board of directors and audit committee, finance unit, procurement unit, project management unit, evaluation unit, and internal audit unit. The implementation capacity in relation to MFS is spread across a number of units that serves to bring experience and specific expertise, duty segregation and other controls. Our review of the organisational structure, policies, and roles highlights that there is a proportionate level of capacity. We reviewed a number of organisational and project level evidence that indicates that the MFS systems are designed adequately, are proportionate, and are implemented by a broad team using a number of different types of implementation tools and procedures. The implementation of MFS is driven by different teams. KPMG reviewed different types of implementation tools, including project management and appraisal systems, procurement processes covering both internal/administrative procurement, monitoring and risk systems, and financial systems. There are protocols in place across the organisation to support governance and staff members with guidance and trainings on the implementation tools and elements of MFS. Furthermore, there is a separate Evaluation unit comprising staff that reports to the VP of Conservation Program Management, which is responsible for the Integration and Performance team. This is functionally independent. There is an annual external organisational and GEF project specific audit undertaken by an external auditor, the results of which are unqualified with no significant recommendations raised. WWF-US Integrity and Risk function and General Counsel's Office leads the efforts on the Code of Conduct and Conflicts of Interest, including policy updated, training and guidance, and

addressing potential violations. Furthermore, WWF-US's Internal Audit Department is functionally independent, includes a head of the internal audit function who administratively reports to the Senior Director, Integrity & Risk. The Internal Audit Department is accountable to the WWF-US Audit Committee. There are systematic measures to undertake, report, and follow up on recommendations.

ENVIRONMENTAL & SOCIAL SAFEGUARDS

5. In the 2019 review, a range of partial gaps were found across ESS minimum standards 1-8 and an action plan was developed. In 2020, WWF-US updated its Environment and Social Safeguards Integrated Policies and Procedures (SIPP), including guidance notes and other tools. Based on this, WWF-US was assessed to have satisfactorily completed its plan of action and be in compliance at the 59th GEF Council Meeting in December 2020.
6. For the current review, WWF-US updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. WWF-US self-assessed as fully compliant with all standards.
7. After the opening meeting and receipt of materials, KPMG conducted a desk review of the self-assessment and accompanying policies, guidance notes, templates, checklists, reporting mechanisms, tools, training, and staffing related to the GEF standards. We also reviewed examples of how these are used in practice based on project links and documents provided by WWF-US, as well as publicly available materials. KPMG then conducted an interview with the GEF Coordinator, lead ESS Manager, Director of Gender and Social Inclusion, and a program officer in the GEF coordination unit. The Vice President for Conservation Program Management was also consulted by email. Based on our desk review and interview procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
8. WWF-US developed the first SIPP in 2012 as part of the GEF accreditation process. The SIPP is a specific application of the WWF global network's ESS Framework (ESSF) and is mandatory for all GEF and GCF projects implemented by WWF. The current version of the SIPP includes five policies and five standards, each of which is supported by annexed procedures and guidance notes. The SIPP provides a clear description of the procedures, requirements, and implementation arrangements across the project cycle. It should also be noted as a global conservation organization, rather than a general development agency, WWF has a strong institutional commitment to creating a zero-carbon, climate-resilient future and has strict prohibitions on funding entities involved in fossil fuels and related areas.
9. In May 2021, WWF initiated a public consultation on its wider ESSF, which will inform the next revision of the SIPP. WWF confirmed that guidance notes on GBV & SEAH and Labour & Working Conditions, which are currently separate from the SIPP, will be incorporated directly into the SIPP in its next iteration.
10. At the time of this review, WWF-US had two full-time safeguards specialists responsible for overseeing compliance with and application of SIPP standards in GEF projects. A third full-time safeguards specialist was in the process of being hired for the GEF Agency team in response to the expanding GEF portfolio. WWF-US has an additional seven experts in its Core Safeguards Unit, who are available to assist on safeguards-related issues in GEF projects. If needed, a Safeguards Review Team (SRT), which is a body of subject matter specialists from the WWF global network as well as external experts, can be convened at the safeguards screening stage of a project.

11. A high priority for WWF-US is further capacity building of regional and country office staff on ESS and gender topics to enhance safeguards oversight in project development and implementation. WWF provides both standardized and customized training on safeguards and gender issues to internal staff and project partners. Its mandatory safeguards training module has been completed by 7,500 staff across the WWF network. A more in-depth training is provided on-site to the PMU staff during the project inception phase. An ESS practitioners group also meets biweekly to share knowledge and lessons learned from the projects. One external Mid-Term Review noted that the excessive workload of the ESS specialists had delayed the application of safeguards on demonstration projects but, overall, the WWF-GEF Agency team's support to the executing team was considered very important.
12. WWF-US has very concise, clear, standardised, and well-documented procedures and tools for safeguard screening, implementation, and monitoring. As a relatively small Agency, with a GEF portfolio of 20-30 projects and an experienced and committed team, WWF-US is able to quickly adjust their processes when needed. In the recent years, the tools and templates have been standardized and new systems developed. Further process improvements are ongoing and should be directed at improving the efficiency and user-friendliness of managing ESS steps and documents in the project cycle.

GENDER EQUALITY

13. WWF-US was assessed as fully compliant with GEF policy in the 2019 review. For the current review, the Agency updated its self-assessment in a timely manner and provided sufficient evidence of implementation capacity and effectiveness. WWF-US self-assessed as fully compliant.
14. KPMG conducted a desk review, as described for ESS above, and interviewed the Director of Gender and Social Inclusion. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
15. WWF-US's current Gender Policy dates from 2011 but an updated policy is expected to be approved in late 2022. A 2021 guidance note on Mainstreaming Gender in Environmental Projects provides practical guidelines on how to incorporate and track gender requirements in the project cycle.
16. The WWF-GEF Agency team has a gender specialist, who is responsible for providing training, support, and oversight to project development teams and to the external consultants hired to conduct the gender analysis and develop the gender action plan. The Core Safeguards Unit provides additional support to GEF projects, including on issues relating to gender, social inclusion, GBV/SEAH. Outside of WWF-US headquarters, several WWF country offices have a social development expert or a gender expert. WWF-US has enhanced its efforts to build capacity related to gender mainstreaming among staff across the whole WWF network. A basic webinar series is available, as well as a deep dive training on gender mainstreaming (3-4 days). The trainings are targeted internally but are also provided to executing partners in all countries upon request.

STAKEHOLDER ENGAGEMENT

17. WWF-US was assessed as fully compliant with GEF policy in the 2019 review. For the current review, the Agency updated its self-assessment in a timely manner and provided examples of implementation capacity and effectiveness. WWF-US self-assessed as fully compliant.

18. KPMG assessed stakeholder engagement as part of the ESS desk review and interview. Based on these procedures, KPMG concurs with the self-assessment of fully compliant and there are no pending items or action plan.
19. WWF-US has clear and standardised requirements on meaningful consultations, stakeholder analysis and engagement plans, as well as information dissemination and transparency. WWF-US's Standard on Stakeholder Engagement was first developed in 2018 and the annexed procedures for implementation describe how to operationalise the requirements during project development and implementation.

