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**PROGRESS REPORT ON  
AGENCIES' COMPLIANCE WITH MINIMUM STANDARDS IN THE GEF POLICIES ON:  
ENVIRONMENTAL AND SOCIAL SAFEGUARDS;  
GENDER EQUALITY; AND  
STAKEHOLDER ENGAGEMENT**

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## INTRODUCTION

1. This is the fourth progress report on the Assessment of GEF Agencies' Compliance with Minimum Standards in the Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement. This report aims to update the Council on Agencies' progress implementing their plan of actions, based on information provided by GEF Agencies since the report submitted for Council's information at the 60<sup>th</sup> Council meeting, in June 2021<sup>1</sup> (hereafter referred to as the June 2021 Compliance Assessment Report).

## BACKGROUND

2. The GEF Policies on Environmental and Social Safeguards<sup>2</sup>, Gender Equality<sup>3</sup>, and Stakeholder Engagement<sup>4</sup> set forth a number of minimum standards<sup>5</sup>, and require GEF Partner Agencies (hereafter referred to as "Agencies") to demonstrate that they have in place the necessary policies, procedures, systems, and capabilities to meet these standards. The three Policies also call for the Secretariat to facilitate an assessment of GEF Agencies' compliance with these minimum standards, to be presented for Council review and decision.

3. Pursuant to these Policies, the GEF Secretariat presented for Council's decision, at its 57<sup>th</sup> meeting, in December 2019, the Report on the Assessment of GEF Agencies' Compliance with Minimum Standards in the Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement<sup>6</sup> (hereafter referred to as the 2019 Compliance Assessment Report). This Report described the findings of the requested expert reviews of GEF Agencies' compliance with the applicable minimum standards. These assessments had been facilitated by the Secretariat and undertaken by expert reviewers, in accordance with the methodology outlined in the Report<sup>7</sup> and in line with the Policies and the Assessment

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<sup>1</sup> GEF/C.60/Inf.08 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.60\\_Inf.08\\_Progress%20Report%20on%20Agencies%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%20Gender%20Equality%20and%20Stakeholder%20Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.60_Inf.08_Progress%20Report%20on%20Agencies%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%20Gender%20Equality%20and%20Stakeholder%20Engagement.pdf))

<sup>2</sup> GEF/C.55/07/Rev.01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.55.07.Rev\\_.01\\_ES\\_Safeguards.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.07.Rev_.01_ES_Safeguards.pdf))

<sup>3</sup> SD/PL/02 ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf))

<sup>4</sup> SD/PL/01 ([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf))

<sup>5</sup> The respective minimum standards for the three Policies are contained in Annex I.A of the Policy on Environmental and Social Safeguards, Paragraph 19 (a)–(e) of the Policy on Gender Equality and Paragraph 16 (a)–(f) of the Policy on Stakeholder Engagement.

<sup>6</sup> GEF/C.57/05 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.57\\_05\\_Report%20on%20Assessment%20of%20Agencies%20Compliance.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.57_05_Report%20on%20Assessment%20of%20Agencies%20Compliance.pdf))

<sup>7</sup> GEF/C.57/05 (para 7 -8)

Guidelines for GEF Agencies' Compliance with Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement.<sup>8,9</sup>

4. As part of the decision outlined in the 2019 Compliance Assessment Report, the Council requested, at the 57<sup>th</sup> Council meeting, Agencies to provide updates to the Secretariat, prior to every Council meeting, on progress implementing the actions contained in their plans of action until Agencies have come into full compliance. The GEF Secretariat, in turn, was requested to report to the Council on the progress on Agencies' implementation of the plans of action at subsequent Council meetings, based on the updates provided by the Agencies and notify Council when Agencies have met their commitments set out in their respective plans of action to achieve compliance. The GEF Secretariat was also asked to engage experts to carry out reassessments of updated Policies and procedures submitted by Agencies.

#### **PROCESS FOR AGENCIES TO ACHIEVE COMPLIANCE**

5. The section below reiterates the process and concrete steps and actions that have been and will continue to be followed until all Agencies have fulfilled their commitments spelled out in their plans of actions and have met all minimum standards contained in the GEF Policies on Environmental and Social Safeguards, Gender Equality and Stakeholder Engagement:

- (i) Each Agency that still is implementing their plan of action continue to provide updates to the GEF Secretariat until they have completed their plan of actions and reach full compliance with each minimum standard in the three Policies.
- (ii) The Secretariat continues to compile, track and review Agency updates and report to the Council on progress on Agencies' implementation of the plans of action at subsequent Council meetings.
- (iii) As part of its review of these updates, the Secretariat re-engages the expert reviewers, as needed, to assess additional information and evidence submitted by Agencies to determine whether they have achieved compliance in accordance with their agreed plan of action and Policy requirements.
- (iv) The Secretariat notifies Council when Agencies have met their commitments set out in their respective plans of action to achieve compliance.
- (v) For all Agencies, including those which have developed and completed a plan of action to meet all minimum standards, the Agency and the Secretariat will

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<sup>8</sup> SD/GN/03

([https://www.thegef.org/sites/default/files/documents/20190301\\_agency\\_policy\\_compliance\\_assessment\\_guidelines.pdf](https://www.thegef.org/sites/default/files/documents/20190301_agency_policy_compliance_assessment_guidelines.pdf))

<sup>9</sup> The findings outlined in this document has been established and validated through an iterative process including bilateral consultations and discussions between GEF Agencies, expert reviewers and the Secretariat.

subsequently carry out periodic reporting and monitoring of compliance using the modalities set out in the Policy on Monitoring Agencies' Compliance<sup>10</sup>.

#### UPDATED OVERVIEW ON AGENCIES' COMPLIANCE PROGRESS AND STATUS

6. As concluded in the 2019 Compliance Assessment Report,<sup>11</sup> only four Agencies were determined to be in full compliance at the time of the first 2019 Compliance Assessment. These included the European Bank for Reconstruction and Development (EBRD); Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO); United Nations Development Programme (UNDP); and the World Bank (WB).

7. The 2019 Compliance Assessment Report indicated that, given the institutional diversity of the GEF Partnership and the complex and evolving policy context related to the institutional complexities with regards to updating environmental and social safeguards, the process to develop or adjust policies, procedures and or guidelines could require additional time and actions by many GEF Agencies. The three Policies and related Assessment Guidelines for Agency Compliance anticipated this situation. They therefore incorporated a process for Agencies to develop time-bound action plans to come into full compliance (as outlined in the annexes of the 2019 Compliance Assessment Report<sup>12</sup>) as well as a process for Agencies to update the Secretariat on their progress implementing their plans of action and a process for the GEF Secretariat to reassess Agencies' compliance as they completed their plans of action.

8. In line with the three Policies and related Assessment Guidelines for Agency Compliance, all fourteen Agencies that had been assessed to have some gap areas established timebound plans of actions to address the identified gaps (outlined in detail in annex 1 of the 2019 Compliance Assessment Report). As part of the progress implementing the plans of actions, the Secretariat, based on findings from expert assessments (as reported in GEF updates to the Council in December 2020 and June 2021<sup>13</sup>), concluded that six additional Agencies had satisfactorily completed their plans of action and addressed the significant gaps identified in the 2019 Compliance Assessment Report. These included that the Brazilian Biodiversity Fund (FUNBIO), Conservation International (CI), Inter-American Development Bank (IDB),

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<sup>10</sup> SD/GN/03

[https://www.thegef.org/sites/default/files/documents/20190301\\_agency\\_policy\\_compliance\\_assessment\\_guidelines.pdf](https://www.thegef.org/sites/default/files/documents/20190301_agency_policy_compliance_assessment_guidelines.pdf))

<sup>11</sup> GEF/C.59/Inf.16 [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.59\\_Inf.16\\_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.59_Inf.16_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf)

<sup>12</sup> GEF/C.59/Inf.16 [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.59\\_Inf.16\\_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.59_Inf.16_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf)

<sup>13</sup> GEF/C.59/Inf.16 [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.59\\_Inf.16\\_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.59_Inf.16_Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%20Minimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf)

International Union for Conservation of Nature (IUCN), United Nations Environment Programme (UNEP) and World Wildlife Fund (WWF-US).

9. As part of the progress implementing the plans of actions, the Secretariat, based on findings from the expert assessments, carried out in October 2021, conclude that three additional Agencies have now satisfactorily completed their plans of action and addressed significant gaps identified in the 2019 Compliance Assessment Report. These include the Development Bank of Latin America (CAF), International Fund for Agricultural Development (IFAD) and United Nations Industrial Development Organization (UNIDO). Five Agencies, including the Asian Development Bank (ADB), African Development Bank (AfDB), Development Bank of Southern Africa (DBSA), Food and Agriculture Organization of the United Nations (FAO), and the West African Development Bank (BOAD) are still in the process of completing their plans of action and to be in full compliance.

10. Table 1, below, provides an overview of Agencies' compliance status as of October 2021. Summary findings of the reassessment of CAF, IFAD and UNIDO are detailed in paras 13 -17, below, and the detailed findings and justifications of the expert reviews are included in annex 1.

**Table 1. Overview of Agency compliance status**

Status	Agency
<b>Fully Compliant</b> (as of the December 2019 assessment)	WB, UNDP, EDRB and FECO
<b>Fully Compliant</b> (based on completion of actions plans and GEF reassessments between December 2019 and June 2021)	FUNBIO, CI, IDB, IUCN, UNEP and WWF-US
<b>Fully Compliant</b> (based on completion of action plans and GEF reassessments in October 2021)	IFAD, CAF and UNIDO
<b>Pending completion of action plans</b>	ADB, AfDB, DBSA, FAO and BOAD

11. Table 2, below, provides a summary of the Agencies pending plans of actions to achieve full compliance and estimated time of completion. Further details on updates on these Agencies' progress towards the implementation of the plans of actions are detailed below in para 19.

