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**ANNUAL REPORT ON GRIEVANCE CASES
INVOLVING GEF-FUNDED PROJECTS**

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OVERVIEW

1. This document is the second annual report to Council on grievance cases involving GEF-funded projects under the reporting requirements of GEF Policies on Environmental and Social Safeguards and on Minimum Fiduciary Standards.¹ In accordance with these policies, it provides a summary of cases taken under formal review by the independent Accountability and Grievance Systems and Investigation Functions of GEF Partner Agencies.
2. The summary reflects up-to-date information on cases from Agencies as of October 2021, in response to a request by the Secretariat. It includes cases reported in the Annual Summary to Council at its 59th Session last year, new developments in these cases, and other cases and developments reported since that time as required by GEF policy.
3. The first section of the case summaries (Section II below) provides summary information for cases that are not subject to requirements of confidentiality.² There are 27 cases reported in this section, many in the final stage of responsive action by Agencies or now completed (10), as described below. The cases are listed by the country in which the project takes place,³ and grouped into cases involving safeguards-related issues and those involving fiduciary issues.⁴
4. The second section of the case summaries (Section III below) provides statistical information on the remaining cases. There are nine of these cases reported in this section, all of which involve fiduciary matters where the responsible Agency has indicated a requirement for confidentiality. For these cases, GEF Policy on Minimum Fiduciary Standards provides for reporting of statistical information only (paragraph II.15(f)). Additional information on these cases and status has previously been reported directly to Council.
5. For the first time this year, this document also includes an Introductory section on trends and emerging lessons arising from the cases. This new section (Section I below) is intended to be the first in a series to provide additional context to the case summaries and highlight important features and lessons in support of accountability, learning and greater results.
6. This new section begins with a review of the cases involving safeguards-related issues. It highlights information relating to the complainants and who they are, the significant issues raised, and actions taken by Agencies to address these issues. As discussed below, the cases illustrate core ideas of the grievance response system: giving greater voice and rights of

¹ GEF Policy on Environmental and Social Safeguards, SD/PL/03 (July 1, 2019); GEF Policy on Minimum Fiduciary Standards for GEF Partner Agencies, GA/PL/02 (December 19, 2019).

² As indicated below, GEF Policy recognizes that reporting is subject to Agency requirements of confidentiality, including for investigative needs and due process in cases involving fiduciary standards.

³ These case summaries are also on the GEF website (Conflict Resolution). They include two projects which receive GEF funding but where the complaint raises issues not directly tied to the GEF funding, one at the grievance mechanism of another Agency also funding the project, and three at a project-level grievance mechanism.

⁴ As described below, safeguards-related issues include cases arising under or relating to GEF Policies on Environmental and Social Safeguards, Stakeholder Engagement and Gender Equality, including rights of Indigenous Peoples. Fiduciary issues are those arising under or relating to GEF Policy on Minimum Fiduciary Standards.

recourse to affected people and local communities, in keeping with an inclusive and rights-based approach to GEF's work; providing a meaningful and appropriate response to address issues raised; and learning from the cases going forward. They also offer a window into ways to improve and strengthen the work of the GEF in support of people and nature going forward.

7. The discussion in this new section then turns to a review of information and trends on the separate set of cases involving fiduciary issues. It notes the seriousness of the issues raised, and the critical importance of having a governance system that responds to them fully and well. It also notes similarities and differences with safeguards-related cases, and the ongoing review of compliance with fiduciary issues being considered under separate discussion at Council.

8. The final section of this document (Section IV) provides a log of reporting to Council on individual cases when they arose, as well as on new developments in the cases. This separate reporting to Council on an ongoing basis is done in accordance with the updated reporting requirements of the two Policies (on Safeguards and on Fiduciary Standards) for prompt, real-time reporting on new cases, as well as new developments in those cases as they arise.

I. TRENDS AND LESSONS FROM THE CASES

A. The Grievance Response System of the GEF

9. The GEF partnership has in place a policy-based system that provides a formal avenue of recourse for people and communities, including local communities, indigenous peoples, and civil society organizations, to submit concerns and complaints about projects and operations funded by GEF, and to seek responsive action.

10. To make this happen, each GEF Partner Agency must have its own system to receive and respond to such complaints and concerns, per minimum requirements set in policy and as part of their responsibility to implement GEF-funded projects.⁵

11. This grievance response system is designed to reflect and support key principles of the partnership - accountability, transparency, integrity, and meaningful stakeholder engagement. By giving greater voice to affected people and communities, it also provides a major pathway to support project objectives and achieve better results for the global environment.

12. These principles and purposes – and the mechanics of how the system works - are set out in the two foundational policies of the system, i.e., the GEF Policy on Environmental and

⁵ See GEF Policy on Environmental and Social Safeguards, Minimum Standard 2: Accountability, Grievance Response, and Conflict Resolution; GEF Policy on Minimum Fiduciary Standards, para. II.15 Investigation Function.

Social Safeguards⁶ and the GEF Policy on Minimum Fiduciary Standards.⁷ Both policies also contain explicit provisions to protect complaining individuals and parties against very real risks of retaliation and reprisal.⁸ The Policy on Fiduciary Standards also has a separate standard on “Hotline and Whistleblower Protection.”⁹ Similar protections are set out in the guidelines for submitting complaints to the GEF Conflict Resolution Commissioner.¹⁰

B. Safeguards-Related Cases – Voice, Right of Recourse, Lessons Learned

13. As shown in the case summaries later in this document, there is a wide range of grievance cases at GEF Partner Agencies. The cases can be divided broadly into two groups: those involving safeguard-related issues, and those involving fiduciary standards.

14. Table 1 and the discussion which follows highlights some important features and trends of the former, i.e., cases involving safeguard-related issues.

Table 1 - Cases Involving Environmental and Social Safeguard Issues

Country/Project/Agency	Complainant	Issues Raised	Agency Response
1. Mauritius – Mainstreaming Biodiversity into Coastal Zone Management (UNDP)	Aret Kokin Nu Laplaz (AKNL), an NGO coalition located in Mauritius	<i>Environmental and social safeguards</i> – concerns of “greenwashing” and failure to take actions called for by the project to avert coastline ecosystem destruction <i>Stakeholder engagement</i> - issues re consultation with communities	<i>Stakeholder Response Mechanism (dialogue)</i> – ended without resolution <i>Investigation</i> – findings noted positive efforts and compliance with consultation requirements, but found shortcomings in meeting conservation goals and failure to sufficiently factor in surrounding environmental risks <i>Action Plan</i> – elevate action to address concerns and identify preemptive measures to address risks and avert project failure.

⁶ This Policy requires Agencies to have two complementary mechanisms for grievance response. The first is an Accountability Mechanism, which focuses on issues of policy compliance and responsive actions to address non-compliance, and is to be “. . . independent, transparent and effective” and “. . . accessible and broadly advertised to Stakeholders.” The second is a Grievance and Conflict Resolution system, to “[w]ork proactively with Complainants and other parties to resolve the complaints or disputes determined to have standing.”

⁷ This Policy requires Agencies to have an investigation function that provides for “independent, objective investigation of allegations of fraudulent and corrupt practices” and work “competently and with the highest levels of integrity.” (paragraph 16).

⁸ GEF Policy on Minimum Fiduciary Standards, Part II.16, Hotline and Whistleblower Protection; GEF Policy on Environmental and Social Safeguards, Minimum Standard 2, paras. 5(e) and (f) (protection of confidentiality and against retaliation).

⁹ Id, paragraph 16.

¹⁰ GEF Website, Conflict Resolution, noting inter alia that “The Commissioner will at all times respect requests for confidentiality and anonymity by persons submitting complaints.”

Country/Project/Agency	Complainant	Issues Raised	Agency Response
		<p><i>Policy incoherence</i> - continued development in areas project was working to designate-map as sensitive and protected areas</p>	
<p>2. and 3. Republic of Congo and Republic of Cameroon - Conservation of Biodiversity (UNDP)</p>	<p>Survival International on behalf of indigenous and local communities</p>	<p><i>Environmental and social safeguards</i> – concerns relating to safety of local people (risks from eco-guards); right to access traditional lands in and around protected areas; impact on livelihoods</p> <p><i>Stakeholder engagement</i> – issues re consultation w/ communities</p> <p><i>Respecting the rights of indigenous peoples</i> – including issues relating to Free Prior Informed Consent (FPIC)</p>	<p><i>Early response:</i> Both projects suspended pending investigation</p> <p><i>Investigation - DRC Report:</i> UNDP’s overarching commitment to human rights not met with respect to rights of indigenous peoples, and critical project risks not identified. Credible evidence on situation of threats and violence by eco-guards (forest rangers) hired by the project. Finding of non-compliance with social and environment standards also confirmed in Cameroon report.</p> <p><i>Action Plan (Congo)</i> - project closed, options being considered for new phase of work to support government efforts to promote community-based conservation and livelihoods; broader corporate level plan for immediate steps to improve safeguards implementation, accountability, oversight, and support functions across UNDP</p> <p><i>Action Plan (Cameroon)</i> – project being reformulated to address investigation findings and recommendations; see also plan to improve safeguards action across Agency (above)</p>
<p>4. Myanmar – Ridge-to-Reef (UNDP)</p>	<p>Conservation Alliance Tanawthari (CAT) on behalf of indigenous communities in the Tanintharyi Region of Myanmar</p>	<p><i>Environmental and social safeguards</i> – issues relating to respecting right of displaced peoples and refugees to return to lands where they are from</p> <p><i>Stakeholder engagement</i> – concerns re</p>	<p><i>Early response</i> – project suspended pending investigation</p> <p><i>Investigation</i> – ongoing; facing delays due to COVID-19 and the political situation in the country</p>

Country/Project/Agency	Complainant	Issues Raised	Agency Response
		<p>insufficient consultation with communities</p> <p><i>Respecting the rights of indigenous peoples</i> - including issues relating to FPIC, UN Declaration on Rights of Indigenous Peoples, support for community-driven initiatives</p>	
<p>5. Armenia – Infrastructure and Rural Finance Support (IFAD)</p>	<p>An NGO in Armenia on behalf of the affected village</p>	<p><i>Environmental and social safeguards</i> - issue of water infrastructure investments allegedly leading to water scarcity in neighboring village, arising from separate project component</p>	<p><i>Investigation</i> – by RA Human Rights Defenders Office (following Agency fact-finding), concluding that procedures and permitting had been followed, and no evidence of effects due to water supply investments of project; findings communicated to community.</p> <p><i>Note:</i> the claim involved a component of the project not funded by GEF nor by IFAD.</p> <p>Case completed.</p>
<p>6. Ukraine - Finance and Tech Center for Climate Change (EBRD)</p>	<p>Community members with help of CEE Bankwatch, Accountability Counsel, and Eco Action.</p>	<p><i>Environmental and social safeguards</i> - effects of Biogas plan using residues from agriculture</p> <p><i>Access to Information</i> - issue of limited access to information on operation</p>	<p><i>Mediation and dialogue process facilitated</i> – led to improved information flow and several agreed actions to address issues.</p> <p>Case completed.</p>
<p>7. Zambia – Lake Tanganyika Sustainable Development Project (AfDB)</p>	<p>Senior Chief of Royal Lungu Chiefdom</p>	<p><i>Sacred lands</i> – issue of siting of civil and sanitation works / facilities on lands claimed by Chiefdom to be sacred and used for traditional rites</p>	<p><i>Stakeholder dialogue process</i> – civil works suspended to allow space for dialogue with the communities, and subject to mutually agreed solution on protected sites for ceremonial practices</p> <p><i>Note:</i> the claim involved a component of the project not directly funded by GEF</p>

