



GEF/C.68/Inf.09  
November 20, 2024

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68<sup>th</sup> GEF Council Meeting  
December 16-20, 2024  
Virtual Meeting

## **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.<sup>1</sup> This is the fourth progress report following Council approval of Agency Action Plans and follows the Information Note submitted to C.64 in June 2023<sup>2</sup>, C.66 in January 2024<sup>3</sup> and C.67 in June 2024.<sup>4</sup> It reflects information available to the Secretariat as of November 5, 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, 16 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). CAF completed their Action Plan by October 31, 2024 and is now fully compliant. ADB reports that implementation of their time bound Action Plans continues as planned and gaps are expected to be closed in 2024. 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, BOAD, and CAF. The Secretariat will continue to monitor Action Plan implementation and report progress at future Council meetings.

5. BOAD has provided responses and supporting documents to show evidence of progress on pending items as detailed in Section IV. This is an ongoing process while BOAD continues to adapt and refine their fiduciary standards and related policies and procedures to meet GEF requirements as well as those of the Adaptation Fund and Green Climate Fund, where BOAD is an accredited agency.

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

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

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

<sup>4</sup> [GEF/C.67/Inf.08](#): Progress Report on GEF Agencies' Compliance with GEF Minimum Standards, June 4, 2024.

**Table 1. Status of Action Plan Implementation at November 5, 2024**

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of May 31, 2024	Status as of November 5, 2024
ADB	<p><b>ESS:</b> 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><b>MFS: Fully Compliant</b></p> <p>ESS: Action Plan implementation ongoing:</p> <ul style="list-style-type: none"> <li>Phase 3 consultations were completed in May 2024.</li> <li>ADB is now finalizing updates to the policy and expects to disclose the updated draft in July 2024.</li> <li>The Board's consideration of the final policy paper is expected in Q3 2024 (19 September).</li> <li>The effectiveness of the ESF will be a year after Board approval.</li> </ul>	<p><b>MFS: Fully Compliant</b></p> <p><b>ESS Action Plan implementation ongoing:</b></p> <ul style="list-style-type: none"> <li>ADB completed formal consultation on the revised policy in May 2024 and a revised draft policy was published in September 2024.</li> <li>ADB is in the process of completing final consultations and expect to submit the final version for ADB Board approval in November 2024.</li> <li>The new policy, referred to as the Environmental and Social Framework is expected to be fully aligned with the GEF and with other MDBs.</li> </ul>
AfDB	<p><b>MFS:</b> II.8 (f)</p> <p><b>ESS:</b> 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><b>SE:</b> 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><b>MFS: Fully Compliant</b></p> <p>ESS: Fully Compliant (pending confirmation)</p> <ul style="list-style-type: none"> <li>AfDB has clarified that given African context, ISS sufficiently covers potential cases of persons living in isolation.</li> </ul>	<p><b>MFS: Fully Compliant</b></p> <p><b>ESS: Fully Compliant (pending confirmation)</b></p> <ul style="list-style-type: none"> <li>Confirmation pending on provisions for confidential reporting for GBV</li> </ul>

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of May 31, 2024	Status as of November 5, 2024
			<ul style="list-style-type: none"> <li>Confirmation pending on provisions for confidential reporting for GBV</li> </ul>	
BOAD	<p><b>MFS:</b> 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)</p>	<p><b>MFS:</b> 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.</p>	<p><b>MFS:</b> Areas of divergence between BOAD self-assessment and Third Party Review findings have been reviewed.</p> <ul style="list-style-type: none"> <li>Audit issues resolved. Public Audit Reports now on BOAD website here: <a href="#">Le fond pour l'environnement mondial - La BOAD</a></li> <li>Other issues remain under review - see Section IV for detail</li> </ul> <p><b>ESS: Fully Compliant</b></p>	<p><b>MFS:</b> Areas of divergence between BOAD self-assessment and Third Party Review findings have been reviewed. Some issues remain outstanding. - see Section IV for detail</p> <p><b>ESS: Fully Compliant</b></p>
CAF	<p><b>MFS:</b> I.2(h), I.2(i), I.3(a), I.3(b), II.1(d) and II.3(a)</p>	<ol style="list-style-type: none"> <li>Update CAF internal monitoring procedures.</li> <li>Review the monitoring framework to incorporate the Project-at-risk system.</li> <li>Include specific procedures for monitoring the performance of procurement activities of executing agencies.</li> <li>Review and update the current evaluation framework for GEF projects.</li> <li>Review CAF access to information policy to allow transparency of the evaluation reports.</li> <li>Review the roles and responsibilities in the evaluation framework.</li> </ol>	<p><b>MFS Action Plan implementation ongoing</b></p> <ul style="list-style-type: none"> <li>M&amp;E: developed a mandatory guide for all GEF projects, which is under evaluation for approval.</li> <li>Executing Entities: a draft guide for selection and due diligence to include a specific section.</li> <li>Internal control: Update of internal manual completed and pending approval and publication.</li> </ul>	<p><b>MFS: Fully Compliant</b></p> <ul style="list-style-type: none"> <li>M&amp;E: developed a mandatory guide for all GEF projects, which is socialized and will be implemented for all new projects starting in 2025.</li> <li>Executing Entities: developed a mandatory guide for selection and due diligence of executing agencies.</li> </ul> <p>Internal control: developed the internal control</p>