**Table 2. Overview of pending action plans**

<b>Agency</b>	<b>Summary of pending plan of actions to achieve full Compliance (as submitted in 2019)</b>	<b>Summary Updates and estimated time of completion</b>
<b>1. ADB</b>	Review/update the Safeguard Policy (by 2021), and issuance of an internal guideline for GEF-financed projects.	Implementation, as outlined in the plan of action, still ongoing with some reported delays. ADB had originally estimated to complete this process in December 2021 but now expects this process to be completed by end of 2022 or early 2023). Implementation, as outlined in the plan of action, still ongoing and as reported in June 2021, it is expected to be completed by 2022.
<b>2. AfDB</b>	Review and update the Integrated Safeguards System by 2022.	Implementation, as outlined in the plan of action, still ongoing and as reported in June 2021, it is expected to be completed by 2022.
<b>3. DBSA</b>	Update the Environmental and Social Safeguards Standards (by Nov 2019), and revise the Independent Grievance Redress Mechanisms (IGRM) by Oct 2021.	Implementation, as outlined in the plan of action, completed. Documentation submitted GEF reassessment found that that while DBSA has addressed most of identified gap areas, some partial gaps remain related to the revised IGRM. DBSA has committed address these gaps and resubmit documentation by Dec 2021.
<b>4. FAO</b>	Revise the Environmental and Social Safeguards Standards (by Dec 2020) and integrate new guidance notes and screening procedures in the project cycle in 2020-2021.	Implementation, as outlined in the plan of action, still ongoing and estimated to be completed in 2021.
<b>5. BOAD</b>	Review and revise Policies and Procedures for Environmental and Social Management (by end of 2020).	Implementation, as outlined in the plan of action, still ongoing with some reported delays and as reported in June 2021, it is expected to be completed by 2022.

## **SUMMARY FINDINGS OF THE EXPERT RE-ASSESSMENT FOR THE GEF AGENCIES THAT HAVE COMPLETED THEIR PLANS OF ACTION**

12. The section below describes the summary findings of the expert reviewers' assessment of the updated policies, procedures and systems submitted by Agencies in 2021, and provides the expert reviewer's findings. The Expert review concluded that the three Agencies, mentioned above, have now satisfactorily completed their plans of action and addressed significant gaps identified in the 2019 Compliance Assessment Report and in some cases, the experts provided some recommendations for further improvements. The below describes the summary findings of the expert reviewers' assessment and findings of the updated policies, procedures and systems submitted by Agencies in 2021 (the detailed expert review's assessment are provided in annex 1)

### **Development Bank of Latin America (CAF)**

13. As described in the 2019 Compliance Report, CAF was initially assessed against its Environmental and Social Safeguard Policy including operational guidance notes and screening tools. CAF was assessed, at that time, as follows:

- (i) *Policy on Environmental and Social Safeguards:*
  - Some partial gap across minimum standards 1-9.
- (ii) *Policy on Gender Equality and Stakeholder Engagement:*
  - No gaps with the minimum standards contained in the Policy on Gender Equality, but some partial gaps related to minimum standards in the Policy.

### *Updated Expert Assessment*

14. In its plan of action, CAF committed to update its policies on environmental and social safeguards, and stakeholder engagement. In its documentation presented to GEF prior to the 57<sup>th</sup> Council, CAF indicated that it was aware of gaps between its existing policies and the relevant policies of the GEF. In July 2021, CAF submitted updated information on their progress implementing their plan of action and documentation on their updated policies and processes to address the gaps identified in the GEF 2019 assessment. The Expert review, and the GEF assessment of these documents, conclude that CAF now has completed its plans of action and addressed all the identified gap areas from the earlier assessment.

### **International Fund for Agricultural Development (IFAD)**

15. As described in the 2019 Compliance Report, IFAD was initially assessed against its Social, Environmental and Climate Change Procedures (SECAP) and other relevant IFAD policies, procedures, guidelines, and systems and the minimum standards contained in the GEF Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement. IFAD was assessed, at that time, as follows:

- (i) *Policy on Environmental and Social Safeguards:*
  - No gaps with MS1 (Assessment), MS2 (Accountability), MS4 (Resettlement), MS6 (Cultural Heritage), MS7 (Resource efficiency and pollution prevention) and MS9 (Community Health), but no standards that meets the requirements of MS8 (Labor and Working Conditions), and some partial gaps in MS3 (Biodiversity) and MS5 (Indigenous Peoples).
- (ii) *Policy on Gender Equality and Stakeholder Engagement:*
  - No gaps with the minimum standards contained in the Policy on Gender Equality, but one partial gap with the minimum standards contained in the Policy on Stakeholder Engagement.

#### *Updated Expert Assessment*

16. In its plan of action, IFAD committed to update its policies on environmental and social safeguards, and stakeholder engagement. IFAD submitted updated information on their progress implementing their plan of action and documentation on their updated policies and processes to address the gaps identified in the GEF 2019 assessment. The Expert review, and the GEF assessment of these documents, conclude that IFAD now has completed its plans of action and addressed all the identified gap areas from the earlier assessment.

#### **United Nations Industrial Development Organization (UNIDO)**

17. As described in the 2019 Compliance Report, UNIDO was initially assessed against its Environmental and Social Safeguards Policies and Procedures (ESSPP) and other relevant UNIDO policies, procedures, guidelines, and systems and the minimum standards contained in the GEF Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement. UNIDO was assessed, at that time, as follows:

- (i) *Policy on Environmental and Social Safeguards:*
  - No gaps with MS4 (Resettlement), and MS9 (Community Health), but some partial gaps in MS1 (Assessment), MS2 (Accountability), MS3 (Biodiversity) and MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource efficiency and pollution prevention) and MS8 (Labor and Working Conditions).
- (ii) *Policy on Gender Equality and Stakeholder Engagement:*
  - No gaps with the minimum standards contained in the Policy on Gender Equality or Stakeholder Engagement.

#### *Updated Expert Assessment*

18. In its documentation presented to the GEF for the 57<sup>th</sup> Council, UNIDO acknowledged the findings of the 2019 assessment and committed to addressing all identified gaps in order to achieve full compliance with the GEF Policy on Environmental and Social Safeguards. The 2019

assessment had found that UNIDO was compliant with the GEF Policies on Stakeholder Engagement and Gender Equality. In June 2021, UNIDO approved an updated version of its Environmental and Social Safeguards Policies and Procedures (ESSPP). The Expert review, and the GEF assessment of UNIDO's updates policies and procedure, conclude that UNIDO now has completed its plans of action and addressed all the identified gap areas from the earlier assessment

#### **UPDATES ON AGENCIES' PLANS OF ACTIONS**

19. The section below outlines some further details and updates on Agencies' progress implementing their plan of actions and estimated timelines for completion.

#### **Asian Development Bank (ADB)**

##### *Summary findings (2019 assessment)*

- (i) Policy on Environmental and Social Safeguards:
  - ADB was assessed to meet all requirements (no gaps) with MS2 (Accountability), MS4 (Resettlement), and MS8 (Labor);
  - ADB was assessed to have some partial gaps in MS1 (Assessment), MS3 (Biodiversity), MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource Efficiency/Pollution Prevention) and MS 9 (Community Health and Safety).
- (ii) Policy on Gender Equality:
  - ADB was assessed to meet all requirements and to be compliant with the minimum standards contained in the Policy.
- (iii) Policy on Stakeholder Engagement:
  - ADB was assessed to meet all requirements and to be compliant with the minimum standards contained in the Policy.

**Plan of Action:** Review/update the Safeguard Policy by 2021, and issuance of an internal guideline for GEF-financed projects. (See further detail in 2019 Compliance assessment)

**Update:** ADB reports, as of October 2021, that:

- ADB's Independent Evaluation Department completed a Corporate Evaluation of the of the ADB 2009 Safeguard Policy in May 2020.
- ADB Management officially launched the policy update process in September 2020 (ADB had originally estimated to complete this process in December 2021 but have experiences some delays and

now expect this process to be completed by end of 2022 or early 2023).

- A study on policy architecture options has been prepared and disclosed on ADB's website as well as discussed with ADB's Board in April and June 2021. The study benchmarks the current Safeguard Policy Statement (SPS) against the policies of other MFIs and assesses policy architecture models. The study recommended that ADB align the new policy with the policies of other MFIs, following a "Performance Standard" model.
- A detailed stakeholder engagement plan has been developed and published on ADB's website, and the first phase of initial stakeholder consultations has been completed.
- Analytical studies covering safeguards topics, thematic and cross cutting areas that fall under the individual performance standards have been initiated and will be disclosed for consultations.
- The next stage of consultations will run from November 2021 to June 2022. This phase will include regional consultations on the architecture study and other analytical work.
- While the policy review and update are ongoing, ADB has committed to addressing any gaps that may occur in the context of GEF financed activities. This will be reflected in GEF project documents. To aid this process, ADB has developed an internal guidance highlighting issues to be addressed with gap filling measures.

## **African Development Bank (AfDB)**

### *Summary findings (2019 assessment)*

- (i) Policy on Environmental and Social Safeguards:
  - AfDB was assessed to meet all requirements (no gaps) with MS7 (Resource Efficiency and Pollution Prevention), and MS8 (Labor and Working Conditions)
  - AfDB was assessed to have some gaps in MS1 (Assessment), MS2 (Accountability), MS3 (Biodiversity), MS4 (Resettlement), MS5 (Indigenous Peoples), MS6 (Cultural Heritage), and MS9 (Community Health, Safety and Security).
- (ii) Policy on Gender Equality:
  - AfDB was assessed to meet all requirements and to be compliant with the minimum standards contained in the Policy.

(iii) Policy on Stakeholder Engagement:

- AfDB was assessed to have one partial gap related to the minimum standards in contained in the Policy

**Plan of Action:** Review and update the Integrated Safeguards System with a target submission to the Bank's Board of Directors for consideration and approval in 2022. (See further detail in 2019 Compliance assessment)

**Update:** AfDB reports, as of June 2021 (update pending for October 2021), that:

- A Zero draft of the AfDB Integrated Safeguards System (ISS) has been completed and is currently being reviewed.
- Wider stakeholder consultations are planned for early 2021.
- Slight delays on the action plan, due to Covid, but the stakeholder consultation process aims to be completed by end 2021 and upgraded ISS is expected to be submitted to the Bank's Board of Directors for consideration and approval in 2022.

## **Development Bank of Southern Africa (DBSA)**

### *Summary findings (2019 assessment)*

(i) Policy on Environmental and Social Safeguards:

- No gaps in MS4 (Resettlement), MS6 (Cultural Heritage) and MS7 (Resource Efficiency/Pollution Prevention), but a range of partial gaps across MS1 (Assessment), MS2 (Accountability), MS3 (Biodiversity), MS5 (Indigenous Peoples), MS8 (Labor), and MS9 (Community Health, Safety and Security).

(ii) Policy on Gender Equality and Stakeholder Engagement:

- No gaps with the minimum standards contained in the Policy on Gender Equality or Stakeholder Engagement.

**Plan of Action:** Update the Environmental and Social Safeguards Standards (by Nov 2019), and revise the Independent Grievance Redress Mechanisms (IGRM) by Oct 2020. (See further detail in 2019 Compliance assessment)

**Update:** DBSA has updated its Environmental and Social Safeguard Standards, including the Independent Grievance Redress Mechanism (IGRM) and submitted documentation to the GEF Secretariat for reassessment.

