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

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Introduction

1. This is the third progress report on the Assessment of GEF Agencies' Compliance with Minimum Standards in the Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement. This report aims to update the Council on Agencies' progress implementing their plan of actions, based on information provided by GEF Agencies since the report submitted for Council's information at the 59th Council meeting, in December 2020¹ (hereafter referred to as the 2020 Compliance Assessment Report)

BACKGROUND

- 2. The GEF Policies on Environmental and Social Safeguards², Gender Equality³, and Stakeholder Engagement⁴ set forth a number of minimum standards⁵, and require GEF Partner Agencies (hereafter referred to as "Agencies") to demonstrate that they have in place the necessary policies, procedures, systems, and capabilities to meet these standards. The three Policies also call for the Secretariat to facilitate an assessment of GEF Agencies' compliance with these minimum standards, to be presented for Council review and decision.
- 3. Pursuant to these Policies, the GEF Secretariat presented for Council's decision, at its 57th meeting, in December 2019, the Report on the Assessment of GEF Agencies' Compliance with Minimum Standards in the Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement⁶ (hereafter referred to as the 2019 Compliance Assessment Report). This Report described the findings of the requested expert reviews of GEF Agencies' compliance with the applicable minimum standards. These assessments had been facilitated by the Secretariat and undertaken by expert reviewers, in accordance with the methodology outlined in the Report⁷ and in line with the Policies and the Assessment Guidelines for GEF Agencies' Compliance with Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement.^{8,9}

¹ GEF/C.59/Inf.16 https://www.thegef.org/sites/default/files/council-meeting-documents/EN GEF C.59 Inf.16 Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%2 OMinimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf

² GEF/C.55/07/Rev.01 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN GEF.C.55.07.Rev .01 ES Safeguards.pdf)

³ SD/PL/02 (http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf)

⁴ SD/PL/01 (http://www.thegef.org/sites/default/files/documents/Stakeholder Engagement Policy.pdf)

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

⁶ GEF/C.57/05 (https://www.thegef.org/sites/default/files/council-meeting-documents/EN GEF C.57 05 Report%20on%20Assessment%20of%20Agencies%20Compliance.pdf)
⁷ GEF/C.57/05 (para 7 -8)

⁸ SD/GN/03

⁽https://www.thegef.org/sites/default/files/documents/20190301 agency policy compliance assessment guidelines.pdf)

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

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

PROCESS FOR AGENCIES TO ACHIEVE COMPLIANCE

- 5. The below reiterates the process and concrete steps and actions that has been and will continue to be followed until all Agencies have fulfilled their commitments spelled out in their plans of actions and have met all minimum standards contained in the GEF Policies on Environmental and Social Safeguards, Gender Equality and Stakeholder Engagement:
 - (i) Each Agency that still is implementing their plan of action continue to provide updates to the GEF Secretariat until they have completed their plan of actions and reach full compliance with each minimum standard in the three Policies.
 - (ii) The Secretariat continues to compile, track and review Agency updates and report to the Council on progress on Agencies' implementation of the plans of action at subsequent Council meetings.
 - (iii) As part of its review of these updates, the Secretariat re-engages the expert reviewers, as needed, to assess additional information and evidence submitted by Agencies to determine whether they have achieved compliance in accordance with their agreed plan of action and Policy requirements.
 - (iv) The Secretariat notifies Council when Agencies have met their commitments set out in their respective plans of action to achieve compliance.
 - (v) For all Agencies, including those which have developed and completed a plan of action to meet all minimum standards, the Agency and the Secretariat will subsequently carry out periodic reporting and monitoring of compliance using the modalities set out in the Policy on Monitoring Agencies' Compliance¹⁰.
- 6. As described in the 2019 Compliance Assessment report, this assessment focused on determining whether Agencies had sufficient policies, guidelines and procedures in place and did not extend to assess Agencies' institutional implementation capacity or additional verifications of Agencies' policy compliance in project implementation (i.e. staffing and track record of implementation). It is expected that the results of this assessment will be taken into

https://www.thegef.org/sites/default/files/documents/20190301_agency_policy_compliance_assessment_guidelines.pdf)

¹⁰ SD/GN/03

account in the upcoming third-party review that as per the modalities set out in the Policy on Monitoring Agencies' Compliance¹¹ will start in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7). The GEF Policy on Monitoring Agency Compliance with GEF Policies describes the requirement and process for periodically reviewing and confirming GEF Agencies' compliance with specific GEF policies, namely on Minimum Fiduciary Standards, Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement.

