



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

GEF/C.60/Inf.07  
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**PROGRESS REPORT ON  
GEF AGENCIES' COMPLIANCE WITH  
THE GEF MINIMUM FIDUCIARY STANDARDS**

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## INTRODUCTION

1. This document presents a progress report on the limited reassessment of GEF Agency policy alignment undertaken as a result of the recently updated GEF Minimum Fiduciary Standards (GMFS). Agency policy compliance with the updated standards was reported to the Council at C.59 in December 2020. The Agencies that self-assessed as not yet in full compliance at that time were requested to present action plans to address identified gaps, following review and consultations with an expert external reviewer contracted by the Secretariat. Agencies were also requested to report on progress with their action plans at subsequent Council meetings. This progress report provides a summary of the additional information received from Agencies and reviewed by the expert external reviewer, using the same methodology and approach detailed in the previous report.<sup>1</sup>

2. The limited self-assessment of policy alignment is distinct from the self-assessments of implementation compliance and Third Party Review required in accordance with the Policy on Monitoring Agency Compliance with GEF Policies<sup>2</sup> once per replenishment cycle. In accordance with GEF policy, the first such regular compliance review of GMFS is to be undertaken in the final year of the 7th replenishment period, i.e. prior to July 2022.

### BACKGROUND: FINDINGS OF THE AGENCIES' COMPLIANCE ASSESSMENT AND PLANS OF ACTIONS

3. Of the seventeen Agencies that submitted final self-assessments of their policy frameworks prior to C.59, six Agencies were rated as fully compliant, eleven Agencies as partially compliant and one (AfDB) required an extension to continue its self-assessment process. Where partial or non-compliance was reported, those Agencies prepared action plans to respond to the gaps identified.

4. Since the previous report submitted to C.59, AfDB submitted its self-assessment and letter of certification, EBRD confirmed it would submit its action plan prior to the end of 2021 as previously reported, and the other Agencies have reported progress on their action plans. All Agencies continue to engage constructively in this process and provide the required information per decisions of Council. Table 1 summarizes the current status of Agency compliance.

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<sup>1</sup> [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.59.05.Rev\\_.02\\_Report\\_Agency\\_Compliance\\_GEF\\_Minimum\\_Fiduciary\\_Standards.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.59.05.Rev_.02_Report_Agency_Compliance_GEF_Minimum_Fiduciary_Standards.pdf)

<sup>2</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)

**Table 1: Summary of Agency Status**

<b>Status</b>	<b>Agency</b>
<b>Fully Compliant, no action plan required:</b>	ADB, CI, FAO, IFAD, World Bank
<b>Fully Compliant, action plans fully implemented:</b>	FUNBIO
<b>Partially Compliant, Action Plans under implementation:</b>	AfDB, BOAD, CAF, DBSA, FECO, IDB, IUCN, UNEP, UNIDO, WWF
<b>Partially Compliant, Action Plan pending:</b>	EBRD
<b>Initial Self-Assessment Revised and under review:</b>	UNDP <sup>3</sup>

5. The Secretariat has retained the expert reviewer throughout the process, continuing the initial phase of the review which began in 2020. In accordance with the Council decision at C.59 to accelerate the Independent Risk-Based Third Party Review of UNDP, the Secretariat has retained a separate independent third party reviewer who will review and report separately on the revised UNDP self-assessment, as part of the accelerated review.

6. The expert reviewer has reviewed the self-assessments and action plans submitted by Agencies to date. Except where Agency notes and explanations were considered complete and contained specific references to the supporting documents provided, the expert compiled review notes for each Standard to support the self-assessments and assist with the formulation of each action plan where partial or non-compliance was confirmed. Interim and final review notes were shared with each Agency for transparency and completeness. This process is also expected to assist the Agencies with the upcoming self-assessment and third-party compliance exercise that will cover both policy and implementation capacity.

#### **SUMMARY OF OUTSTANDING ISSUES**

7. The current status of the assessments, outstanding review issues and Action Plans for each Agency is presented in Table 2.