V. ANNEX A

Bi-weekly Updates on the Review Status

We provided bi-weekly updates to the GEF on the review status. The following summarises the main observations of each status update:

1. 29 August 2022: KPMG held opening meetings with 13 Agencies. More than half of the revised self-assessments and supporting documentation materials are still pending: 6 Agencies have submitted all materials, 4 Agencies submitted partial materials (either MFS or ESS), and 8 have not submitted any materials with updates regarding implementation capacity and examples. Several Agencies stated that they had delays in undertaking the self-assessment process and/or did not fully understand the guidance provided by GEF in mid-May. We observed that the content and quality of the self-assessments varies widely. In our opening meetings with the Agencies and our desk review of materials received, it became clear that the guidance for this review was not consistently understood by the Agencies. A number of the Agencies did not realise that the self-assessment had new columns and needed to be updated with commentary on implementation capacity, evidence and examples. Other Agencies provided minimal updates with many rows or columns were left blank. We communicated these issues to the GEF and the Agencies.
2. 13 September 2022: Opening meetings were held with all 18 Agencies. As noted earlier, several Agencies re-read the guidance from GEF during the opening call and only at that point seemed to understand the nature of the assignment and the need to complete updated self-assessments. We received complete information from 10 Agencies. However, no materials have been received from 4 Agencies (AfDB, BOAD, DBSA, EBRD) and only partial materials have been received from 4 others (MFS pending from IDB and IUCN; ESS-GE-SE pending from ADB and FUNBIO). Desk reviews and interview procedures were conducted on relevant Agencies. The content and quality of the self-assessments continued to vary widely. In some cases, we had to request additional information or pose follow-up questions. Our review work on the Agencies with materials pending could not advance at this point.
3. 27 September 2022: Prior to this update, KPMG held a meeting with the GEF to discuss options on what to do if the Agencies do not provide all material in time for us to complete the review. As at this date, there was still considerable uncertainty that all reviews would be completed in time to submit a draft report to the GEF by 10 October 2022. Many Agencies have complied with the timelines and requirements. However, other Agencies have not and we agreed that our review would continue to finalise and report on Agencies, with a disclaimer on the Agencies where the review is still on-going due to a lack of material. In light of these observations, the GEF proposed that the reporting should revert to the original schedule with the draft reporting due by 21 October 2022.
4. 11 October 2022: MFS update: Materials have been received from 16 Agencies. EBRD sent an MFS self-assessment, but it has not been updated to reflect 2022 implementation capacity and effectiveness comments and evidence. AfDB has not submitted any materials yet. Desk reviews have been fully completed for 15 Agencies. Desk review is ongoing for DBSA, no review of AfDB or EBRD. Interviews have been conducted with 15 Agencies. There are ongoing interviews with DBSA and BOAD interview will occur this week. No interviews yet scheduled for AfDB or EBRD. Reporting is a work in progress. ESS-G-SE update: Materials have been received from 16 Agencies. DBSA submitted partial (incomplete) materials on 30.9. AfDB has not submitted any materials yet but informed us last week that they have made progress on them and will submit materials this week. Desk reviews have been fully completed for 16 Agencies and partially completed for DBSA. The desk review of AfDB will commence as soon as materials are received.

Interviews have been conducted with 16 Agencies. A preliminary interview was conducted with DBSA but another one will be needed once additional materials are received. The GEF Coordinator at DBSA recently left the Agency and has not been replaced, which has complicated the review process and creates a risk that we will not be able to secure sufficient materials/interviews to reach a conclusion on their compliance or capacity. An interview with AfDB will be scheduled once they have submitted materials; the quality of the materials we will receive is unknown at this stage. Reporting is a work in progress.

5. 17 October 2022: Instead of a full status update, KPMG provided the GEF with preliminary general observations on Agencies' compliance with the policies under review (MFS and ESS-GE-SE). An updated version of these is presented in the General Observations section of this report. KPMG also updated GEF on the materials still pending from Agencies.
6. November 2022 through to the 63rd GEF Council Meeting and up to 22 December 2022: Regular correspondence and updated information provided to the GEF on the progress of the reviews.



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AGENCY ACTION PLANS



31 January 2023

Mr. Carlos Manuel Rodriguez

Chief Executive Officer and Chairperson
Global Environment Facility
1899 Pennsylvania Ave NW, Washington, DC 20006 USA

Dear Mr. Rodriguez,

The Asian Development Bank (ADB) would like to acknowledge and thank the Global Environment Facility (GEF) for the findings of the third party expert assessment comparing ADB's policy against GEF Policies on Fiduciary Standards, Environment and Social Safeguards, Gender and Equality, and Stakeholders Engagement.

We note that the ADB was assessed to meet all requirement and is compliant with the minimum standards contained in the GEF Policy for Minimum Fiduciary Standard, GEF Policy on Gender Equality and the GEF Policy on Stakeholders Engagement.

With respect to the GEF Policy on Environmental and Social Safeguards, we note that ADB was assessed to meet all requirements with MS2 (Accountability), MS4 (Resettlement), and MS8 (Labor), while there were partial policy gaps with respect to MS1 (Assessment), MS3 (Biodiversity), MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource Efficiency/Pollution Prevention and MS9 (Community Health and Safety).

ADB is updating its ADB Safeguard Policy Statements (SPS), and expect to secure approval by the ADB Board by end of 2023. We have fully considered the GEF's Policy on Environment and Safeguards including the above gaps in the updating of the ADB Safeguards Policy. ADB has undertaken baseline studies benchmarking its current policy against other multilateral financing institutions, and with an objective to harmonize the new policy with international good practices. ADB has issued an internal guideline in April 2020 to ensure that any material gaps are filled with respect to any GEF cofinanced projects administered by ADB.

Sincerely,

A handwritten signature in black ink, appearing to read 'BK Dunn'.

Bruce Dunn
Director
Safeguards Division
Asian Development Bank

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AFRICAN DEVELOPMENT BANK GROUP



GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT
AFRICAN DEVELOPMENT BANK GROUP

Ref. : PECG.0/LT/KM/2023/01/0026

Date: 26th January 2023

Mr. Carlos Manuel Rodriguez
Chief Executive Officer and Chairperson
Global Environment Facility
1818 H St. NW, MSN G6-602
Washington DC 20433, USA

Subject: African Development Bank Group Action Plan: Areas of Partial Compliance and Identified Gaps following the Third-Party Review

Dear Mr. Rodriguez,

Reference is made to the email communication from the Global Environment Facility (GEF) dated Friday, January 13, 2023, in connection with the Third-Party Review exercise requesting the African Development Bank ("The Bank") to submit an Action Plan outlining how the areas of partial compliance and identified gaps with respect to minimum fiduciary standards (MFS) and environmental and social safeguards (ESS) will be addressed. The Bank wishes to acknowledge the findings and comments made in the final report of the Third-Party Review of GEF Agency Compliance with GEF Minimum Standards from KMPG, which identified the following gaps:

- **Minimum Fiduciary Standards (MFS):** Update and approval of the whistleblower policy. Implementation and roll-out of the policy to governance and member states.
- **Environmental and Social Safeguards (ESS):** Finalize revisions in the updated Integrated Safeguards System (ISS) and secure approval by the AfDB Board.

