



GEF/C.67/Inf.08

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PROGRESS REPORT ON GEF AGENCIES' COMPLIANCE WITH GEF MINIMUM STANDARDS

I. 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 most recent compliance review exercise: i.e. 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 This is the third progress report following Council approval of Agency Action Plans and follows the Information Note submitted to C.64 in June 2023² and C.66 in January 2024.³ It reflects information available to the Secretariat as of 31 May 2024.

II. 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. The independent Third Party Review of these self-assessments concluded that six of the eighteen GEF Agencies were not fully compliant with all standards and were therefore required to develop Action Plans to address identified gaps, in accordance with GEF policy. The Council, in Decision 5/2023, noted the Action Plans submitted by the Agencies addressing the issues identified in the self-assessment and review process. The decision included a request to the Agencies to report on progress and the Secretariat to report such information to each Council meeting until the respective Action Plans are completed and all agencies are in full compliance.

III. Summary of Action Plan Implementation

3. Of the 18 GEF Agencies, 15 are now fully compliant with all four minimum standards. This includes AfDB, notwithstanding pending confirmation of one provision for Environmental and Social Safeguards (see information provided by AfDB in Section IV). Two remaining Agencies – ADB and CAF - report that implementation of their time bound Action Plans continues as planned and gaps are expected to be closed in 2024. One Agency, BOAD, has yet to provide information to show full compliance with the Minimum Fiduciary Standards as at the date of this report.

4. Table 1 provides a summary of the implementation status of Action Plans by Agencies and Section IV provides additional detail on AfDB and BOAD. The Secretariat will continue to monitor Action Plan implementation and report progress at future Council meetings.

5. If evidence of progress by BOAD remains unavailable despite repeated efforts, a proposal will be presented to Council for consideration at the next Council meeting.

¹ [GEF/C.64/Inf.09](#): Updated Third Party Review of Agency Compliance with GEF Minimum Standards, May 8, 2023

² [GEF/C.64/Inf. 10](#): Progress Report on GEF Agencies' Compliance with GEF Minimum Standards, June 5, 2023.

³ [GEF/C.66/Inf. 10](#): Progress Report on GEF Agencies' Compliance with GEF Minimum Standards, January 19, 2024.

Table 1. Status of Action Plan Implementation at May 31, 2024

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of Jan 19, 2023	Status as of May 31, 2024
ADB	<p>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)</p>	<p>ESS: Update the Safeguard Policy Statements (SPS) and secure approval by the ADB Board (originally expected in late 2023).</p>	<p>MFS: Fully Compliant</p> <p>ESS: Action Plan implementation ongoing:</p> <ul style="list-style-type: none"> Phase 3 of consultations was initiated in Q4 2023 Environmental and Social Framework (ESF) to be finalized in Q2 2024 Final ESF SPS Board approval - now expected Q3 2024 	<p>MFS: Fully Compliant</p> <p>ESS Action Plan implementation ongoing:</p> <ul style="list-style-type: none"> Phase 3 consultations were completed in May 2024. ADB is now finalizing updates to the policy and expects to disclose the updated draft in July 2024. The Board's consideration of the final policy paper is expected in Q3 2024 (19 September). The effectiveness of the ESF will be a year after Board approval.
AfDB	<p>MFS: II.8 (f)</p> <p>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</p> <p>SE: 16(b)</p>	<p>MFS: Update and approve the whistle blower policy. Implementation and roll-out of the policy to governance and staff members.</p> <p>ESS: Finalise revisions in the updated Integrated Safeguards System (ISS) and secure approval by the AfDB Board.</p>	<p>MFS: Fully Compliant</p> <p>ESS: Fully Compliant (pending confirmation)</p> <ul style="list-style-type: none"> AfDB has clarified that given African context, ISS sufficiently covers potential cases of persons living in isolation. Confirmation pending on provisions for confidential reporting for GBV 	<p>MFS: Fully Compliant</p> <p>ESS: Fully Compliant (pending confirmation)</p> <ul style="list-style-type: none"> Confirmation pending on provisions for confidential reporting for GBV

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of Jan 19, 2023	Status as of May 31, 2024
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.	MFS: Areas of divergence between BOAD self-assessment and Third Party Review findings have been reviewed. <ul style="list-style-type: none"> Audit issues resolved. Public Audit Reports now on BOAD website here: Le fond pour l'environnement mondial - La BOAD Other issues remain under review - see Section IV for detail ESS: Fully Compliant	MFS: Areas of divergence between BOAD self-assessment and Third Party Review findings have been reviewed. Some issues remain outstanding. - see Section IV for detail ESS: Fully Compliant
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"> Update CAF internal monitoring procedures. Review the monitoring framework to incorporate the Project-at risk system. Include specific procedures for monitoring the performance of procurement activities of executing agencies. 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. Update the oversight functions and policies related to Executing agencies. 	MFS Action Plan implementation ongoing <ul style="list-style-type: none"> M&E: developing a mandatory guide for all GEF projects Executing Entities: guide for selection and due diligence to include specific section Internal control: Update of internal manual completed and pending approval and publication. Updating risk matrix and flowcharts are still in process - expected completion end-2024. ESS : Fully Compliant	MFS Action Plan implementation ongoing <ul style="list-style-type: none"> M&E: developed a mandatory guide for all GEF projects, which is under evaluation for approval. Executing Entities: a draft guide for selection and due diligence to include a specific section. Internal control: Update of internal manual completed and pending approval and publication. Updated risk matrix and flowcharts are completed, pending approval

