

63rd GEF Council Meeting
November 28 – December 2, 2022
Virtual

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

TABLE OF CONTENTS

Overview 1

I. The Grievance Response System of the GEF 2

II. Special Focus – Collaborative Problem-Solving 3

IV. Case Summaries..... 8

 A. Safeguards-Related Cases 8

 B. Fiduciary Standards Cases..... 22

V. Statistical Information - Cases under Confidential Review 31

VI. Log of Reports to Council on Grievance Cases (Real-Time Reporting) 32

OVERVIEW

1. This document is the third 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 2022, in response to a request by the Secretariat. It includes cases reported in the Annual Summary to Council at its 61st Session last year, new developments in these cases, and other cases and developments reported since that time as required by GEF policy.
3. The Report begins with a short overview of the fundamentals and key elements of the GEF System for Conflict Resolution and Grievance Response (Section I). This section provides a re-cap of the core provisions of policy and practice on which the system is based.
4. Like last year, the section which follows presents some important trends and emerging lessons arising from the cases (Section II). For this year's edition, a special focus is given to the tool of **collaborative problem-solving** in responding to complaints and concerns from affected people and communities, especially in cases involving safeguards-related matters. Building on experience shared by GEF Partner Agencies, the following key points are highlighted:
 - The high potential demonstrated by this tool for early results in the interests of affected people and communities, and for successful implementation of projects more generally
 - Some key principles to bear in mind to help guide this approach, as well as some key challenges to be addressed
5. The next two sections contain the case summaries themselves. Section III provides summary information for cases that are not subject to requirements of confidentiality.² There are 27 cases reported in this section. Fifteen of these cases are now completed, and some others are in their final stages, as described below. The cases are listed by the country in which

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.

the project takes place,³ and grouped into cases involving safeguards-related issues and those involving fiduciary issues.⁴

6. Section IV provides statistical information on the remaining cases. There are 21 of these cases reported in this section, including four projects in one country and four projects in another.⁵ Nine of these cases are now completed. All 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.

7. Section V 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. THE GRIEVANCE RESPONSE SYSTEM OF THE GEF

8. 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.

9. 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.⁶

10. 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. These principles and purposes – and the mechanics of how the system works - are set out in the two foundational policies of the system.

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 Consultations and Gender Equality, including rights of Indigenous Peoples. Fiduciary issues are those arising under or relating to GEF Policy on Minimum Fiduciary Standards.

⁵ The investigations and findings in one of these countries also involved additional projects relating to the same underlying issues and concerns, as reported to Council directly.

⁶ 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.

11. The first of these Policies is GEF Policy on Environmental and Social Safeguards.⁷ This Policy requires Agencies to have two complementary mechanisms for grievance response:

- An *Accountability Mechanism*, focused on issues of policy compliance which is “. . . independent, transparent, and effective” and “. . . accessible and broadly advertised to Stakeholders”; and
- A *Grievance and Conflict Resolution System*, independent of project teams, working proactively as neutral third parties “. . . to assist in resolving disputes” in a “timely and culturally appropriate manner.”⁸ This can also be referred to as a *collaborative problem-solving* function (see discussion below).

As set out in the respective Agency systems, the decision about whether to seek recourse under the former or the latter, or both, is in the hands of complainants and affected people.⁹

12. The second of these Policies is GEF Policy on Minimum Fiduciary Standards.¹⁰ 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.*”

13. Both policies also contain explicit provisions to protect complaining individuals and parties against very real risks of retaliation and reprisal.¹¹ The Policy on Fiduciary Standards also has a separate standard on “*Hotline and Whistleblower Protection.*”¹² Similar protections are set out in the guidelines for submitting complaints to the GEF Conflict Resolution Commissioner.¹³

II. SPECIAL FOCUS – COLLABORATIVE PROBLEM-SOLVING

14. As shown in the case summaries in Section III and IV below there is a 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.

15. With respect to the former, as noted above, GEF Policy requires GEF Partner Agencies to have a two-part mechanism in place to respond to complaints and concerns from affected people and communities: (i) a system for accountability, which puts focus on fact-finding, investigation, and issues of policy compliance and harm; and (ii) a system for collaborative

⁷ GEF Policy on Environmental and Social Safeguards, Minimum Standard 2.