I am pleased to confirm that the revised Whistleblower Policy has been approved by the Board of Directors on December 16th, 2022, with immediate effect. A copy of the document is attached to this letter. With regards to the Bank's updated Integrated Safeguards System (ISS), its approval by the Board of Directors is expected during the first quarter of 2023.

The Bank remains committed to continuing working with the GEF. We look forward to a productive and fruitful partnership under the GEF-8 cycle.

Yours sincerely,

Dr. Anthony NYONG

Director

Climate Change and Green Growth Department (PECG)

LE VICE-PRÉSIDENT

Mr. Carlos Manuel Rodriguez
Chief Executive Officer and Chairperson
The Global Environment Facility
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WASHINGTON (USA)

Mr. Rodriguez,

Subject: BOAD's self-assessment of compliance with the GEF 2019
updated minimum fiduciary standards

The West African Development Bank (BOAD) presents its compliments to the Global Environment Facility for the good and collaborative relationship that has existed between the two (2) institutions since 2015. I have noted with great satisfaction the arrangements made by your institution for the effective completion of BOAD's self-assessment process of environmental and social safeguards and fiduciary standards, which began in December 2019.

I have also taken good note of the conclusions of the report and comments by Cabinet KPMG on points I.1(a-d), I.2(a-i), I.3 (a-e), I.4(a-b), I.5(a-d), II.1(e), II.2(d, g), II.3(a, c), II.5(a-c), II.6(d-i), II.7(a, c, d), II.8(a-f), which have been assessed as partially compliant

However, I would like to draw your attention on the fact that the BOAD team in charge has provided all requested information on standards I.1 (a-c); I.2(a-i); I.4(b); I.5(b); I.5(d); II.2(d); II.3(c); II.5(a-c); II.6(d-i); II.7(a, c) and II.8(a-f). However, they are not listed as compliant in KPMG's evaluation report. These documents will be resubmitted to you by email as evidence.

The other items will be duly addressed by updating the documents including the procedure manuals as per the attached Action Plan.

I am pleased to confirm that with the exception of the items listed above, BOAD is in compliance with all updated GEF Minimum Fiduciary Standards, and we aim to achieve full compliance by the end of December 2023 through the effective implementation of the action plan referred to above.

We are fully committed to this process and consider it a key element of our partnership in the years to come.

PJ. BOAD Action Plan


Moustapha BEN BARKA
Vice-President
Financing and Investment



Les Domaines de non conformités identifiés par KPMG sur le self-assessment de la Banque sur les normes fiduciaires minimales du FEM

Les documents transmis à KPMG et qui ne ressortent pas dans leur rapport d'évaluation sont regroupés dans le dossier dont le lien est ci-dessous

https://boad365-my.sharepoint.com/:f:/g/personal/odahouindji_boad_org/EsNpAOS-TQtCptjH3JaWWZk8iIkxMnVx2--wGJ_M_wv6A?e=0SM8TP

1. Normes d'évaluation des projets - Les fonctions d'évaluation des projets comprennent l'établissement de normes et de garanties appropriées qui sont utilisées pour déterminer si les projets et les activités ont des chances raisonnables d'atteindre leurs objectifs de développement avant que les fonds ne soient distribués.				
	Preuve de la conformité transmise	Notation de KPMG	Commentaires de la BOAD	Calendrier de la mise en œuvre
1 (a) Un processus d'évaluation des projets et/ou des activités est en place dans le but d'examiner si les projets et/ou activités proposés répondent aux critères techniques, économiques, financiers, environnementaux, sociaux (y compris l'égalité des sexes), institutionnels et/ou autres critères pertinents et s'ils sont raisonnablement susceptibles d'atteindre les objectifs et résultats fixés.	Les manuels d'évaluation des projets privés et publics, des rapports d'évaluation et le profil des experts ont été transmis ;	Partiellement conforme	Action déjà mise en œuvre	Action déjà mise en œuvre. Toutefois, les manuels seront relus en 2023 et actualisés d'ici 2024
I.1 (b) Le processus d'évaluation prévoit des contrôles et des équilibres institutionnels au stade de la conception du projet : - Des politiques et des procédures d'évaluation des risques sont en place et précisent les critères et les	-Le lien des directives, politiques et procédures environnementales de la Banque relative à l'évaluation des projets et rapports d'évaluation de projets. -Le nouveau cadre de sauvegarde	Partiellement conforme	Action déjà mise en œuvre	Action déjà mise en œuvre

circonstances dans lesquelles des évaluations environnementales, sociales (y compris des considérations relatives à l'égalité des sexes), institutionnelles et/ou fiduciaires doivent être réalisées pour intégrer des considérations environnementales, sociales ou autres dans un projet ou une activité proposées.	environnementale et sociale de la BOAD.				
1.1(b) suite - Il existe des directives ou des politiques prévoyant une évaluation par des conseillers techniques, qui déterminent si un projet ou une activité proposé peut ou non bénéficier d'un financement du FEM, sur la base des critères mandatés par le FEM ; s'il est susceptible d'atteindre les objectifs du FEM ; et s'il est conforme à des principes scientifiques solides.	-Manuel de procédures applicables à l'instruction des projets climat développé en 2020. -Le lien sur les directives, politiques et procédures de la Banque.	Partiellement conforme	Manuel de procédures transmis	Action déjà mise en œuvre	
1.1(c) Les objectifs et les résultats du développement du projet et/ou de l'activité sont clairement énoncés et les indicateurs clés de performance, avec des données de base et des objectifs, sont intégrés dans la conception du projet/de l'activité.	-Les deux (02) Manuels d'évaluation rétrospective des projets marchands et non marchands ;	Partiellement conforme	Les deux manuels ont été approuvés respectivement en 2020 et en 2021. Tous les critères sont présentés dans les annexes des manuels.	Action déjà mise en œuvre	
1(d) Des procédures de contrôle fiduciaire appropriées sont en place pour guider le processus d'évaluation	Le projet de manuel de procédures de gestion des risques opérationnels	Partiellement conforme	Le projet de manuel de procédures de gestion des risques	2023	

et garantir sa qualité et le contrôle des actions de suivi par l'Agence partenaire du FEM pendant la mise en œuvre.			opérationnels et la charte ont été validé et approuvés par la Haute Direction. Le règlement y relatif est en préparation au sein du DCR. Cependant, KPMG devrait préciser ce qu'il entend par « partiellement conforme » ainsi que les point spécifiques de non-conformité.	
1.2(a) Les politiques et directives spécifiques des Entités d'exécution du FEM favorisent l'économie, l'efficacité, la transparence et l'équité dans la passation des marchés grâce à des normes et procédures écrites qui précisent les exigences en matière de passation des marchés, les responsabilités et le pouvoir de prendre des mesures dans ce domaine. Au minimum, ces politiques et directives prévoient : - Une concurrence ouverte et définissent les situations dans lesquelles d'autres méthodes moins concurrentielles peuvent être utilisées ; et	- www.boad.org/politiques-procedures-directives	Partiellement conforme		Action déjà mise en œuvre