- The reassessment of the new documentation found that DBSA has addressed nearly all the identified gap areas from the earlier assessment. The reassessment found some remaining partial gaps, however, related to DBSA's updated IGRM with regards to MS2 (Accountability, Grievance and Conflict Resolution). The two

remaining partial gaps include (5.b) the degree of independence of the Compliance Review Panel and (5 f.) minimize the risk of retaliation to Complainants.

- DBSA acknowledged these partial gaps and has agreed to further modify the IGRM by December 2021 and resubmit to the GEF for additional review.

## **Food and Agriculture Organization of the United Nations (FAO)**

### *Summary findings (2019 assessment)*

- (i) Policy on Environmental and Social Safeguards:
  - FAO was assessed to meet all requirements (no gaps) with MS3 (Biodiversity) and MS4 (Resettlement);
  - FAO was assessed to have some partial gap areas in MS1 (Assessment), MS2 (Accountability), MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource Efficiency, Pollution), MS8 (Labor) and MS 9 (Community Health and Safety).
- (ii) Policy on Gender Equality:
  - FAO was assessed to meet all requirements and to be compliant with the minimum standards contained in the Policy.
- (iii) Policy on Stakeholder Engagement:
  - FAO was assessed to meet all requirements and to be compliant with the minimum standards contained in the Policy.

**Plan of Action:** Revise the Environmental and Social Safeguards Standards by Dec 2020 and integrate new guidance notes and screening procedures in the project cycle in 2020-2021. (See further detail in 2019 Compliance assessment)

**Update:** FAO reports, as of October 2021, that

- Implementation, as outlined in the plan of action, is still ongoing with some reported delays.
- Additional steps towards the formal adoption of the revised Framework for Environmental and Social Management have been made, including an extensive internal review with responsible corporate units and a broad public consultation process. Both processes are completed.
- Formal adoption by FAO Senior Management is expected by end of the 2021.

## **West African Development Bank (BOAD)**

### *Summary findings (2019 assessment)*

- (i) Policy on Environmental and Social Safeguards:
  - BOAD was assessed to meet all requirements (no gaps) in MS2 (Accountability)
  - BOAD was assessed to have gaps in MS1 (Assessment) and MS3 (Biodiversity), MS4 (Resettlement), (MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource Efficiency and Pollution Prevention), MS8 (Labor), and MS9 (Community Health)
- (ii) Policy on Gender Equality:
  - BOAD was assessed to have some partial gaps relating to the Policy on Gender Equality
- (iii) Policy on Stakeholder Engagement:
  - BOAD was assessed to have some partial gaps relating to the Policy on Stakeholder Engagement

**Plan of Action:** Review and revise Policies and Procedures for Environmental and Social Management, by end of 2020. (See further detail in 2019 Compliance assessment)

**Update:** BOAD reports, as of June 2021 (update pending for October 2021), that:

- BOAD has initiated the revision and update of its operational Policies and Procedures for Environmental and Social Management in Financing Projects (POP), including ESS, Gender Equality and Stakeholder Engagement, including the commencement of system-wide audit to be concluded by the end of April/mid-May 2021.
- The revisions of the Policies and Procedures have been delayed slightly due to Covid-19. The approval by the BOAD's Board of Directors is now expected in December 2021 instead of September 2021 as initially planned.

## CONCLUSION AND NEXT STEPS

20. As described above thirteen Agencies are now assessed to be in full compliance with minimum standards of the GEF Policies on ESS, Gender Equality and Stakeholder Engagement. Most of the five Agencies that are still implementing their plans of action are progressing towards completing their plans of action as outline in the 2019 Compliance report albeit some reported delays.

21. Under the provisions of the Policy on Environmental and Social Safeguards, it was recommended that Council decide that Agencies may continue to seek GEF financing while they implement their time-bound plans of action.<sup>14</sup> Under the provisions in the Policies on Gender Equality and Stakeholder Engagement, it is also recommended that Agencies may continue to seek financing while they implement their time-bound plans of action.<sup>15</sup> If a plan of action for an Agency is not implemented according to the timeline set out in the 2019 Compliance Assessment Report, review of this decision may be warranted. The Secretariat will continue to monitor Agencies' progress towards implementing their plans of actions and will notify Council if any concerns arise as part of Agencies' updates and or changes to estimated completion dates.

22. Concurrent to this Agency compliance assessment, it is important to note that the Secretariat, as part of its due diligence, reviews PIFs/PFDs and CEO Endorsements/Approvals and monitors and reports to Council on implementation of the GEF Policies on ESS, Gender Equality and Stakeholder Engagement. The Secretariat provides, for example, annual progress reports to the Council on the implementation of the Policy Environmental and Social Safeguards<sup>16</sup> as well as on the GEF Gender Implementation Strategy<sup>17</sup>. These reports include in-depth analysis of the portfolio, the Secretariat's activities and efforts to support the effective implementation of these policies as well as lessons learned.

23. As described in the 2019 Compliance Assessment report, this compliance assessment focused on determining whether Agencies had sufficient policies, guidelines and procedures in place. The assessment did not extend to assess Agencies' institutional implementation capacity or additional verifications of Agencies' evidence related to implementation. This assessment is distinct from the independent external Third Party Review required in accordance with the Policy on Monitoring Agency Compliance with GEF Policies<sup>18</sup> once per replenishment cycle. It is expected that the findings and conclusion of this assessment will be taken into account in the

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<sup>14</sup> See e.g., Policy on Environmental and Social Safeguard Standards, paragraph 8 (stating that "The Council decides whether the Agency may continue to seek GEF financing while it implements the time-bound action plan.")

<sup>15</sup> The Policy on Gender Equality (paragraph 21) and Stakeholder Engagement (paragraph 18) provide that "Unless the Council decides otherwise, the Agency may continue to seek GEF financing while it implements the time-bound action plan."

<sup>16</sup> GEF/C.61/Inf.09 Progress Report on the Implementation of the GEF Policy on Environmental and Social Safeguards

<sup>17</sup> GEF/C.60/Inf.09 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.60.Inf\\_09\\_Progress\\_Report\\_on\\_the\\_GEF\\_Gender\\_Implementation\\_Strategy\\_1.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.60.Inf_09_Progress_Report_on_the_GEF_Gender_Implementation_Strategy_1.pdf))

<sup>18</sup> [https://www.thegef.org/sites/default/files/documents/Monitoring\\_Agency\\_Compliance\\_Policy\\_0.pdf](https://www.thegef.org/sites/default/files/documents/Monitoring_Agency_Compliance_Policy_0.pdf)

planned third-party review that, as per the modalities set out in the Policy on Monitoring Agencies' Compliance, will start in the final year of the 7th replenishment period, i.e. before July 2022.

## REFERENCES AND RELATED DOCUMENTS

### *Policies*

- *Minimum Fiduciary Standards for GEF Partner Agencies (GA/PL/02)*
- *Monitoring Agencies' Compliance (SD/PL/04)*
- *Monitoring and Evaluation Policy*
- *Project and Program Cycle (OP/PL/01)*
- *Policy on Gender Equality (SD/PL/02)*
- *Policy on Stakeholder Engagement (SD/PL/01)*
- *Policy on Environmental and Social Safeguards (SD/PL/03)*

### *Guidelines*

- *Guidelines on the Project and Program Cycle Policy (GEF/C.52/Inf.06)*
- *Guidelines for GEF Agencies' Compliance with Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement ([SD/GN/03](#))*
- *Guidelines on Gender Equality in GEF Projects and Programs (SD/GN/02)*
- *Guidelines on Stakeholder Engagement*

**ANNEX I: RE-ASSESSMENT OF AGENCIES' COMPLIANCE WITH THE GEF POLICIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS, GENDER EQUALITY, AND STAKEHOLDER ENGAGEMENT**

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## DEVELOPMENT BANK OF LATIN AMERICA (CAF)

### Introduction

For the *assessment* presented to the 57th GEF Council meeting, the Development Bank of Latin America (CAF) was assessed against its 2016 “Salvuardas Ambientales y Sociales de CAF” (CAF Environmental and Social Safeguards, ESS) which contained the following standards: S01 Evaluation and Management of Environmental and Social Impacts, S02 Sustainable Use of Renewable Natural Resources, S03 Conservation of Biological Diversity, S04 Pollution Prevention and Management, S05 Cultural Heritage, S06 Ethnic Groups and Cultural Diversity, S07 Population Resettlement, S08 Working and Training Conditions, and S09 Gender Equity. In addition, CAF applies its Guidelines and Procedures on Environmental and Social Safeguards for CAF/GEF Projects Manual (2015). The Manual includes additional requirements that are applied in GEF-supported projects.

The 2019 assessment identified a range of gap areas across all the Minimum Standards of GEF’s updated Policy on Environmental and Social Safeguards. The assessment also found two gap areas compared to GEF’s Policy on Stakeholder Engagement and noted that CAF’s policies addressed all of the requirements of GEF’s Policy on Gender Equality.

In its ***Plan of Action*** presented to the 57th GEF Council, CAF acknowledged the findings of the assessment and committed to addressing all identified gaps in order to achieve full compliance with the GEF Policies. In July 2021 CAF approved and submitted a set of updated documents, including (a) the CAF-GEF Manual on Environmental and Social Safeguards, (b) CAF-GEF Accountability Mechanism, (c) Prevention of Gender Discrimination and Workplace Sexual Harassment in CAF-GEF Projects, and (d) Actor Engagement Framework for CAF-GEF Projects.

The CAF-GEF Manual on Environmental and Social Safeguards (hereafter Manual) is to be applied to all CAF-GEF financed projects that are formally part of the CAF project pipeline as of July 6th, 2021. CAF states that it will not provide CAF-GEF financial assistance to any project that does not comply with the manual’s guidelines and procedures, the environmental legal framework in force in the country, and applicable international environmental agreements or conventions.

The Manual includes nine CAF-GEF project safeguards: SO1 Evaluation and Management of Environmental and Social Impacts, SO2 Sustainable Use of Renewable Natural Resources, SO3 Conservation of Biological Diversity, SO4 Pollution Prevention and Management, SO5 Cultural Heritage, SO6 Ethnic Groups and Cultural Diversity, SO7 Population Resettlement, SO8 Working and Training Conditions, and SO9 Gender Equity and Mainstreaming. The Manual also refers to the CAF-GEF Project Accountability Mechanism (provided as a separate document, but integral to the Manual). CAF also provided further clarifications in October 2021 regarding identifying projects that have received GEF support.