Country/Project/Agency	Complainant	Issues Raised	Agency Response
8. Tonga – Renewable Energy Project (ADB)	Four community members during training sessions	<i>Stakeholder engagement</i> – issue of lack of consultation with community about removal of old generators from a powerhouse, which community had helped to provide	<i>Stakeholder dialogue process</i> – led to decision to temporarily store old generators and work with community for permanent solutions. Case completed.
9. Philippines – Integrated Natural Resources and Environmental Management (ADB)	Local community members	<i>Traditional and ancestral land rights</i> – issue of project activities on ancestral domains of different tribes, where traditional cultural practices still exist	<i>Stakeholder dialogue process</i> – based on traditional Council of Elders practices: issue resolved by relocating site to another area within the same municipality. Case completed.
10. Togo – West Africa Coastal Area Resilience project (WB)	Local community members and project affected persons	<i>Impacts on livelihoods, displacement</i> – issue of impacts on beach affecting access and livelihoods of fishermen, involuntary resettlement due to alleged loss of land titles <i>Consultations, access to information</i> - claim that project-affected persons have not received adequate and timely project information and have not been meaningfully consulted about project activities.	<i>Complaint registered</i> – September 7, 2021

Country/Project/Agency	Complainant	Issues Raised	Agency Response
11. Colombia – Amazon for Peace Project (non-GEF project, case assessing impacts on the GEF project) (UNDP)	Local community members	<i>Intersection of two projects</i> – concern that activities under a project not funded by GEF (on private sector activities) will affect and undercut the Amazon for Peace Project funded by GEF	<i>Complaint determined eligible for investigation</i> – September 7, 2021. Process ongoing.
12. Uganda-DRC - Lakes Edward and Albert Integrated Fisheries and Water Resources Management (AfDB)	Local civil society organization – human rights group working with local fisherfolk	<i>Environmental and social safeguards</i> – concern of militarization and violence against local community in enforcing project on fisherfolk trying to assert their right to fishing	<i>Complaint put under formal review</i> – October 2021. Process ongoing.
13. Tuvalu - Outer Island Maritime Infrastructure Project (ADB)	Community members	<i>Safeguards, project execution</i> – concerns over the strength of a project feature known as a flex mat installed on the beach; issues of resilience, ability to withstand wind; why not laid with concrete foundation	<i>Consultation process under project grievance mechanism</i> – discussions held between community and Project Management Unit, noting that mat is designed to flex with the beach and thus not laid on cement. This is a pilot site and will continue to be monitored. Matter resolved in October 2020. Case completed.
14. Nicaragua – project in BOSAWAS and Rio San Juan Biosphere Reserve (funded by GCF and co-financed by GEF through FAO)	Afro descendent indigenous community located in the BOSAWÁS Biosphere Reserve Complaint submitted to GCF Independent	<i>Stakeholder engagement, respecting the rights of indigenous peoples</i> - issues relating to lack of proper consultations with communities and no Free Prior Informed Consent (FPIC); fear that project will lead to	<i>Status</i> – complaint determined eligible for further processing (GCF-IRM); ongoing

Country/Project/Agency	Complainant	Issues Raised	Agency Response
	Redress Mechanism (IRM) (see full case summary below)	environmental loss and usurpation of traditional and ancestral lands by non-indigenous settlers	

15. The table illustrates several features and trends in these cases, noted below.

16. ***Voice and right of recourse to affected people and communities.*** As shown in the table, these cases have been brought by a range of individuals, local and indigenous communities, and human rights or other civil society organizations on behalf of local communities. This illustrates a critical role of the GEF’s grievance response system in support of stakeholder engagement during project design and implementation, offering a formal avenue to raise concerns and seek responsive action. As indicated by the summaries, the cases also provide the Agencies and partnership an invaluable opportunity to listen and learn from affected people and their partners about issues arising in GEF-funded projects, and benefit from their knowledge and expertise.

17. ***Issues raised.*** The cases raise significant issues on a range of topics of importance to the affected people, the projects and the partnership as a whole - - achieving meaningful consultations and stakeholder engagement; respecting and supporting the rights of indigenous peoples, including through Free Prior Informed Consent (FPIC); supporting conservation goals *and* the rights and livelihoods of local communities, and related issues of access to traditional lands, displacement, protection of sacred places, and impacts on livelihoods. Some cases raise issues of conflict and violence. The complaints, stakeholder dialogues, investigation reports, and Agency response actions provide a crucial framework to learn about, address and correct for these issues as they arise, with lessons as well for future work. This is another measure of the importance of the GEF’s grievance response system, in support of solutions and better projects.

18. ***Accessibility of the system.*** As noted above, the GEF Safeguards Policy requires Agencies to have a system that is “. . . *accessible and broadly advertised to Stakeholders.*” This reflects the importance of building awareness of the availability of avenues of recourse for people to use them, and designing them to be fair, responsive and simple to use and access. It is notable that in several of the cases, local communities joined with other partners, including civil society organizations, to bring attention to their concerns. This indicates the importance of partnerships and networks in this work, as relevant for civil society as it is for the institutions in the partnership

19. ***Protection against retaliation and reprisal.*** As reflected in GEF Policy, a key requirement – and challenge – for these systems is to support and protect the right of people,

communities, and whistleblowers to raise concerns and submit complaints without fear of retaliation and reprisal. This is a concern that refuses to go away in the world around us. During consultations with Agencies and partners in preparing this document, the Secretariat received important documentation relating to this concern - - confirming that risks are very real and highlighting steps to prevent against it.¹¹ This topic is also addressed in the following section on cases involving fiduciary standards and protection of whistleblowers.

20. ***Issues during project implementation; importance of proactive engagement.*** The GEF grievance response system is open to complaints at all stages of the project cycle, from design to preparation to implementation. While some cases involve issues in the early stage of project development (e.g., inadequate risk screening, insufficient consultation), many others involve issues that have emerged in the stage of project implementation. This underscores the need for close attention and proactive actions to listen and adjust where needed as project activities unfold on the ground, to help prevent quickly resolvable issues from turning into major problems for both the affected people and achievement of project environmental goals.

21. ***Agency responsive actions and lessons going forward.*** The cases also underline the importance of proactive Agency response to complaints once received. The reported information indicates significant steps by Agencies, as required by GEF Policy, to review and assess the claims, initiate stakeholder dialogue and/or formal investigations, and develop responsive actions to address the findings and recommendations of the dialogue and investigations. In three cases, in recognition of the serious issues raised, the Agency suspended project operations during the review. In two of these, following the investigation, the project was closed (Republic of Congo) or reformulated (Republic of Cameroon) in favor of a new approach, based on the serious issues, findings and lessons learned. The Agency also committed to system-level adjustments to improve safeguards implementation, accountability and oversight going forward, in support of better projects and the rights of affected communities.¹²

22. The summaries also indicate that the approach of mediated stakeholder dialogue - in one case following traditional practices – has led to positive resolution in several cases (Zambia, Tonga, the Philippines, Tuvalu, Ukraine). But not all cases have achieved successful resolution or outcomes, at least not yet. In one of the reported cases, for example (Mauritius coastal zone), the stakeholder dialogue process ended without resolution, with agreement of complainant,

¹¹ The serious threat of reprisal and retaliation against environmental defenders is described in various recent documents. One of these is a knowledge product produced by the Independent Accountability and Investigation Mechanism of the Inter-American Development Bank (IDB), linked here: [Addressing controversies in contexts of high polarization and risk of reprisals](#). Another is a guide for independent accountability mechanisms to address risk of reprisal, produced by the IAM Network, a grouping of accountability mechanisms at public international institutions that meets periodically to exchange information on trends, practices and lessons learned in the field. The link is [here](#). The Zero Tolerance Initiative of the Forest Peoples Programme also highlights these issues and identifies tools to support those who speak out. The Secretariat also has been in contact with the Independent Redress Mechanism of the GCF, which has its own guidelines on this topic [here](#).

¹² This highlights the important related topic of institutional learning from the cases, which may be considered in more detail in these annual reports to Council looking ahead.

and the complainants have indicated ongoing concerns over implementation of actions developed following the independent investigation.

23. These last elements noted above are of a cross-cutting importance to the cases and the work of the GEF. The continuous engagement of and learning from local communities provides an opportunity to create better projects that will also be more durable over time. But it must be made to happen. The reality is that issues will come up in the complex environment in which GEF operates, and the key is to respond well and fairly, in the interests of people and nature, and take the lessons from these cases into future work.

24. **Timelines:** The cases also indicate that Agency investigations and stakeholder dialogues take time - many months or longer to complete. In a few cases, the investigations took well over a year or more (Republic of Congo, Cameroon, Myanmar). This reflects in part the time-consuming nature of independent fact-finding, and at least in one case (Myanmar) delays due to COVID-19. But long periods of time to complete a process create challenges in reaching resolution and redress. This concern is noted in the Cover Note to the Third-Party Review of compliance by UNDP, which recommends that Agencies communicate expected timelines for an investigation process as part of reporting on these cases. By comparison, in the several cases involving mediated stakeholder dialogue noted above, the process generally concluded more rapidly, from several months to around a year.

C. Fiduciary Standards Cases – Integrity, Accountability, Lessons Learned

25. The case summaries in Section 2 also present a range of cases at GEF Partner Agencies involving issues of compliance with GEF Policy on Minimum Fiduciary Standards. Table 2 below highlights information on the diversity of complaints, issues raised and responsive actions by GEF Partner Agencies for these types of cases.