- une large participation grâce à la publication d'opportunités commerciales, à des documents d'appel d'offres/de proposition qui divulguent les critères d'évaluation à utiliser, à des spécifications neutres et générales, à des principes de participation et de sélection non discriminatoires et à un délai suffisant pour soumettre des offres ou des propositions.					
1.2 (b) Des directives spécifiques sont en place pour les différents types et catégories de marchés, y compris le recrutement de consultants, gérés par l'Agence partenaire du FEM.	-Le manuel de procédures -Guide des achats de la Banque www.boad.org/politiques-procedures-directives	Partiellement conforme		Action déjà mise en œuvre	
	-Directives pour la passation de marchés de consultants financés par un prêt ou une avance de trésorerie de la Banque ouest-africaine de développement (pages 22 à 44)				
1.2 (c) Les directives relatives aux marchés publics prévoient la sécurité et la confidentialité des informations pendant les phases d'appel d'offres, d'ouverture, d'évaluation et de compte rendu des marchés.	-Guide de procédures de passation des marchés et règles d'attribution des contrats de la BOAD -DAO fournitures	Partiellement conforme		Action déjà mise en œuvre	
1.2 (d) Les directives en matière de passation des marchés prévoient un	- Guide de procédures de passation des marchés et	Partiellement conforme		Action déjà mise en œuvre	

mécanisme de protestation en vertu duquel les soumissionnaires ont le droit de se plaindre pendant le processus d'appel d'offres du non-respect des politiques et directives en matière de passation des marchés et des irrégularités dans le processus ; sont informés de ce droit ; et il existe un processus clair par lequel les plaintes sont reçues et traitées.	règles d'attribution des contrats de la BOAD -DAO fournitures				
I.2 (e) Les contrats types incluent des procédures de résolution des litiges qui prévoient un processus efficace et équitable pour résoudre les litiges survenant pendant l'exécution du contrat.	-Contrat des travaux	Partiellement conforme	Action déjà mise en œuvre		
I.2 (f) Les conditions générales du contrat et les conditions d'appel d'offres prévoient que les adjudicataires de contrat adhèrent aux politiques de lutte contre la fraude et la corruption et permettent aux enquêteurs des agences partenaires du FEM d'accéder aux dossiers des soumissionnaires/entrepreneurs relatifs aux offres et aux contrats dans le cas où cela est nécessaire pour soutenir les enquêtes sur les plaintes pour fraude ou corruption.	Exemples de marchés montrant la mise en œuvre des documents d'appel d'offres et des contrats standard	Partiellement conforme	Action déjà mise en œuvre		
I.2 (g) Les directives d'approvisionnement encouragent la	DAO fourniture (page 31) indiquant la prise en	Partiellement conforme	Action déjà mise en œuvre		

prise en compte des concepts de durabilité dans l'approvisionnement en biens.	compte de la durabilité dans le processus de passation des marchés de la Banque.				
1.2 (h) Des procédures, directives et méthodologies spécifiques d'évaluation des procédures de passation des marchés des entités d'exécution sont en place.	www.boad.org/politiques-procedures-directives	Partiellement conforme		Action déjà mise en œuvre	
1.2 (i) La performance de la passation des marchés dans les projets mis en œuvre est surveillée à intervalles réguliers, et il existe des processus en place exigeant une réponse lorsque des problèmes sont découverts.	La page 39, point 2.9.9 du Guide de procédures de passation des marchés et règles d'attribution des contrats de la BOAD décrit la passation des marchés basée sur la performance. Par ailleurs, lorsqu'un problème est découvert, le bureau des sanctions (Cf. page 17 du Guide de procédure de passation des marchés) est saisi pour investigation.	Partiellement conforme		Action déjà mise en œuvre	
1.3 (a) Les fonctions, politiques et procédures de suivi ont été établies conformément aux exigences de la Politique de suivi du FEM.	Manuel de procédures suivi/supervision	Partiellement conforme	Les manuels de supervision seront relus courant 2023	Action déjà mise en œuvre	
1.3(b) Les rôles et responsabilités de la fonction de suivi sont clairement définis tant au niveau des	-Présentation du personnel dédié aux supervisions	Partiellement conforme	Les supervisions des projets sont assurées par des équipes mixtes : sectoriels /	Action déjà mise en œuvre	

projets/activités que des entités/portefeuilles. La fonction de suivi au niveau de l'entité/du portefeuille est distincte des fonctions de conception et de supervision des projets et/ou des activités.	-Organigramme de la Banque pour la fonction suivi du portefeuille.		Environnementaliste / Finances / Evaluation rétrospective. Pour la fonction de suivi du portefeuille, il existe une structure en charge de la gestion des engagements logée dans le département des Finances et qui gère le décaissement et le recouvrement des prêts. Elle est composée d'une dizaine d'experts avec des profils de comptables et d'analystes financiers pour la plupart.	
I.3 (c) Les rapports de suivi au niveau du projet/de l'activité sont fournis à un gestionnaire de projet/d'activité et à un niveau supérieur de supervision au sein de l'organisation afin que des corrections à mi-parcours puissent être apportées, si nécessaire. Les rapports de suivi au niveau de l'entité/du portefeuille sont fournis à la fois aux gestionnaires de projet/d'activité et à un niveau de supervision supérieur approprié au sein de l'organisation, afin que les	-Rapports de mission de supervision - Les rapports de suivi de projet sont fournis par les gestionnaires de projets et sont ensuite examinés par les responsables de domaines et les directeurs qui y font des observations à prendre en compte.	Partiellement conforme	Un modèle de rapport de suivi a été transmis	Action déjà mise en œuvre

tendances plus larges du portefeuille puissent être identifiées et que les changements de politique correspondants puissent être envisagés.					
1.3 (d) Un processus ou un système, tel qu'un système de projet à risque, est en place pour signaler qu'un projet a développé des problèmes qui peuvent interférer avec la réalisation de ses objectifs, et pour réagir en conséquence afin de résoudre les problèmes.	La note portant décision du CAG et du CE.	Partiellement conforme		Action mise en oeuvre	
1.3(e) Des procédures de contrôle fiduciaire adéquates sont en place pour guider le processus d'évaluation des risques du projet et pour garantir sa qualité et les actions de suivi par l'Agence partenaire du FEM pendant la mise en œuvre.	Le projet de manuel de procédures de gestion des risques opérationnels	Partiellement conforme	Le projet de manuel de procédures de gestion des risques opérationnels et la charte ont été validé et approuvés par la Haute Direction. Le règlement y relatif est en préparation au sein du DCR Cependant, l'auditeur devrait préciser ce qu'il entend par « partiellement conforme » ainsi que les point spécifiques de non-conformité	2023	

1.4(a) Des procédures ont été établies concernant l'achèvement opérationnel et la clôture financière du projet, y compris l'établissement de rapports sur les résultats obtenus, les enseignements tirés et les recommandations d'amélioration, ainsi que les rapports financiers finaux.	-Manuel de fin d'exécution des projets -Rapports de mission RFE de projets - Canevas du rapport d'achèvement	Partiellement conforme	Actualisation des manuels incluant la clôture financière	2023	
1.4 (b) Des procédures sont en place pour rendre les résultats de projet accessibles au public.	-Les rapports des projets FEM ne sont pas encore achevés pour être publiés. -Le lien des résultats des projets de la Banque sont publiés sur le site de la BOAD dans l'onglet « évaluation rétrospective des projets » BOAD I BANQUE OUEST AFRICAINE DE DÉVELOPPEMENT Évaluation rétrospective des projets - BOAD I BANQUE OUEST AFRICAINE DE DÉVELOPPEMENT	Partiellement conforme	Action mise en oeuvre	2023	
1.5(a) Les évaluations indépendantes sont réalisées par un organisme ou une fonction établie dans le cadre d'un programme systématique d'évaluation des performances, conformément aux exigences de la Politique d'évaluation du FEM.	Projet de mise en place d'un comité d'évaluation déjà élaboré dans le cadre du programme d'activités de 2022.	Partiellement conforme		2023	