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of Jan 19, 2023	Status as of May 31, 2024
		8. Update the procedure to oversee and monitoring oversight the executing agency, including monitoring the procurement of executing agency.		and publication, and expected completion in upcoming months. ESS: Fully Compliant

IV. Additional Detail on Outstanding Issues

i. African Development Bank:

On SEAH and GBV: AfDB’s Updated ISS includes multiple provisions regarding identification of sexual exploitation, abuse and harassment (SEAH) and gender-based violence (GBV) and aligns with the GEF requirements. The Updated ISS provisions are nevertheless not explicit regarding the GEF standard (MS1, 4.o) for reporting and response protocols, with specific procedures for GBV, e.g. confidential reporting with safe and ethical documenting of GBV cases, indicating when and where to report incidents, what follow-up actions will be undertaken, and modalities to provide services and redress to survivors. AfDB has noted that ‘Specific Directives’ will be issued to Bank staff to cover, among other issues, SEAH and GBV, however these directives were not available as of the date of this Progress Report.

The AfDB nevertheless reports that:

- At the project level, a Grievance Mechanism is in place to provide for remedy, to address Occupational Health and Safety (OHS) concerns including gender-based inequalities, GBV and SEAH;
- Once the GBV/SEAH risks have been identified, the project appraisal team will try to investigate the current set of local institutional and regulatory systems available in the project area as well as mechanisms that are in place to prevent and respond to cases of GBV/SEAH;
- In the Environmental and Social Management Plan, AfDB will require the Borrower to organize training and awareness programs, to ensure that codes of conduct (for workers and people living in labor camps if any) are following Good International Industry Practice, and to promptly notify the AfDB when GBV/SEAH abuse has been identified, supported by an accompanying corrective action plan;
- During implementation, when there are reported cases of GBV/SEAH, AfDB conducts a root cause analysis to determine whether this incident is caused by the project. If there is clear evidence of GBV/SEAH caused by the project, AfDB Senior management will, in collaboration with relevant national authorities, examine how to address these issues. At the national level, there are existing mechanisms to report and address GBV/SEAH issues such as the creation of hotlines, medical and psychological care as well as legal assistance. The nature of these mechanisms may however vary within and/or between countries depending on the relevant legislation that is in effect;

- The AfDB's [Independent Review Mechanism \(IRM\)](#) can be requested to investigate alleged GBV/SEAH cases in connection with its projects. An Investigation report along with a detailed Management Response to comments and recommendations made by IRM are submitted to the Board of Directors for review and approval.

ii. BOAD

BOAD has provided evidence of implementation of some Action Plan items, but others remain open. The 2023 Third Party Review did not concur with BOAD's self-assessment on a number of issues. Since then, the Secretariat, with support from the external reviewer has been seeking additional information from BOAD. A summary of the status of these outstanding issues follows:

The following items have been closed:

- I.1(a)-(d) relating to implementing project appraisal policies - BOAD has since provided sufficient examples to show track record.
- I.2(d) referring to bid protests – BOAD provided an example of the limited occasions showing how these are handled in practice.
- I.5 (d) relating to application of evaluation standards – BOAD has begun implementing steps to address the specific issues identified in evaluation assessments.
- II.1(e) relating to publishing audited GEF financial information – BOAD action plan #5 completed.
- II.6 (d)-(i) relating to implementing internal audit policies – based on information provided by BOAD and rationale for earlier KPMG conclusions on this standard.

As of May 31, 2024, the following issues are still pending and require BOAD to provide additional information:

- I.2 relating to procurement – all except (d) require further information to confirm policies and procedures are being applied in practice.
- I.3(a)-(e) relating to monitoring - BOAD could close the information gaps by clarifying the status of its action plan to update project supervision manuals. If there is a separate Monitoring Policy which was to be updated a copy should be provided. BOAD can provide updated information on the status of the GEF project under implementation, which should indicate corrective actions identified in the 2022 monitoring report and 2022 internal audit. Finally, BOAD can provide information about and examples of monitoring reports in use at the portfolio level to manage projects-at-risk.
- I.4(a) relating to procedures for operational completion and financial closure, including reporting - In its January 2023 action plan, BOAD committed to an update of the Project Completion Manual to cover financial closure. Confirmation of this by BOAD, and submission of the Manual is pending.
- I.4(b) relating to project results being accessible to the public. While procedures were put in place under BOAD's 2020 action plan (action item #3), the Third Party Reviewer did not agree that these were being implemented. BOAD has noted that it has not yet completed a GEF project, but at present there is no information on BOAD's website on the results of any projects in its portfolio. As a way forward, the BOAD public website could present project results across the Bank's project portfolio, such as under the presentation of ex-post evaluation results.

- I.5 (a) and (c) relating to independence of the evaluation function - As part of its GEF action plan BOAD is establishing an evaluation committee. These gaps could be considered closed when membership is confirmed, and meetings have begun.
- I.5 (d) relating to publication of evaluation results – recent upgrades to BOAD’s public website appear to have resulted in less information now available than previously.
- II.2(d) and (g) Anti-fraud risk management and measures; II.5 Code of Ethics/Conduct; II.7 Investigations; II.8 Hotline and Whistleblower Protection - BOAD provided an action plan to address its previous audit (Deloitte) findings relevant to these standards. To close the open items on the Third Party Review assessment concerning the effective implementation of these standards, BOAD should provide information on the status of actions taken, and where policies have been updated provide the approved copies.