Table 2 – Cases involving Fiduciary Standards Issues

Country/Project/Agency	Complainant	Issues Raised	Agency Response
15. Russia – Standards and Labelling Project (UNDP)	Anonymous whistleblowers and others	Fiduciary standards – issues of fraud and misuse of funds, conflict of interest, retaliation against whistleblowers	<i>Investigations and follow-up audits</i> - see full summary below, referring also to further review and follow-up in light of ongoing concerns <i>Action Plan and additional follow-up actions</i> – ongoing issues and concerns raised by this and other cases have led to additional follow-up, including broader OAI system-level audit, internal Management Accountability Review Panel (MARP), and accelerated Independent Third-Party Review of Compliance with GEF Policy on Minimum Fiduciary Standards (see full summary below; ongoing)

Country/Project/Agency	Complainant	Issues Raised	Agency Response
16. Ukraine – Bioenergy Technologies in the Municipal Sector (UNDP)	Anonymous whistleblowers (and others)	<i>Fiduciary standards</i> – issues of fraud, misuse of funds, conflict of interest, retaliation against whistleblowers	<i>Investigation ongoing</i> - see full summary below
17. Sri Lanka – SGP program in Sri Lanka (UNDP)	Network of environmental organizations in the country	<i>Fiduciary standards</i> - allegations of wrongdoing, irregularities, discrimination, fraud, and injustice	<p><i>Investigation</i> – found no credible evidence of fraud or conflict of interest but gaps and irregularities in required documentation and management of the Country Programme and lack of guidance on a small number of key issues</p> <p>Agency action - implementation plan to address the recommendations to strengthen management of the Sri Lanka SGP Country Programme and that of SGP Country Programmes worldwide; engagement to improve capacities to more effectively and transparently perform programme operations, including financial and grant management; sharing of best practices based on audit findings; lessons learned will be used to strengthen execution of SGP Sri Lanka Programme management and inform its new Operational Phase (OP7).</p> <p>Case completed.</p>
18. Mauritius – SGP program in Mauritius (UNDP)	Former grantee of the SGP in the country	<i>Fiduciary standards</i> - alleged improper grant management by SGP National Coordinator, including termination of grant, favoritism, and conflict of interest by a National Steering Committee member	<p><i>Investigation</i> - found no evidence of fraud but that National Steering Committee member had a conflict of interest or at least appearance of conflict, several grantees used technical assistance of an NGO owned by the member, and his organization materially benefited. Several steps recommended to improve implementation of SGP Guidelines and Practices.</p> <p><i>Agency action</i> – implementing recommendations for: removal of NSC member; reinforcement of practices and expectations under terms of reference (TOR) for NSC member and to ensure full compliance with the Conflict-of-Interest regulation/form;</p>

Country/Project/Agency	Complainant	Issues Raised	Agency Response
			and assessment of audited grants as to whether any funds should be recovered.
19. Afghanistan – Adaptation and resilience (UNEP)	Internal checks on delays and expenditures	<i>Fiduciary standards</i> – issues of charging ineligible expenses to project	<p><i>Early response</i> – suspension of project pending investigation</p> <p><i>Investigation</i> – identified ineligible charges of US\$323,920</p> <p><i>Agency action</i> – ineligible funds reimbursed by Branch Office responsible for project; country program manager replaced; other steps taken to strengthen local controls and accountability systems. Due to recent events in country, UNEP discussing handover of project to UNDP.</p> <p>Case completed.</p>
20. Libya – updating POPs national implementation plan (under global project) (UNEP)	Reporting by GEF OFP of concern about funds ‘disappearing’	<i>Fiduciary standards</i> – issues in accounting for funds; loss of funds	<p><i>Investigation</i> – identified improprieties and loss of \$38,312</p> <p><i>Agency action</i> – intent to cancel project; US\$100,820.00 re-allocated to other components of global project; actions underway to reimburse lost amount of US\$38,312.00 to GEF TF. Consideration to resume project with remaining balance through the Stockholm Convention Regional Centre for Capacity-building and the Transfer of Technology in Algeria.</p>
21. Republic of South Africa - Minamata Initial Assessment (UNEP)	Project beneficiary	<i>Fiduciary standards</i> – issues of improprieties in procurement	<p><i>Investigation</i> – improprieties confirmed, responsible staff member removed.</p> <p>Case completed.</p>
22. The Gambia – Resilience of Coastal Areas/Communities (UNDP)	Agency Resident Representative (reporting concerns)	<i>Fiduciary standards</i> – concern of procurement fraud	<i>Investigation ongoing</i> – financial losses likely but investigation not completed
23. India – market transformation for climate change action (UNDP)	External anonymous complaint	<i>Fiduciary standards</i> – concern of procurement fraud	<i>Investigation ongoing</i>

Country/Project/Agency	Complainant	Issues Raised	Agency Response
24. Kyrgyzstan – Transboundary cooperation for snow leopard and ecosystem conservation (UNDP)	Agency staff member (reporting concerns)	<i>Fiduciary standards</i> – concern of procurement fraud	<i>Investigation</i> – finding of financial loss of US\$2,874.90 related to procurement under the project. <i>Agency response</i> – taking the necessary steps to reimburse GEF Trust Fund for the loss, working with the Trustee.
25. Zambia – Improved management around protected areas (UNDP)	UNDP Resident Representative (reporting concerns)	<i>Fiduciary standards</i> – concern of misappropriation of funds	<i>Investigation</i> – finding of financial loss of US\$68,562.00 from an apparent misappropriation of funds for patrol kits by a former employee of a vendor in the project. <i>Agency response</i> - recommended referral of case against person to national authorities; and taking the necessary steps to reimburse the GEF TF for the loss, working with the Trustee.
26. Sudan – Climate risk finance (UNDP)	Report of potential fraud	<i>Fiduciary standards</i> – concern of procurement fraud	<i>Investigation closed</i> – determination that allegations were not substantiated and closed the case. Case completed.
27. Viet Nam – Urban transport development project (WB)	Report of potential improprieties relating to tender and bid processes	<i>Fiduciary standards</i> – <i>issues of collusive, fraudulent and corrupt practices</i>	<i>Investigation: findings</i> – individual improperly influenced the tender processes under the two involved projects, solicited bribes, and failed to disclose business relationship with a bidder. These are collusive, corrupt, and fraudulent practices, respectively <i>Actions:</i> sanctions including debarment of an individual in connection with the collusive, corrupt, and fraudulent practices. The Agency also issued a press release announcing the debarment of Spain-based Grupo Mecánica del Vuelo Sistemas, S.A.U., in connection with collusive, corrupt, and fraudulent practices, as defined by the World Bank’s Sanctions Procedures. Case completed.

26. The Table illustrates several features and trends in these cases, noted below.

27. **Issues raised:** the cases raise different types of highly significant issues and concerns under the Policy, including procurement (conflict of interest), improper accounting and financial management, misuse of funds, fraud-theft, and retaliation against whistleblowers. In four of

these cases noted above (Afghanistan, Libya, Zambia and Kyrgyzstan), the investigation determined that there was a financial loss, with the Agencies taking steps to reimburse the GEF Trust Fund (see summaries below).¹³

28. **Important role of whistleblowers:** Three of the complaints (Russia, Ukraine, India) were brought by whistleblowers who have requested anonymity in submitting the complaints. Other cases reported confidentially to GEF Council, per GEF Policy, also come in part from whistleblowers. The cases illustrate the critical role of whistleblowers in bringing to the surface major issues and problems needing attention.

29. **Protection against risk of retaliation and reprisal; ongoing concerns:** As for cases involving safeguards (noted above), GEF Policy provides requires protection for complainants against risks of reprisal or retaliation. As indicated above, this serious issue and concern has come up in more than one of the grievance cases. It has also been addressed in other reports related to these topics, including the Rath Report and the just completed Independent Third-Party Review of compliance with GEF Policy on Minimum Fiduciary Standards relating to one of the GEF Partner Agencies, UNDP.

30. As indicated in the Cover Note to the submission of the Third-Party Review, the Secretariat has received and referred contact and other information on this topic to the Reviewer for independent consideration as part of the analysis. The information raises serious allegations of retaliation, lack of independence in reviewing claims of retaliation and the concerns raised, and broader system-level issues in protecting whistleblowers and avoiding a 'culture of fear' that prevents others from speaking out in the future. The Secretariat underscores the seriousness of this issue and concern for the individuals involved and the governance system as a whole.

31. **Agency responsive action; issues of corruption, fraud and misuse of funds.** In addition to their role in reviewing and making findings on issues of non-compliance and harm, the cases also highlight the critical importance of thorough and effective response actions by the Agencies to address these issues and findings, and of having a governance system and policy framework that is sufficient to the task.

32. Some of the cases in the table above, and several others that remain confidential under Agency procedures (see Section III below), involve very serious allegations – including corruption, fraud and misuse of funds. As noted above, investigations into some of the cases have confirmed that funds have been lost due to misconduct and other actions. In other cases, the investigation process is ongoing – highlighting again both that these processes can take time, and the importance of timely action as an urgent priority.

33. This concern of misconduct, misuse and potential loss of funds was addressed explicitly in the updated GEF Policy on Minimum Fiduciary Standards, and the introductory text

¹³ In a fifth case, Russia, UNDP has committed to determine an appropriate reimbursement to the GEF Trust Fund of management fees, in light of the shortcomings identified in the project.

proposing this updated Policy. There are also provisions in the Financial Procedures Agreements between the Trustee and each GEF Partner Agency on these issues, including for the return of any funds not used for their intended purpose. The updated Policy on Fiduciary Standards further requires, *inter alia*, for Agencies to have “. . . a framework in place to suspend disbursements to executing entities and recover GEF funds not used in compliance with legal agreements including fraud.” (para. II.11(d)).

34. These cases and concerns are reflected in the Decision of Council at its 59th Session to accelerate the independent Third-Party Review of compliance by UNDP with GEF Policy on Minimum Fiduciary Standards, taken “[i]n the light of recently available audit information relating to GEF funded projects implemented by UNDP.”¹⁴ A review of the cases in this Annual Summary, including those reported confidentially, suggests the importance of continuing dialogue with Council, the Trustee, the Agencies and all stakeholders to review if existing governance systems are sufficient, or if further steps should be taken to fully respond to these concerns at all levels.

35. **Similarities and Differences in the Cases:** The above review indicates that the fiduciary standards cases have both similarities and differences with the earlier set of cases involving safeguards-related matters. While the complainants differ in many respects, they commonly bring to the surface concerns that something is not going right under the policies and projects. And while the types of issues and concerns differ significantly, both sets of cases raise highly significant issues of compliance with core policies of the GEF.

36. Because of the nature of the allegations, claims relating to fiduciary matters can require a higher level of confidentiality, as recognized by GEF policy. By comparison, the grievance response process for safeguards related cases is open and transparent, subject to certain limitations that might be needed as part of fact-finding during an investigation.

37. But at the highest level, perhaps, the cases share core principles of the overall GEF system – independence, integrity, fairness, protection of the rights and safety of those who complain, careful review, investigation and fact-finding and the need for effective, meaningful, and proactive response to all issues that are identified.

