



GEF/C.52/Inf.06
April 18, 2017

52nd GEF Council Meeting
May 23 – 25, 2017
Washington, D.C.

GUIDELINES ON THE PROJECT AND PROGRAM CYCLE POLICY

TABLE OF CONTENTS

Introduction	1
Identification of Issues	1
Writing the Guidelines	2
Consultations	2
Guidelines on Identified Topic Areas in the Project and Program Cycle	3
Next Steps	5
Supplemental Guidelines to the GEF Project and Program Cycle Policy	6
Annex 1: GEF Operational Focal Point Letter of Endorsement.....	7
Annex 2: Project Preparation Grant.....	10
Annex 3: Project and Program Monitoring and Evaluation Plans.....	14
Annex 4: Addressing Stakeholders’ Comments	16
Annex 5: Use of Non-Grant Instruments.....	22
Annex 6: Enabling Activities	27
Annex 7: Programs	31
Annex 8: Implementation & Execution functions, Agency Fee and Project Management Cost	35
Annex 9: Results-Based Management (RBM) Reporting Requirements.....	43
Annex 10: Project Amendment, Drop, Suspension and Cancellation.....	57
Annex 11: Project Transfer from One Agency to Another	65
Annex 12: The Role and Responsibilities of STAP in the Project Cycle	70
Annex 13: Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects	76

INTRODUCTION

1. The Council, having approved the GEF Project and Program Cycle Policy in June 2016, requested the Secretariat establish a Working Group with the GEF Partner Agencies, STAP and the Trustee to develop and issue supplemental guidelines on the Project and Program Cycle by or before the June 2017 Council Meeting.
2. This information document summarizes the actions taken in response to Council's request, providing guidelines for proper implementation of the GEF Project and Program Cycle Policy.

IDENTIFICATION OF ISSUES

3. The Secretariat reviewed the GEF Project and Program Cycle Policy and identified topics perceived as challenging in the absence of adequate operational guidance. Of the many topics that define the project/program cycle, the Secretariat, GEF Agencies, STAP, IEO and Trustee agreed that 13 needed additional written guidelines. These topics delved on the need and correctness of operational focal point letters of endorsement, clarity on eligible items for project preparation grants, procedures in addressing Council and other stakeholders' comments, thresholds and procedures for enabling activities including umbrella projects, Program's submission and resubmission procedures, project management cost, Agency's implementation versus execution functions, use of Agency fees, monitoring and evaluation components and budget, procedures for non-grant instrument projects, projects and programs reporting requirements, STAP reviews of full-sized projects, and project/program terminal evaluation.
4. The presentation of the final guidelines was sequenced following the outline of the Project and Program Cycle Policy document. The table below maps the topics in the policy paper vis-a-vis the operational guidelines that were developed.

Project and Program Policy Topics	Operational Guidelines Sequence
Full-sized Project Medium-sized Project	<ul style="list-style-type: none">• GEF Operational Focal Point Letter of Endorsement• Project Preparation Grant• Project and Program Monitoring and Evaluation Plans• Addressing Stakeholders' Comments¹• Use of Non-Grant Instruments
Enabling Activity	<ul style="list-style-type: none">• Enabling Activities
Program	<ul style="list-style-type: none">• Programs

¹ Further elaboration on the role of STAP can be found in the paper "The Role of STAP in the Project Cycle" as annexed in this information document.

Implementation, Monitoring, and Evaluation	<ul style="list-style-type: none"> • Implementation and Execution Functions, Agency Fee and Project Management Cost • Results-Based Management (RBM) Reporting Requirements • Project Amendment, Drop, Cancellation and Suspension • Project Transfer from One Agency to Another • Roles and Responsibilities of STAP in the GEF Project Cycle • Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects
Set-Aside, Commitment and Transfer of Funds	

WRITING THE GUIDELINES

5. These guidelines were written to codify current practices while clarifying issues whose processes and procedures were either vague or informal. They have been derived from Council documents. Every attempt was made to use the language of previously incomplete guidelines while cross-referencing it from previous Council documents. To add more clarity, however, rewording was sometimes necessary. This aimed to maintain coherence of the sentence structure without altering the substance and original intent of the message. Similarly, and when appropriate, additional language that not only reflects current practices, but is also relevant, applicable and reasonable, was included. Hence, these guidelines replace and supersede all previous guidelines associated with the GEF Project and Program Cycle.