⁸ Id., Minimum Standard 2, paragraphs 5 and 6.

⁹ See also discussion below on challenges and opportunities in the use of collaborative problem-solving.

¹⁰ GEF Policy on Minimum Fiduciary Standards, paragraph 16.

¹¹ 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).

¹² Id, paragraph 16.

¹³ GEF Website, Conflict Resolution, noting inter alia that “*The Commissioner will at all times respect requests for confidentiality and anonymity by persons submitting complaints.*”

problem-solving, focused more on dialogue, consultation and reaching mutual consensus and agreement to address the issues raised.

16. The Annual Report presented to Council last year put an emphasis on some of the features and trends on the first side of this ledger, including the crucial dimensions of independent fact-finding, accountability for policy compliance, and the importance of proactive and full response by Agencies to findings of non-compliance and harm or potential harm.

17. To complement this discussion, the focus this year is on the second side of the ledger, the approach of collaborative problem-solving.

18. The summaries of cases in Sections III and IV below indicate that this approach has been used and led to positive resolution in several cases (Zambia, Tonga, the Philippines, Tuvalu). In two other cases, however, (Mauritius coastal zone, Ukraine), the stakeholder dialogue process ended without resolution.

19. These cases provide examples of how collaborative problem solving can be made to work. The case involving a project in the Philippines, *Integrated Natural Resources and Environmental Management Sector Project (INREMP)*, implemented by the Asia Development Bank, is a good illustration. (Case #9). The case revolved around concerns expressed by local communities over the imminent implementation of reforestation and agricultural projects in lands held sacred to the local people.

20. The collaborative problem-solving process consisted of several key actions:

- **Convening dialogue among the parties.** Over a period of many 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. The dialogue brought together the parties to the dispute, with channels for broader consultations with affected and interested stakeholders (see below).
- **Identifying the issues and concerns, and options to resolve.** An important initial action was to identify the issues and potential options for their solution. 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. The heart of the concern related to the land on which the project was to take place: 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.
- **Representation and participation, local practice:** The consultation process aligned to traditional practices of the local area, 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 were handled at the Council of Elders and Barangay Levels with the participation of other government agencies as needed.

21. Based on this consultative stakeholder process, the issue was resolved in July 2020 by relocating the Reforestation and Agroforestry site to another area within the same municipality. 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.

22. The approach of collaborative problem-solving was discussed at a recent meeting with GEF Partner Agencies convened by the Secretariat.¹⁴ The discussion highlighted the value and potential of this type of collaborative approach under the GEF's Conflict Resolution System. As illustrated by the case example noted above, it provides an opportunity for structured dialogue among parties and interested stakeholders. In this way, it creates a new space and opportunity to learn about and understand concerns being presented, and to consider options to address those concerns.

23. The key underlying idea is to engage more closely with affected people and communities, listening well, understanding that critical expertise resides *with them*, ready to respond and adjust, for best and highest results. This can also go a long way to address issues arising during project implementation before they blossom into larger problems.

24. While these actions can in some situations take considerable time to reach fruition, the case summaries provide illustration of their potential; that they offer the possibility of early resolution in the interests of all parties. Aligned to GEF Policy,¹⁵ the cases and related discussion also point to the importance and benefits of setting up a project's own grievance redress system, close-in to where project activities are taking place.

25. In short, collaborative problem-solving has a lot to offer - for complainants and communities, Agencies, and better projects. Aligned to GEF Policy, it can also be seen as an integral element of GEF's cross-cutting priority for strong stakeholder engagement throughout the lifecycle of a project, and another essential space for the GEF's work for gender equality and social inclusion.

26. To live up to this promise and potential, several principles are noted below:

- **Independence:** in line with GEF Policy (see above), it is essential for the conflict resolution system to be independent in all dimensions of its work and decision-making. Accountability mechanisms needs to have the space and independence to

¹⁴ The discussion was led by the ombudsperson at GEF Partner Agency WWF-US, sharing experiences, lessons, and perspectives also from earlier experiences in the field. The Secretariat also has received helpful information and contributions on to the use of this tool from other Partner Agencies.