38. The more detailed case summaries for all the above-mentioned cases are provided below.

¹⁴ This accelerated Third-Party Review will be considered under separate documentation submitted to this Session of Council on this matter.

II. CASE SUMMARIES

A. Safeguards-Related Cases

1. Mauritius – Coastal Zone

39. **Project:** *Mainstreaming Biodiversity into the Management of the Coastal Zone in the Republic of Mauritius* (GEF ID 5514), implemented by UNDP

40. **Date complaint received:** March 23, 2019

41. **Summary of allegations:** The complaint was filed by Aret Kokin Nu Laplaz (AKNL), an NGO coalition located in Mauritius asserting that UNDP's work in the country to protect Environmental Sensitive Areas is tantamount to “greenwashing” in light of the permits being issued by the government for construction projects along the country's coast. According to the complaint, the GEF and UNDP were grossly negligent in continuously channeling funding to the government despite “...a number of critical GEF-funded projects ending up in Government drawers, or coffers rather, with very little effective results.”

42. The complaint further alleges that in 2007- 2009 GEF and UNEP funded a complete inventory of all ESAs, as well as the drafting of an Act that would have ensured solid legal protection for all ESA, but the draft ESA Act was never presented to Parliament, nor was the national ESA inventory made public. According to the complaint, ten years down the road, “the results are catastrophic: the ESA protection system, which was to be fully integrated in the procedures for development clearances, has become purely cosmetic as development licenses and permits are issued with scant regard for ESAs.” Further details are available on the [SECU registry](#).

43. Note: this case has been considered under two different parts of the UNDP grievance response system: the Social and Environmental Compliance Unit (SECU) and the Stakeholder Review Mechanism (SRM).

44. **Date SECU case put under formal review:** June 7, 2019

45. **Status of the SECU case:** The [final SECU report](#) is completed and submitted to the UNDP Administrator (October 30, 2020). The SECU report confirmed that UNDP understood and complied with the SES, ensuring effective stakeholder participation through extended and wide-ranging consultations, while highlighting the need to achieve the widest engagement possible. Nevertheless, the report found shortcomings in meeting conservation goals of the project, and a failure to sufficiently factor in surrounding environmental risks, and that there are opportunities to do more to support the vision for conservation and effective management of fragile coastal zones in the Republic of Mauritius, and to ensure that the project remains relevant and in compliance with the UNDP SES.

46. Specifically, the Report recommends that before its completion, the project should raise its level of ambition by supporting the Government to adopt legislation for biodiversity

protection in Mauritius. It also recommends upgrading the project's risk framework to reflect new challenges to activities, including the delayed passage of legislation for biodiversity protection, weak coordination across public and private sectors, and the potential impacts on the project of the COVID-19 pandemic.

47. **Management actions:** The UNDP Administrator Decision in response to the final SECU Report was issued in March 2021. (available [here](#)). In follow-up to the SECU report, as set out in more detail in the Decision, the UNDP Administrator decided to: provide technical assistance to the Government, where requested, toward the adoption of proposed legislation to protect Environmentally Sensitive Areas; revisit the project risk framework and identify preemptive measures to avert project failure; strengthen stakeholder engagement; and assure effective implementation.

48. The project completion date was extended to allow for these actions to be undertaken and is now scheduled to close by December 2022. The UNDP Administrator responded to several queries from AKNL, most recently in April 2021.

49. **Date SRM case accepted:** 12 April 2019

50. **Status of SRM case:** Closed without resolution with agreement of the complainant on 6 April 2020. Further details available [here](#).

2. Republic of Congo

51. **Project:** *Integrated and Transboundary Conservation of Biodiversity in the Basins of the Republic of Congo* (GEF ID 9159), part of the Global Wildlife Program, implemented by UNDP

52. **Date complaint received:** August 2, 2018

53. **Summary of allegations:** Survival International, a UK-based NGO, filed a complaint with the Social and Environmental Compliance Unit (SECU) of UNDP on behalf of six indigenous communities in the Sangha region in the north of the Republic of Congo. The indigenous Baka alleged that their access to the area, which is their traditional homeland and is essential to their livelihoods, has been severely restricted. They also claimed there was no proper consultation process including free, prior and informed consent, that the project would unlawfully evict Baka communities, and expressed human rights concerns. The Baka also alleged that eco-guards subject them to beatings and arrests. Further details are available on the [SECU registry](#).

54. **Date case put under formal review:** October 24, 2018

55. **Status and findings:** The SECU report was completed June 2020 ([final SECU report](#)). It found that:

- (i) UNDP's over-arching commitment to human rights was not adhered to with respect to the rights of indigenous peoples. Investigation obtained credible testimony during the fieldwork in February 2019 not only from representatives of

the indigenous (Baka) communities, but also from government and non-governmental sources, that armed eco-guards engage in violence and threats of violence against the indigenous Baka people in the Messok Dja area. The eco-guards are employed by the Government of the Republic of Congo's MEFDDE (UNDP's implementing partner).

- (ii) The Social and Environmental Screening Procedure (SESP) failed to identify critical project risks; as a result, Social and Environmental Standards (SES) were not implemented
- (iii) No evidence that a due diligence review had taken place of partnerships with the private sector. UNDP's Policy on Due Diligence and Partnerships with the Private Sector identifies industrial logging and palm oil as high-risk sectors requiring a due diligence review)

56. **Management actions:** The project was suspended on March 11, 2019. The UNDP Administrator took his Decision in November 2020 in response to the SECU report, available [here](#). As described in more detail in the Decision, in follow-up to the SECU Report and other considerations, including the exceptional circumstances relating to the COVID-19 pandemic, the UNDP Administrator decided to close the project and consider options for a new phase of work to support community-based conservation and livelihoods with indigenous peoples. In April 2021, the UNDP Administrator responded to SI's request for an update on progress.

3. Cameroon

57. **Project:** *Integrated and Transboundary Conservation of Biodiversity in the Basins of the Republic of Cameroon* (GEF ID 9155), implemented by UNDP

58. **Date on which complaint was received:** August 2, 2018

59. **Summary of allegations:** Survival International, a UK-based NGO, filed a complaint with the Social and Environmental Compliance Unit (SECU) of UNDP and asserted that TRIDOM II will support the continued eviction and displacement of Baka and Bantu communities – eviction and displacement that began, they state, when the Nki National Park (herein Nki) was created in 2005, and that continued through TRIDOM I.

60. Because the Baka rely mostly on traditional hunting and gathering activities for their livelihoods and wellbeing, their exclusion from the area is deeply affecting their way of life and survival. Eviction and displacement have occurred (and are occurring), they assert, through measures that function to restrict community access to areas – including areas both within and adjacent to Nki - and to natural resources traditionally accessed by these communities within these areas.

61. The complaint indicates that one such key measure is the use of wildlife guards who are preventing community members from pursuing their traditional hunting and resource gathering

within these areas. This and similar measures, they argue, fail to recognize the communities' rights to access these areas and resources. The complaint implies that TRIDOM II will be advancing the same measures, with the same results for communities. Further details are available on the [SECU registry](#).

62. **Date case was put under formal review:** October 24, 2018

63. **Status of the case:** The SECU report was completed in August 2020 ([final SECU report](#)). It found that:

- (i) UNDP did not screen project activities in TRIDOM II in a manner consistent with SES requirements. As indicated in the SECU report, the project did not accurately identify all communities that might be impacted, and how they might be impacted. Experts documented that hunter-gatherer communities, including those with villages in Zoulabot Ancien, have (i) traditionally relied on access to Nki, a protected area determined to be part of the scope of the project, for natural resources; (ii) been significantly adversely impacted by access restrictions advanced by national law and policy; and (iii) have been subjected to violence as a means of enforcing such restrictions. UNDP Cameroon confirmed that eco-guards can be a source of problems and some use their power to intimidate communities, but measures were taken to reverse the situation.
- (ii) The project document did not include (or reference) a required 'management plan' to address risks for indigenous peoples identified during the screening and assessment process. The SECU report noted that while an MOU related to the project acknowledged the need to respect the rights of the Baka and the importance of Baka access to resources, it does not include a description of these rights or areas to which communities have access. The MOU indicated that such details would be included in an action plan, but this had not yet been developed – and the MOU did not clearly have the consent of all parties.
- (iii) The project document did not describe a project-level grievance mechanism that meets SES policy requirements.

64. **Management actions:** The project was suspended on March 26, 2019. UNDP responded to GEF Council member comments to the draft SECU report in June 2020. UNDP Administrator took his Decision in February 2021 in response to the SECU Report. The Decision is available [here](#). As described in more detail in the Decision, in follow-up to the SECU Report and other considerations, the UNDP Administrator decided to reformulate this project for resubmission to the GEF Council for approval. The Decision indicates that the reformulated project will address the findings and recommendations of the SECU report in full. The project is currently undergoing reformulation in consultation with stakeholders and is expected to be submitted to GEF SEC for technical clearance end 2021/early 2022.

4. Myanmar

65. **Project:** *Ridge to Reef: Integrated Protected Area Land and Seascape Management in Tanintharyi* (GEF ID 6992), implemented by UNDP

66. **Date complaint received:** September 20, 2018

67. **Summary of allegations:** The civil society organization ‘Conservation Alliance Tanawthari (CAT) filed the complaint on behalf of indigenous communities in the Tanintharyi Region of Myanmar. The complaint advances several claims, including the following: (1) In the development and inception phases of the project, UNDP is violating complainants’ right to free, prior, informed consent (FPIC); (2) the project violates the rights of Internally Displaced Persons (IDPs) and refugees to return to areas from which they were displaced by armed conflict; (3) the project threatens to contravene the ‘interim arrangements’ of the National Ceasefire Accords agreed by the Government of Myanmar and Ethnic Armed Organizations; (4) the project violates the UN Declaration on the Rights of Indigenous Peoples (herein ‘UNDRIP’) and the land and resource rights of the indigenous Karen Communities in the Tanintharyi Region of Myanmar; and (5) the project fails to recognize and support indigenous community-driven initiatives to protect indigenous territories, strengthen local institutions and practices, and protect forests and resources in the project area. Further details are available on the [SECU registry](#).

68. **Date case put under formal review:** December 13, 2018

69. **Status of the case:** Ongoing. Second field mission due to be undertaken end February 2020 was postponed due to coronavirus travel restrictions. As a result of the COVID-19 pandemic and its inability to conduct its second field mission in 2020, SECU modified its approach to split the case into two stages and a two-part report; stage one was to focus on geography the SECU team visited during its first field mission. Stage two was to focus on geography to be visited during a second field mission. The stage one draft report’s release for public comment was delayed due to the violence and political situation in Myanmar that emerged in February 2021. SECU continues to monitor the situation in Myanmar to determine when it can proceed with a public comment process on the stage one draft report, and when it can return for its second field mission to complete stage two.