The table below lists the gaps identified in the 2019 assessment and examines the extent to which the updated CAF Manual and other documents address the gap areas. A brief summary concludes this report indicating that CAF is now compliant with all three GEF Policies.

<b>Development Bank of Latin America (CAF)</b>	
<p><b>Gaps Identified in GEF/C.57/05<sup>19</sup></b></p> <p>(Gaps are identified according to the sub-criteria requirements and numbering of the GEF Policy on Environmental and Social Safeguards, the Policy on Gender, and the Policy on Stakeholder Engagement. A summary of the GEF requirement is provided followed by the gap areas identified in the 2019 assessment <i>in italics</i>)</p>	<p><b>Expert Review of Agency Updates</b></p> <p>(Review based on July 2021 updated documents, including (a) the CAF-GEF Manual on Environmental and Social Safeguards, (b) CAF-GEF Accountability Mechanism, (c) Prevention of Gender Discrimination and Workplace Sexual Harassment in CAF-GEF Projects, and (d) Actor Engagement Framework for CAF-GEF Projects)</p>
<p><b>GEF Policy on Environmental and Social Safeguards</b></p>	
<p><b>Minimum Standard 1: Environmental and Social Assessment, Management and Monitoring</b></p> <p>Para. 4.f (requires independent expertise in conducting assessments, where appropriate, and use of independent advisory panels for certain projects of high magnitude/impacts)</p> <p><i>CAF ESS SO1 did not require use of independent expertise in conducting assessments, where appropriate, and did not require the use of independent advisory panels for projects with high risk levels.</i></p>	<p>SO1 on Evaluation and Management of Environmental and Social Impacts requires that project environmental and social evaluations be an adequate, accurate and objective evaluation and presentation of the risks and impacts, prepared by qualified and experience persons. “Independent expertise will be used, where appropriate, including where specialized knowledge may be needed, and independent experts of advisory panels will be used to support the preparation and implementation of projects and programs where the level and magnitude of risks and potential impacts is deemed high” (Section V.4).</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Para. 4.l (requires planning and assessments to systematically address differentiated risks and potential impacts on persons with disabilities to ensure non-discrimination and opportunities to participate in and benefit from projects on an equal basis with others)</p> <p><i>CAF’s policies did not address this criterion</i></p>	<p>E&amp;S evaluations need to address the differentiated risks and potential impacts of projects and programs on persons with disabilities in the risk identification and evaluation in such a way that ensures non-discrimination and equality, and aims to provide opportunities for persons with disabilities to participate in and benefit from projects and programs on an equal basis with others. (SO1, V.4).</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Paras. 4.n, 4.o (requires measures to prevent gender-based discrimination, specifically including against women and girls, and the need for gender-based violence (GBV) response and reporting protocols where cases of GBV occur)</p>	<p>E&amp;S evaluations mandated by SO1 are to include measures to prevent discrimination against women or girls, or gender-based discrimination. The evaluation will also consider potential adverse gender related impacts, including gender equity, gender-based</p>

<sup>19</sup> [Report on the Assessment of Agencies’ Compliance with Minimum Standards in the GEF Policies on: Environmental and Social Safeguards; Gender Equality; and Stakeholder Engagement](#), November 2019.

<p><i>CAF's policies required that human rights be respected (which includes nondiscrimination) but did not explicitly address the need for measures to prevent discrimination against women. In addition, while SO9 required that risks of gender violence be identified in impact evaluations, it did not address the need for GBV response and reporting protocols.</i></p>	<p>violence, and sexual exploitation and abuse (SO1, V.4). SO9 on Gender Equity and Mainstreaming requires that measures will be established for in case of incidences of gender-based violence and/or sexual exploitation or abuse occur, including: (i) established reporting and response protocols in place, with specific procedures for gender-based violence including confidential reporting with safe and ethical documenting of gender-based violence cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and (ii) modalities to provide services and redress to survivors (SO9, V). The updated requirements address the GEF criteria.</p> <p><b><i>These two gap areas have now been addressed.</i></b></p>
<p><b>Minimum Standard 2: Accountability, Grievance and Conflict Resolution</b></p> <p>Paras. 5.f and 6.g (requires appropriate and timely measures to minimize the risk of retaliation to complainants)</p> <p><i>CAF's Grievances and Complaints System did not address this requirement.</i></p>	<p>CAF has submitted an updated document on the CAF-GEF Project Accountability Mechanism. Sections II.III on Objectives and II.V. on Procedures notes the need to take appropriate measures to minimize the risk of retaliation to Complainants. Section II.V.2 on Independence and Impartiality notes that investigations will be free from improper influence and fear of retaliation.</p> <p><b><i>The gap areas regarding minimizing risks of retaliation to complainants have been addressed.</i></b></p>
<p><b>Minimum Standard 3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources</b></p> <p>Para. 8.b (requires that mitigation measures to address impacts to natural habitats seek to achieve no net loss and preferably a net gain of associated biodiversity values)</p> <p><i>CAF's ESS SO3 V.3 noted that biodiversity offsets/compensation are required for net losses of biodiversity values of natural habitats. The preference for mitigation measures to achieve net gains was not specified.</i></p>	<p>SO3 on Conservation of Biological Diversity of the CAF-GEF Manual has been updated. Regarding mitigation strategies for impacts on natural habitats, it now notes that "compensation for biodiversity must be used as a last resource, in case the original natural condition observed before the work or intervention cannot be recovered. The objective of the compensation for biodiversity will be to achieve a net gain or zero net loss of the negative impacts on biodiversity in natural and critical habitats" (Section V.1).</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 8.c (requires that potential risks of significant conversion or degradation of natural habitats from procurement of natural resource commodities be identified and addressed, where feasible)</p> <p><i>CAF's ESS SO3 V.8 included sustainable sourcing provisions that required verification of legal origin</i></p>	<p>The updated Manual notes that "CAF-GEF financed projects that involve the procurement of natural resource commodities that may contribute to significant conversion or degradation of natural habitats will be avoided, where feasible, or limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of natural habitats. In the case of clients who buy live</p>

<p><i>and compliance with sustainable practices. The requirement was not as specific as the GEF requirement of avoiding procurement of natural resource commodities that contribute to significant conversion or degradation of natural habitats, where feasible, and is avoided, where feasible, or limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of natural habitats)</i></p>	<p>natural resources or its derivatives (for example wood) from a supplier, the following will apply:</p> <ul style="list-style-type: none"> <li>• The client must present documentation that certifies that the suppliers have all the permits and licenses established by law.</li> <li>• The client applies policies and procedures for sustainable supply that ensure: <ul style="list-style-type: none"> <li>○ That resources being purchased have a legal origin,</li> <li>○ That the origin of the resources may be verified (traceability),</li> <li>○ That the procedures and practices of the suppliers may be verified, and</li> <li>○ That suppliers who do not comply with sustainable practices may be disregarded.” (Section V.4)</li> </ul> </li> </ul> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 8.f (requires that supported activities conform with applicable frameworks and measures related to access and benefit sharing in the utilization of genetic resources)</p> <p><i>CAF’s ESS did not address this requirement</i></p>	<p>Section V.4.7 of the updated Manual notes that “CAF-GEF financed projects shall conform with applicable frameworks and measures related to access and benefit sharing in the utilization of genetic resources.”</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 4: Restrictions on Land Use and Involuntary Resettlement</b></p> <p>Para. 9.a (requires assessment of all viable alternatives to avoid economic or physical displacement from restrictions on land use and involuntary resettlement)</p> <p><i>While CAF’s ESS SO7 required the identification of alternatives to avoid and minimize displacement, the safeguard could more emphatically emphasize the need to explore all viable alternatives to avoid displacement as per the GEF criterion. In addition, SO7 did not specifically identify restricted access to land and resources as a potential trigger for the policy.</i></p>	<p>The updated CAF-GEF Manual includes the updated standard SO7 on Population Resettlement. Section V.2 requires that all feasible alternatives for the project design be considered to avoid or minimize land acquisition, economic or physical displacement, or restrictions on land use.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.c (requires that good faith efforts be undertaken to secure negotiated settlements)</p> <p><i>While CAF’s SO7 included requirements regarding consultation and outreach, it did not specify that good faith efforts be undertaken to secure negotiated settlements.</i></p>	<p>SO7 Sections V.5 and V.7 require that good faith efforts be undertaken to secure negotiated settlements with the affected population.</p> <p><b><i>This gap area has been addressed.</i></b></p>

<p>Para. 9.d (includes specification of potential eligibility categories for assistance, including those with formal rights, those without formal rights but recognizable claims, and those without such rights or claims; also requires that resettlement activities be conceived as sustainable development activities with sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant)</p> <p><i>CAF's ESS SO7 addressed some but not all of the GEF criteria. It did not specifically address the GEF eligibility categories and did not address the requirement to design resettlement activities as a sustainable development programme with sufficient investment resources.</i></p>	<p>SO7 Section V.3 outlines three eligibility categories that align with the GEF criteria: (i) people with formal legal rights to land or assets; (ii) people without formal legal rights, but with a claim to land or assets that is recognized or recognizable under national law; and (iii) people who have no recognizable legal right or claim to the land or assets they occupy or use, but who are occupying or using the land prior to a project-specific cut-off date.</p> <p>Section V.6 requires that resettlement activities be conceived as sustainable development activities, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.f (includes multiple criteria regarding physical displacement, including (i) a preference for land-for-land compensation (equal in productive potential, location, and security of tenure, ownership and use rights); (ii) that replacement housing include adequate access to services and resources to maintain social organization and social cohesion; (iii) relocation assistance and (iv) assistance to improve or at least restore livelihoods and living standards)</p> <p><i>CAF's SO7 addressed some but not all the criteria regarding physical displacement, including those noted above. SO7 did include improving or at least restoring livelihoods and living standards as an overarching objective, but the specific provisions of assistance (and compensation standards) to achieve this objective was not specified.</i></p>	<p>Annex 1 of SO7 specifies that in cases of physical displacement, “displaced persons with title or a claim recognizable under national law are provided with: (i) choices among feasible resettlement options, including land-based compensation where possible equal to the existing land in productive potential, location, and security of tenure, ownership and use rights; (ii) adequate replacement housing and/ or cash compensation, access to services, and resources/organization to support maintenance of social organization and social cohesion; (iii) relocation assistance suited to displaced persons needs; and (iv) assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher.” These updated requirements align with the GEF criteria.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.g (stipulates that compensation standards for economic displacement impacts include compensation of equal or greater value for loss assets or cash compensation at replacement cost and transitional support)</p> <p><i>CAF's SO7 did not specify compensation standards for economic displacement.</i></p>	<p>The updated SO7 and Annex 1 provide compensation standards for cases of economic displacement that align with the GEF requirements. These include (i) prompt and adequate compensation for the loss of assets or access to assets, such as sites of productive activity, with replacement property of equal or greater value, or cash compensation at replacement cost; (ii) assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to</p>