UPDATED OVERVIEW ON AGENCIES' COMPLIANCE ASSESSMENT

- 7. As concluded in the 2019 Compliance Assessment Report ¹², only four Agencies were determined to be in full compliance at the time of the 2019 Compliance Assessment, including the European Bank for Reconstruction and Development (EBRD); Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO); United Nations Development Programme (UNDP); and the World Bank (WB).
- 8. The 2019 Compliance Assessment Report indicated that, given the institutional diversity of the GEF Partnership and the evolving nature of safeguards at the international level, the process to develop or adjust policies, procedures and or guidelines may require additional actions by some GEF Agencies. The three Policies and related Assessment Guidelines for Agency Compliance anticipated this situation and therefore set out a process for assessing any areas of non-compliance and developing time-bound action plans to come into full compliance.
- 9. In line with the three Policies and related Assessment Guidelines for Agency Compliance, all fourteen Agencies that had been assessed to have some gap areas established timebound plans of actions to address the identified gaps (outlined in detail in annex 1 of the 2019 Compliance Assessment Report). As part of the progress implementing the plans of actions, the expert assessments (as reported in the 2020 Compliance Assessment Report, see above reference), concluded that six additional Agencies were assessed to have satisfactorily completed their plans of action and addressed significant gaps identified in the 2019 Compliance Assessment Report. These includes the Brazilian Biodiversity Fund (FUNBIO), Conservation International (CI), Inter-American Development Bank (IDB), International Union for Conservation of Nature (IUCN), United Nations Environment Programme (UNEP) and World Wildlife Fund (WWF-US).
- 10. The remaining eight Agencies were reported to have been making progress updating or revising their policies, preparing detailed guidance notes and or developing new screening procedures. This Agencies includes the African Development Bank (AfDB), Asian Development Bank (ADB), Development Bank of Latin America (CAF), Development Bank of Southern Africa (DBSA), Food and Agriculture Organization of the United Nations (FAO), International Fund for

https://www.thegef.org/sites/default/files/documents/Monitoring Agency Compliance Policy 0.pdf

¹¹ Policy ME/PL/02

¹²GEF/C.59/Inf.16 https://www.thegef.org/sites/default/files/council-meeting-

documents/EN GEF C.59 Inf.16 Progress%20Report%20on%20Agencies%E2%80%99%20Compliance%20with%2 OMinimum%20Standards%20in%20the%20GEF%20Policies%20on%20Environmental%20and%20Social%20Safeguards%3B%20Gender%20Equality%3B%20and%20Stakeholder%20Engagement.pdf

Agricultural Development (IFAD), United Nations Industrial Development Organization (UNIDO), and West African Development Bank (BOAD). These eight Agencies have provided updates to the GEF Secretariat and further committed to provide updates on their progress in completing their plans of action until they have completed the implementation of their plans of action and have been assessed to be in compliance with each minimum standard in the three Policies¹³.

- 11. While most Agencies are progressing as set out in their original plans of action (see previous reports), some Agencies including ADB, CAF, UNIDO, and BOAD are reporting on some slight delays. All Agencies, except for AfDB and ADB are expected to complete their plan of actions and submit documentation for GEF review before December 2021.
- 12. Table 1, below, provides an overview of the status of all Agencies' compliance status and progress on the plans of actions for all the eight Agencies that are still implementing them. The information presented below is based on updates provided by Agencies in early 2021¹⁴.