70. **Management actions:** Project was suspended on December 26, 2018 and remains suspended until the UNDP Administrator’s Decision is issued. Further details [available here](#).

5. Armenia

71. **Project concerned:** The GEF-funded project is ID 8005 for the *Infrastructure and Rural Finance Support Programme (IRFSP)* in Armenia, co-financed by IFAD, another IFI and the GEF (IFAD notes that the allegations in this grievance case are not related to GEF funded components of the project).

72. **Date complaint received:** The complaint was received by IFAD on September 3, 2018. On January 17, 2019, IFAD began a process to determine whether the allegation was eligible for consideration.

73. **Summary of allegations:** The complaint was made by an NGO in Armenia, on behalf of a village. The allegations are related to the investment component 2 (Rural Areas Water Infrastructure) of the project, funded by another IFI as co-financier with the Government of Armenia. The complaint is related to water infrastructure investments in a village which, the claim states, is contributing to water scarcity for a community in a neighboring village.

74. **Date case put under formal review:** Although this complaint was not related to activities financed by IFAD, at the request of the co-financier, a fact-finding mission was undertaken between June 16-29, 2019 under IFAD's Social Environmental and Climate Assessment Procedures and based on IFAD's Complaints Procedure. Following that mission, IFAD invited the Government of Armenia and the co-financier to verify further the facts and, as appropriate, to identify potential actions to address the issue, as in our view the complaint warrants further detailed investigation.

75. **Status and findings:** Subsequently, an investigation was carried out by the Republic of Armenia Human Rights Defender Office. This investigation followed the earlier fact-finding mission under IFAD's Social, Environmental and Climate Assessment Procedures. The investigation concluded that proper procedures and permitting had been followed, and there was no evidence of any social or environmental effects due to the water supply investments of the project. The Office terminated its consideration of the complaint on May 11, 2020 and communicated its decision to the complainants.

76. **Management actions:** No suspensions or other significant management actions have been undertaken and are not deemed necessary at this time. Case completed.

6. Ukraine – Finance and Technology Transfer

77. **Project:** *Finance and Technology Transfer Centre for Climate Change (FINTECC) Ukraine*, implemented by EBRD.

- *Introduction:* This is an EBRD project/loan that has benefited from a GEF incentive grant under the EBRD GEF funded FINTECC program. The total project cost is €27 million, consisting of a €25 million EBRD loan and also includes a \$409,000 FINTECC result-based performance grant funded by the GEF. The complaint has been processed and remediation actions are underway. The complaint does not relate to the GEF-funded portion of the project.
- *The Project:* EBRD has provided a senior loan of €25 million to “PJSC Myronivsky Hliboproduct” (MHP), a Ukrainian producer of poultry meat, grain, and animal feed. The loan will be used to construct and put into operation a 10MW biogas plant in the Vinnitsa region of Ukraine. The biogas plant will utilize chicken manure and other agricultural residues from poultry and grain operations. By financing this

project, the EBRD is helping MHP implement its long-term strategy to develop “green energy” capacity, become self-sufficient energy-wise, reduce its environmental footprint, and manage waste.

- *The GEF Component:* (i) GEF Funding: MHP Biogas received a \$409,000 grant under the GEF Funded FINTECC Project; (ii) Use of GEF Proceeds: Support MHP Group's strategy to improve the energy efficiency and environmental footprint of its operations, by supporting improvements in the technology for biogas production and the implementation of an energy management system. Please see the [project summary document](#).

78. **Date complaint was received:** The complaint was received by the EBRD’s Project Complaint Mechanism (PCM) on June 5, 2018 and it was registered and published on the [PCM Register](#) on June 21, 2018 in [English](#) and [Ukrainian](#). The Complaint can also be found in annex.

79. **Summary of allegations:** In the Complaint, the Complainants (community members from Olyanytsya, Zaozerne, and Kleban villages in Vinnitsa Region of Ukraine with the help of CEE Bankwatch, Accountability Counsel, and Eco Action) raised environmental and social concerns as well as concerns about limited access to information in relation to the operations of MHP and the EBRD investments. Complainants requested a Problem-solving Initiative be undertaken by the PCM and if not successful, a Compliance Review.

80. A similar Complaint was submitted to the International Finance Corporation’s Compliance Advisor Ombudsman (CAO). In order to avoid duplication of efforts, the Parties agreed for a co-facilitated process by PCM and CAO (the facilitation team).

81. **Date case put under formal review:** The case was registered on 21 June 2018 as Complaint 2018/09, according to the [PCM Rules of Procedure](#) (para 11-13).

82. **Status and findings:** On June 29, 2018, a PCM Expert was appointed to conduct the Eligibility Assessment jointly with the PCM Officer and his assignment started from July 9, 2018. The Eligibility Assessment Report was completed and shared with all parties on September 25, 2018 and disclosed on the PCM Registry. Please see the following links for the Eligibility Assessment Report in [English](#). [Ukrainian](#) . The Complainants and MHP (the Parties) agreed to discuss the issues raised in the complaint through a voluntary and constructive mediation process facilitated by the PCM jointly with the CAO. On October 1, 2018, the EBRD [President's Decision](#) to accept the recommendation to start the Problem-solving Initiative was publicly released and posted.

83. The Problem-Solving process was conducted until August 2021. Overall, the Parties held 23 joint meetings with the support of the facilitation team, who also organised several bilateral meetings over the course of three years.

84. **Outcomes:** A safe space for dialogue was created for the Client and the Requesters to discuss the community concerns and expectations. During the process, Requesters and their

Advisers received information on the status of the two MHP Projects, the potential environmental impacts and MHP's established mitigation measures.

85. Parties managed to achieve partial understanding on certain matters of joint concern, such as: road traffic, communication protocol, use of pesticides, land lease, and others. The Parties' capacity to engage effectively in the dialogue process and communicate constructively was str8

86. **Joint Statements:** Within the process, the facilitation team assisted the Parties in the drafting and disclosure of two joint statements to communicate progress. In January 2020, the Parties issued a first first [Joint Statement](#) summarizing the process progress to that date and interim outcomes. In May 2021, Parties issued a second [Joint Statement](#) disclosing other results obtained during the process. The statements were disclosed in the public registries of PCM and CAO and through the local media.

87. **Problem Solving termination:** In August 2021 it became evident to the Parties that the Problem-Solving Initiative could not assist further in the trust building, so they informed the facilitation team of their decision to withdraw from the initiative as they considered that no further progress could be made within that dialogue space.

88. As a result of this decision, the process was terminated as per Paragraph 2.4 c) ii of the Project Accountability Policy¹⁵. IPAM has prepared a Problem Solving Report in consultation with Parties which provides a high-level summary of the process as the Parties had requested for the process and its outcomes to be confidential. Case completed.

7. Zambia – Lake Tanganyika

89. **Project:** *Zambia Lake Tanganyika Basin Sustainable Development Project*, GEF ID 8021, implemented by the African Development Bank.

90. **Date complaint received:** On June 16, 2020 a claim was received seeking court redress to suspend works on the site as it is used for traditional rites and as such has to remain as open land. AfDB's country office undertook a supervision mission on June 25, 2020, which noted some lapses on E&S compliance in the Environmental and Social Impact Assessment which should have been posted on the Bank website and approved by the Zambia Environmental Management Agency (ZEMA) before the civil works contract was signed.

91. On July 23, 2020, the Senior Chief of the Royal Lungu Chiefdom sent a complaint letter to the Ministry of Water Development, Sanitation and Environmental Protection, attaching an Affidavit in Support of Ex-parte Summons for an Order of Interim Injunction restraining the Executing Agency from taking possession of, constructing on or in any way whatsoever dealing

¹⁵ On July 2020, the Independent Project Accountability Mechanism took over the Case from the PCM and continued its processing now under the 2019 Project Accountability Policy, which superseded the 2014 PCM Rules of Procedure on that date.

with the property known as Subdivision A of Stand 606 Mpulungu or any other portion of Stand 606 Mpulungu in the Northern Province of the Republic of Zambia.

92. **Summary of allegations:** This case involves a land dispute raised by the Royal Lungu Chiefdom in Mpulungu District (Zambia) regarding the siting and construction of a Jetty, Landing Site and Fish Market in the same district. These are activities in project components financed through the AfDB loan (not GEF grant). As noted above, the claim is that the site involved is used for traditional rites and as such has to remain as open land.

93. **Date case put under formal review:** see above

94. **Status and findings; Management actions:** Based on the supervision mission findings, a management letter informed the Ministry of Water Development, Sanitation and Environmental Protection (Executing Agency) that civil works on the affected sites have been suspended. The same letter stressed that AfDB may suspend disbursement to the whole project if all environmental and social non compliances are not satisfactorily addressed before the end of the year 2020. Finally, AfDB management would lift the suspension when the Ministry of Water Development, Sanitation and Environmental Protection would take the necessary actions (alternative appropriate ceremony sites are allocated by the Government and accepted by the affected people) to resolve the case.

8. Tonga

95. **Project:** This case relates to ADB project loan *Tonga Outer Island Renewable Energy Project*, which is associated to GEF ID 9355, implemented by the Asian Development Bank.

96. **Date complaint received:** During training sessions in May 2020.

97. **Summary of allegations:** During training sessions in May 2020, members of four local communities complained at the project level, that they were not consulted properly with the idea of removing the old generators from the powerhouse and putting the new OIREP generator inside. These still-working generators were brought by the community themselves with their own hard-earned money and they did not want to see all their efforts go to waste. It has been requested by all communities if the project could help out and build a new small shed to shelter their old generators so when they switch from the old system to the new system built by OIREP, they still have these generators for back up and stand by.

98. **Date case put under formal review; Status and findings:** The complaints have been reported to the Project Steering Committee, which has requested funding from ADB to resolve the issues. The Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications (MEIDECC) has housed the old gen-sets in temporary shelters, while more permanent measures are being considered, in consultation with communities, through the project. The situation is now resolved as of end 2020.

99. For this case, no complaints were brought to the attention of ADB's Accountability Mechanism as these were all resolved through the project's own grievances redress mechanism. All grievances filed were reported and monitored through the project's Social and Environmental monitoring reports. ADB's grievance mechanism was publicly disclosed to all project beneficiaries. Case completed.

9. The Philippines

100. **Project:** This case relates to ADB project loan *Integrated Natural Resources and Environmental Management Sector Project (INREMP)* in the Philippines, associated with GEF ID 3980, implemented by the Asian Development Bank.