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<sup>3</sup> Subject of separate report to C.60

**Table 2. Status of Agency Self-assessments, Secretariat and Expert Review, Action Plans**

<b>AGENCY</b>	<b>AGREED SELF-ASSESSMENT (December 2020)</b>	<b>STATUS OF REVIEW (Agencies with Actions due in 2021)</b>	<b>UPDATED AGREED SELF-ASSESSMENT, ACTION PLAN STATUS</b>	<b>PENDING FROM AGENCIES (where review continues in 2021)</b>
African Development Bank (AfDB)	PARTIAL SUBMISSION – covers I.1, II.2, II.4, II.5, II.6	COMPLETE	COMPLIANT except II.8 (f)	Report on completion of action plan due end 2021
Asian Development Bank (ADB)	FULLY COMPLIANT NO ACTION PLAN <b>Signed certificate provided</b>			
Brazilian Biodiversity Fund (FUNBIO)	COMPLIANT except I.2 (d), (e), (g) and (j), I.4, II.4 (c), II.7 (b), (c) and (d) and II.8 (d). <b>Signed certificate and action plan provided</b>	COMPLETE	FULLY COMPLIANT ACTION PLAN IMPLEMENTED	NONE – complete <b>Report on completion of action plan provided</b>
Conservation International (CI)	FULLY COMPLIANT NO ACTION PLAN <b>Signed certificate provided</b>			
Development Bank of Latin America (CAF)	COMPLIANT except I.1 (b) bullet 2, I.2 (d) and (h), I.3 (a-e), I.5 (b), II.1 (d) and (e), II.3 (a) and (b) <b>Signed certificate and action plan provided</b>	NOT STARTED. Action plan items due to complete end 2021		Report on completion of action plan due end 2021
Development Bank of Southern Africa (DBSA)	COMPLIANT except I.2 (f) and (g), II.3 (b) and II.7 (a) and (f).	IN PROGRESS. Action plan implementation dates extended for four standards	COMPLIANT except I.2 (g), II.3 (b), and II.7 (a) and (f)	Update on action plan due by end September 2021

AGENCY	AGREED SELF-ASSESSMENT (December 2020)	STATUS OF REVIEW (Agencies with Actions due in 2021)	UPDATED AGREED SELF-ASSESSMENT, ACTION PLAN STATUS	PENDING FROM AGENCIES (where review continues in 2021)
	<b>Signed certificate and action plan provided</b>			
Foreign Environmental Cooperation Center, Ministry of Ecology and Environment of China (FECO)	COMPLIANT except 1.2 (f), II.1 (f), II.6 (e) and (i), II.8 (d) and (f)	NOT STARTED. Action plan items due to complete December 2021		Report on completion of action plan due December 2021
Food and Agriculture Organization of the United Nations (FAO)	FULLY COMPLIANT NO ACTION PLAN <b>Signed certificate provided</b>			
Inter-American Development Bank (IDB)	COMPLIANT except II.1 (e) <b>Signed certificate with action plan provided</b>	NOT STARTED. Action plan items due to complete June 2022		Report on completion of action plan due June 2022
International Fund for Agricultural Development (IFAD)	FULLY COMPLIANT NO ACTION PLAN <b>Signed certificate provided</b>			
International Union for Conservation of Nature (IUCN)	COMPLIANT EXCEPT II.8 (d) <b>Signed certificate with action plan provided</b>	NOT STARTED. Action plan items due to complete December 2021		Report on completion of action plan due December 2021
United Nations Development	FULLY COMPLIANT <b>Signed certificate provided</b>	IN PROGRESS Revised Self-Assessment provided Apr 30	Revised Self-Assessment under review.	Revised Self-Assessment under review.

AGENCY	AGREED SELF-ASSESSMENT (December 2020)	STATUS OF REVIEW (Agencies with Actions due in 2021)	UPDATED AGREED SELF-ASSESSMENT, ACTION PLAN STATUS	PENDING FROM AGENCIES (where review continues in 2021)
Programme (UNDP) <sup>4</sup>		2021 and under review.		
United Nations Environment (UNEP)	COMPLIANT except for II.2(b) <b>Signed certificate and action plan provided</b>	IN PROGRESS. Action plan item close to completion, with revised target date of mid-2021	COMPLIANT except for II.2(b)	Report on completion of action plan due July 2021
United Nations Industrial Organization (UNIDO)	COMPLIANT except for I.2 (f), <b>Signed certificate with action plan provided</b>	NOT STARTED. Action plan items due to complete December 2021		Report on completion of action plan due December 2021
West African Development Bank (BOAD)	MOSTLY COMPLIANT except for. I.2 (a) – (g), (i), (j); I.3 (a), (c), (d); I.4 (a), (b); II.1 (d), (e); II.3 (b) <b>Signed certificate with action plan provided</b>	IN PROGRESS One action plan item completed; other actions due to complete end 2021	COMPLIANT except I.2 (a) – (g) and (i); I.3 (a), (c), (d); I.4 (a), (b); II.1 (d), (e); II.3 (b)	Report on completion of action plan due December 2021
World Bank (WB)	FULLY COMPLIANT NO ACTION PLAN <b>Signed certificate provided</b>			
World Wildlife Fund (WWF-US)	COMPLIANT except for I.2 (c), (d), (e), (f), (h) and (j); II.2 (d), II.4 (e); II.7 (a), (c), (d) and (e); II.8 (f) <b>Signed certificate with action plan provided</b>	NOT STARTED. Action plan items due to complete June 2021		Report on completion of action plan due June 2021