	<p>the start of project implementation, whichever is higher; and (iii) transitional support, as necessary. Annex 1 elaborates additional requirements for cases of economic displacement.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.h (stipulates assistance standards for persons without formal legal rights to land or claims to such land that could be recognized under national law, including assistance to help improve or at least restore their livelihoods in another location and in cases of physical resettlement, arrangements to allow them to obtain adequate housing with security of tenure, and compensation for assets other than land such as dwellings)</p> <p><i>CAF's SO7 did not address the assistance standards for displaced persons without formal land rights or claims per the GEF criteria.</i></p>	<p>SO7 Annex 1 stipulates that “projects that involve persons without formal legal rights to land, or claims to such land that could be recognized under national laws, resettlement assistance is provided in case of physical or economic displacement, in lieu of compensation for land, to help improve or at least restore their livelihoods in another location; and in cases of physical resettlement, arrangements to allow them to obtain adequate housing with security of tenure, and compensation for assets other than land (such as dwellings), where feasible.” This aligns with the GEF requirements.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.i (prohibits forced evictions)</p> <p><i>CAF's SO7 did not include a prohibition against forced evictions.</i></p>	<p>SO7 Annex 1 notes that project proponents will not resort to forced eviction, where forced eviction is defined as the permanent or temporary removal against the will of individuals, families and/or communities from the homes and/or land which they occupy with the provides without the provision of access to appropriate forms of legal and other protection. Forced eviction is prohibited in CAF-GEF financed projects.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 9.j (stipulates that compensation, assistance and benefits need to be provided before displacement activities commence)</p> <p><i>CAF's SO7 did not address this requirement.</i></p>	<p>SO7 Annex 1 requires that compensation, assistance, and benefits be provided to affected persons in a timely manner, before project or program activities begin on the acquired land.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 5: Indigenous Peoples</b></p> <p>Para. 10.a (requires that FPIC be obtained for projects with impacts on land and natural resources, including restricted access to natural resources, subject to traditional ownership or under customary use or occupation, or the location of a project or program on such land or the commercial development of such natural resources)</p>	<p>The CAF-GEF Manual includes the updated standard SO6 on Ethnic Groups and Cultural Diversity.</p> <p>SO6 Section V.5 states that FPIC “must be obtained when it is necessary to resettle the community and/or when there are impacts on: (i) the territory; (ii) the natural resources used including restrictions on land use or loss of access to natural resources, subject to traditional ownership or under customary use of occupation, or the location of a project or program on</p>

<p><i>Regarding the first FPIC circumstance of MS5, CAF's ESS SO6 required FPIC for projects that impact indigenous territories and resources. However, it did not fully address the GEF requirement to seek FPIC for access restrictions to resources, locating a project on indigenous lands, or commercial development of resources (there was some overlap between the GEF and CAF requirements, but the GEF criteria are more specific).</i></p>	<p>such land or the commercial development of such natural resources; (iii) cultural heritage; or (iv) sacred places or elements, or with a special value to the community. Both the process and the agreements reached in the dialogs with the community regarding other aspects must be documented.”</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 11.f (requires that if activities involve acquisition of customary indigenous lands or where otherwise necessary that support will be provided for legal recognition of customary rights and usage)</p> <p><i>CAF's SO6 (nor SO7 on resettlement) did not address this GEF requirement.</i></p>	<p>SO6 Section V.5 notes that “[t]he project shall provide support towards activities that would result in the legal recognition of ownership and customary use when the project or program activities involve the acquisition of lands and territories that have been traditionally owned or customarily used by ethnic groups, or where otherwise appropriate and/or necessary.” SO7 on Population Resettlement would also be applied.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 11.g (requires that affected groups be informed of their rights, the nature of impacts, and equitable benefit sharing where projects may seek commercial development of lands and natural resources central to indigenous peoples’ identity and livelihood, or commercial use of cultural heritage of indigenous peoples)</p> <p><i>CAF's SO6 did not specifically address the GEF requirements for commercial development of indigenous peoples lands and resources (while CAF's FPIC requirements may overlap with some of these elements, the GEF criteria are more specific).</i></p>	<p>The updated SO6 now states that “[w]hen project or program activities include the commercial development of lands and natural resources central to ethnic groups and livelihood, or commercial use of ethnic groups’ cultural heritage, the project or program informs the affected people of their rights under national law and of the scope, nature and impacts of the potential use and proposed mitigation measures, provide due-process and offer compensation with culturally sustainable development alternatives, and enable the ethnic groups to share equitably in the benefits from such commercial development or use” (Section V.3). These requirements address the GEF criteria.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 11.i (requires involvement of affected indigenous peoples in park/protected area planning and management where a project may restrict the access of to such areas)</p> <p><i>While CAF's SO6 included comprehensive requirements regarding meaningful consultations with indigenous peoples, it did not specifically address the circumstances of restricted access of indigenous peoples to parks and protected areas.</i></p>	<p>SO6 now includes a requirement that addresses the GEF criteria (“Where a project may restrict the access of ethnic groups to parks and protected areas, at a minimum, the project involves the affected ethnic groups Peoples [sic] in the planning and management of the park or protected area, and key species” (Section V.3). The term “ethnic groups” includes indigenous peoples and Afro-American communities.</p> <p><b><i>This gap area has been addressed.</i></b></p>

<p>Para. 11.j (requires that projects recognize, respect and protect indigenous peoples living in voluntary isolation, adopting appropriate measures and avoiding all undesired contact)</p> <p><i>CAF's SO6 "scope" section noted that circumstances of uncontacted indigenous peoples were to be respected. However, this provision needed further elaboration to address the GEF criteria.</i></p>	<p>The SO6 Objectives stipulate that financing will not be provided to projects or programs that would result in impacts or undesired contact with indigenous peoples that have not been contacted or live in voluntary isolation. The Scope section (IV) states that "[i]n case a proposed project for CAF-GEF financing project that may affect indigenous peoples that have not been contacted or live in voluntary isolation, guarantees must be established that the project will not impact these peoples, and that contact with them must be avoided, respecting their right to remain in such condition and live freely according to the culture. Appropriate measures shall be taken by the project Proponent to recognize, respect, and protect their lands and territories, environment, health, and culture."</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 6: Cultural Heritage</b></p> <p>Para. 12.f (requires ensuring continued access to cultural heritage in the event of restricted access)</p> <p><i>CAF's SO5 did not address this GEF requirement.</i></p>	<p>The CAF-GEF Manual includes the updated standard SO5 on Cultural Heritage.</p> <p>The updated standard now requires that "[w]here a project introduces restrictions to stakeholder access to cultural heritage, continued access is arranged in consultation with stakeholders, where feasible subject to overriding safety and security considerations" (Section V).</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 12.g (stipulates criteria regarding potential commercial use of cultural heritage, i.e. inform affected parties of their rights and potential impacts and provide for equitable benefit sharing from such use)</p> <p><i>CAF's SO5 did not address this GEF requirement.</i></p>	<p>SO5 Section V now requires that "[w]here a project involves the commercial use of cultural heritage, project affected parties are informed of their rights under national law and of the scope, nature and impacts of the potential use, and arrangements are made to provide for the fair and equitable sharing of benefits from such use," addressing the GEF criteria.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 7: Resource Efficiency and Pollution Prevention</b></p> <p>Para. 14e (requires efficient use of energy, water and other resources and material inputs, and where significant water consumption is involved, measures to avoid or reduce water use to avoid significant adverse impacts on communities, other water users, and the environment)</p>	<p>The updated CAF-GEF Manual includes SO2 on Sustainable Use of Natural Resources, which in addition to its primary focus on sustainable use and management of water and land/soil resources, requires implementation of technically and financially feasible measures for improving efficient consumption of energy, water, raw materials and other resources and requires clients to ensure an efficient use of water, energy, and other significant raw materials used by the project (Section V.) In</p>

<p><i>CAF's SO2 on Sustainable Natural Resource Use required sustainable use of water resources and avoidance of significant impacts on other users. However, it did not require application of efficiency requirements to all project inputs (e.g. energy, other resources).</i></p>	<p>addition, an “activation” condition for SO1 on Evaluation and Management of Environmental and Social Impacts includes the screening question “Does the project involve significant use of water, energy, other resources of raw materials; or does the project present significant opportunities for implementing efficiency measures?”</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 8: Labor and Working Conditions</b></p> <p>Paras. 15.a and 15.g (among other criteria, these paras. require respect for worker’s fundamental rights at work, including freedom of association and collective bargaining, including participation in workers’ organizations and collective bargaining without interference, discrimination, retaliation and are provided information for meaningful negotiations)</p> <p><i>CAF's SO8 addressed nearly all GEF criteria on identifying risks to workers and adherence to the ILO core labour standards; however, it did not address workers' rights to freedom of association and collective bargaining.</i></p>	<p>The CAF-GEF Manual includes the updated standard SO8 on Working and Training Conditions.</p> <p>SO8 Section V now stipulates that “CAF-GEF financed projects and operations will provide that workers who participate, or seek to participate, in workers’ organizations and collective bargaining, do so without interference, are not discriminated or retaliated against, and are provided with information needed for meaningful negotiation in a timely manner.” These updated requirements now address the GEF criteria.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 15.k (sets criteria regarding workplace grievance mechanisms, including non-retribution and no restrictions on access to other judicial or administrative remedies)</p> <p><i>CAF's SO8 required the establishment of workplace grievance mechanisms. However, it did not address the more specific GEF criteria.</i></p>	<p>SO8 requires the client to “provide a complaints mechanism for the workers of the project to express their doubts, concerns, or complaints. The mechanism must be of easy access for everyone and workers must be informed and protected against retaliations resulting from its use. The client shall allow workers to use the mechanism without retribution, and that the mechanism does not impede access to other judicial or administrative remedies available under the law or through existing arbitration procedures, or substitute for grievance systems provided through collective agreements” (Section V). The updated requirements address the GEF criteria.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Minimum Standard 9: Community Health, Safety and Security</b></p> <p>Para. 17.a (stipulates that a range of community health and safety risks and impacts be assessed, including those posed by structural elements, needs and exposure of disadvantaged and vulnerable groups, risks related to conflict/post-conflict contexts, risks to provisioning and</p>	<p>SO1 on Evaluation and Management of Environmental and Social Impacts addresses potential community health and safety risks and impacts. SO1 also includes “Annex 4 CAF-GEF Financed Project Community Health and Safety Evaluation and Management” that outlines more specific requirements.</p>