101. **Date complaint received:** In June 2019 a petition from local community members was submitted to the Provincial Environmental and Natural Resources Office (PENRO) to immediately stop the on-going implementation of Reforestation and Agro projects under the INREMP under BAAGMADOLI WMU awarded to Dagupan Women's Organization.

102. **Date case put under formal review; Status and findings:** Over the following months, a series of consultations was facilitated by the Department of Environment and Natural Resources (DENR) and Local Government Unit (LGU) to address and settle the issues. These included the standing and role of clan owner of the land, possible relocation of already implemented subprojects, and the purpose and intention of the conducted survey and mapping. DENR Staff and Project Officers (POs) agreed to raise the issue to the Watershed Management Council. Based on the consultative stakeholder process, the issue was resolved in July 2020 by relocating the Reforestation and Agroforestry site to another area within the same municipality.

103. The project areas of INREMP are mostly within ancestral domains of various tribes especially in the Chico River Basin (project site), where traditional and cultural practices still exist. Conflict resolution of the grievance response mechanism is mainly being done using these traditional practices wherein the Council of Elders are the jury and judge in any disputes or conflicts and even crimes and domestic issues. In areas outside ancestral domains, the Barangay is the local government unit, in-charge or handling conflicts and grievances. For the project-related case, conflicts are being handled at the Council of Elders and Barangay Levels with the participation of other government agencies as needed.

104. For this case, no complaints were brought to the attention of ADB's Accountability Mechanism as these were all resolved through the project's own grievances redress mechanism. All grievances filed were reported and monitored through the project's Social and Environmental monitoring reports. ADB's grievance mechanism was publicly disclosed to all project beneficiaries. Case completed.

10. Togo

105. **Project:** West Africa Coastal Areas Resilience Investment Project, Togo (GEF ID 9906), implemented by the World Bank.

106. **Date complaint received:** August 4, 2021

107. **Summary of allegations:** The Requesters allege that the project will adversely affect the fishermen, residents and property owners along the Togolese coast. The Requesters raise three areas of concern. They claim that as a result of the project activities a smaller area of the beach will remain for the fishermen to access and use for their fishing activities, impacting the main source of livelihood for the fishermen and the community. The Requesters are also concerned about the involuntary resettlement process allegedly attributed to the project and the loss of their land titles once their land is reclaimed by the government. Finally, they claim that project-affected persons have not received adequate and timely project information and have not been meaningfully consulted about project activities.

108. **Date case put under formal review:** The Inspection Panel registered the Request for Inspection on September 7, 2021. Further information about the case is available on the Inspection Panel website at <https://www.inspectionpanel.org/panel-cases/western-africa-west-africa-coastal-areas-resilience-investment-project-p162337>, including the Notice of Registration published in [English](#) and [French](#).

11. Colombia

109. **Project:** The complaint was triggered by the communities' belief that a UNDP supported project known as *The Private Sector and Agenda 2030*, which is not funded by GEF, conflicts with another project known as the *Sustainable Amazon for Peace Project* (GEF ID 9663), which is funded by GEF.

110. **Date complaint received:** May 11, 2021

111. **Summary of allegations:** A key concern of the communities is that UNDP's support for the *Private Sector and Agenda 2030* non-GEF project will be harmful and not consistent with the needs of the *Sustainable Amazon for Peace Project* funded by GEF, and through which communities would be providing sensitive information. The complaint further alleges that the Private Sector non-GEF project poses threats to the rights of communities, compromises the trust communities had in UNDP Colombia, and otherwise violates UNDP's social and environmental standards. UNDP reports that the Siona communities were beneficiaries of the GEF-funded Sustainable Amazon for Peace Project and have since declined to participate further in this project.

112. **Date case put under formal review; Status:** September 7, 2021. As indicated in SECU's eligibility report ([eligible](#)), the complaint is eligible for a social and environmental compliance review. SECU has opened an investigation into the non-GEF Private Sector Project, which "will

focus on how the two projects intersect, identify possible non-compliance with SES, and recommend a way forward as a means of rebuilding trust with indigenous communities in the Putumayo Department of Colombia.”

12. Uganda-DRC

113. **Project:** Lakes Edward and Albert Integrated Fisheries and Water Resources Management Project (LEAF II) (Uganda-DRC), implemented by the African Development Bank (AfDB)

114. **Date complaint received:** September 14, 2021

115. **Summary of allegations:** The complaint is from a local civil society organization – human rights group working with indigenous fisherfolk. A main concern set out in the complaint relates to alleged militarization and use of force to monitor and enforce the project. According to the complaint, this has resulted in heavy-handed attacks on fisherfolk (including shootings to death), arrest of over 80 people and harassment of community members for trying to assert their right to fishing and questioning the heavy-handed enforcement of the project.

116. **Date put under formal review; Status:** October 2021. AfDB has been in touch with the complainants and has initiated an investigation in response to the complaint. Departments included in the investigation involve the Safeguards & Compliance Department (SNSC), the Agriculture & Agro-industry Department (AHAI), East & South Directorates General (RDGE & RDGS), the Uganda Country Office, and the GEF coordination unit.

13. Tuvalu

117. **Project:** Tuvalu - Outer Island Maritime Infrastructure Project (ADB)

118. **Date complaint received:** October 2020 - issues and concerns raised during visit of project grievance response mechanism.

119. **Summary of concerns/allegations:** Local community raised concerns about the strength and resilience of a “flex mat” being put on the beach to prevent erosion (see photo below); they raised doubts as to whether it could serve its purpose in times of strong winds based on their past experience, and questions as to why it was not laid in a concrete foundation.



120. **Status, Agency response:** A discussion was held between the community and Project Management Unit. The Safeguards officer explained that the mat is designed to flex with the beach, thus not laid in the cement foundation, and the issue was resolved. The issue was resolved. Since this is a pilot site this is continued to be monitored. The matter was resolved through the project-level grievance mechanism (no claim was filed with the ADB mechanism). Completed.

14. Nicaragua

121. **Project:** BIO Clima: Integrated climate action to reduce deforestation and strengthen resilience in BOSAWÁS and Rio San Juan Biospheres, funded by the Green Climate Fund (GCF) and co-financed by GEF through FAO. ¹⁶

122. **Date complaint received:** June 30, 2021 - submitted to Independent Redress Mechanism (IRM) of the GCF (no complaint has been received by FAO)

123. **Summary of allegations:** the complaint is by an afro descendent indigenous community located in the BOSAWÁS Biosphere Reserve in Nicaragua. The complaint welcomes the project objectives but alleges that it will harm the communities because prior to approval there were no proper consultations with communities including no Free Prior Informed Consent (FPIC). It also expresses a fear that the project will repeat history, including leading to environmental degradation and attacks by non-indigenous settlers against indigenous communities, resulting in the continuing usurpation of traditional and ancestral lands.

124. **Date case put under formal review:** Under the procedures of the GCF IRM, the complaint has been declared eligible for further processing on July 21, 2021. The Eligibility report can be found [here](#) and the project proposal presented to the GFC Board can be found [here](#)

125. **Status:** further processing ongoing

¹⁶ Both GEFID 10599 (*Transforming Food Systems and Reducing Deforestation in the Protected Areas and Biological Corridors landscapes from the Southern Caribbean Coast and San Juan River autonomous region*) and the GEFID 10674 (*Nicaragua Indio Maíz Biological Reserve / RBIM*) projects, both located within the San Juan Biosphere Reserve, are co-financing and are co-financed by the GCF BIO Clima project.

B. Fiduciary Standards Cases

15. Russia

126. **Project:** *Standards and Labels for Promoting Energy Efficiency in Russia* (GEF ID 3216), implemented by UNDP; and subsequent system-level audit of broader UNDP project portfolio

127. **Date complaint was received:** May 10, 2017

128. **Summary of allegations:** A special annex to the terminal evaluation report of this project alleged, *inter alia*, procurement fraud and embezzlement. There were also claims of retaliation against persons involved in project review and in reporting alleged misconduct.

129. **Date case put under formal review:** May 10, 2017

130. **Status of the case:** Investigation by UNDP Office of Audit and Investigation (OAI) is closed. OAI investigated the allegations and found the claims of procurement fraud and embezzlement could not be substantiated and closed the case in May 2018. However, OAI did detect a number of irregularities linked to conflicts of interest in the Project Steering Committee that did not amount to misconduct of UNDP staff but did need to be addressed in order for the same mistakes not be repeated in the future.

131. **Management actions:** At the request of several member states, UNDP initiated an external review to determine if UNDP's management of the S&L project was appropriate and existing oversight and accountability policies effectively implemented. The results of the external review, the UNDP management response, and related documentation are here:

- [Final Draft Report](#)
- [UNDP Cover Letter](#)
- [UNDP Ethics Office Response](#)
- [UNDP Management Response](#)
- [UNDP Office of Audit and Investigations Response](#)
- [Final Report](#)

132. **Note:** UNDP also has initiated a broader system-wide audit of UNDP's management of the GEF portfolio. The results of this audit, the UNDP management response, and related documentation are here:

- [Final Report](#)
- [Action Plan](#) and [tracking of implementation of the Action Plan](#)
- [Cover Letter](#)

UNDP OAI undertook a follow up Audit of UNDP's management of the GEF portfolio in April/May 2021. See final [report](#).

16. Ukraine – Bioenergy Technologies

133. **Project:** *Development and Commercialization of Bioenergy Technologies in the Municipal Sector in Ukraine* (GEF ID 4377), implemented by UNDP

134. **Date complaint was received:** November 15, 2019

135. **Summary of allegations:** An anonymous source made allegations of procurement fraud in the award of a training contract and in the award of a contract for the provision of boilers. In addition, the complainant alleged that grants to five NGOs and four individual contracts were unduly awarded to people/entities linked to a member of the Project Board.

136. **Date case was put under formal review:** November 18, 2019

137. **Status and findings:** The main investigation was completed in July 2020 and lower-level investigations are ongoing. Vendors related to this case which were reported to the UNDP Vendor Review Committee have been debarred and reported to the UN-system in accordance with UNDP's Vendor Sanction Policy.

138. **Management actions:** This Bioenergy Project (GEF ID 4377) completed implementation and was financially closed in March 2021. In March 2020, out of an abundance of caution, UNDP suspended a separate project in the Ukraine the Energy Efficiency in Public Buildings Project (GEF ID 5357) and initiated a full management review of the project. The management review has been completed and the Energy Efficiency project suspension was lifted, with GEF CEO concurrence, on 4 March 2021. Implementation is on-going with closure expected by December 2023.

17. Sri Lanka

139. **Project concerned:** GEF Small Grants Programme in Sri Lanka, implemented by UNDP

140. **Date complaint received:** June 30, 2020

141. **Summary of allegations:** Sri Lanka Nature Forum (SLNF) - a network of registered environmental organizations in Sri Lanka – submitted allegations of wrongdoing, irregularities, discrimination, fraud, and injustice.