¹⁵ GEF Policy on Environmental and Social Safeguards, Minimum Standard 2, para. 6 (i) states that the grievance and conflict resolution system "[i]ncludes a **locally-available option at the project or program level that is established early, proportionate to the potential risks and impacts of the project or program, readily accessible, culturally appropriate, and with appropriate confidentiality protections.**" (emphasis added).

follow facts and cases where they lead, according to their independent judgment and decision making, free from any possible outside pressure or interference. This is also a key factor for legitimacy and building trust with affected people and communities who might have understandable hesitations about raising their voice and concerns and joining in even a mediated dialogue.

- **Access and awareness:** as also set out in GEF Policy,¹⁶ these systems need to be known and accessible to interested and affected people and stakeholders, who then will be able to decide if it makes sense to raise their concerns. It is not at all easy for people and communities around the world to know about these systems. It is thus doubly important to take proactive steps to build awareness and ensure that the action of submitting a complaint is simple and straightforward, according to a clear process that is readily usable by affected communities.
- **Community Agency and decision-making power:** another cornerstone feature of these systems, reflected in GEF Policy,¹⁷ is the affected communities and people should have the right and power to make their own decisions about whether and how to seek recourse, identify their concerns, and choose which avenue of recourse best suits their needs and priorities. This community “agency” needs to be respected at all stages of the proceedings, supported by fair and transparent access to relevant information.
- **Clear understanding of representation; gender inclusive approach:** in line with GEF Policy more broadly,¹⁸ it is also important to develop a flexible and inclusive process, open and accessible to the affected and interested parties. This includes, for example, in fact-finding, decision-making and listening to communities under an accountability-based process, as well as in mediated dialogue and collaborative problem-solving. As part of this, it is high priority for the process to be gender inclusive at all levels and stages. A recent Guidance Note¹⁹ highlights several key principles in support of this priority:
 - (i) Conduct a gender-sensitive assessment and conflict mapping “. . . by including gender perspectives that provide more specific understandings of conflict triggers, the impact of the conflict on diverse stakeholders, and how these stakeholders are affected by power dynamics at play.”
 - (ii) Promote diversity in mediation teams, and question your own standing and gender awareness as a mediator

¹⁶ GEF Policy on Environmental and Social Safeguards, Minimum Standard 2, paras 5 and 6 (both the Accountability Mechanism and the Grievance and Conflict Resolution System need to be “*readily accessible and broadly advertised to stakeholders.*”

¹⁷ Id., noting that a complainant may bring forward a complaint to an accountability, grievance or conflict-resolution system, or to the GEF Conflict Resolution Commissioner (see definition of Complainant”).

¹⁸ See e.g., GEF Policy on Stakeholder Engagement and GEF Policy on Gender Equality.

¹⁹ Office of Compliance, Advisor, Ombudsman (CAO), entitled “*How to Adopt a Gender Inclusive Approach to Dispute Resolution*”, linked [here](#).

- (iii) Do no harm; and
- (iv) Be gender inclusive in interactions with the parties

27. Related to the above, collaborative problem-solving initiatives also face important challenges. These include the following:

- **Imbalance of power:** even with the best of intentions, it may often be the case that affected people and communities face an imbalance of power when entering a dialogue and mediation process, no matter how well-structured. It is critical to establish a level-playing field, including through capacity-building, so participants are not overpowered in the dialogue and legitimate issues have the best chance of being fairly resolved.
- **Lack of trust:** grievance situations often arise in situations characterized by mistrust and conflict. For effective results, efforts need to be taken to generate a level of trust, especially in the credibility and fairhandedness of the process. The use of third party “neutrals” can play an important role in building credibility and trust to the process (see also below).
- **Threats and reprisals:** the Annual Report presented to Council last year put considerable attention to the ongoing major concern of threats, reprisal, and retaliation against those who raise their voice in complaint about harms, misconduct, and failures to meet policy requirements. Such actions put people at high risk, undermine their rights to speak out when they see something that they believe is not right, and undercut the ability of a conflict resolution system to achieve even its most basic goals. It is critical that all steps and actions be taken to avoid such actions and respond swiftly and appropriately when and if they occur.
- **Access to neutral third parties experienced in mediating complex multi-stakeholder disputes.** as envisioned in GEF Policy (see above), the ability of collaborative problem-solving to bring in neutral third parties to support dialogue can help turn conflict toward positive resolution. The process can also enlist other forms of support, including experts to provide an objective assessment of technical issues and potential options to address. Per GEF Policy and learning from the case in the Philippines noted above, the process should take place in a culturally appropriate manner in the local context.²⁰

