



Policy: ME/PL/02

Approved on October 27, 2016

**MONITORING AGENCY COMPLIANCE WITH GEF POLICIES ON
ENVIRONMENTAL AND SOCIAL SAFEGUARDS, GENDER, AND FIDUCIARY
STANDARDS: IMPLEMENTATION MODALITIES**

Policy on Monitoring Agency Compliance with GEF Policies (ME/PL/02)

Summary	This Policy sets out the rules and principles for monitoring Agencies' compliance with the GEF policies on (i) Agency Minimum Standards on Environmental and Social Safeguards, (ii) Minimum Fiduciary Standards for GEF Partner Agencies, and (iii) Gender Mainstreaming.
Approved by	GEF Council
Approval & Effective Date	May 25, 2017 (51 st Council Meeting)
Applicability	GEF Agencies
Council Document	Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards: Implementation Modalities, Council Document GEF/C.51/08/Rev.01
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Application

1. This Policy applies to all GEF Partner Agencies (hereafter “Agencies”) and the following GEF policies (hereafter “relevant GEF policies”):
 - a. Agency Minimum Standards on Environmental and Social Safeguards (SD/PL/03);
 - b. Minimum Fiduciary Standards for GEF Partner Agencies (GA/PL/02); and
 - c. Policy on Gender Mainstreaming (SD/PL/02).

Purpose

2. This Policy sets out the rules and principles for monitoring Agencies’ compliance with relevant GEF policies.

Agencies’ Self-Assessment and Reporting on Compliance with GEF Policies

3. Agencies will carry out periodic self-assessments of their compliance with relevant GEF policies and report their findings to the Council.

Frequency

4. Agencies’ report on self-assessments once per replenishment cycle, starting in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7).

Agency certification of compliance

5. Following a self-assessment, the Agency completes a certification of compliance, addressing the following questions: (1) Have there been changes to the policies, procedures or capabilities on the basis of which the Agency was found to be in compliance with relevant GEF policies? (2) If changes have occurred, does the Agency remain in compliance with those policies? A designated representative for the Agency signs the certification.

Supporting information

6. In the event of changes to the policies, procedures, or capabilities that formed the basis for the Agency’s compliance with relevant GEF policies, and if the Agency concludes it remains in compliance, the Agency presents relevant supporting information with its certification.
7. Supporting information provided by the Agency may include, *inter alia*, relevant policies, procedures and guidelines; project documentation that demonstrates how relevant policies have been applied; and terms of reference of staff charged with implementing relevant policies.

Risk-Based, Third-Party Review of Agencies' Compliance with GEF Policies

8. A risk-based, independent, third-party review of Agencies' compliance with relevant GEF policies will be carried out taking into account Agencies' periodic self-assessments and other information.

Frequency

9. The Secretariat, on behalf of the Council, contracts an independent expert or experts (hereafter "reviewer") to review Agencies' compliance on the basis of Agencies' self-assessments and other information, consistent with the scope described in paragraphs 10, 11 and 12 below, once per replenishment cycle, starting in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7). The reviewer does not have other work with the Secretariat.

Scope

10. The reviewer considers cases where an Agency reports changes to the policies, procedures, or capabilities on the basis of which the Agency was found to be in compliance with relevant GEF policies and concludes it remains in compliance with those policies. The reviewer aims to verify whether – in light of the changes identified, the supporting information provided, and other relevant information – the Agency continues to have adequate policies, procedures, standards and guidelines in place, as well as sufficient, demonstrated project implementation capacity, to comply with relevant GEF policies.

11. In addition, the reviewer considers cases where the Secretariat finds a risk of non-compliance by an Agency with a relevant GEF policy, independently of the findings of the Agency's self-assessment.

12. In determining whether there is a risk of non-compliance by an Agency with a relevant GEF policy based on factors other than the Agency's self-assessment, the Secretariat considers, *inter alia*, the Agency's track record of implementing the policies, procedures, standards and guidelines on the basis of which it was found to be in compliance with a GEF policy, as well as audits, evaluations, and other external reports that provide information regarding the Agency's compliance.

Presentation of Agencies' reports and third-party reviews

13. The Agencies submit their certifications and any supporting information to the Secretariat, which compiles them for Council review and decision. To facilitate effective Council deliberations on Agencies' self-assessments, the Secretariat may synthesize the supporting information provided by Agencies, and replace complete documents submitted in support of an Agency's certification of compliance with references and web links, as appropriate. The Agency

certification of compliance and any supporting information provided by the Agencies are treated as public information.

14. The reviewer submits the key findings and recommendations of third-party reviews of Agencies' compliance to the Secretariat. The Secretariat complements those findings and recommendations with information regarding the risk determination described in paragraph 12, and submits the complete report to the Council for review and decision in conjunction with a compilation of Agencies' certifications and supporting information.

15. Whereas a third-party review could draw on confidential information, as appropriate, the findings and recommendations of such a review are treated as public information. Confidential information may be included in the public findings and recommendations only upon the relevant Agency's express consent.

Addressing non-compliance

16. If an Agency is found no longer compliant with GEF policies on environmental and social safeguards, gender, or fiduciary standards, the Agency, in consultation with the Secretariat, develops a concrete, time-bound action plan to achieve compliance. The Secretariat, on behalf of the Agency, submits the action plan for review and approval by the Council. Unless the Council decides otherwise, the Agency may continue to seek GEF financing while it implements the time-bound action plan, provided that its funding proposals would not require the application of policy standards with which it has yet to achieve compliance as per the Council's decision.