Agency	Areas of Partial or Non- Compliance per Third Party Review	Action Plan	Status as of May 31, 2024	Status as of November 5, 2024
		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"> <li>Updated risk matrix and flowcharts are completed, pending approval and publication, and expected completion in upcoming months.</li> </ul> <b>ESS : Fully Compliant</b>	program including update of internal manual and risk matrix and flowcharts. <b>ESS: Fully Compliant</b>

**IV. Additional detail on Outstanding Issues**

**i. African Development Bank:**

6. **On SEAH and GBV:** AfDB’s updated Integrated Safeguards System (ISS)<sup>5</sup> includes multiple provisions regarding identification of sexual exploitation, abuse and harassment (SEAH) and gender-based violence (GBV) and aligns with the GEF requirements. AfDB also developed the Borrower Guidance Note on Gender in E&S Operational Safeguard diligence<sup>6</sup> in 2024. This provides guidance on appropriate conduct toward workers and affected communities, and prevention of SEAH and GBV while integrating survivor-centered principles in community grievance redress mechanisms. However, neither of the Updated ISS nor Guidance Note are explicit regarding the GEF standard (MS1, 4.o (i)) 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, and what follow-up actions will be undertaken. AfDB developed ‘Presidential Directive (08/2024)’, Concerning the Protection of Vulnerable People in the Context of Bank-Supported Operations (dated July 26, 2024). However, the Directive does not cover the GEF standard (MS1, 4.o (i)) regarding confidential reporting with safe and ethical documenting of GBV cases. Further clarification is pending from AfDB.

The AfDB nevertheless reports the below (as of November 5, 2024):

- 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

<sup>5</sup> African Development Bank Group’s Integrated Safeguards System. available [here](#).

<sup>6</sup> Borrower Guidance Note on Gender in E&S Operational Safeguard diligence. available [here](#).

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**

7. BOAD has provided evidence of implementation of most Action Plan items, but some remain open. A summary of the status of these outstanding issues follows:

The following items have been closed:

- I.3(a)-(e) relating to monitoring - BOAD has provided the *2024 Climate Project Supervision Manual* and monitoring reports and performance reports for GEF projects.
- I.4(b) relating to project results being accessible to the public. BOAD confirms that they have a dedicated page for the presentation of ex-post evaluation results and has provided links to three examples of such reports.
- I.5 (a) and (c) relating to independence of the evaluation function - As part of its GEF action plan BOAD has confirmed that the committee has been established and held its first meeting.
- I.5 (d) relating to publication of evaluation results following upgrades to BOAD's public website. As in I.4(b), BOAD has confirmed that the search method has changed, but all the information is still on the website. Regarding public access to project results, BOAD has a dedicated page for the presentation of ex-post evaluation results and has provided links to examples of such reports.
- II.2(g) Anti-fraud risk management and measures; II.5 Code of Ethics/Conduct; II.7 Investigations; II.8 Hotline and Whistleblower Protection - BOAD has reported that the new Code of Ethics has been developed and reviewed by the Ethics Committee. It has been submitted to Senior Management for approval and circulated to all staff at the General Assembly. The "Investigation and Sanctions Procedure" and the "Whistleblower Protection Policy" are currently being reviewed. These documents will be updated taking into account the observations made by Deloitte. The whistleblower system as described in the Whistleblower Protection Policy has been taken into account in point *8.3 Reporting of suspicions* under the new Code of Ethics.

8. As of November 5, 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.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.
- **II.2(d) relating to institutional financial risk assessment processes and related II.3 (a) Due diligence assessments of partner fiduciary risks:** BOAD's 2023 action plan on residual risks has been defined and related reporting is in the course of finalization, with an original expected completion date of 2023. Without reviewing the detailed information, it is not possible to assess if this sub-standard has been properly addressed.
- **II.3 (b) Information regarding funding agreements is made publicly available:** This was included in BOAD's 2020 and 2023 action plans, but its status is not yet updated as of this report's date.

### iii. CAF

09. CAF has completed its action plan and addressed identified gaps related to monitoring and evaluation (M&E), identification and due diligence of executing agencies, and internal control program.

- To improve CAF's M&E practices and the selection of executing agencies, CAF has developed two mandatory guidelines for all GEF projects, which are Guidelines for Monitoring and Evaluation (M&E) and Guidelines for the Identification and Due Diligence of Executing Agencies.
- These guides are currently being circulated within CAF to prepare full implementation and will be implemented for all new projects starting in 2025. CAF has a plan to gradually integrate the principles outlined in the M&E guidelines into its active projects.
- Additionally, CAF developed the internal control program including update of internal manual of third-party resources and risk matrix and flowcharts, with its first evaluation scheduled for November 2024; this evaluation covers the period January-September 2024 and includes GEF projects.