<p>regulating ecosystem services, and effects of climate change and natural hazards)</p> <p><i>Various CAF ESSs covered some areas of the GEF criteria (i.e. risks to vulnerable groups, impacts on ecosystem services, risks of climate change). However, community health and safety risks posed by structural elements (general infrastructure) are not specifically addressed nor are risks present in conflict and post-conflict contexts.</i></p>	<p>SO1 notes that “project-related community health and safety risks may include: risks due to accidental and natural hazards, risks associated with structural elements (general infrastructure), community exposure to disease and other relevant health risks, traffic and road safety risks, risks of provisioning and regulating ecosystem services on community health and safety, risks present in conflict and post-conflict contexts, and risks associated with security arrangements. Appropriate measures shall be designed, implemented and monitored to prevent or avoid any adverse impacts on community health, safety and security, where feasible, or minimized or mitigated” (V.4). Annex 4 specifies that risk evaluations need to consider in particular the special needs and exposure of women and children and people who, because of their particular circumstances, may be disadvantaged or vulnerable.</p> <p>It also stipulates that “[w]here the project includes new buildings and structures that will be accessed by members of the public, the Proponent will consider the incremental risks of the public’s potential exposure to operational accidents or natural hazards, including extreme weather events, and where technically and financially feasible, apply the concept of universal access to the design and construction of such new buildings and structures.”</p> <p>Annex 4 also notes that CAF-GEF financed projects located in conflict and post-conflict contexts will be assessed for potential community health and safety risks.</p> <p>In addition to evaluating risks from natural hazards and extreme weather events, SO1 includes a requirement that risks associated with climate change and climate variability must be evaluated, as necessary (V.4).</p> <p>It should also be noted that the CAF-GEF Manual excludes financing CAF-GEF projects or operations that would involve the construction of rehabilitation of Large Dams or Complex Dams (SO1 Annexes 1, 4), in line with the GEF prohibition.</p> <p>The updated provisions address all of the criteria of para. 17a of MS9.</p> <p><b><i>This gap area has been addressed.</i></b></p>
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<p>Para. 17.c (requires engagement of external experts, separate from those responsible for the design and construction, with relevant and recognized experience for projects with structural elements that may pose safety risks)</p> <p><i>CAF's ESS did not address this GEF requirement; the Safety of Dams chapter in the CAF GEF Manual did, but only in the context of dams.</i></p>	<p>SO1 Annex 4 specifies that project proponents “shall design, construct, operate, and decommission the structural elements of the project in accordance with national legal requirements and good international practice taking into consideration safety risks to third parties and affected communities; and the design and construction shall be by competent professionals, and certified or approved by competent authorities or professionals.”</p> <p>SO1 Annex 4 Table 1 on Safety of Dams includes further provisions that align with the GEF criteria (noting that large or complex dams are excluded): “The use of experienced and competent and independent professionals by the project Proponent will be required to design and supervise the construction, operation, and maintenance of dams and associated works, including the development of project-related plans. When the structural elements or components of the dam are situated in high-risk locations, and their failure or malfunction may threaten the safety of communities, the project Proponent shall engage one or more external experts with relevant and recognized experience, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation, and decommissioning. The selection of these experts shall be approved by CAF. As deemed necessary by CAF, the Proponent may be required to contract a panel of independent experts to assist in the review of project design and plans.”</p> <p>SO1 further specifies that “[t]he environmental and social evaluation will be an adequate, accurate and objective evaluation and presentation of the risks and impacts, prepared by qualified and experience persons, Independent expertise will be used, where appropriate.”</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 17.d (requires development, implementation and monitoring of emergency preparedness plans in collaboration with authorities and stakeholders)</p> <p><i>CAF's ESS did not include a general requirement to develop emergency preparedness plans; SO8</i></p>	<p>The updated SO1 had broadened requirements regarding emergency response. Annex 4 notes that “CAF-GEF financed projects will identify and implement measures to address project emergency events, including both natural and man-made events. ... For projects having the potential to generate emergency events, the project will design, implement</p>

<p><i>on Working Conditions required workplace emergency plans, and the GEF Manual chapter on Safety of Dams included emergency planning.</i></p>	<p>and monitor, in collaboration with stakeholders and relevant authorities where relevant, an emergency response plan,” followed by specific criteria for such plans.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 17.e (requires measures to avoid or minimize community exposure to disease and other relevant health risks, accounting for differentiated exposure of vulnerable groups) <i>CAF’s ESS did not address this requirement.</i></p>	<p>The revised Manual now requires that “projects shall avoid, where feasible, or minimize the risk of community exposure to disease and other relevant health risks, taking into account differentiated levels of exposure, and the needs and exposure of disadvantaged or vulnerable groups or individuals. Where specific diseases are endemic in communities in the project area, the Proponent is encouraged to explore opportunities to improve environmental conditions that could help minimize their incidence. The project will take measures to avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor (SO1, Annex 4).</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p>Para. 17.f (requires that any security arrangements to safeguard personnel or property are proportional and consistent with applicable national laws and good international industry practice) <i>CAF’s ESS did not include a general requirement to ensure that security arrangements to safeguard personnel or property are proportional and consistent with applicable national laws and good international industry practice; SO8 on Working Conditions did address the use of workplace security personnel.</i></p>	<p>SO1 Annex 4 requires that “CAF-GEF financed projects that retain direct or contracted workers to provide security to safeguard its personnel and property will assess risks posed by these security arrangements to those within and outside the project site. Any security arrangements to safeguard personnel or property shall be proportional and consistent with applicable national laws and good international industry practice.” It further specifies requirements regarding use of force, use of government security personnel, vetting, training, and review of allegations of abuse.</p> <p><b><i>This gap area has been addressed.</i></b></p>
<p><b>Policy on Stakeholder Engagement</b></p>	
<p>Para. 16.d (requires maintenance and disclosure of public record of consultations throughout project cycle) <i>CAF’s SO1 V.11 noted that consultation conclusions “should “be documented and all actors should have access to these records. The lack of a mandatory requirement on documentation and disclosure of consultations falls short of the GEF criteria to ensure a public record of consultations is available.</i></p>	<p>SO1 requires that a public record of stakeholder engagement throughout the CAF-GEF financed project cycle be maintained and disclosed by the client. In cases where confidentiality is necessary to protect stakeholders from harm, statistical information is recorded and made publicly available (SO1, V.11).</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<p>Para. 16.f (requires that GEF support for projects be clearly identified)</p> <p><i>It appeared that CAF does not clearly identify whether a project has received GEF financing. A scan of CAF's website did not identify a list of GEF supported projects.</i></p>	<p>CAF's October 2021 letter to the GEF included a commitment to address a previously identified gap regarding para. 16.f by "including a list of CAF-GEF projects in the CAF website and clearly noting that GEF support has been provided. CAF will also include in the CAF website the new set of CAF-GEF environmental and social instruments. In addition, GEF support to CAF-GEF projects will be noted in any further local disclosures accordingly to the new environmental and social instruments for CAF-GEF projects." The CAF website at <a href="https://www.caf.com/es/temas/a/ambiente-y-cambio-climatico/proyectos/">https://www.caf.com/es/temas/a/ambiente-y-cambio-climatico/proyectos/</a> includes a listing of GEF supported projects by GEF ID No., Project title, Country, GEF funding amount, and includes links back to the GEF project website for each.</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><b>Policy on Gender Equality</b></p>	
<p>No gaps identified</p>	

**Conclusion**

In its documentation presented to GEF prior to the 57<sup>th</sup> Council, CAF indicated that it was aware of gaps between its existing policies and the relevant policies of the GEF. In July 2021 CAF submitted updated documents to address the outstanding issues regarding compliance with the GEF Policies on Environmental and Social Safeguards and Stakeholder Engagement (the 2019 assessment found CAF to be compliant with the GEF Policy on Gender Equality.) A draft ongoing assessment in August 2021 found that CAF had extensively updated its CAF-GEF Manual on Environmental and Social Safeguards (which provides the full set of safeguards to be applied to CAF-GEF financed projects). The assessment found that CAF addressed all the previously identified gap areas and was fully compliant with the GEF Policy on Environmental and Social Safeguards. Regarding the GEF Policy on Stakeholder Engagement, one outstanding gap area was identified, namely the requirement that GEF support for projects be clearly identified (para. 16f).

In October 2021, GEF indicated its commitment to address the gap area and has now clearly posted all GEF-supported projects on its website and the amount of GEF funding. CAF has also indicated that GEF support to CAF-GEF projects will be noted in any further local disclosures. With this action, CAF is now fully compliant with the Policy on Stakeholder Engagement, and consequently, all three of the GEF Policies.

## INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

### Introduction

For the **assessment** presented to the 57th GEF Council meeting held in December 2019, the International Fund for Agricultural Development (IFAD) was assessed against its 2017 Social, Environmental and Climate Assessment Procedures (SECAP) and its 2017 Policy on Gender Equality. The 2019 assessment found IFAD’s SECAP standards fully compliant with the bulk of GEF’s Environmental and Social Safeguards, but with some gaps in the SECAP standards for Biodiversity and Indigenous Peoples, and no standard meeting the requirements for Labor and Working Conditions. IFAD’s Policy on Gender Equality was assessed to be fully compliant with GEF’s Policy on Gender Equality. Finally, IFAD’s SECAP standards with respect to stakeholder engagement were assessed to have one partial gap with the GEF Policy on Stakeholder Engagement.

After the 2019 assessment, IFAD committed to executing a **Plan of Action** to update the SECAP standards, address the gaps identified to achieve full compliance and incorporate stakeholder engagement into its new Framework for Operational Feedback from Stakeholders. IFAD submitted its revised SECAP document (Social, Environmental and Climate Assessment Procedures: 2021 Edition) and its new stakeholder engagement document (Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability, 2019).

The table below lists the gaps identified in the 2019 assessment and examines the extent to which the updated IFAD documents address the gaps. A summary and recommendation conclude this report.