Table 1. Overview of Agency compliance status and progress implementing their Plans of Action

		Summary of plan of actions to achieve full Compliance (submitted in 2019)	Update on Progress on Plans of action (as of April 2021)
1.	AfDB	Review and update the Integrated Safeguards System by 2022	Implementation, as outlined in the plan of action, still ongoing and expected to be completed by 2022. (see further details below)
2.	ADB	Review/update the Safeguard Policy (by 2021), and issuance of an internal guideline for GEF-financed projects	Implementation, as outlined in the plan of action, still ongoing with some reported delays. ADB had originally estimated to complete this process in December 2021 but have now expect this process to be completed by end of 2022 or early 2023). (see further details below)
3.	EBRD		Determined to be in compliance at the time of the 2019 Compliance Assessment
4.	FECO		Determined to be in compliance at the time of the 2019 Compliance Assessment

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¹³ The respective minimum standards for the three Policies are contained in Annex I.A of the Policy on Environmental and Social Safeguards; Paragraph 19 (a)–(e) of the Policy on Gender Equality; and Paragraph 16 (a)–(f) of the Policy on Stakeholder Engagement.

¹⁴ Further details of the assessments for each Agency that has completed its plans of action can be found in the 2019 and 2020 Compliance reports (referenced above)

5. FUNBIO	Adjust the Environmental and Social Safeguards Policy (ESSP) (by Feb 2020), and approve a new Policy on Stakeholder Engagement (by Nov 2019)	Plan of action completed. FUNBIO was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment.
6. CI	Update Policies on Gender, Stakeholder Engagement and Environmental and Social Safeguards, including guidance notes/templates (by June 2020)	Plan of action completed. CI was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment.
7. CAF	Update Environmental and Social Safeguard Policy, including operational guidance notes and screening tools (by Dec 2020)	Implementation, as outlined in the plan of action, still ongoing with some reported delays. Updated Policy completed but internal approval communication still pending but estimated to be completed by June 2021. (see further details below)
8. DBSA	Update the Environmental and Social Safeguards Standards (by Nov 2019), and revise the Independent Grievance Redress Mechanisms (IGRM) by Oct 2020.	Implementation, as outlined in the plan of action, completed. Documentation submitted and expert review ongoing. (see further details below)
9. FAO	Revise the Environmental and Social Safeguards Standards (by Dec 2020) and integrate new guidance notes and screening procedures in the project cycle in 2020-2021	Implementation, as outlined in the plan of action, still ongoing and estimated to be completed in 2021. (see further details below)
10. IDB	Draft a new Environmental and Social Policy Framework (ESPF); incorporate Environmental and Social Performance Standards and develop implementation plan	Plan of action completed. IDB was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment.
11. IFAD	Update the Social, Environmental and Climate Assessment Procedures (SECAP) (by April 2020); and issue a new framework for governance, transparency and accountability	Implementation, as outlined in the plan of action, completed. Documentation submitted and expert review pending. (see further details below)
12. IUCN	Adjust ESS Standards, amend Management System (by Dec 2019), develop new guidance notes, and revise Grievance Mechanisms Note (by Jan 2020)	Plan of action completed. IUCN was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment.
13. UNDP		Determined to be in full compliance at the time of the 2019 Assessment
14. UNEP	Update the Policy on Environmental, Social, and Economic Sustainability (by end of 2019), and develop guidelines and screening tools (by mid 2020)	Plan of action completed. UNEP was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment.