28. One final point is worth noting. Over the years of work in this field, there has been ongoing consideration of how best to inter-relate the two different parts of an Accountability and Grievance Response System, i.e., the part focused more on Accountability and Compliance and the part focused more on Collaborative Problem Solving.

29. One practical question here is whether there is a best practice in terms of a potential “sequencing” or selection of one avenue versus another, taking into consideration overarching

²⁰ See footnote 8 above and related text.

aims for early solutions *and* institutional accountability. Different mechanisms have worked through different procedures, anchored in the principle that the choice should be in the hands of the complainants and affected people.

30. There is ongoing work to turn challenge into opportunity, so that the two “different” parts of this picture reinforce each other. For example, if affected people choose to pursue a collaborative problem-solving process, the *possibility* of a subsequent compliance-based review may create incentives on all sides for early resolution of problems in a way that meets the legitimate rights and aspirations of the affected people and communities. The work of problem-solving itself can also, if done well and learned from, help to create both lessons and a stronger sense of accountability in work of the institutions going forward. But it remains important that the process not become an unintended roadblock to the inter-related goal of holding institutions accountable for well-implemented policies, for people and nature.

31. In sum, as the discussion above suggests, the approach of collaborative problem-solving is anchored in the idea that continuous engagement of and learning from local communities is a foundational way to address legitimate concerns, and to create better projects that will also be more durable over time. 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.

IV. CASE SUMMARIES

A. Safeguards-Related Cases

1. Mauritius – Coastal Zone

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

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

34. **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.”

35. 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](#).

36. 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).

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

38. **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.

39. 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.

40. **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.

41. The project completion date was extended to allow for these actions to be undertaken and is now scheduled to close by June 2023. The UNDP Administrator responded to several queries from AKNL, most recently in April 2021. The Administrator’s decision is currently being monitored by SECU in accordance with its monitoring mandate.

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

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

2. Republic of Congo

44. **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

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

46. **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](#).

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

48. **Status and findings:** The SECU report was completed June 2020 ([final SECU report](#)) and the case closed on 17 September 2020. 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)

49. **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

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

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

52. **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.

53. 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.

54. 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](#).

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

56. **Status of the case:** The SECU report was completed in August 2020 ([final SECU report](#)) and an Interim Monitoring report issued 27 September 2022. The SECU Report 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.

57. **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.

4. Myanmar

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

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

60. **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](#).

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

62. **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.

63. **Management actions:** Project was suspended on December 26, 2018, and remains suspended until the UNDP Administrator's Decision is issued. Further details [available here](#). SECU regularly monitors the situation on the ground to determine if and when a field mission will be possible.

5. Armenia (case completed)

64. **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).

65. **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.

66. **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.

67. **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.

68. **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.

69. **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 (case completed)

70. **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](#).

71. **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.

72. **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.

73. 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).

74. **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).

75. **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.

76. 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.

77. **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.

78. 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

79. **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 [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.

80. **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.

81. As a result of this decision, the process was terminated as per Paragraph 2.4 c) ii of the Project Accountability Policy²¹. 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

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

83. **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.

84. 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 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.

85. **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.

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

87. **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.

²¹ 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.

8. Tonga (case completed)

88. **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.

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

90. **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.

91. **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.

92. 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 (case completed)

93. **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.

94. **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.

95. **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.

96. 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.