<p>I.5(b) La fonction d'évaluation suit des normes et méthodes impartiales, largement reconnues, documentées et professionnelles, conformes aux normes, principes, critères et exigences minimales énoncés dans la Politique d'évaluation du FEM.</p>	<p>-Manuels d'évaluation des projets marchands et non marchands. Tous les standards et critères y sont mentionnés. A l'image des paires comparateurs de l'ECG (BAD, BM), la BOAD a adopté les critères actualisés du CAD/OCDE.</p>	<p>Partiellement conforme</p>		<p>Action déjà mise en œuvre</p>	
<p>I.5(c) L'organe ou la fonction d'évaluation est structuré de manière à jouir de la plus grande indépendance possible par rapport aux opérations de l'organisation, conformément à la structure de l'Agence partenaire du FEM, l'idéal étant qu'il rende directement compte au conseil d'administration ou à un organe comparable. Si son indépendance structurelle est limitée, l'organe ou la fonction d'évaluation est responsable de manière transparente devant le Conseil d'administration et/ou le Conseil de direction.</p>	<p>Une étude est en cours dont les résultats feront l'objet de décision de la Haute Direction. L'organisateur de la Banque pourrait en donner de plus amples informations.</p>	<p>Partiellement conforme</p>		<p>Cette question relève de la Haute Direction qui se penchera sur cette question.</p>	
<p>I.5(d) Une politique de divulgation des évaluations est en place. Les rapports d'évaluation sont diffusés aussi largement que possible et au moins à toutes les parties directement ou indirectement impliquées dans le projet. Pour améliorer la transparence,</p>	<p>Lien du site web de l'évaluation contenant des informations sur la fonction et des liens vers les rapports ou les résultats de l'évaluation disponible.</p>	<p>Partiellement conforme</p>		<p>Action mise en œuvre</p>	

<p>dans la mesure du possible, les rapports sont mis à la disposition de toutes les parties impliquées dans le projet.</p> <p>Dans la mesure du possible, les rapports sont accessibles au public.</p>	<p>-Diffusion des résultats des évaluations aux faitières d'évaluations dans lesquelles la BOAD est membre active, aux partenaires (BM, BAD, AFD) et aux contreparties (Etats et démembrement et les emprunteurs privés). NB : Les projets privés ne font pas l'objet de diffusion eu égard à l'accord de confidentialité signé entre la Banque et les emprunteurs.</p>	<p>Partiellement conforme</p>	<p>L'audit des fonds reçus du FEM est prévu dans les Termes de référence (TDR) du Commissaire aux Comptes (l'Auditeur indépendant) de la BOAD. (cf 2è paragraphe de la Page 8 des TDR du contrat du CAC) .</p> <p>Sur cette base, l'Auditeur indépendant émettra un avis sur les fonds reçus du FEM au 31-12-2022. Ledit rapport de l'auditeur</p>	<p>Disponibilité du rapport d'audit indépendant : 30-06-2023</p>	
<p>II.1(e) Un avis d'audit annuel sur les états financiers et/ou, le cas échéant, sur tous les fonds du FEM reçus de l'Administrateur et administrés par l'Agence partenaire du FEM, est émis par l'auditeur externe et rendu public.</p>	<p>Les Termes de référence (TDR) annexés au contrat de prestation du Commissaire aux Comptes (l'Auditeur indépendant) de la BOAD prévoient l'audit des fonds reçus du FEM ((cf. Contrat 2022-2024 du 22 juin 2022 au 2ème paragraphe de la Page 8 des TDR du CAC).</p>				

			sera disponible au plus tard le 30 juin 2023.		
II.2(d) Au niveau institutionnel, des processus d'évaluation des risques sont en place pour identifier, évaluer, analyser et fournir une base pour des réponses proactives aux risques dans chaque domaine de la gestion financière. Les risques sont évalués à plusieurs niveaux et des plans d'action sont en place pour traiter les risques jugés importants ou fréquents.	-Le Cadre de Sauvegarde Environnementale et Sociale; -Manuel de procédures applicables à l'instruction des projets climat développé en 2020.	Partiellement conforme		Action déjà mise en œuvre	
II.2 (g) Le cadre de contrôle applique des mesures rigoureuses pour prévenir et combattre la fraude et les autres formes de mauvaise gestion financière de la part des employés, des contractants et des fournisseurs en ce qui concerne les marchés publics de l'Agence partenaire du FEM ou les fonds fournis aux entités d'exécution.	Le lien d'accès à la politique de prévention et de lutte contre la fraude et la corruption.	Partiellement conforme		Action déjà mise en œuvre	
II.3(a) Il existe un processus de diligence raisonnable bien défini avant l'approbation d'un projet par l'Agence partenaire du FEM, pour évaluer les risques fiduciaires, y compris la préparation de plans d'action et d'atténuation des risques, afin que les entités d'exécution proposées disposent de contrôles fiduciaires adéquats pour gérer les fonds du FEM utilisés pour financer un projet.	- Le Cadre de Sauvegarde Environnementale et Sociale; -Manuel de procédures applicables à l'instruction des projets climat développé en 2020.	Partiellement conforme		Action déjà mise en œuvre	

II.2(d) Au niveau institutionnel, des processus d'évaluation des risques sont en place pour identifier, évaluer, analyser et fournir une base pour des réponses proactives aux risques dans chaque domaine de la gestion financière. Les risques sont évalués à plusieurs niveaux et des plans d'action sont en place pour traiter les risques jugés importants ou fréquents.	Le projet de manuel de procédures de gestion des risques opérationnels	Partiellement conforme		2023	
II.3(a) Il existe un processus de diligence raisonnable bien défini avant l'approbation d'un projet par l'Agence partenaire du FEM, pour évaluer les risques fiduciaires, y compris la préparation de plans d'action et d'atténuation des risques, afin que les entités d'exécution proposées disposent de contrôles fiduciaires adéquats pour gérer les fonds du FEM utilisés pour financer un projet.	-Manuel de gestion des risques opérationnels	Partiellement conforme	Le plans d'actions sur les 7 risques résiduels ont été définis et le reporting y afférent est en cours de finalisation	2023	
II.3(c) Un système de suivi est en place pour garantir que les subventions sont mises en œuvre et que les fonds sont utilisés par les entités de mise en œuvre comme prévu.	-Rapports de missions de supervision de projets	Partiellement conforme		Action mise en œuvre	
II.5(a) Un code documenté ou équivalent définit les normes éthiques à respecter, y compris la protection des actifs des agences partenaires et des fonds fiduciaires du FEM. Le code énumère les parties tenues de respecter les normes, notamment les	-Le code bonne gouvernance -la Politique de protection des lanceurs d'alerte	Partiellement conforme		Action déjà mise en œuvre	