15. UNIDO	Revise the Environmental and Social Safeguards Policies and Procedures, (ESSPP) and improve operational guidance and tools (by Dec 2020)	Implementation, as outlined in the plan of action, still ongoing with some reported delays and now estimated to be completed by June 2021 (see further details below)
16. BOAD	Review and revise Policies and Procedures for Environmental and Social Management (by end of 2020).	Implementation, as outlined in the plan of action, still ongoing with some reported delays and now estimate to be completed by December 2021
17. WB		Determined to be in compliance at the time of the 2019 Assessment
18. WWF-US	Update Environmental and Social Safeguards Integrated Policies and Procedures (SIPP) and develop guidance notes (by March 2020)	Plan of action completed. WWF-US was assessed, in 2020, to have satisfactorily completed its plan of action and addressed the gaps identified in the 2019 compliance assessment

UPDATES ON AGENCIES' PLANS OF ACTIONS

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

African Development Bank (AfDB)

Plan of Action: Review and update the Integrated Safeguards System with a target

submission to the Bank's Board of Directors for consideration and approval in 2022. (See further detail in 2019 Compliance assessment)

Update: AfDB reports (as of April 2021): that:

• A Zero draft of the AfDB Integrated Safeguards System (ISS) has been completed and is currently being reviewed.

• Wider stakeholder consultations are planned for early 2021.

 Slight delays on the action plan, due to Covid, but the stakeholder consultation process aims to be completed by end 2021 and upgraded ISS is expected to be submitted to the Bank's Board of Directors for consideration and approval in 2022.

Asian Development Bank (ADB)

Plan of Action: Review/update the Safeguard Policy by 2021, and issuance of an internal

guideline for GEF-financed projects. (See further detail in 2019

Compliance assessment)

Update: ADB reports (as of April 2021) that:

 ADB's Independent Evaluation Department completed a Corporate Evaluation of the of the ADB 2009 Safeguard Policy in May 2020.

- ADB Management officially launched the policy update process in September 2020 (ADB had originally estimated to complete this process in December 2021 but have experiences some delays and now expect this process to be completed by end of 2022 or early 2023).
- A briefing on the safeguard policy update approach was held for the ADB Board in Aug 2020 and again in April 2021 on proposed policy directions.
- ADB has committed to addressing any gaps that may occur in the context of GEF financed activities. This will be reflected in GEF project documents. To aid this process, ADB has developed an internal guidance highlighting issues to be addressed with gap filling measures.

Development Bank of Latin America (CAF)

Plan of Action: Update Environmental and Social Safeguard Policy, including operational

guidance notes and screening tools by Dec 2020. (See further detail in

2019 Compliance assessment)

Update: CAF reports (as of April 2021) that:

 CAF has made substantial progress updating its Environmental and Social Safeguard Policy and development of operational guidance notes and screening tools.

- CAF has developed a draft Manual CAF-GEF Project Environmental and Social Safeguards.
- A final draft Manual has been presented for CAF management review and approval at the end of March 2021. The Internal approval communication still pending but estimated to be completed shortly and CAF expects to submit the final documentation to the GEF Secretariat no later than June 2021.

Development Bank of Southern Africa (DBSA)

Plan of Action: Update the Environmental and Social Safeguards Standards (by Nov

2019), and revise the Independent Grievance Redress Mechanisms (IGRM) by Oct 2020. (See further detail in 2019 Compliance assessment)

Update: DBSA reports that:

- A new version of DBSA's Environmental and Social Safeguard Standards has been approved by the DBSA Board.
- Independent Grievance Redress Mechanism overhaul has been completed
- Documentation has been submitted to the GEF Secretariat.

GEF has engaged an expert review and the assessment has been initiated but final conclusion still pending (expected to be concluded in June 2021)

Food and Agriculture Organization of the United Nations (FAO)

Plan of Action: Revise the Environmental and Social Safeguards Standards by Dec 2020

and integrate new guidance notes and screening procedures in the project cycle in 2020-2021. (See further detail in 2019 Compliance

assessment)

Update: FAO reports (as of April 2021) that

- The revision of FAO's new "Framework for Environmental and Social Management" is finalized/completed and pending formal adoption
- FAO is completing the operational guidelines to support the implementation of the revised policy.
- As the Organization advances towards the formal adoption of the framework,
 - ad interim guidance notes have been prepared and disseminated for GEF projects to comply with the GEF safeguards in this transitional period.
 - Efforts are ongoing to strengthen capacities to ensure compliance, including tracking and recording of project-level grievances.