International Fund for Agricultural Development (IFAD)	
<p><b>Gaps Identified in GEF/C.57/05 (November 2019)</b></p> <p>The gaps are identified according to the specific requirements of the GEF Policy on Environmental and Social Safeguards (June 2019) and the Policy on Stakeholder Engagement (November 2017). A summary of the GEF requirement is provided, followed by the gap areas identified in the 2019 assessment (<i>in italics</i>).</p>	<p><b>Expert Review of IFAD Updates</b></p> <p>This review is based on the updated documents provided by IFAD, the Social, Environmental and Climate Assessment Procedures (SECAP), 2021 Edition, and the Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability, December 2019.</p>
<p><b>GEF Policy on Environmental and Social Safeguards</b></p>	

<p><b>Minimum Standard 3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources</b></p> <p><u>GEF requirement:</u> para. 7(c) does not allow GEF projects or programs that would “introduce or use potentially invasive, non-indigenous species.”</p> <p><u>Gap identified:</u> Para. 7(c) requires that agencies not introduce or use potentially invasive, non-indigenous species in projects or activities. “Although the potential adverse impacts of alien species are referenced in IFAD’s SECAP, it is not exclusively prohibited anywhere in the SECAP.”</p>	<p><u>SECAP Standard 1: Biodiversity Conservation</u> incorporates a new paragraph to address this topic: “<b>Invasive alien species:</b> IFAD-supported projects must implement measures to avoid the introduction or utilization of invasive alien species, whether accidental or intentional, and should support activities that mitigate and control their spread. For this Standard, invasive alien species are defined as non-native organisms whose population is increasing and spreading, and which cause, or may cause in the future, negative environmental, social, or economic impacts. Projects should avoid the intentional introduction of new alien species unless it is carried out according to existing regulatory frameworks. Any introduction of such species is subject to a risk assessment.” (SECAP para. 10).</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><u>GEF requirement:</u> para. 8(c) requires agencies to avoid procurement of natural resource commodities that may contribute to significant conversion or degradation of natural habitats or limit it to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of natural habitats.</p> <p><u>Gap identified:</u> The procurement of natural resource commodities that may contribute to significant conversion or degradation of natural habitats is required to be avoided. This is currently not explicitly prohibited/mentioned in the updated SECAP. IFAD has drawn attention to the fact that any private partnership is subject to rigorous review of a company’s safeguards and track record etc. However, there is no reference provided on procurement policies with regards to avoiding those which will have a potentially negative impact on natural habitats.</p>	<p><u>SECAP Standard 1: Biodiversity Conservation</u> incorporates a new paragraph on procurement: “<b>Primary suppliers.</b> When purchasing natural resource commodities, procurement will be limited to suppliers that can demonstrate that they do not contribute to a significant conversion or degradation of natural or critical habitats. When feasible, ecolabels and environmental product declarations will be used.” (SECAP para. 14)</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<p><b>Minimum Standard 5: Indigenous Peoples</b></p> <p><u>GEF requirement:</u> para. 10(c) requires agencies to ensure that the Free, Prior and Informed Consent (FPIC) of affected Indigenous Peoples is obtained when a project or program may cause significant impacts on an Indigenous People’s Cultural Heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous People's lives, or the use of such Cultural Heritage for commercial purposes.</p> <p><u>Gap identified:</u> “One of the nine pillars of the IFAD Policy on Engagement with Indigenous Peoples is to recognize cultural heritage and identity as assets. This is most clearly presented on page 13 of IFAD’s Policy on Engagement with Indigenous Peoples. However, there is no direct/explicit mention of this specific element requiring the triggering of FPIC.”</p>	<p><u>SECAP Standard 4: Indigenous Peoples</u> incorporates a new paragraph specifically addressing cultural heritage: “<b>Cultural heritage.</b> If a project is likely to significantly affect cultural heritage that is essential to indigenous people’s cultural, ceremonial or spiritual identity, the borrower/recipient/ partner must seek affected indigenous peoples’ FPIC and must meet the requirements of Standard 3.” (SECAP para. 19)</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><u>GEF requirement:</u> para. 11(j) requires agencies to take appropriate measures, where a project or program may affect Indigenous Peoples in voluntary isolation, to recognize, respect, and protect their lands and territories, environment, health, and culture, as well as to avoid all undesired contact.</p> <p><u>Gap identified:</u> IFAD had no experience with projects working in areas where indigenous peoples are living in voluntary isolation. Therefore, the SECAP did not address this issue directly. However, IFAD indicated that it would address this issue in an explicit statement in the revised indigenous peoples safeguard standard.</p>	<p><u>SECAP Standard 4: Indigenous Peoples</u> incorporates a paragraph specifically addressing projects involving indigenous peoples in voluntary isolation: “<b>Voluntary isolation.</b> No IFAD-supported project should result in adverse impacts on (including undesired contact with) indigenous peoples living in voluntary isolation or initial contact. For projects that may affect voluntary isolation, measures will be taken to ensure that the project does not result in any adverse impacts on the indigenous people’s environment, health, cultural heritage, lands or territories.” (SECAP para. 18)</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<p><b>Minimum Standard 8: Labor and Working Conditions</b></p> <p><u>GEF standard: para. 15(a) - (k)</u> identifies a range of specific requirements with respect to labor and working conditions on GEF projects and programs.</p> <p><i>Gap identified: IFAD did not have any specific guidance on labor and working conditions in the SECAP. However, it did meet the requirements on forced labor and child labor in para. 15 (h).</i></p>	<p><u>SECAP Standard 5: Labor and working conditions</u> incorporates a new SECAP standard specifying IFAD’s requirements for labor and working conditions. Standard 5 mirrors the GEF Minimum Standard with para. 7 – 21 aligning with GEF para. 15 (b) – (k). The remaining para. 15(a) is addressed in SECAP Chapter 1: Overview and Procedures. In Box 1: Guiding Principles and Specific Requirements para. (vi), IFAD commits to avoiding or mitigating potential adverse impacts on “labor and working conditions (including the avoidance of all forms of harmful or exploitative forced labor, and child labor).” (SECAP p. 11)</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><b>Policy on Stakeholder Engagement</b></p>	
<p><u>GEF requirement:</u> The Policy sets out mandatory requirements in three key areas: (A) project and program cycles; (B) activities led by the Secretariat; and (C) Agency policies, procedures, and capabilities.</p> <p><u>Gap identified:</u> <i>IFAD only requires that projects with significant risks and impacts involving economic and physical resettlement, indigenous peoples or physical cultural resources will be subject to disclosure and consultation requirements set out in SECAP.</i></p>	<p><u>FAD’s Framework for Operational Feedback from Stakeholders</u> established a new policy for stakeholder engagement for IFAD projects and programs. The new policy includes a paragraph on public information disclosure: <b>“Proactive public information disclosure.</b> Public disclosure of information is a cornerstone of transparency and is key in effective stakeholder engagement. In compliance with IFAD policies and national laws, IFAD will encourage public disclosure throughout all the stakeholder participation and feedback initiatives it supports.” (Guiding principles, p. 3)</p> <p><b><i>This gap area has now been addressed.</i></b></p>

**Conclusion**

Based on its review of the documents submitted by IFAD, this ongoing assessment finds that IFAD has successfully updated its SECAP standards, addressing the remaining gaps in the standards for Biodiversity, Indigenous Peoples and Labor and Working Conditions, and is fully compliant with the GEF Policy on Environmental and Social Safeguards. IFAD has also effectively addressed stakeholder engagement in its comprehensive Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability and is fully compliant with the GEF Policy on Stakeholder Engagement.

## UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

### Introduction

For the **assessment** presented to the 57th GEF Council meeting, UNIDO was assessed against the 2017 version of its Environmental and Social Safeguards Policies and Procedures (ESSPP). The ESSPP consists of four components: Integrated Safeguards Policy Statement; Operational Safeguards (OS); Environmental and Social Safeguard Steps along the Project cycle; and the Environmental and Social Safeguard Tools.

UNIDO's Operational Safeguards, as outlined in the ESSPP, are as follows: OS1 Environmental and Social Assessment; OS2 Protection of Natural Habitats and Biodiversity; OS3 Involuntary Resettlement and Land Acquisition; OS4 Indigenous Peoples; OS5: Pest Management; OS6 Cultural heritage; OS7 Safety of Dams; OS8 Labor and Working Conditions; OS9 Resource Efficiency and Pollution Prevention; OS10 Community Health, Safety and Security, OS11 Information Disclosure and Stakeholder Consultations and OS12 Accountability and Grievance Systems. UNIDO's "Policy on gender equality and the empowerment of women," issued in 2009 and updated in 2015, outlines the UNIDO's gender equality commitments. The ESSPP also addresses gender issues in various standards.

The 2019 assessment identified a range of gap areas across the following Minimum Standards of GEF's updated Policy on Environmental and Social Safeguards: MS1 (Assessment), MS2 (Accountability), MS3 (Biodiversity), MS5 (Indigenous Peoples), MS6 (Cultural Heritage), MS7 (Resource efficiency and Pollution Prevention), and MS8 (Labor). The assessment found that UNIDO was compliant with GEF's Policy on Stakeholder Engagement and GEF's Policy on Gender Equality.

In its **Plan of Action** presented to the 57th GEF Council, UNIDO acknowledged the findings of the assessment and committed to addressing all identified gaps in order to achieve full compliance with the GEF Policy Environmental and Social Safeguards. In June 2021, UNIDIO approved an updated version of its [Environmental and Social Safeguards Policies and Procedures \(ESSPP\)](#).

The table below lists the gaps identified in the 2019 assessment and examines the extent to which the updated UNIDO ESSPP addresses the gap areas. A brief summary concludes this report indicating that UNIDIO is now compliant with all three GEF Policies.