cadres supérieurs, les employés, les consultants et les experts indépendants. Il décrit les mesures disciplinaires et d'application en cas d'infraction et prévoit une souplesse appropriée pour l'application et la mise en œuvre dans les environnements locaux.				
11.5 (b) Une fonction d'éthique ou une fonction connexe fournit un soutien administratif pour le code ou l'équivalent, y compris la sensibilisation au code ou à l'équivalent, la fourniture de conseils et le contrôle de la conformité au code ou à l'équivalent, et l'enquête ou le renvoi pour enquête des violations identifiées ou présumées.	-Les CR des réunions du comité d'éthique ont été envoyés directement à KPMG au regard de leurs sensibilités.	Partiellement conforme		Action déjà mise en œuvre
11.5(c) Plusieurs moyens de signaler des problèmes de conformité et/ou d'autres problèmes de conduite des affaires, tels qu'une ligne d'assistance téléphonique (par exemple, des portails web pour le signalement en ligne, et des informations sur les courriels et numéros de téléphone confidentiels et les moyens physiques de signalement) et les coordonnées des responsables fonctionnels/options des départements (par exemple, ressources humaines, bureau de l'éthique ou audit interne) sont facilement accessibles (par exemple,	Le système éthique de la BOAD est accompagné d'un système d'alerte sécurisé et ouvert. En effet, les allégations de corruption et/ou de pratiques frauduleuses peuvent être reçues 24 heures sur 24 tout au long de l'année. Les divulgations peuvent être faites en français ou en anglais ou dans la langue officielle du pays où la divulgation est faite par les	Partiellement conforme		Action déjà mise en œuvre

sur l'intranet de l'Agence partenaire du FEM et/ou sur des sites web externes).	canaux suivants : www.boad.org ; ou sur le numéro vert : (228) 80 00 00 09				
II.6 (d) La fonction d'audit interne dispose d'un mandat/charte documenté qui décrit son objectif, les fonctions autorisées et la responsabilité, et confirme les normes professionnelles suivies et les dispositions en place pour assurer l'indépendance et l'objectivité de la fonction.	<ul style="list-style-type: none"> -Charte du comité d'audit mise à jour ; -Rapport d'évaluation finale des prestations d'audit interne 	Partiellement conforme	<p>La Charte d'audit interne a été mise à jour et mise en application par un règlement le 17 janvier 2022</p> <p>1) Deux rapports d'évaluation externes (BCEAO, rapport mai 2020) et interne (Rapport fév. 2022) de la fonction d'audit confirment la conformité de l'audit interne avec les normes du Cadre de Référence International des Pratiques Professionnelles de l'audit interne (CRIPP)</p>	Action déjà mise en œuvre	
II.6 (e) La fonction d'audit interne dispose d'une description documentée du processus de planification de l'audit, y compris une méthodologie basée sur les risques pour préparer	<ul style="list-style-type: none"> -Le plan d'audit triennal 2022-2024 (page 9 à 25) et le plan d'audit triennal 2023-2025 (page 7 à 17) sont joints. 	Partiellement conforme	Conformément aux normes internationales d'audit interne (IIA) et au manuel de procédures de l'audit	Action déjà mise en œuvre	

ses plans d'audit, notamment le cycle de couverture de chaque plan. Le plan d'audit décrit les priorités de la fonction et est compatible avec les objectifs de l'Agence partenaire du FEM.	-Manuel de procédures d'audit (Cf. Titre III. Elaboration du plan d'audit)		interne (juillet 2022), le processus de planification de l'audit interne se fait sur la base de l'approche par les risques à travers : - l'analyse et de la cartographie des risques. - l'analyse de l'univers d'audit actualisé ; - les conclusions des autres fonctions de contrôle (prestataire interne d'assurance) travaux des prestataires internes - la coordination avec les autres parties internes et externe (prise en compte des travaux des autres parties internes et externes) Etc. Pour preuve de la documentation : -Le plan d'audit triennal 2022-2024 (page 9 à 25) et le plan d'audit triennal 2023-		
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				2025 (page 7 à 17) sont joints. -Manuel de procédures d'audit (Cf. Titre III. Elaboration du plan d'audit)		
II.6 (f) Le directeur de l'audit partage les informations et coordonne les activités avec les parties internes et externes concernées (y compris les auditeurs externes des états financiers) afin d'assurer une couverture adéquate et de réduire au minimum les doubles emplois.	Manuel d'audit mis à jour	Partiellement conforme		Le manuel de procédure d'audit a été mis à jour en 2022 pour tenir compte de la coordination des activités d'audit avec les autres parties internes et externe (cf. VIII du manuel) et mis en application par réglementation du 17 juillet 2022)	Dispositif déjà mis en place	
II.6 (g) La fonction d'audit interne diffuse ses conclusions aux unités de direction et de gestion concernées, qui sont chargées d'agir et/ou de répondre aux recommandations.	-Manuel de procedure audit (Cf. V Suivi des actions de progrès). -Exemple d'un mémoire de suivi des recommandations	Partiellement conforme		-Conformément au manuel de procédures d'audit , l'audit interne fait le suivi des recommandations préalablement communiqués aux audités. -Périodiquement, un mémoire relatif à l'état de mise des recommandations est élaborés et transmis au	Dispositif déjà mis en place	

			<p>président de la BOAD et au Comité d'Audit.</p> <p>Documents de preuve joints :</p> <ul style="list-style-type: none"> - Manuel de procedure audit (Cf. V Suivi des actions de progrès). -Exemple d'un mémo de suivi des recommandations 		
<p>II.6(h) La fonction d'audit interne a mis en place un processus de suivi de la réponse à ses recommandations.</p>	<p>-Rapports de suivi des recommandations</p>	<p>Partiellement conforme</p>	<ul style="list-style-type: none"> -Conformément au manuel de procédures d'audit, l'audit interne fait le suivi des recommandations préalablement communiqués aux audités. -Périodiquement, un mémo relatif à l'état de mise des recommandations est élaborés et transmis au président de la BOAD et au Comité d'Audit. <p>Documents de preuve joints :</p>		

décrit l'objet, l'autorité et la responsabilité de cette fonction.				
<p>II.7 (c) La fonction d'enquête doit être exercée conformément aux normes énoncées dans son mandat, qui incluent :</p> <ul style="list-style-type: none"> - le maintien de l'objectivité, de l'impartialité et de l'équité tout au long du processus d'enquête et la conduite des activités d'enquête avec compétence et avec le plus haut niveau d'intégrité - Gérer tout conflit d'intérêts réel ou potentiel du personnel d'enquête. - Protéger la confidentialité. - Fonder les conclusions de l'enquête sur des faits et des analyses connexes, qui peuvent inclure des déductions raisonnables et tenir compte des informations à charge et à décharge. - Avoir un accès suffisant au personnel, aux dossiers et aux installations de l'entité pour répondre aux exigences ci-dessus. 	Politique d'éthique	Partiellement conforme	Action mise en œuvre	
<p>II.7(d) La fonction d'enquête a publié des directives pour le traitement des affaires, y compris des procédures standard pour le traitement des plaintes reçues par la fonction et pour la gestion des affaires avant, pendant et après le processus d'enquête.</p>	Plan d'action Deloitte	Partiellement conforme	Plan d'action de Deloitte transmis à KPMG	
<p>II.8 (a) Une ligne d'assistance téléphonique ou un mécanisme</p>	-Politique de protection des lanceurs d'alerte ;	Partiellement conforme	Action déjà mise en œuvre	