International Fund for Agricultural Development (IFAD)

Plan of Action: Update the Social, Environmental and Climate Assessment Procedures

(SECAP) and issue a new framework for governance, transparency and accountability. (See further detail in 2019 Compliance assessment)

Update: IFAD reports that:

 The update of SECAP has been completed and endorsed by the IFAD Executive Board.

• Guidelines to support the effective implementation of SECAP have been completed.

 The update of the How-to-Do Note on Free, Prior Informed Consent (FPIC) has been completed.

 The new Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Grievance and Accountability was approved in Dec 2019.

IFAD has submitted documentation to the GEF Secretariat for second Expert Review (expected to be completed by June 2021).

United Nations Industrial Development Organization (UNIDO)

Plan of Action: Revise the Environmental and Social Safeguards Policies and Procedures,

(ESSPP) and improve operational guidance and tools (by Dec 2020). (See

further detail in 2019 Compliance assessment)

Update: UNIDO reports (as of April 2021) that:

 The revision and redrafting process in line with the GEF (as well as GCF) feedback has been concluded and clearance by relevant UNIDO Departments gained.

 The final document is now submitted for official re-promulgation in line with UNIDO rules and regulations and will be shared subsequently for GEF expert review in early June 2021.

West African Development Bank (BOAD)

Plan of Action: Review and revise Policies and Procedures for Environmental and Social

Management, by end of 2020. (See further detail in 2019 Compliance

assessment)

Update:

BOAD reports (as of April 2021) that:

- BOAD has initiated the revision and update of its operational Policies and Procedures for Environmental and Social Management in Financing Projects (POP), including ESS, Gender Equality and Stakeholder Engagement, including the commencement of systemwide audit to be concluded by the end of April/mid-May 2021.
- The revisions of the Policies and Procedures have been delayed slightly due to Covid-19. The approval by the BOAD's Board of Directors is now expected in December 2021 instead of September 2021 as initially planned.
- 14. Under the provisions of the Policy on Environmental and Social Safeguards, it was recommended that Council decide that Agencies may continue to seek GEF financing while they implement their time-bound plans of action. ¹⁵ Under the provisions in the Policies on Gender Equality and Stakeholder Engagement, it is also recommended that Agencies may continue to seek financing while they implement their time-bound plans of action. ¹⁶ If a plan of action for an Agency is not implemented according to the timeline set out in the 2019 Compliance Assessment Report, review of this decision may be warranted.
- 15. As described in the 2019 Compliance Assessment report, this assessment focused mainly on determining whether Agencies had sufficient policies, guidelines and procedures in place and did not extend to assess Agencies' institutional implementation capacity of to implement or to seek additional verifications of Agencies' policy compliance in project implementation (i.e. staffing and track record of implementation). As described in para 6, above, it is expected that the results of this assessment will be taken into account in the upcoming third-party review that, as per the modalities set out in the Policy on Monitoring Agencies' Compliance¹⁷, will start in the final year of the seventh replenishment of the GEF Trust Fund. The GEF Policy on Monitoring Agency Compliance with GEF Policies describes the requirement and process for periodically reviewing and confirming GEF Agencies' compliance with specific GEF policies, namely on Minimum Fiduciary Standards, Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement.

¹⁵ See e.g., Policy on Environmental and Social Safeguard Standards, paragraph 8 (stating that "The Council decides whether the Agency may continue to seek GEF financing while it implements the time-bound action plan."

¹⁶ The Policy on Gender Equality (paragraph 21) and Stakeholder Engagement (paragraph 18) provide that "Unless the Council decides otherwise, the Agency may continue to seek GEF financing while it implements the time-bound action plan."

¹⁷ Policy ME/PL/02

REFERENCES AND RELATED DOCUMENTS

Policies

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

Guidelines

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