<sup>4</sup> Subject of separate report to C.60

## African Development Bank (AfDB)

### Summary Findings

8. AfDB submitted its full self-assessment and it has been reviewed by the external reviewer. A signed letter of compliance and action plan for Standard II.8 (f) has been provided.

Reference	Description	Rating	Observations
<b>I. Project/Activity Processes and Oversight Criteria</b>			
I.1	Project appraisal.	Fully complies	
I.2 (g), (h) and (i)	Procurement Processes	Fully complies	
I.2 (a) – (f), (j)	Procurement Processes	Fully complies	
I.3	Monitoring and Project-at-Risk systems	Fully complies	
I.4	Project Completion and Financial Closure	Fully complies	
I.5	Evaluation Function	Fully complies	
<b>II. Governance Framework Criteria</b>			
II.1	External Financial Audit	Fully complies	
II.2	Financial Management and Control Frameworks	Fully complies	
II.3	Oversight of Executing Entities	Fully complies	
II.4	Financial Disclosure/Conflict of Interest	Fully complies	
II.5	Code of Ethics/Conduct	Fully complies	
II.6	Internal Audit	Fully complies	
II.7	Investigation Function	Fully complies	
II.7 (f)	Reporting to GEF	Fully complies	
II.8	Hotline and Whistleblower Protection	Fully complies, except	
II.8 (f)	Procedures are in place for the periodic review of handling of hotline, whistleblower, and other reported information to determine whether it is handled effectively and whether processes for protecting whistleblowers and witnesses are consistent with best international practice.	Partially complies	AfDB's Whistle Blower and Complaints Handling Policy is undergoing review by AfDB, expected to provide for an annual review of the handling of the hotline and whistle blower mechanism.



Reference	Description	Rating	Observations
II.9	Anti-Money Laundering and Combating the Financing of Terrorism	Not required for AfDB	AfDB self-assessed as fully compliant in 2019

## **Brazilian Biodiversity Fund (FUNBIO)**

### *Summary Findings*

9. FUNBIO initially self-assessed as fully compliant against most Standards, although in some cases ratings were not assigned. Following consultations, FUNBIO developed an action plan to close the identified gaps from the 2020 self-assessment.

10. FUNBIO has implemented its action plan to address identified policy framework gaps; these have been assessed by the expert reviewer as having been completed.

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

### *Summary Findings*

11. CAF initially self-assessed as fully compliant against many of the Standards. It assessed itself as non-compliant against II.1 (d) and partially compliant against I.1 (a), I.1 (b) bullet 2, I.2 (d) and (h), I.3, I.5, II.1 (e), II.3 (a) and (b). The Secretariat concurred with this self-assessment with exception of I.1 (a), I.5 (a), (c) and (d) which are rated compliant (vs partially compliant), and I.1 (d) rated partially compliant (vs. non-compliant).

12. CAF did not initially rate its compliance on standard II.2 (c) “The control framework has defined roles and responsibilities pertaining to accountability of fiscal agents and fiduciary trustees” and requested clarification. Based on information provided by the Agency, CAF is considered by the Secretariat and expert reviewer to be compliant.

13. CAF has submitted an action plan to address the gaps identified by the end of 2021 and is the process of implementing it.

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

### *Summary Findings*

14. In the 2020 self-assessment of policy alignment, DBSA was found to be partially compliant for five of the standards. In its 26 November 2020 certification to the GEF Council, the Bank committed to addressing the identified gaps and update the relevant documents by March 2021. As indicated below as of 6 May 2021, one partial compliance was re-assessed based on further information and a revised rating of fully compliant was agreed. The actions on

the other four standards are in progress but have not yet been completed. DBSA has indicated revised completion dates of 30 June 2021 and 30 September 2021 depending on the standard.