142. **Date case put under formal review:** July 31, 2020 by UNOPS

143. **Status and findings:** The Internal Audit and Investigation Group (IAIG) of UNOPS conducted a remote forensic audit of the program. It found no credible evidence of fraud or conflict of interest but rather gaps and irregularities in required documentation and management of the Country Programme and a lack of guidance on a small number of key issues, including conflict-of-interest documentation and involvement of civil servants in proposal design and implementation. The report recommended that UNOPS issue more

comprehensive guidance in a number of areas to the NC/NSC, to improve the implementation of the SGP Operational Guidelines and Standard Operating Procedures.

144. **Management actions:** Following the results of the audit, UNOPS in coordination with UNDP, agreed on an implementation plan to address the recommendations with management actions, including guidance on key issues, that will not only strengthen management of the Sri Lanka SGP Country Programme but also that of SGP Country Programmes worldwide. UNOPS, in coordination with UNDP, will actively engage with the SGP Country Programme Teams to improve their capacities to more effectively and transparently perform programme operations, including financial and grant management, in compliance with the SGP Operational Guidelines and SGP UNOPS Standard Operating Procedures. This will include sharing of best practices based on audit findings. The lessons learned from the audit findings will be used to strengthen execution of SGP Sri Lanka Programme management, while informing its new Operational Phase (OP7). Case completed.

18. Mauritius – SGP

145. **Project:** *GEF Small Grants Programme in Mauritius*, implemented by UNDP, and executed by UNOPS

146. **Date complaint was received:** March 31, 2019

147. **Summary of allegations:** The Environmental Protection and Conservation Organisation (EPCO), former SGP grantee in Mauritius, alleged improper grant management by the SGP National Coordinator, including termination of their grant, favoritism, and conflict of interest by a National Steering Committee member.

148. **Date case was put under formal review:** April 16, 2019 by UNOPS

149. **Status of the case:** Closed.

150. **Findings and recommendations:** The Internal Audit and Investigation Group (IAIG) of UNOPS found no evidence of fraud but that: (i) the NSC member had a conflict of interest or at least perception of such; (ii) several grantees used the technical assistance of an NGO owned by the NSC member, and his organization materially benefitted. The report recommended several steps to improve the implementation of the SGP Operational Guidelines and Standard Operation Practices.

151. **Management actions:** UNOPS worked with the SGP Country Programme Team to fully implement all recommendations of the Action Plan. Implementation was finalized and verified by the UNOPS Internal Audit and Investigation Group (IAIG) during the first quarter 2021. The recommendations were linked to: 1) removal of an NSC member due to identified conflict of interest; 2) reinforcement of the practices and expectations related to the terms of reference (TOR) for National Steering Committee (NSC) members and ensure full compliance with the

Conflict of Interest regulation/form; and 3) assessment of audited grants as to whether any funds should be recovered.

152. As such, the NSC member has been replaced and NSC member rotation duly documented and shared with IAIG. Furthermore, SGP Mauritius has reviewed the composition and tenure of all National Steering Committee members, and two members have ended their participation in NSC. SGP Mauritius has also adopted the new NSC meeting minutes template developed jointly by CPMT and UNOPS with a view to streamline information required from the NSC meetings and ensure that information recorded in NSC meeting minutes is improved in terms of quality, completeness, and in regard to conflict of interest. In early 2020, all members signed the conflict-of-interest statement at the NSC meeting. Beyond that, SGP staff in Mauritius completed a course on ethical conduct and related UNOPS training on ethics and integrity. One project was terminated and funds recovered by SGP have been reallocated to COVID-19 response projects. The SGP Mauritius team also documented proof-of-completion of all projects. UNOPS reviewed and verified all relevant financial reports for these projects.

19. Afghanistan

153. **Project concerned:** *Building adaptive capacity and resilience to climate change in Afghanistan* (GEF ID 4227) (LDCF Trust Fund), implemented by UNEP

154. **Date complaint was received:** Not applicable (see below)

155. **Summary of allegations** (and nature of the claim): As part of the UNEP/GEF Task Manager's regular project supervision, she noticed delays in financial reporting and questioned some financial expenditures in this project, which was executed by UNEP's Office in Afghanistan and a separate UN Agency. She escalated this matter through the UNEP and GEF management systems. At the same time, the Director responsible for UNEP's Office in Afghanistan triggered an internal audit of the Afghanistan Office by the Office of Internal Oversight Services (OIOS).

156. **Date case put under formal review:** The OIOS audit was conducted between Nov 2018 and Feb 2019 with the final report released in May 2019.

157. **Status and findings:** In addition to the LDCF project, UNEP's Afghanistan Office was implementing eight other projects and programs. The various projects' finance was combined and managed as a broader program without a clear and transparent system for apportioning specific costs to specific projects nor financially reporting to specific projects. During the reconciliation, it was determined that \$323,920 in ineligible costs had been charged to the LDCF project.

158. **Management actions:** In June 2018, before the OIOS audit, the Task Manager suspended further disbursements to the project until her concerns on reporting and eligible expenditure were resolved. The Branch responsible for the Afghanistan Office has reimbursed \$323,920 to the LDCF project. The Country Program Manager for the Afghanistan Office has been replaced. The Branch responsible for the Afghanistan Offices has strengthened its

accountability mechanisms for project delivery. The LDCF project has resumed implementation and a Steering Committee Meeting was convened where these events were discussed with stakeholders. Following internal discussions within UNEP, it was decided to move the execution of this project to the National Environmental Protection Agency (NEPA). Handover documents are being finalized to formally handover the project by the end of 2020. Recent events related to the Taliban take-over of Afghanistan have moved UNEP to discuss handover of the project to UNDP.

20. Libya

159. **Project concerned:** *Umbrella Global Project on the Updating of National Implementation Plans for POPs* (Global Project with Libyan allocation of \$169,132) (GEF ID 5307), implemented by UNEP

160. **Date complaint was received:** November 13, 2019

161. **Summary of allegations** (and nature of claim): A senior GEF Secretariat staff member reported to the UNEP GEF Coordinator that she met the Libyan GEF Operational Focal Point (OFP) during an Extended Constituency Workshop of MENA Countries, and he reported to her that: “some of the funds transferred to the executing agency in Libya have disappeared.”

162. **Status of case and date put under formal review:** The Libyan component of this global project began implementation in July 2014, with an initial disbursement of \$30,000 to the Environmental General Authority (EGA). In spite of challenging circumstances, UNEP was in regular contact with the Project Manager and received satisfactory technical and financial reports (justifying expense of \$30,074) and a second disbursement of \$38,386 was issued in September 2016 and a no-cost extension was granted through September 2018.

163. The EGA (amongst other parts of the Libyan Government) subsequently fractionated, with the Stockholm Convention Focal Point residing in the EGA based in Tripoli and the GEF OFP residing in competing EGA based in Elbaida. Accountability for the project was no longer clear and UNEP no longer received technical or financial reports on the project, in spite of regular reminders and follow up.

164. **Management actions:** In 2017-18, given the challenging circumstances and the lack of compliance with reporting obligations, UNEP tried to broker that the Libyan component of the global project be executed by a different, e.g., regional, executing agency. These negotiations were ultimately unsuccessful.

165. Simultaneously, UNEP engaged other entities, for example, the Permanent Mission of Libya to the UN Offices in Geneva, to get clarity on the situation. Given the lack of response and reporting from the executing agency over a one-year period and the clear politicization of the project, UNEP wrote to the Stockholm Convention Focal Point and GEF OFP, signaling its intent to cancel the Libyan element of the project.

166. The remaining \$100,820 earmarked for Libya in this global project has subsequently been reallocated to other components of the global project. UNEP is following its protocol for recovering the outstanding \$38,312 from Libya. The matter was escalated to the UN Resident Coordinator. The Resident Coordinator's Office, particularly the Environment and Energy Focal Point for Libya, has been working with the newly nominated (July 2020) GEF OFP who has been very responsive and proactive in assisting with efforts to recover the outstanding funds.

167. On 26 July 2020, following the official designation of a new GEF Operational and Political Focal Point in Libya - Ali el Kekli - within the Government of National Accord based in Tripoli, UNEP was requested to provide the new GEF OFP a list of all open projects. On 7 December 2020, UNEP responded with a letter highlighting the issues around the project and requested clarification on all unreported funds.

168. On 17 February 2021, UNEP, the GEF OFP, and a representative from the Environment General Authority concluded a meeting, during which UNEP: (1) reaffirmed the responsibility of Environment General Authority over outstanding project balances, and (2) outlined the conditions under which the project is to resume including transferring execution to a regional body. Following the meeting, the Environment General Authority reached out to former staff and examined the project archive, and on 17 March 2021 UNEP received an official correspondence and expenditure report, endorsed by the GEF Political and Operational Focal Point. UNEP has reviewed and accepted the expenditure and was able to close the open balances.

169. In recognition of the importance of the initial NIP in allowing Libya to access further GEF funds programmed under POPs, UNEP is considering resuming the project with the remaining balance (US\$100,820) through the Stockholm Convention Regional Centre for Capacity-building and the Transfer of Technology in Algeria. Current official GEF Operational Focal Point has been informed and agrees with the new plan.

21. Republic of South Africa

170. **Project concerned:** *Minamata Initial Assessment* (GEF ID 9494), implemented by UNEP

171. **Date complaint was received:** November 26, 2019

172. **Summary of allegations** (and nature of claim): Following a Project Steering Committee meeting held in Pretoria, South Africa in November 2017, the project beneficiary wrote to UNEP (as implementing agency) and the executing agency, raising concerns over a large sole source procurement valued at \$115,000. In 2018-2019, UNEP conducted an informal review into the procurement and agreed that there were valid issues linked to the procurement related to inappropriate identification, selection and payment to a supplier outside the scope of the project procurement plan and procurement policies of UNEP as set out in the legal instrument with the executing agency.

173. **Date case put under formal review:** Following an informal review of the project procurements and financial statements by the implementing and executing agencies and the project beneficiary, the implementing division in UNEP passed the files to the Office of Internal Oversight Services (OIOS), who in November 2019, agreed to take the case under investigation and it was put in the 2020 OIOS work plan.

174. **Status and findings:** The investigation by OIOS is on-going and interviews have been conducted with several members of the UNEP and Africa Institute teams.

175. **Management actions:** In consultation with the Executing Agency and Project Beneficiary, the Staff Member responsible has been removed from all UNEP/GEF projects; UNEP's procurement section undertook a review of the executing agency process and assisted them in the development of a procurement manual in line with international standards. UNEP is developing a new, updated procurement manual for projects; the Executing Agency has cancelled the procurement contract and recovered all funds over and above those equivalent to the level of services provided to date. Financial exposure for the project was therefore protected and all parties are satisfied that all GEF funds are now accounted for.