97. 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

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

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

100. **Summary of allegations:** The Requesters raise five areas of concern. First, they claim that they are under threat of eviction because of the project. Second, they are concerned that because of the project activities, a smaller area of the beach remains for the fishing communities to use for their activities, which has an impact on their livelihood and on the livelihood of the community overall. Third, they are also concerned about the planned involuntary resettlement and the valuation, compensation, and relocation sites related to this process. Fourth, they claim that project-affected peoples have not received adequate and timely project information and have not been meaningfully consulted about project activities. Fifth, they claim that alternatives to the physical aspects of the project were not fully analyzed.

101. **Date case put under formal review:** The Inspection Panel registered the Request for Inspection on September 7, 2021. Bank management submitted its response to the Request on October 7, 2021, and provided an update on its actions on April 19, 2022. Following an initial report and recommendation dated November 8, 2021, in which the Inspection Panel recommended deferring its recommendation on whether to investigate the project for six months, a Panel team visited Togo in May 2022 and met with requesters, government officials and project authorities to review and reassess the remedial actions committed to by Bank management and recommend to the Board whether an investigation was warranted. Based on

its field observations, analysis of available documents, and discussions with various stakeholders, the Panel had remaining concerns about the Bank's compliance with the following policies: Environmental Assessment, OP/BP 4.01, Involuntary Resettlement, OP/BP 4.12, and Investment Project Financing, OP/BP 10.00. Hence, the Panel recommended carrying out an investigation. The Board approved the Panel's recommendation on June 23, 2022.

102. As per the Inspection Panel and the Accountability Mechanism resolutions, the Accountability Mechanism Secretary (AMS) offered dispute resolution to the parties (Requesters and Borrower). On August 8, 2022, the AMS reported that no agreement had been reached to pursue dispute resolution. The Panel then commenced its Investigation. The Panel disclosed its investigation plan on September 15, 2022, and aims to conclude its Investigation within six months.

103. Further information about and documentation related to the case is available in English and French on the Inspection Panel website at <https://www.inspectionpanel.org/panel-cases/western-africa-west-africa-coastal-areas-resilience-investment-project-p162337>.

11. Colombia

104. **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.

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

106. **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.

107. **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

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

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

110. **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.

111. **Date put under formal review; Status:** October 2021. AfDB was 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.

112. Upon receipt of the complaint, AfDB requested the Executing Agency to review the source and nature of the complaint and make field verifications of the allegations. Accordingly, the government team made an in-depth assessment of the allegations and noted that the complaints are general in nature and not site specific and in some instances are direct extract of issues from the appraisal report as identified during the appraisal mission. The AfDB staff did not participate in the field verification mission since it did not get security clearance.

113. The AfDB Country Manager in Uganda convened an internal meeting on 26 October 2021 among concerned staff members of the Bank to discuss the allegations that could affect the achievements made by the project. The meeting was attended by the AfDB's GEF Unit, a Civil Society Engagement Officer, the Uganda Country Programme Officer, an Agriculture Expert, and the Task Manager of the project. The meeting discussed the stated allegations and provided guidance on the preparation of the report to be submitted to the Senior Management of the Bank.

114. It was also recommended to request the AfDB's Independent Recourse Mechanism to carry out an independent investigation to establish facts in the petition against the LEAF II project. Results of the Independent Recourse Mechanism investigation will be shared with the complainant CSO. The investigation is ongoing, and the report is expected in a near future.

13. Tuvalu (case completed)

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

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

117. **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.



118. **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). **Case completed.**

14. Nicaragua

119. **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. ²²

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

121. **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

²² 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.

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.

122. **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](#)

123. **Status:** further processing ongoing

B. Fiduciary Standards Cases

15. Russia (case completed)

124. **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.

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

126. **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.

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

128. **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. With respect to the claims of retaliation, the UNDP Ethics Office determined that there was no *prima facie* case of retaliation and therefore a formal investigation was not undertaken. These claims were further addressed by the UN Tribunal and found to be unsubstantiated. The Tribunal dismissed the case. See December 2021 UN Tribunal Judgement [here](#). These claims and related issues and concerns were also considered in an independent review dated 11 December 2020 (see Final Draft Report linked below) and response documents of UNDP management (also linked below).