CONSULTATIONS

6. Throughout the drafting of these guidelines, the Secretariat has consulted, through emails, teleconferences and meetings, with a Working Group established by the GEF Agencies. The Working Group was tasked to collectively review and comment on the draft guidelines. It focused on inconsistencies, omissions and insufficiency of references to relevant policies, guidelines and information documents. Once the Working Group went through the drafts, it distributed more advanced documents to the other GEF Agencies for additional comments. These comments were consolidated and submitted to the Secretariat for subsequent iterations. STAP, IEO and the Trustee were similarly consulted, especially on their roles in the GEF Project and Program Cycle. A final consultation meeting was held in Paris on March 28, 2017, with the participation of most of the partners. The meeting, chaired by the Secretariat, presented the most advanced draft for participants to provide their final views and to discuss issues that required further clarification.

GUIDELINES ON IDENTIFIED TOPIC AREAS IN THE PROJECT AND PROGRAM CYCLE

7. The gist of the set of guidelines on identified topics associated with the project and program cycle is summarized below. The Annexes accompanying this document as operational guidelines detail the full content. With these set of guidelines, it is expected that the partnership has a clear understanding and interpretation of the GEF Project and Program Cycle Policy. Thus, the effectiveness of the cycle will improve.

- (i) GEF Operational Focal Point Letter of Endorsement. Endorsement by the GEF operational focal point (OFP) is a requirement for all GEF funding requests, including STAR, non-STAR and global and regional set-aside funding. Through the letter of endorsement, the GEF OFP ensures that the project is consistent with national strategies and priorities and confirms the country's commitment to support the project. (See Annex 1).
- (ii) Project Preparation Grant. A Project Preparation Grant (PPG) is the funding to support preparation of a full-sized project (FSP) or medium-sized project (MSP). Where feasible, PPG could complement other sources of finance for project preparation. Recourse to PPG funds is optional. There may be cases where GEF PPG funds are not required or where the level of project preparation is already sufficiently advanced. This guideline clarifies the required process to request PPG funds, as well as the type of activities that can be covered with these funds (See Annex 2).
- (iii) Project and Program Monitoring and Evaluation Plans. The GEF Monitoring and Evaluation Policy 2010 (M&E Policy) states that all projects and programs will include a concrete and fully budgeted M&E plan by CEO endorsement for full-sized projects and CEO approval for medium-sized projects. Therefore, a clear understanding of activities that constitute an M&E Plan is required in the preparation and planning of projects and programs (See Annex 3).
- (iv) Addressing Stakeholders' Comments. When a GEF Agency submits projects to the GEF Secretariat for review and clearance, it simultaneously copies STAP, the relevant Convention Secretariats and other GEF Agencies to promote transparency and to solicit additional comments that may add value to the review process. Through the Secretariat, the Agencies' project proposals are likewise circulated to Council members for their comments. The guideline outlines the process for GEF Agencies on how they should address all stakeholders' comments at both concept and endorsement stages (See Annex 4). For full STAP guidelines, refer to "The Role and Responsibilities of STAP in the GEF Project Cycle".
- (v) Use of Non-Grant Instruments. For the GEF, a Non-Grant Instrument (NGI) provides financing in a form that could generate financial returns, irrespective of whether such financial returns flow back to the GEF Trust Fund. Financial returns

comprise funds or proceeds that are collected from the beneficiaries of projects/programs using NGIs. This includes the original investment amount, principal, earnings or interest from the investment, dividends, proceeds from the sale of equity stakes, and repayment of original reserves and guarantees. The guideline clarifies the required processes for GEF Agencies to avail of these NGI funds (See Annex 5).

- (vi) Enabling Activities. Enabling Activities (EA) are projects to fulfil essential communication requirements to a Convention. The GEF currently finances EA related to the five conventions, which are the Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC), Stockholm Convention on Persistent Organic Pollutants (POPs), UN Convention to Combat Desertification (UNCCD) and Minamata Convention on Mercury. The guideline clarifies the established procedures for EA considering the different types and processing modalities (See Annex 6).
- (vii) Programs. Programmatic frameworks have greater flexibility in program design. They feature a Project Framework Document (PFD) commitment deadline rather than the current fixed country and child-project plan. Because of this latitude, they enable project concepts to be developed during program implementation rather than all in advance. The guideline provides procedures to submit and resubmit Programs (See Annex 7).
- (viii) Implementation and Execution Functions, Agency Fee and Project Management Costs. The GEF Minimum Fiduciary Standards distinguish between the implementation and executive functions. With this guideline, all GEF Agencies and Project Executing Entities are expected to have a clear understanding of the differences between these two functions, as well as the sources that finance these functions (See Annex 8).
- (ix) Results-Based Management (RBM) Reporting Requirements. The RBM system of the GEF Secretariat aims to improve management effectiveness and accountability. It defines expected results and targets, monitors progress toward the achievement of expected results and targets, integrates lessons learned into management decisions and reports on performance. The processes in place to operationalize these policies ensure the alignment of objectives and indicators with GEF focal strategies and goals, as well as broader corporate results, including global environmental benefits. Within this context, Agencies must fulfil several reporting requirements across the different types of interventions at different stages of the life cycle of a project, program or activity (See Annex 9).
- (x) Project Amendment, Drop, Cancellation or Suspension. At any stage of the project cycle, the country, GEF Agencies or the GEF Secretariat may recommend amending / dropping / cancelling / suspending a project. The decision is based on changes in national priorities, poor implementation performance (that shows