comparable (par exemple, des portails web pour le signalement en ligne, et des informations sur les courriels et numéros de téléphone confidentiels et les moyens physiques de signalement) est en place et accessible pour garantir la capacité de traiter les activités suspectées d'être contraires à l'éthique, frauduleuses ou similaires, telles que définies par la politique de l'Agence partenaire du FEM.	-Ligne disponible				
II.8(b) Une fonction d'accueil coordonne les informations provenant de la ligne directe, de la conformité et/ou d'autres préoccupations commerciales provenant de sources internes et externes. La fonction d'accueil maintient un niveau approprié d'autonomie par rapport à la fonction d'enquête.	Le rapport annuel contenant les informations reçues des allégations a été transmis directement à KPMG	Partiellement conforme	Action déjà mise en œuvre		
II.8(c) Il est tenu un registre des plaintes reçues par les canaux de communication et de l'état d'avancement des mesures prises à leur égard, tout en respectant la confidentialité des cas.	Le registre de plaintes disponible	Partiellement conforme	Action déjà mise en œuvre		
II.8(d) Une politique de protection des dénonciateurs est en place qui : - Précise qui est protégé et définit les divulgations protégées, y compris celles relatives aux violations de la loi, de la règle ou du règlement, à l'abus de pouvoir, au gaspillage flagrant de	-Politique de protection des dénonciateurs -Statistique sur le nombre d'allégations traitées	Partiellement conforme	Action déjà mise en œuvre		

<p>fonds, à la mauvaise gestion flagrante ou à un danger substantiel et spécifique pour la santé et la sécurité publiques.</p> <ul style="list-style-type: none"> - Définit la norme de protection contre les représailles, y compris en plaçant la charge de la preuve sur l'agence pour démontrer que les actes de représailles présumés auraient eu lieu en l'absence de la divulgation protégée. - Étend la protection au personnel. - Fixe des délais raisonnables pour déposer une plainte pour représailles. - Permet à la direction/aux ressources humaines de prendre des mesures préventives, si elles sont jugées appropriées, pour protéger les plaignants. - Indique que le personnel qui a exercé des représailles sera sanctionné. 					
<p>Il.8(e) Des politiques sont en place pour garantir la confidentialité et/ou l'anonymat, comme demandé, des dénonciateurs, des informateurs et des témoins ou d'autres personnes faisant des rapports (par exemple en utilisant une technologie de ligne d'assistance appropriée et en préservant l'anonymat dans les processus de rapport).</p>	<p>- Politique de protection des dénonciateurs</p>	<p>Partiellement conforme</p>		<p>Action déjà mise en œuvre</p>	

II.8(f) Des procédures sont en place pour l'examen périodique du traitement des lignes directes, des dénonciations et des autres informations signalées afin de déterminer si elles sont traitées efficacement et si les processus de protection des dénonciateurs et des témoins sont conformes aux meilleures pratiques internationales.	- Politique de protection des dénonciateurs -Rapport d'évaluation de Deloitte	Partiellement conforme		Action déjà mise en œuvre	
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26 January 2023

Dear Mr. Rodríguez,

I refer to the Global Environment Facility (GEF) Secretariat's assessment of the Development Bank of Latin America (CAF)'s capacity and effectiveness to compliance with the Minimum Fiduciary Standards approved by the GEF Council in December 2019.

I acknowledge, following the independent expert's review of CAF's self-assessment, the findings and recommendations included in the report received this last January 13th. Furthermore, I express our commitment on addressing the defined Action Plan, attached to this letter, in order to achieve full compliance by June 2024 with the Minimum Fiduciary Standards.

I also would like to thank you and your team for the dedication in carrying out this assessment and reassure that CAF remains fully committed to this exercise should any additional follow up be needed in the future.

Yours sincerely,

DocuSigned by:
GLORIA BETANCOURT
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Gloria Betancourt Oliveros
Director
Development Cooperation Funds

Mr. Carlos Manuel Rodríguez
CEO and Chairperson
Global Environment Facility (GEF) Secretariat
Washington
United States of America

Attached:

1. Action Plan for the identified GAPS

Action Plan to strengthen CAF's capacities to accomplish, monitor, and supervise Minimum Fiduciary Standards to apply to GEF projects in compliance with the new GEF's policies on fiduciary issues.

Introduction

Since 2015, CAF has been an accredited GEF Implementing Agency. Most Latin American countries have received CAF guidance and support through the different stages of the GEF's Project Cycle and associated activities.

In April 2019, CAF received the invitation to complete the self-assessment and review of the MFS and E&S Safeguards within the scope of evaluating the compatibility with the policies set by the GEF and the agency's policies, procedures, systems, and capabilities.

The analysis of compliance with the GEF's Minimum Standards occurred in the second quarter of 2019. Accordingly, with the Progress report on agencies' compliance with minimum standards in the GEF, CAF developed time-bound action plans to comply fully with all the gaps.

During the second quarter of 2022, at the request of the GEFSEC, CAF started a new self-assessment exercise to demonstrate its capacity to accomplish all the minimum standards contained in the Minimum Fiduciary Standards of GEF Agencies.

Findings of the Self-Assessment Exercise.

CAF has a robust fiduciary capability to accomplish GEF Policies on MFS. However, there are some areas of improvement in the fiduciary monitoring of projects and executing agencies.

According to the Findings in the Self-Assessment process, CAF could identify some areas of strength in its Fiduciary Standard. To implement solutions to address the identified challenges, CAF presents this Action Plan on MFS to be implemented for up to eighteen months, expected to complete at the end of the first semester of 2024.

The Action Plan implementation implies modified and updated internal regulations and specific internal procedures in the identified areas to strengthen. Also, it includes a tentative schedule for implementation. The main areas to be updated according to the Self-assessment exercise and GEF Policies requirements are the following¹:

1. Update the monitoring framework related to the GEF project. This area will include updated regulations, procedures, and institutional arrangements to have the monitoring at-risk framework, to incorporate an explicit mechanism to monitor executive agency in crucial identified areas such as procurement. CAF will implement the following actions:
 - Update CAF internal monitoring procedures.

¹ The tentative actions identified to implement are content in Annex N° 1.



- Review the monitoring framework to incorporate the Project-at risk system.
 - Include specific procedures for monitoring the performance of procurement activities of executing agencies.
2. Update the CAF's Evaluation Project framework, which implies changes in the institutional internal arrangements and regulations. The actions are the following:
 - Review and update the current evaluation framework for GEF projects.
 - Review CAF access to information policy to allow transparency of the evaluation reports.
 - Review the roles and responsibilities in the evaluation framework.
 3. Update the actual mechanism of oversight execution agencies, which implies strengthening the functions, policies, procedures, and methodologies to oversee the performance and procurement activities.
 - Update the oversight functions and policies related to Executing agencies.
 - Update the procedure to oversee and monitoring oversight the executing agency, including monitoring the procurement of executing agency.
 4. Improve institutional capacities. These actions could imply the strengthening of CAF's internal institutional capability to fulfill the implementation and operation, which includes strengthening the human resource of CAF Units involved in the GEF projects' implementation and internal reorganization of the team responsibilities.

