

64th GEF Council Meeting

June 26 - June 29, 2023

Brasília, Brazil

PROGRESS REPORT ON GEF AGENCIES' COMPLIANCE WITH GEF MINIMUM STANDARDS

Table of Contents

Introduction	1
Background	1
Summary of Action Plan Implementation.....	1

INTRODUCTION

1. This Progress Report provides information on the implementation of Action Plans by those Agencies found not to be fully compliant with GEF minimum standards during the compliance review exercise at the end of the GEF-7 Replenishment period. It follows the *Updated Third Party Review of Agency Compliance with GEF Minimum Standards* and Agency Action Plans approved by Council in Decision 5/23 on May 8, 2023.¹

BACKGROUND

2. At the completion of the GEF-7 phase, all GEF Agencies undertook a self-assessment of their adherence to the four key GEF minimum standards: i.e. fiduciary, environmental and social safeguards, gender equality and stakeholder engagement. An independent Third Party Review of these self-assessments concluded in December 2022 that six of the eighteen GEF Agencies were not fully compliant with all standards and therefore required to develop Action Plans to address identified gaps.

Box 1: Decision 5/2023 Updated Third Party Review of Agency Compliance with GEF Minimum Standards:

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

- a) Notes with appreciation the updated reviews reflecting the additional information provided by AfDB, BOAD and DBSA.
- b) 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.
- c) 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.

3. In accordance with the GEF Policy on Monitoring Compliance with GEF Policies², the Secretariat reports to each subsequent Council meeting on the status of implementation of these Action Plans until the Agencies are fully compliant. This is the first progress report following the Updated Third Party Review and Council approval of Agency Action Plans.

SUMMARY OF ACTION PLAN IMPLEMENTATION

4. AfDB and IUCN have reported that outstanding actions required to come into full compliance have been completed. The four remaining Agencies: ADB, BOAD, CAF and FECO have reported that implementation of their time bound Action Plans continues as planned. For ADB and FECO, actions are expected to be complete by end-2023. For CAF, all actions are planned for

¹ Circulated to Council members by e-mail on April 21, 2023; will be available as Information Document for C.64.

² [ME/PL/02](#)

completion by end-2023, with one exception related to longer term internal control reforms expected in 2024. For BOAD, implementation of its Action Plan items is underway with a target completion date of December 2023. There remain a number of areas related to minimum fiduciary standards in which the Third Party Review did not concur with BOAD's self-assessment, and where additional follow up will be done by the Secretariat.³

5. The Secretariat will continue to monitor Action Plan implementation and report progress at future Council meetings. An additional self-assessment and Third Party Review of UNDP adherence to minimum fiduciary standards will also be undertaken in accordance with GEF Council Decision 26/2021 related to UNDP issues; this will begin during the second half of 2023.

6. Table 1 provides detail on the findings of the Third Party Review and status of implementation of Action Plans by Agencies as of June 1, 2023.

Table 1. Status of Action Plan Implementation at June 1, 2023

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of June 1, 2023
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).	Action Plan implementation ongoing: <ul style="list-style-type: none"> • SPS approval 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.	Action Plan complete: <ul style="list-style-type: none"> • Whistle-blower policy approved on December 16, 2022. • Updated ISS approved by AfDB Board on April 12, 2023 and posted on AfDB website.
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.	Action Plan implementation ongoing with target completion in 2023. <ul style="list-style-type: none"> • Detailed update on progress provided May 10, 2023 • Several areas of divergence between BOAD self-assessment and Third Party Review findings with respect to implementation capacity require additional follow-up.
CAF	MFS: I.2(h), I.2(i), I.3(a), I.3(b), II.1(d) and II.3(a)	1. Update CAF internal monitoring procedures.	Action Plan implementation ongoing:

³ With assistance from an external expert

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of June 1, 2023
		<ol style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> • Detailed update on progress provided May 10, 2023 • gaps linked to M&E and executing agencies expected to be closed by July 2023 • gap linked to internal control under review at corporate level
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>Action Plan implementation ongoing:</p> <ul style="list-style-type: none"> • FECO has decided to add relevant articles in the Measures for Financial Management of FECO, for completion by September 30, 2023.
IUCN	MFS: II.8 (d-f)	<p>The whistleblowing policy is scheduled to be approved and issued before the end of 2022.</p>	<p>Action Plan complete:</p> <ul style="list-style-type: none"> • Whistleblower policy approved by IUCN Board May 22-26, 2023