the project can no longer meet its objectives) and unmet benchmarks for project preparation, among others. The guideline provides clarity on procedures for any of the circumstances mentioned (See Annex 10).

- (xi) *Project Transfer from One Agency to Another.* GEF Agencies are responsible for the implementation of the project. This entails oversight of execution to ensure the project meets agreed standards and requirements. However, during preparation or implementation, circumstances may prompt the transfer of a project from one GEF Agency to another. The guideline describes the procedures for such transfer (See Annex 11).
- (xii) *Roles and Responsibilities of STAP in the GEF Project Cycle.* The Scientific and Technical Advisory Panel (STAP) provides strategic scientific and technical advice to the GEF. The STAP Secretariat and Panel members screen project concepts, which are submitted to the GEF through Project Identification Forms (PIFs) and Program Framework Documents (PFDs). These identify, at an early opportunity, whether a project proposal could benefit from scientific advice in its further preparation. They also identify whether the project proponents have the knowledge and understanding of science and technology relevant to the proposed investment. The Guideline was prepared by STAP as it defines its role and responsibilities in relation to the GEF project cycle (See Annex 12).
- (xiii) *Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects.* The *GEF Monitoring and Evaluation Policy* (2010) specifies that each GEF full-sized project will be evaluated at the end of implementation. The terminal evaluations, i.e. evaluations conducted at the end of implementation, are expected to provide a comprehensive and systematic account of performance. They assess design, implementation and achievement of objectives. The GEF Independent Evaluation Office prepared and approved the guideline on Terminal Evaluation (See Annex 13).

NEXT STEPS

8. The GEF Project and Program Policy now supersedes all Council papers previously related to the project cycle. This new set of complementary guidelines provides additional clarity to operational processes and procedures. As a result, the Secretariat is better placed to enable users to access both the Policy and the Guidelines through a web-based tool.

9. Depending on new directions for the business model in GEF-7, the Secretariat stands ready for further updates/revisions in consultation with the GEF partners.

SUPPLEMENTAL GUIDELINES TO THE GEF PROJECT AND PROGRAM CYCLE POLICY

- Annex 1 GEF Operational Focal Point Letter of Endorsement
- Annex 2 Project Preparation Grant
- Annex 3 Project and Program Monitoring and Evaluation Plans
- Annex 4 Addressing Stakeholders' Comments
- Annex 5 Use of Non-Grant Instruments
- Annex 6 Enabling Activities
- Annex 7 Programs
- Annex 8 Implementation and Execution Functions, Agency Fee and Project Management Cost
- Annex 9 Results-Based Management (RBM) Reporting Requirements
- Annex 10 Project Amendment, Drop, Suspension and Cancellation
- Annex 11 Project Transfer from one Agency to Another
- Annex 12 Roles and Responsibilities of STAP in the Project Cycle
- Annex 13 Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects

ANNEX 1: GEF OPERATIONAL FOCAL POINT LETTER OF ENDORSEMENT

I. INTRODUCTION

1. Through the Letter of Endorsement (LoE), the GEF Operational Focal Point (GEF OFP)² confirms the project is consistent with national priorities. Furthermore, the GEF OFP ratifies the project has been discussed with relevant stakeholders. It also confirms the country has committed to providing the necessary support to the project, while aiming to achieve its expected results and long-lasting impacts.³ This guideline clarifies the procedures and requirements in the preparation and use of LoE.