Finally, the product of the implementation will share opportunely with GEF and other stakeholders if necessary.

Scope of work

The main tasks of the process are as follows:

- 1) The Action Plan. This document will outline the activities designed and executed to satisfy the identified gaps in the CAF self-assessment exercise for the implementation capacity and effectiveness of GEF's policies on fiduciary powers.
- 2) The Gaps identified, the solutions will include: i) a description of the mechanism in which the gap is going to be solved and the instrument working as a vehicle; ii) the date on which the instrument is going to be developed and delivered, and iii) Put in place for CAF GEF projects implementation.

Schedule:

Actions	Activity completed no later than:
The define the solutions, and implementation	
i) Description of the solution mechanism "closing the gaps."	December 2022
ii) CAF's reviewed draft	2 nd semester 2023
iii) 1 st updated revision by the GEF	2 nd semester 2023
iv) Feedback and completion, including consultation	2 nd semester 2023
v) Approval by CAF	2 nd semester 2023
vi) Put in place for CAF GEF projects	1 st semester 2024

ANNEX N°1 Description of the activities

Minimum Fiduciary Standard	Sub Standard	Activities / Products		Activities completed no later than	Responsible	Aplicación
Procurement	(h) Specific procedures, guidelines, and methodologies of assessing the procurement procedures of executing entities are in place.	Update selection, evaluation, and monitoring Execution Agency's procedures.	Regulation	2do semestre 2023	DFCD/DACA	DACA
	(i) Procurement performance in implemented projects is monitored at periodic intervals, and there are processes in place requiring a response when issues are uncovered	Update the legal documents between CAF and the execution agency.	Regulation	2nd semestre 2023	DFCD / CI	DACA
Monitoring and Project At Risk System	(a) Monitoring functions, policies, and procedures have been established consistently with the requirements of the GEF Policy on Monitoring	Monitoring Framework for Project Financed by donors, including GEF and executing agencies, including roles, responsibilities, and procedures.	Regulation	2nd semestre 2023	DFCD/DACA	DACA
	(b) The roles and responsibilities of the monitoring function are clearly articulated at both the project/activity and entity/portfolio levels. The monitoring function at the entity/portfolio level is separated from the project and activity origination and supervision functions.		Regulation	2nd semestre 2023	DFCD/DACA	DACA
Oversight of Executing Entities	There is a well-defined due diligence process prior to the GEF Partner Agency's approval of a project to assess fiduciary risks, ESS risks management capabilities including preparation of risk mitigation and action plans so that proposed executing entities have adequate fiduciary controls in place to manage GEF funds used to finance a project	Procedure to evaluate and select an executing agency for assessing their fiduciary and institutional capacities	Regulation	2nd semestre 2023	DFCD/DACA	DACA
ESS Standards	Sub Standard	Activities / Products		Activities completed no later than	Responsible	Aplicación
	3 (a) Monitoring functions, policies and procedures have been established consistently with the requirements of the GEF Policy on Monitoring.	Update of the CAF-GEF project ESS monitoring procedure.	regulation	Q3 - 2023	DACA	CESAS/DACA
	1(b) The appraisal process provides institutional checks and balances at the stage of project design: • Guidelines or policies are in place that provide for evaluation by technical advisors, who assess whether or not a proposed project or activity is eligible for GEF funding, based on the GEF-mandated criteria; is likely to achieve GEF goals; and is aligned	Design of an updated procedure for the ESS evaluation of CAF-GEF projects.	regulation	Q4 -2023	DACA	CESAS/DACA

with scientifically sound principles.					
3. Oversight of Executing Entities – GEF Partner Agencies have measures in place to review and oversee GEF funded project and program implementation.	<i>Update of the Oversight ESS functions, policies, and procedures for CAF-GEF's projects.</i>	<i>regulation</i>	Q3 -2023	DACA	DACA
5 (d) An evaluation disclosure policy is in place. Evaluation reports are disseminated as widely as possible, and at a minimum to all parties directly or indirectly involved with the project. To enhance transparency, to the extent possible, reports are available to the public.	<i>Design and Implementation of an evaluation ESS disclosure policy. To enhance transparency, to the extent possible, reports are available to the public.</i>	<i>Regulation</i>	Q2 - 2023	DACA	DACA
(h) Specific procedures, guidelines, and methodologies of assessing the procurement procedures of executing entities are in place.	<i>Strengthening the supervision of CAF-GEF's projects: It will be accomplished through a) the appointment of a CAF-GEF project supervisor position and b) Creation of a CAF-GEF projects administrative support position.</i>	<i>Increasing Institutional Capacities</i>	Q2 -2023	GACBP-DACA-DCH	DACA
5 (a) Independent evaluations are undertaken by an established body or function as part of a systematic program of assessing results, consistent with the requirements of the GEF Evaluation Policy.	<i>Reinforcing CAF's independent project evaluation structure. A study will be prepared to determine the needs of Reinforcement of the current capabilities and a plan of strengthen of CAF's Impact and Results Evaluation Unit, to fulfill the desired standards.</i>	<i>Increasing Institutional Capacities</i>	Q1 -2024	DADMI-GACBP-DACA- DCH	DADMI -DACA

The action includes the update of ESS internal regulation.



生态环境部对外合作与交流中心

Foreign Environmental Cooperation Center

Ministry of Ecology and Environment of the People's Republic of China

Dear Mr. Rodriguez,

I have received the final report of the Third Party Review of GEF Agency Compliance with GEF Minimum Standards, and I am pleased to confirm that, except for question II.1 (f), FECO is in compliance with all the GEF Policies on Minimum Fiduciary Standards, Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement.

I take note that the gap related to auditing under the Minimum Fiduciary Standards (MFS II.1.f) has been identified, and this gap will be duly addressed by adding relevant articles in Measures for Financial Management of FECO. I would like to state our commitment to achieve full compliance by September 30, 2023.

These adjustments and the updated policies will be shared with the GEF Secretariat as soon as they are ready.

Yours sincerely,

Zhang Yujun

Director General

Foreign Environmental Cooperation Center
Ministry of Ecology and Environment of China

Mr. Carlos Manuel Rodriguez
Chief Executive Officer and Chairperson
The Global Environment Facility
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The GEF
Jonathan Caldicott
1899 Pennsylvania Avenue NW,
Washington, DC
20006, United States

1 February 2023

Subject: Update on third party review of IUCN compliance to GEF minimum standards

Dear Mr Caldicott,

As per the third-party review of agencies compliance with GEF minimum fiduciary standards, IUCN had only one requirement pending, related to the approval and implementation of a whistle-blower policy.

The policy is drafted but its final approval and implementation was linked to the update of other related policies. The required policy updates have now been done. The whistle-blowing policy is now being submitted to our senior management during the first quarter of 2023 for consideration and approval.

I will keep you and the GEF Secretariat on the next steps related to the finalization of this important exercise for IUCN.

Sincerely,

A handwritten signature in black ink, appearing to read 'Delahaye', with a long horizontal line extending to the right.

Sébastien Delahaye
Head, Multilateral Finance Team
IUCN