<b>United Nations Industrial Development Organization (UNIDO)</b>	
<p><b>Gaps Identified in GEF/C.57/05<sup>20</sup></b>            (Gaps are identified according to the sub-criteria requirements and numbering of the GEF Policy on Environmental and Social Safeguards, the Policy on Gender, and the Policy on Stakeholder Engagement. Key gap issue highlighted)</p>	<p><b>Expert Review of Agency Updates</b>            (Review based on June 2021 updated version of UNIDO’s Environmental and Social Safeguards Policies and Procedures, ESSPP)</p>
<p><b>GEF Policy on Environmental and Social Safeguards</b></p>	
<p><b>MS1: Environmental and Social Assessment, Management and Monitoring</b></p>	
<p>Partial Gap: Para. 4d: This specific paragraph of GEF MS 1 requires the considerations of periodicity and other variability in the baseline collection and screening process. The requirements for impact assessments and consideration of the "no-project" alternative are sufficiently covered in UNIDO’s ESSPP, but the issue of <b>periodicity or other variability</b> in the screening/assessment phase is not.</p>	<p>Section 2.1 OS1, C6.1 states that “The assessments are based on recent environmental and social baseline data at an appropriate level of detail, recognizing that periodicity (e.g., seasonal variation) or other variability over time may require more robust baseline data than relatively constant conditions....”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial Gap: Para. 4g: which requires the use, where appropriate, of <b>third-party monitoring</b> to monitor project implementation and/or assess if Environmental and Social Risk and Impact mitigation objectives are being or have been achieved. UNIDO does not explicitly mention Third-Party monitoring in its OS1.</p>	<p>Section 2.1 OS1, C6.7 states that “Third party monitoring (e.g., by independent experts or local communities) and/or independent audits are used, where appropriate, to monitor project implementation and/or assess whether environmental and social risk and impact mitigation objectives are being or have been achieved.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial Gap: Para. 4.m: This paragraph requires the explicit <b>screening of potential risks and Adverse Gender-Related Impacts, Including Gender-Based Violence and Sexual Exploitation and Abuse</b>. The ESSPP does not include any specific/explicit requirements under its OS 1 for the screening and assessment of adverse gender-related impacts including GBV and Sexual Exploitation and Abuse.</p>	<p>Section 2.1 OS1, C.6.4 states that “any risks or potential adverse impacts on women, men, girls and boys are identified and reflected upon early, and differentiated by gender where relevant, including adverse impacts on gender equality, gender-based violence, and sexual exploitation, abuse and harassment.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<sup>20</sup> [Report on the Assessment of Agencies’ Compliance with Minimum Standards in the GEF Policies on: Environmental and Social Safeguards; Gender Equality; and Stakeholder Engagement](#), GEF/C.57/05, November 2019.

<p><b>MS2: Accountability, Grievance and Conflict Resolution</b></p>	
<p>Partial Gap: Para. 5c: GEF criteria requires that the Grievance Redress Mechanism is accessible and <b>broadly advertised</b> to stakeholders. UNIDO’s Accountability and Grievance mechanism is published and available on its website. However, there is a lack of explicit guidance/requirements in the OS 12 itself for the broad advertisement of the mechanism to stakeholders.</p>	<p>Section 2.12 OS12, Sec. A and C.5 state that the UNIDO grievance systems will “Be accessible and broadly advertised to stakeholders and project-affected people and made available on the UNIDO website and on a project/programme-specific website, when such a website exists (including in local languages).”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial Gap: Para. 5f: GEF criteria requires that agencies take appropriate and timely measures to <b>minimize the risk of retaliation</b> against complainants. This is somewhat covered in OS 12. The Internal Oversight and Ethics Office (IOE) maintains records on all cases and issues brought forward, with due regard for confidentiality of information and to protect the reputation and rights of parties involved.</p>	<p>Section 2.12 OS12, Sec. A states that the UNIDIO grievance systems is designed to “Take appropriate and timely measures to minimise the risk of retaliation against complainants.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial gap: Para. 6.a and 6b: GEF criteria requires that agencies receive, and address complaints related to the implementation of projects and programs in a <b>timely and culturally appropriate</b> manner (6.a) and that <b>information on accessing the mechanism be provided not just on the Agency website but also on project- specific websites, in a local language.</b> (6.b). OS 12 sufficiently covers the requirements for timely handling of complaints; however, OS 12 does not include specific mention of employing a "culturally appropriate" approach to the handling of complaints nor a requirement for a local language option.</p>	<p>Section 2.12 OS12, Sec. A and C2 state that the UNIDIO grievance system prioritizes access to existing local grievance systems and also discloses information on the UNIDO grievance mechanism on the UNIDO website and on a project/programme-specific website, when such a website exists (including in local languages). Also 2.11 OS11, Sec. A, C3 requires disclosure of timely, accessible project information, including information on grievance processes, in understandable languages; Sec. C4 notes that project information will be disclosed locally)</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><b>MS3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources</b></p>	
<p>Partial Gap: Para. 7.c: which prohibits GEF supported activities from the <b>introduction or use potentially invasive, non-indigenous species</b>. In section C2 "siting" of OS 2 it is stated that "UNIDO shall strive to ensure that projects do not lead to a significant reduction or loss of biological diversity in natural or modified habitats, and do not lead to the introduction of known invasive species ". However, the introduction of invasive</p>	<p>Section 2.2 OS2, C2 states that “UNIDO will not engage in any projects that introduce or use potentially invasive, non- indigenous or alien species.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<p>alien species is not explicitly prohibited under OS 2.</p>	
<p>Partial Gap. Para. 8c: That requires the avoidance of the <b>procurement of natural resource commodities</b> that may contribute to significant conversion or degradation of Natural Habitats. Issues arising with the procurement of natural resource commodities that may contribute to significant degradation of conversion of natural habitats are not outlined in OS 2 of UNIDO’s ESSPP.</p>	<p>Section 2.2 OS2, C1 states that “UNIDO will ensure that the procurement of natural resource commodities that may contribute to significant conversion or degradation of natural habitats is avoided, where feasible, or limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of natural habitats.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial Gap. Para. <b>8e &amp; 8f</b>: That require projects and programs involving <b>forest restoration</b> maintain or enhance biodiversity and ecosystem functionality, and are environmentally appropriate, socially beneficial and economically viable (8e) and that supported activities conform with applicable frameworks and measures related to <b>access and benefit sharing in the utilization of genetic resources</b> (8f). UNIDO does not have any specific guidance in OS 2 on projects and programs that include forest restoration aspects. Nor does it have any specific guidance or requirements for benefit sharing and access to genetic resources.</p>	<p>Section 2.2 OS2, C1 states that UNIDIO projects that may involve reforestation of forest restoration “should maintain or enhance biodiversity and ecosystem functionality, and are environmentally appropriate, socially beneficial and economically viable. Moreover, project-supported activities are to follow applicable national and local frameworks and measures related to access and benefit sharing in the utilization of genetic resources, also taking into account existing international best practice examples in this area.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p><b>MS5: Indigenous Peoples</b></p>	
<p>Partial Gap: Para. 11j: which outlines requirements for Indigenous peoples living in <b>voluntary isolation</b>. This GEF criterion also requires that appropriate measures are taken to recognize, respect, and protect their lands and territories, environment, health, and culture, as well as to avoid all undesired contact; and aspects of the project or program that would result in such undesired contact are not processed further. UNIDO does not have any explicit guidance or requirements in OS 4 for issues arising with Indigenous People living in Voluntary Isolation.</p>	<p>Section 2.4 OS4, C1 states that “Where a project may affect an indigenous people in voluntary isolation, appropriate measures are taken to recognize, respect, and protect their lands and territories, environment, health, and culture, as well as to avoid all undesired contact. Aspects of the project that would result in such undesired contact are not processed further.</p> <p><b><i>This gap area has now been addressed.</i></b></p>

<b>MS6: Cultural Heritage</b>	
<p>Partial Gap: Para. 12b: which established the requirements for the <b>use of qualified experts or other stakeholders</b> in assessing the nature and extent of potential impacts a given project will have on cultural heritage. OS6 does not include any such specific requirements.</p>	<p>Section 2.6 OS6, C1 states that for Cat. A and B projects, “qualified experts will be retained and consultations held with local people and other relevant stakeholders, in order to assist in the identification of tangible and intangible cultural heritage, and in the assessment of the nature and extent of potential impacts on such cultural heritage, along with the measures necessary to ensure its protection.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial Gap: Para. 12: which addresses the requirement for <b>continued access</b> (to cultural heritage sites) to be arranged in consultation with stakeholders, where feasible. The continued access to cultural heritage sites is not explicitly covered in OS6.</p>	<p>Section 2.6 OS6, C1 states that “where a project might result in the introduction of restrictions for stakeholder on access to sites of cultural heritage, continued access will be arranged in consultation with stakeholders, where feasible, subject to overriding safety and security considerations.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<b>MS7: Resource Efficiency and Pollution Prevention</b>	
<p>Partial Gap: Para.14c: which requires that <b>Integrated Pest Management or Integrated Management of Vectors</b> and Intermediate Hosts are applied, where feasible, for projects and programs that involve pest management measures. There is currently no explicit mention of integrated pest management/vector management in OS5</p>	<p>Section 2.5 OS5, Sec. A states that “The principles of integrated pest management and integrated management of vectors and intermediate hosts are applied, to the extent feasible.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<b>MS8: Labor and Working Conditions</b>	
<p>Partial Gap: Para.15d: which requires that <b>workers are provided regular and timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity, and family leave; and written notice of termination and severance payments, as required under national laws and the labor management procedures.</b> UNDIO’s OS 8 does not explicitly mention the requirement for workers to be provided with “timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity, and family leave; and written notice of termination and severance payments</p>	<p>Section 2.8, OS8, C1 states that “UNIDO will ensure that project executing entities have adequate human resources policies and procedures in place to .... Provide workers with regular and timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity, and family leave; and written notice of termination and severance payments, as required under national laws and the labor management procedures.”</p> <p><b><i>This gap area has now been addressed.</i></b></p>
<p>Partial gap: Para. <b>15j &amp;15k.</b> which stipulates that workers are informed of <b>applicable grievance</b></p>	<p>Section 2.8, OS8, C1 states that “UNIDO will ensure that project executing entities have adequate</p>

and conflict resolution systems provided at the workplace level (15j) and they are able to use such a mechanism <b>without fear of retribution/retaliation</b> . In OS 8, UNIDO does not include any requirements for access to grievance and conflict resolution systems provided at the workplace level. There is therefore also a lack of protection against retaliation for workers who would use such a system in OS 8.	human resources policies and procedures in place to ... Inform workers of applicable grievance and conflict resolution systems provided at the workplace level, which conform to the requirements of OS 12, and ensure that workers may use these mechanisms without fear of retribution or retaliation.”  <b><i>This gap area has now been addressed.</i></b>
<b>Policy on Stakeholder Engagement</b>	
No gaps identified	
<b>Policy on Gender Equality</b>	
No gaps identified	

**Conclusion**

In its documentation presented to the GEF for the 57<sup>th</sup> Council, UNIDO had acknowledged the findings of the 2019 assessment and committed to addressing all identified gaps in order to achieve full compliance with the GEF Policy on Environmental and Social Safeguards. The 2019 assessment had found that UNIDO was compliant with the GEF Policies on Stakeholder Engagement and Gender Equality.

In June 2021, UNIDIO approved an updated version of its Environmental and Social Safeguards Policies and Procedures (ESSPP). This ongoing assessment finds that UNIDIO has extensively revised its ESSPP and has now addressed all of the previously identified gap areas.

UNIDIO is now fully compliant with all three GEF Policies.