II. GUIDELINES ON THE USE OF OFP LETTER OF ENDORSEMENT

2. The LoE⁴ signed⁵ by the current⁶ country's GEF OFP is a requirement⁷ when requesting GEF funding through any of the following:

- Project Identification Form (PIF) for Full-sized Project or Medium-sized Project (two-steps)
- Program Framework Document (PFD) for Programs
- Medium-sized Project (one-step)
- Project Preparation Grant (if separately requested from PIF or from PFD Child Projects)
- Enabling Activities submitted through a GEF Agency (including umbrella projects)⁸
- Major amendments (for MSPs or FSPs).⁹

3. The LoE indicates the GEF project financing being requested includes project preparation grants (if any) and associated Agency fees. The LoE needs to be included at the time of PIF/PFD submission for FSPs, MSPs two-steps and Child Projects included in Programs. It must be included at the time of MSP Approval Request submission for MSPs one-step/EA

² The GEF Operational Focal Point is a government official nominated by a GEF Participant (as defined by the Instrument) who acts as the principal contact point for GEF activities in the country. A list of all GEF OFPs can be found here: https://www.thegef.org/focal_points_list

³ The GEF shall fund programs and projects which are country-driven and based on national priorities designed to support sustainable development and shall maintain sufficient flexibility to respond to changing circumstances in order to achieve its purposes – see Instrument for the Establishment of the Restructured Global Environment Facility, March 2015 – paragraph 4.

⁴ The GEF OFP must use the LoE templates on the GEF website, which can be accessed at <http://www.thegef.org/documents/templates>. This template contains the minimum information requested.

⁵ Electronic signature is valid.

⁶ By the time when the project is submitted to the Secretariat.

⁷ The *GEF Project and Program Cycle Policy*, GEF/OP/PL/01, November 2016.

⁸ For umbrella projects, LoE for all participant countries need to be submitted at CEO Endorsement/Approval request at the latest.

⁹ When requesting an increase in the GEF project financing; see guidelines on project amendment, drop, suspension and cancellation.

Approval Request for Enabling Activities submitted through a GEF Agency. In cases where a PPG was not requested at the time of PIF¹⁰ clearance/approval, the GEF OFP letter of endorsement requesting such a PPG may be submitted separately using the same template together with the Request for Project Preparation Grant Template.¹¹

4. If the proposed project falls under the STAR (Biodiversity, Climate Change and Land Degradation), the LoE should explicitly indicate the GEF OFP's consent to the utilization of its country allocation as per the language in the standard LoE template.¹² If the country wants to use the flexibility mechanism,¹³ the letter should explicitly mention the actual amount to be endorsed for that project out of the sum total of GEF-6 indicative allocations for the three focal areas; it should also indicate use of the flexibility provision. Finally, it needs to include explicit reference to any project preparation grants (PPG) and associated Agency fees as per the language in the standard LoE template.

5. For projects that require funding allocation from non-STAR focal areas (International Waters and Chemicals and Waste), GEF OFP LoE¹⁴ is still required. It must certify the project's activities are aligned with national priorities and also supported by the country. It also needs to include explicit reference to any project preparation grants (PPG) and associated Agency fees as per the format in the standard LoE template.

6. There are two cases in which the GEF OFP LoE is not required:

- (i) Global or regional projects with no GEF project-funded activities in the countries;
- (ii) Projects using Non-grant instruments with the participation of more than one country.¹⁵

7. For global or regional projects with GEF project-funded activities in countries, all participant countries may not be identified by the time of PIF submission. If, during the preparation phase, a new country is identified, the GEF OFP Letter of Endorsement for the new participant country needs to be submitted by the time of CEO Endorsement/Approval request at the latest.

III. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016
- *Project Cancellation, POLICY: OP/PL/01*, June 2015

¹⁰ Or Child Projects for Programs.

¹¹ Access templates at <http://www.thegef.org/documents/templates>

¹² Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6 - GEF/C.46/05/Rev.01 – page 14.

¹³ As presented in the Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6 - GEF/C.46/05/Rev.01 – pages 13 and 14.

¹⁴ The GEF OFP must use the LoE templates on the GEF website, which can be accessed at <http://www.thegef.org/documents/templates>. This template contains the minimum information requested.

¹⁵ Revised Strategy for Enhancing Engagement with the Private Sector - GEF/C.41/09/Rev.01 – page 11. Also see Operational Modalities for Public Private Partnership Programs - GEF/C.42/Inf.08 – page 2 and page 8. Conversely, GEF OFP Letter of Endorsement is required if the proposed PPP is specific to one country.