15. *Standard I.2 (f) – Anti-fraud and corruption elements in the General Conditions of Contract and tender conditions applied to contract awardees.* After further review, it was determined that DBSA's policies establish alignment with Standard I.2(f). The DBSA procurement policy cross-references to applicable South African legislation relevant to the deterrence of fraud by bidders and contractors, and to access to records for investigative purpose.

16. *Standard 1.2 (g) – Procurement of goods guidelines encourage consideration of sustainability concepts.* At the conclusion of the 2020 review of its self-assessment, DBSA confirmed it will include these considerations in its procurement guidelines, with a timeframe proposed of 28 February 2021. In its 6 May 2021 update, DBSA advised that revised documents (procurement guidelines) will be finalised on or before 30 September 2021.

17. *Standard II.3 (b) - Information regarding funding agreements is made publicly available.* At the conclusion of the 2020 review of its self-assessment, DBSA confirmed that it will make agreements on GEF-funded projects publicly available. In its 6 May 2021 update, DBSA advised that its website is currently being revamped and information regarding funding agreements would be made publicly available by 30 June 2021.

18. *Standard II.7 (a) – Making the TORs of the investigation function publicly available.* At the conclusion of the 2020 review of its self-assessment, DBSA undertook to update its Fraud Prevention Plan and Response Plan for public availability through an EXCO approval process. In its 6 May 2021 update, DBSA advised that the DBSA Fraud & Corruption Prevention Plan, which now includes clauses that require that TORs be publicly available via DBSA website, is being progressed through approval committees and has already been approved by EXCO. The approved document will be available by 30 June 2021.

19. *Standard 11.7 (f) – Meeting the requirements for reporting to GEF relating to misuse of GEF Funds, opening investigations and statistical information on cases.* At the conclusion of the 2020 review of its self-assessment, DBSA undertook to amend its Fraud Response Plan, through an EXCO approval process, to specifically include the GEF reporting requirements in the Standard, with a target date of 31 March 2021 for conclusion. In its 6 May 2021 update, DBSA advised that this reporting requirement specifically referring to GEF has been included in its updated Fraud & Corruption Prevention Plan, currently being prepared for internal approval; documents would be available by end June 2021.

## **European Bank for Reconstruction and Development (EBRD)**

### *Summary Findings*

20. EBRD initially self-assessed as fully compliant against most Standards, with partial compliance against Standards I.3 (b), I.4 (b), II.2 (h) (i) and (ii) and II.3 (a). Based on information provided with the initial self-assessment and in response to follow up questions from the expert reviewer, the Secretariat concurred with these self-assessments except that it was agreed that only I.3 (b) and II.2 (h) (i) and (ii) should be considered partially compliant.

21. Standard I.3 (b) refers to the roles and responsibilities of the monitoring function. Standard II.2 (h) refers to the segregation of project implementing and executing roles. An EBRD internal review indicated the need for a clearer separation of duties and responsibilities within EBRD across its multilateral climate donors, as EBRD acts, in majority of the cases, as both the Implementing and Executing Agency of a GEF funded project/program.

22. The EBRD advised the Secretariat that it is currently concluding an internal review of its donor funded operations, including its operations with the GEF. Based on the findings of this review, a time-bound roadmap will be developed, which will inform the action plan to address the gaps identified in the two standards as part of self-assessment. EBRD has informed the Secretariat that the expected completion date of this internal review will be after the June 2021 Council meeting. EBRD has committed to implementation of the action plan and reporting on this to the December 2021 Council meeting.

## **Foreign Environmental Cooperation Center, Ministry of Environmental Protection of China (FECO)**

23. FECO has confirmed that actions on those standards not rated fully compliant will be completed by the end of 2021 as previously reported.

## **Inter-American Development Bank (IDB)**

24. IDB's action plan specifies that the gap on standard II.7 (f) would be closed by June 30, 2022. No issues of concern have been identified.

## **International Union for Conservation of Nature (IUCN)**

25. IUCN indicated in its certification that it will take steps to achieve full compliance in relation to the standard on the whistleblower protection policy by end of December 2021; action plan implementation is proceeding.

