

48th GEF Council Meeting
June 02 – 04, 2015
Washington, D.C.

**PROGRESS REPORT ON THE
NON-GRANT INSTRUMENT PILOT**

STATUS OF THE IMPLEMENTATION OF THE PILOT

1. The GEF Council, at its 47th meeting on October 28-30, 2014 approved the implementation modalities for the Non-Grant Instrument Pilot ('The Pilot'). The purpose of this document is to report on the status of the implementation of the Pilot.
2. The GEF Secretariat utilized multiple communication and outreach channels to inform potential public and private sector recipients, along with the GEF Partner Agencies, on the availability and scope of the Pilot. In promoting the Pilot, the GEF Secretariat used existing means of communication within the GEF network and pursued new channels for enhanced outreach.
3. Specifically, the GEF Secretariat prepared a flyer informing on several aspects of the Pilot, including its objectives, available financial terms and conditions for private and public sector recipients, the targeted areas of work, funding size, selection criteria and application procedures. The flyer was distributed to all GEF Operational Focal Points, accompanied by an official letter from the GEF CEO to invite potential recipients to take advantage of the Pilot. The flyer was further distributed at relevant events such as the twentieth Conference of the Parties of the UNFCCC.
4. At the same time, the GEF Secretariat also published a dedicated website informing on the GEF's non-grant financing, which can be accessed at: <http://www.thegef.org/content/non-grant-instruments>
5. Since November 2014, the GEF Secretariat worked with GEF Partner Agencies in an iterative process on their submission of non-grant proposals, including through upstream consultations and informal reviews. The GEF Secretariat conducted upstream review and provided informal feedback for over 20 non-grant concepts. By the formal deadline of March 13, eight submissions from six GEF Partner Agencies were received, requesting a total of \$93 million in non-grant funding from the GEF Trust Fund. The GEF Secretariat reviewed these proposals against the criteria approved by the GEF Council, as listed in document GEF/C.47/06, *GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments*. Reviews also included participation of GEF Secretariat's focal area technical experts to ensure eligibility and accordance with GEF-6 focal area objectives and priorities. These reviews were complemented by an independent appraisal by three internationally recognized senior financial experts who provided comment on each proposal regarding their financial soundness and reasonability. The review process employed by the Secretariat was fully consistent with GEF processes and procedures for work program constitution, and enhanced by strong coordination and engagement from all GEF's focal areas and program managers in their respective areas of expertise. This review process culminated in a set of high-quality, innovative project proposals as presented in document GEF/C.48/08, *Work Program*.
6. In the margins of the 48th GEF Council meeting, to be held June 2-4, 2015, the GEF Secretariat will further provide an information session for GEF Partner Agencies on the operational modalities of GEF non-grant instruments.

7. As requested by the GEF Council, the GEF Secretariat, in consultation with Agencies, will report on the Pilot's implementation status after 24 months of the date of effectiveness of the new policy.