129. **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](#)

130. **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

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

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

133. **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.

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

135. **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.

136. **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 June 2024.

17. Sri Lanka (case completed)

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

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

139. **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.

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

141. **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.

142. **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 (case completed)

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

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

145. **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.

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

147. **Status of the case:** Case completed.

148. **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.

149. **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.

150. 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.

151. 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. **Case completed.**

19. Afghanistan

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

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

154. **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).

155. **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.

156. **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.

157. **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.

158. 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 (case completed)

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). Despite 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, despite 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.

169. 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.

170. 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 (case completed)

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

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

173. **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.

174. **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.

175. **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.

176. **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.

177. 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

178. **Project:** Strengthening climate services and early warning systems in the Gambia for climate resilient development and adaptation to climate change – 2nd Phase of the GOTG/GEF/UNEP LDCF NAPA Early Warning Project (GEF ID 5071), implemented by UNDP

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

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

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

182. **Status and findings:** The primary case and investigation was closed 18 May 2022, secondary follow-up investigations are ongoing. Financial losses likely but total amount has not been finalized.

183. **Management actions:** Project closure expected in December 2022.

23. India (case completed)

184. **Project:** *Market Transformation and Removal of Barriers for Effective Implementation of State Level CC Action Plans* (GEF ID 5361), implemented by UNDP

185. **Date complaint received:** May 9, 2018

186. **Summary of allegations:** External anonymous complaint of procurement fraud.

187. **Date case put under formal review:** May 22, 2018

188. **Status and findings:** OAI investigation closed on February 10, 2022. Case unsubstantiated.

189. **Management actions:** Project financially closed in Aug 2022. **Case completed.**

24. Kyrgyzstan (case completed)

190. **Project:** *Global: Transboundary Cooperation for Snow Leopard and Ecosystem Conservation* (GEF ID 5886), implemented by UNDP

191. **Date complaint received:** July 10, 2019

192. **Summary of allegations:** UNDP staff member reported allegations of procurement fraud.

193. **Date case put under formal review:** July 29, 2019

194. **Status and findings:** OAI investigation was closed on 22 October 2021. UNDP has reported a finding of financial loss of US\$2,874.90 which arose in project procurement activities. **Case completed.**

195. **Management actions:** UNDP reports that it is taking the necessary steps to reimburse the GEF TF for the loss, working with the Trustee. Project financially closed in January 2021.

25. Zambia (case completed)

196. **Project:** Strengthening Management Effectiveness and Generating Multiples Environmental Benefits within and around Protected Areas in Zambia (GEF ID 4639), implemented by UNDP.

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

198. **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.

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

200. **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. **Case completed.**

201. **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.

26. Sudan (case completed)

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

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

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

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

206. **Management actions:** Project implementation completed, and financial closure expected by December 2022.

27. Viet Nam (case completed)

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

208. **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.

209. 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.

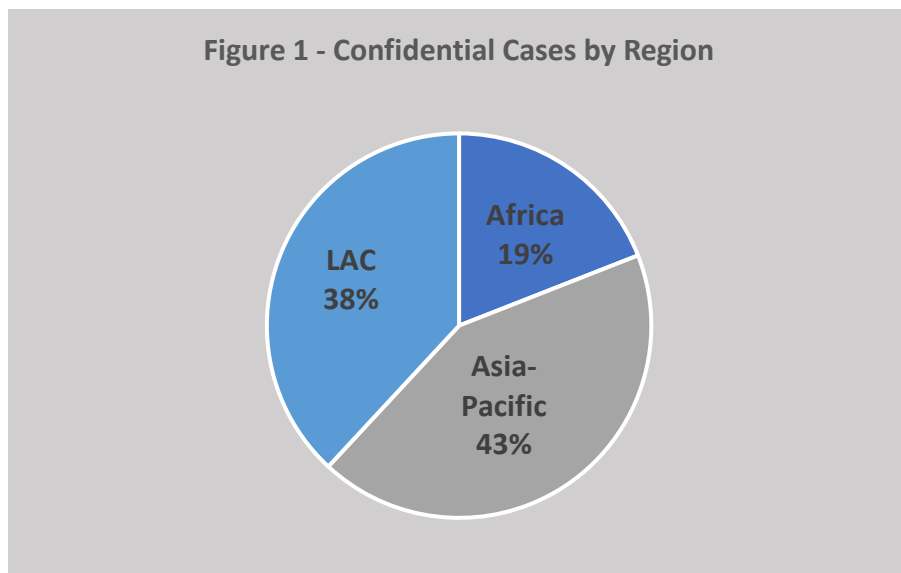
210. **Status and findings:** An investigation by the World Bank Integrity Vice Presidency (INT) found that the individual improperly influenced the tender processes under the two projects, solicited bribes, and failed to disclose his business relationship with a bidder. These are collusive, corrupt,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