## **United Nations Development Programme (UNDP)**

26. UNDP initially self-assessed as fully compliant against the revised Standards. Subsequently, findings of UNDP's Office of Audit and Investigation (OAI) prompted UNDP to revisit its self-assessment and undertake a comprehensive internal review. This review is

ongoing and forms part of the accelerated self-assessment and Third Party Review underway and summarized in a separate document presented to C.60.

### **United Nations Environment (UNEP)**

27. UNEP has provided an action plan for addressing standard II.2 (b), related to endorsement of the Risk Management Framework and Guidelines in December 2020. UNEP has confirmed that the Statement of Internal Control was issued at the end of March 2021, and the UNEP Enterprise Risk Management Framework and Guidelines are under final internal discussion, with implementation expected to begin mid-2021.

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

28. UNIDO self-assessed as fully compliant against all but one Standard – I.2 (f) *General Procurement Conditions of Contract*. These are being updated to reflect these and other funding partner requirements. UNIDO has committed in its certification to address the gap in the partially complied standard with an update of the relevant procurement policies and guidelines by December 2021.

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

29. BOAD initially self-assessed as fully compliant against most Standards and partially compliant against Standards I.5 (a), II.7 (d) and (f). For some other standards, the rating was not provided. Where possible, the expert reviewer could ascertain full compliance in these cases based on information provided or available on BOAD's French and English websites.

30. As a result of further review of additional information, BOAD has agreed with the Secretariat to rate Standards I.2 (a) - (g), (i) and (j), II.3 (a), (c) and (d); I.4 (a) and (b); I.5 (a) and (b), II.1 (d) and (e) and II.3 (b) as partially compliant.

31. BOAD has committed in its certification and action plan to address all identified gaps and to come into full compliance by the end of 2021. BOAD provided an update on its action plan, with one action due for completion in December agreed as finalized, with others still in progress.

### **World Wildlife Fund (WWF-US)**

32. WWF-US self-assessed as fully compliant against most Standards but indicated non- or partial compliance in some cases, noting steps planned to address these: I.1.2 (c), (d), (e), (f) and (h); II.2 (d); II.4 (e); II.7 (a), (c) – (e); and II.8 (f).

33. WWF-US submitted an action plan to address the identified gaps in policy framework alignment by June 30, 2021.

**ANNEX 1: ADDITIONAL AGENCY LETTERS OF CERTIFICATION AND PLANS OF ACTION TO ACHIEVE FULL COMPLIANCE RECEIVED**

# AFRICAN DEVELOPMENT BANK GROUP



GROUPE DE LA BANQUE AFRICAINE  
DE DEVELOPPEMENT  
AFRICAN DEVELOPMENT BANK GROUP

**Ref: PECG1/LT/PG/2021/05/0002**

**Date: 17<sup>th</sup> May, 2021**

**Mr. Carlos Manuel Rodriguez**  
**Chief Executive Officer and Chairperson**  
**Global Environment Facility**  
**1818 H St. NW, MSN G6-602**  
**Washington DC 20433, USA**

**Subject: African Development Bank Group Certification – 2019 Updated GEF Minimum Fiduciary Standards**

**Dear Mr. Carlos Manuel Rodriguez, GEF CEO and Chairperson**

On behalf of the African Development Bank Group ("The Bank"), I would like to thank the Global Environment Facility (GEF) Secretariat for the support and review as part of the Bank's "limited compliance reassessment" against the 2019 Updated GEF Minimum Fiduciary Standards.

The Bank wishes to acknowledge the findings and comments made in the Interim Summary Report on Review of the African Development Bank's Self-Assessment of Compliance with the 2019 Updated Minimum Fiduciary Standards. I am pleased to confirm that the Bank's policies and procedures are in full compliance with all the Updated GEF Minimum Fiduciary Standards, except for sub-section II.8 (f) to which the Bank was assessed as partially compliant jointly by the Bank and the GEF Secretariat.

The Bank will provide for an annual review of the handling of the hotline and whistle blower mechanism as part of the current ongoing review of its Whistle Blowing and Complaints Handling Policy which is expected to conclude by December 31<sup>st</sup>, 2021.

The Bank remains fully committed to this exercise should any additional follow-up be needed in the near future. We look forward to a continued and fruitful cooperation with the GEF in the years to come.

Yours sincerely,

**Al-Hamndou DORSOUMA**  
OIC Director  
Climate Change and Green Growth Department (PECG)

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