

52nd GEF Council Meeting

May 23 – 25, 2017

Washington, D.C.

STEPS TAKEN TO ENHANCE THE GEF'S TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY POLICIES AND PRACTICES

INTRODUCTION

1. The Council, at its 51st meeting in October 2016, discussed Transparency International's report *Protecting Climate Finance: Progress Update on the Global Environment Facility's Anti-Corruption Policies and Practices* (2016)¹ (*Highlights of the Council's Discussions: 51st GEF Council Meeting, October 25–27, 2016*). The report followed up on the findings and recommendations of the 2014 report *Protecting Climate Finance: An Anti-Corruption Assessment of the Global Environment Facility's Least Developed Countries Fund and Special Climate Change Fund*².
2. The Secretariat provided a brief summary of the key findings and recommendations of the Progress Update, along with proposed follow-up actions (*Highlights of the Council's Discussions: 51st GEF Council Meeting, October 25–27, 2016*). As part of the follow-up, the Council "[decided] to set up an Ad-Hoc Working Group of interested Council Members to produce a draft Policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisers and to present it for Council decision at its next meeting" (*Joint Summary of the Chairs: 51st GEF Council Meeting, October 25–27, 2016*).
3. This document provides an update on the steps taken to enhance the GEF's transparency, accountability and integrity policies and practices, further to the proposed follow-up actions presented by the Secretariat at the 51st meeting of the Council. A draft Policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisors is presented for Council review in document GEF/C.52/04.

SUMMARY OF AREAS FOR IMPROVEMENT AND FOLLOW-UP ACTIONS

4. Transparency International's Progress Update concluded that the GEF's transparency rating is high. The report recognized efforts to enhance knowledge management and improve the availability and accessibility of project and program information. The new GEF website was seen as a step forward in this regard. The Progress Update also took note of on-going efforts to put in place a framework for monitoring Agencies' compliance with the GEF's minimum fiduciary standards, environmental and social safeguards, and gender policy, and to update the GEF's policy on stakeholder engagement.
5. Progress notwithstanding, the report pointed to some areas of transparency, accountability and integrity policy and practice where further work was recommended. Drawing on the report's findings and recommendations, the Secretariat, at the 51st meeting of the Council, presented a summary of key areas for improvement, and possible follow-up actions, along with a preliminary division of roles and responsibilities. As an update to the Secretariat's presentation, the table below summarizes the status of follow-up actions taken and underway.

¹ The report was shared electronically with Council Members, Alternates and the CSO Network on October 20, 2016.

² http://www.transparency.org/whatwedo/publication/protecting_climate_finance_assessment_gef_ldcf_sccf

Areas for improvement	Follow-up actions
1. Adopt an ethics and conflict of interest policy for the Council.	An Ad-Hoc Working Group of five Council Members and Alternates has prepared a draft Policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisers for Council review (document GEF/C.52/04).
2. Report to the Council and make publicly available statistics on the number and type of complaints received by the Secretariat, and information on resolutions.	The Secretariat now makes publicly available information about complaints and concerns brought to the GEF Conflict Resolution Commissioner, and their status. (https://www.thegef.org/content/conflict-resolution-commissioner). The Secretariat also reports to the Council inter-sessionally, where needed.
3. Provide easy access to legal agreements concluded between the Secretariat or the Trustee, and Agencies.	The Secretariat now makes publicly available all memoranda of understanding concluded between the GEF Secretariat and Agencies, as well as all financial procedures agreements concluded between Agencies and the Trustee. (https://www.thegef.org/agency-mob-financial-procedures-agreement)
4. Update the GEF's policy on information disclosure to include timelines for disclosure and procedures for requesting non-disclosed information.	<p>The Council, at its 51st meeting in October 2016, and having reviewed document GEF/C.51/09/Rev.01, <i>Recommendations of the Working Group on Public Involvement</i>, “[requested] the Secretariat to present an updated policy on stakeholder engagement and access to information for consideration at its 53rd meeting in [November] 2017.” (<i>Joint Summary of the Chairs: 51st GEF Council Meeting, October 25–27, 2016</i>).</p> <p>The Secretariat, in close collaboration with the multi-stakeholder Working Group on Public Involvement, has launched consultations on the updated Policy.</p> <p>The updated Policy can address the need to clarify procedures for requesting non-disclosed information, and timelines for disclosure.</p>
5. Provide easy access to Agencies' information disclosure policies.	Currently all Agencies have been found to be in compliance with the GEF's minimum fiduciary standards and environmental and social safeguards, both of which contain

minimum requirements pertaining to information disclosure. At the same time, not all Agencies may have equivalent, corporate frameworks or policies in place with regard to access to information (GEF/C.51/Inf.05, *Review of Agencies' Policies, Procedures and Guidelines on Stakeholder Engagement*).

The process to develop an updated Policy on stakeholder engagement and access to information presents an opportunity to consider whether Agencies should meet certain minimum requirements pertaining to information disclosure – above and beyond those contained in the policies on fiduciary standards and environmental and social safeguards – and, if so, to what extent Agencies' policies, procedures and systems could be made more easily accessible.

6. Consolidate the GEF's policies on transparency in a clear, coherent and easily accessible form.

As above, this can be addressed in the ongoing process to develop an updated Policy on stakeholder engagement and access to information.

The Policy, if adopted, could replace and consolidate a number of Council decisions and documents pertaining to information disclosure, including the 2011 Council Information Document, GEF/C.41/Inf.03 *GEF Practices on Disclosure of Information*.

7. Consult civil society in the process to accredit Agencies to the GEF.

As above, this could in part be addressed through an updated Policy on stakeholder engagement and access to information.

The pilot accreditation of eight GEF Partner Agencies was concluded in 2015 and no additional Agencies are currently considered for accreditation. The Council, at its 50th meeting in June 2016, decided to “reassess, at the end of the sixth replenishment period of the GEF Trust Fund (GEF-6), whether to launch a process to accredit a limited number of additional Agencies” (*Joint Summary of the Chairs: 50st GEF Council Meeting, June 7–9, 2016*).

Should the Council decide to further expand the Partnership at that time, there may be a need to review the policies and procedures for accreditation in light of evaluative evidence and implementation experience of the previous expansion (See document GEF/ME/C.48/Inf.03, *Evaluation of the Accreditation Process for Expansion of the GEF Partnership*).

8. Improve observer participation at GEF Council meetings through direct, proactive and relevant engagement.

The Council, at its 50th meeting in June 2016, and having reviewed documents GEF/ME/C.50/02, *Evaluation of the GEF Civil Society Organization Network* and GEF/ME/C.50/03, *Management Response to the Evaluation of the GEF Civil Society Organization Network*, “[decided] to set up an ad-hoc working group of interested Council Members to develop an updated vision of the relationship between the GEF and civil society, and a plan to achieve it, in consultation with relevant stakeholders, and report back to the Council at its first meeting in 2017” (*Joint Summary of the Chairs: 50st GEF Council Meeting, June 7–9, 2016*).

The working group, in its progress report to the Council, proposes an updated vision for the GEF’s engagement with civil society, and seeks input on options for the implementation of that vision, including options related to observer participation at GEF Council meetings (GEF/C.52/Inf.12).

NEXT STEPS

6. As noted above, actions have either already been taken or are well underway across the eight key areas for further improvement. For the areas where work is still underway, many of the associated follow-up actions are expected to be addressed through the updated Policy on stakeholder engagement and access to information. As it presents the draft Policy for Council review at its next meeting in November 2017, the Secretariat stands ready to provide information about any further steps taken to enhance the GEF's transparency, accountability and integrity policies and practices.