211. **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.**

V. STATISTICAL INFORMATION - CASES UNDER CONFIDENTIAL REVIEW

212. 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.

213. There are 21 reported cases involving such matters for which confidentiality has been requested by the responsible implementing Agency. Nine of these cases are now completed. Of the 21, four involve projects in one country in the Pacific region, and four others involve one country in Central Asia.²³ Of the remaining 13, four are in Africa, four in Latin America and the Caribbean, and five in Asia. The breakdown by region of the overall total of 21 confidential cases is shown visually in Figure 1 below.



214. Seventeen of the 21 confidential cases are implemented by one GEF partner agency (seven of which are now completed), and the four others by four different GEF partner agencies (two of which are now completed).

215. 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.

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

216. 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 arose, as well as new developments in the case.

217. 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.

²³ See also footnote 5, above.

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; October 14, 2021
3. Cameroon - Congo Basin (GEF ID 9159), UNDP	March 27, 2020	May 29 and September 21, 2020; February 11, 2021; November 10, 2021 (Previous Annual Report)
4. Myanmar – Ridge to Reef (GEF ID 6992), UNDP	March 27, 2020	November 10, 2021 (Previous AR)
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	November 10, 2021 (Previous AR)
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	This Annual Report
11. Colombia – Amazon Peace Project, UNDP	October 6, 2021	This Annual Report
12. Uganda-DRC – Lakes Edward and Albert (LEAF II), AfDB	October 19, 2021	October 26, 2022
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 29, 2021	This Annual Report
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; this Annual Report. Completed
16. Ukraine - Bioenergy (GEF ID 4377) and Energy Efficiency (GEF ID 5357), UNDP	March 27, 2020	April 10, 2020, April 21, 2021; February 22, 2022; this Annual Report
17. Sri Lanka – SGP Programme in Sri Lanka, UNDP	August 3, 2020	November 10, 2021 (Previous AR). Completed
18. Mauritius – SGP Programme in Mauritius, UNDP	March 27, 2020	July 6, 2020. Completed
19. Afghanistan – Adaptive Capacity and Resilience (GEF ID 4227, LDCF/SCCF), UNEP	March 27, 2020	November 2, 2022.
20. Libya (Global) – Updating National Implementation Plans for POPs (GEF ID 5307), UNEP	March 27, 2020	November 2, 2022. Completed.

Project and Agency	Report to Council	Updates to Council
21. South Africa – Minamata Initial Assessment (GEF ID 9494), UNEP	March 27, 2020	November 2, 2022. Completed
22. Gambia – Enhancing Resilience for Vulnerable Communities, UNDP	March 27, 2020	June 4, 2021; this Annual Report
23. India – Market Transformation for Climate Action, UNDP	October 28, 2020	March 15, 2021; this Annual Report. Completed.
24. Kyrgyzstan – Transboundary Cooperation for Snow Leopard and Ecosystem Cooperation, UNDP	November 4, 2020	November 5, 2021; this Annual Report. Completed
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. Completed
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
Twenty-one other cases have been reported confidentially to Council, nine of which are completed	See statistical information report (above)	See statistical information in report (above)