176. Internal investigations at the executing agency have resulted in the decision not to renew the contract of the concerned staff. Depending on the findings of the OIOS investigation, UNEP will re-evaluate its ongoing and pipeline projects with this executing agency. Executing agency projects remain on improved supervision and are all operating according to the financial rules, to which financial audits can attest. UNEP-developed procurement manual is used by executing agency. No new project has been developed in this region in GEF-7 hence no new agreements have been considered with Executing Agency. **Case completed.**

22. The Gambia

177. **Project:** *LDCF Enhancing Resilience of Vulnerable Coastal Areas and Communities to Climate Change* (GEF ID 4724), implemented by UNDP

178. **Date complaint received:** February 15, 2018

179. **Summary of allegations:** UNDP Resident Representative reported allegations of procurement fraud against former UNDP staff member

180. **Date case put under formal review:** February 16, 2018

181. **Status and findings:** OAI investigation ongoing. Financial losses likely but total amount has not been finalized.

182. **Management actions:** Project implementation completed, and the project financially closed in April 2020.

24. India

183. **Project:** *Market Transformation and Removal of Barriers for Effective Implementation of State Level CC Action Plans* (GEF ID 5361), implemented by UNDP
184. **Date complaint received:** May 9, 2018
185. **Summary of allegations:** External anonymous complaint of procurement fraud.
186. **Date case put under formal review:** May 22, 2018
187. **Status and findings:** OAI investigation ongoing. Financial losses not expected at this point in the investigation.
188. **Management actions:** Project implementation completed, and financial closure expected by October 2021.

25. Kyrgyzstan

189. **Project:** *Global: Transboundary Cooperation for Snow Leopard and Ecosystem Conservation* (GEF ID 5886), implemented by UNDP
190. **Date complaint received:** July 10, 2019
191. **Summary of allegations:** UNDP staff member reported allegations of procurement fraud.
192. **Date case put under formal review:** July 29, 2019
193. **Status and findings:** OAI investigation is in final stages. UNDP has reported a finding of financial loss of US\$2,874.90 which arose in project procurement activities. UNDP reports that it is taking the necessary steps to reimburse the GEF TF for the loss, working with the Trustee.
194. **Management actions:** Project implementation completed, and the project financially closed in January 2021.

26. Zambia

195. **Project:** *Strengthening Management Effectiveness and Generating Multiples Environmental Benefits within and around Protected Areas in Zambia* (GEF ID 4639), implemented by UNDP.
196. **Date complaint received:** November 6, 2019
197. **Summary of allegations:** UNDP Resident Representative informed OAI regarding allegations relating to a legal case and dispute by vendor that UNDP has not honored a

payment related to the supply of scout uniforms and equipment (patrol kits). Investigation indicates possible misappropriation by a former employee of the vendor.

198. **Date case put under formal review:** November 7, 2019

199. **Status and findings:** OAI investigation closed on August 11, 2021. Financial loss of US\$68,562.00 confirmed through investigation, from an apparent misappropriation of funds for patrol kits by a former employee of a vendor in the project.

200. **Management actions:** Project implementation completed, and the project financially closed in March 2021. UNDP reports that the offender is an external person not under the jurisdiction of OAI, and that OAI has recommended the case against this person be referred to national authorities. UNDP also reports that it is taking the necessary steps to reimburse the GEF TF for the loss, working with the Trustee.

27. Sudan

201. **Project:** *Climate risk finance for sustainable and climate resilient rainfed farming and pastoral systems (GEF ID 4958)*, implemented by UNDP

202. **Date complaint received:** November 6, 2019

203. **Summary of allegations:** Related to procurement fraud

204. **Status/Findings:** OAI has determined that the allegations made in relation to this project were unsubstantiated and they have closed the case. Case completed.

205. **Management actions:** Project implementation completed, and financial closure expected by December 2021.

28. Viet Nam

206. **Project:** Hanoi Urban Transport Development Project in Vietnam (effective November 22, 2007; closed December 31, 2016), implemented by the World Bank.

207. **Summary of project and background facts:** The project aimed to increase urban mobility in targeted areas in Hanoi, by increasing use of public transport in selected corridors and reducing travel times, and to promote more environmentally sustainable transport modes and urban development plans for Hanoi. The project was partially supported by GEF funding.

208. On November 11, 2013, an individual was hired under *Contract IS02c2: An International Individual Consultant to Support the BRT Component on Traffic Signal System* ("Contract IS02c2"). Contract IS02c2 was financed by the Global Environment Facility (GEF) Grant and the Japan Policy and Human Resources Development Fund (PHRD). On November 1, 2014, the individual signed a subcontract to be the Team Leader for a consultancy joint venture which

had been awarded two consultancy contracts under the Danang Sustainable City Development Project. The consultancy contracts were fully financed with IBRD loans.

209. Status and findings: An investigation by the World Bank Integrity Vice Presidency (INT) found that the individual improperly influenced the tender processes under the two projects, solicited bribes, and failed to disclose his business relationship with a bidder. These are collusive, corrupt, and fraudulent practices, respectively. (See also below, Management actions)

210. Management actions: The World Bank imposed sanctions including debarment of an individual in connection with the collusive, corrupt, and fraudulent practices. Additional information is [here](#). The World Bank also issued a press release announcing the debarment of Spain-based Grupo Mecánica del Vuelo Sistemas, S.A.U., in connection with collusive, corrupt, and fraudulent practices, as defined by the World Bank's Sanctions Procedures, relating to two projects in Viet Nam, including the Hanoi Urban Transport Development Project (GEF ID 2368) that was partially funded by a grant from the GEF. This project closed on December 31, 2016. The press release is publicly accessible on the [World Bank's external website](#). Case completed.

III. STATISTICAL INFORMATION - CASES UNDER CONFIDENTIAL REVIEW

211. This section provides statistical information on cases for which Agencies have indicated requirements of confidentiality, in accordance with the provisions of GEF Policy on Fiduciary Standards. As noted previously, the Policy provides for the reporting of statistical information only on such cases, for reasons of confidentiality relating to the review and investigation.

212. There are nine reported cases involving such matters for which confidentiality has been requested by the responsible implementing Agency. Four of these involve projects in Asia, three in Africa, one in Latin America and one in the Pacific region. Seven are implemented by one GEF partner agency, the others by two different GEF partner agencies.

213. Each of these cases has been previously reported to Council at the time that they were put under formal review by the Agency. This previous reporting was done under the separate reporting requirements of paragraph 15 of the Policy on Fiduciary Standards to report to Council on individual cases as soon as they are taken under formal review, and on new developments in such cases.

IV. LOG OF REPORTS TO COUNCIL ON GRIEVANCE CASES (REAL-TIME REPORTING)

214. Set forth below is a log of reporting to Council on the cases included in the summary above. The log tracks the reporting of each case individually when it they arose, as well as new developments in the case.

215. This separate reporting to Council on an ongoing basis, reflected in the log, is done in accordance with the updated reporting requirements of the two Policies (on Safeguards and on Fiduciary Standards) for prompt, real-time reporting on new cases, as well as new developments in those cases as they arise.

Project and Agency	Report to Council	Updates to Council
1. Mauritius – Coastal Biodiversity (GEF ID 5514), UNDP	June 17, 2019	March 27, July 13, November 6, 2020, March 8, 2021
2. Republic of Congo - Congo Basin (GEF ID 9159), UNDP	March 11, 2020	March 27 and June 14, 2020, November 21, 2020
3. Cameroon - Congo Basin (GEF ID 9159), UNDP	March 27, 2020	May 29 and September 21, 2020, February 11, 2021
4. Myanmar – Ridge to Reef (GEF ID 6992), UNDP	March 27, 2020	Pending
5. Armenia – Infrastructure and Rural Finance (GEF ID 8005), IFAD	March 27, 2020	Completed
6. Ukraine – Finance and Tech Center for Climate Change EBRD	March 27, 2020	Completed
7. Zambia – Lake Tanganyika Basin Sustainable Development Project, AfDB	October 28, 2020	Pending
8. Tonga – Renewable Resources, ADB	November 4, 2020	Completed
9. Philippines – Integrated Natural Resources and Environmental Management, ADB	November 4, 2020	Completed
10. Togo – West Africa Coastal Area Resilience Project, WB	October 6, 2021	Pending
11. Colombia – Amazon Peace Project, UNDP	October 6, 2021	Pending
12. Uganda-DRC – Lakes Edward and Albert (LEAF II), AfDB	October 19, 2021	Pending
13. Tuvalu – Outer Island Maritime Infrastructure, ADB	November 2021 (in Annual Summary)	Completed
14. Nicaragua – BOSOWAS Biosphere Project, funded by GCF, co-financed by GEF through FAO	October 2021	Pending
15. Russia – Standards and Labelling Project, UNDP	December 2018 (UNDP briefing)	March 27, 2020; December 12 and 14, 2020; April 12, 2021; October 29, 2021
16. Ukraine - Bioenergy (GEF ID 4377) and Energy Efficiency (GEF ID 5357), UNDP	March 27, 2020	April 10, 2020, April 21, 2021
17. Sri Lanka – SGP Programme in Sri Lanka, UNDP	August 3, 2020	Completed
18. Mauritius – SGP Programme in Mauritius, UNDP	March 27, 2020	July 6, 2020
19. Afghanistan – Adaptive Capacity and Resilience (GEF ID 4227, LDCF/SCCF), UNEP	March 27, 2020	Completed
20. Libya (Global) – Updating National Implementation Plans for POPs (GEF ID 5307), UNEP	March 27, 2020	Pending
21. South Africa – Minamata Initial Assessment (GEF ID 9494), UNEP	March 27, 2020	Completed
22. Gambia – Enhancing Resilience for Vulnerable Communities, UNDP	March 27, 2020	June 4, 2021

Project and Agency	Report to Council	Updates to Council
23. India – Market Transformation for Climate Action, UNDP	October 28, 2020	March 15, 2021
24. Kyrgyzstan – Transboundary Cooperation for Snow Leopard and Ecosystem Cooperation, UNDP	November 4, 2020	November 5, 2021
25. Zambia - Strengthening Management Effectiveness and Generating Multiples Environmental Benefits within and around Protected Areas, UNDP	March 15, 2021	August 16 and November 5, 2021
26. Sudan – Climate risk finance, UNDP	April 21, 2021	May 19, 2021. Completed
27. Viet Nam – Urban transport	February 12, 2021	April 27, 2021. Completed
Nine other cases have been reported confidentially to Council	See statistical information report (above)	See statistical information in report (above)