- *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6 - GEF/C.46/05/Rev.01*
- *Revised Strategy for Enhancing Engagement with the Private Sector - GEF/C.41/09/Rev.01*
- *GEF Project and Programmatic Approach Cycles, GEF/C.39/Inf.3, November 2010*
- *Streamlining the Project Cycle & Refining the Programmatic Approach, GEF/C.38/5/Rev.1, June-July 2010*
- *From Projects to Programs: Clarifying the Programmatic Approach in the GEF Portfolio, GEF/C.33/6, April 2008*
- *GEF Project Cycle Update: Clarification of Policies and Procedures for Project Amendments and Drops/Cancellation, GEF/C.24/Inf.5, November 2004*
- *GEF Project Cycle: An Update, GEF/C.22/Inf.9, November 2003*
- *GEF Project Cycle, GEF/C.4/7, May 1995*

ANNEX 2: PROJECT PREPARATION GRANT

I. INTRODUCTION

1. A Project Preparation Grant (PPG) is the funding provided to support preparation of a full-sized project (FSP) or medium-sized project (MSP). Where feasible, PPG could complement other sources of finance for project preparation. Recourse to PPG funds is optional. There may be cases where GEF PPG funds are not required or where the level of project preparation is already sufficiently advanced. This guideline clarifies the required process to request PPG funds, as well as the type of activities that can be covered with these funds.

II. GUIDELINES ON PROJECT PREPARATION GRANT (PPG)

2. Requesting for PPG: PPG request can be submitted in the following time frame in accordance with the project need. The CEO decides whether to approve the PPG¹⁶:

- (a) PPGs can be requested as part of the submission of a Project Identification Form (PIF) for both FSPs or for MSP using a two-step approval process¹⁷ by selecting the appropriate box in Section E of the template.¹⁸
- (b) If not requested at PIF stage, PPG can also be requested separately any time before the CEO endorsement submission of FSP or CEO approval submission of MSP. The Request for PPG template, available on the GEF website, should be submitted.¹⁹
- (c) For MSPs using the one-step approval process that may have advanced the use of a PPG, this PPG amount can be included for reimbursement as part of the MSP submission for CEO approval.²⁰ The appropriate box in section G of the one-step MSP approval template should be selected.²¹
- (d) For Child Projects under a program, PPGs can be individually requested at the same time or after Council approves the Program Framework Document (PFD). However, they must be requested before Child Projects are submitted for CEO endorsement or approval. The Request for PPG template to be submitted at the time of PFD submission or after the PFD is approved by Council, is available on the GEF website.²²

¹⁶ Project and Program Cycle Policy, Policy OP/PL/01, November 2016 – pages 6, 8 and 9

¹⁷ Project and Program Cycle Policy, Policy OP/PL/01, November 2016 – pages 6 and 9

¹⁸ Access the PIF template at <https://www.thegef.org/documents/templates>

¹⁹ Access the Request for Project Preparation Grant Template at <https://www.thegef.org/documents/templates>

²⁰ Project and Program Cycle Policy, Policy OP/PL/01, November 2016 – page 8

²¹ Access the one-step medium-sized project approval template at <https://www.thegef.org/documents/templates>

²² Access the Request for Project Preparation Grant template at <https://www.thegef.org/documents/templates>

3. Limits for PPG Amount: The amount of PPG that can be requested is proportional to the size of the project as follows:²³

- (a) For MSPs of up to USD 2 million, the limit is up to USD 50,000;
- (b) For FSPs up to USD 3 million, the limit is up to \$100,000;
- (c) For FSPs up to USD 6 million, the limit is up to USD 150,000;
- (d) For FSPs up to USD 10 million, the limit is up to USD 200,000; and
- (e) For FSPs above USD 10 million, the limit is up to USD 300,000.²⁴

4. PPG fee: The percentage of PPG fee follows the fee level of the related FSP, MSP or Program and is irrespective of the size of the PPG.²⁵ The GEF Agency can request the PPG fee in full from the Trustee upon approval of the PPG.

5. Approval of PPG: The CEO issues a PIF clearance letter for FSP and the approval of PPG and associated fee once the PIF is considered for work program inclusion. Similarly, the CEO issues the PIF and PPG approval letter for a two-step MSP. For a one-step MSP, the CEO issues an MSP approval letter that includes the reimbursable PPG, if any.

6. Eligible Activities Covered by PPG: The GEF Agency together with the executing partner and the recipient country agree on the activities needed for preparing the project. A list of eligible and ineligible PPG activities is provided in Table 1 and 2.

7. Reporting Requirements for PPG: By the time the project is submitted for CEO Endorsement/Approval, the PPG funding might have been fully utilized and reported under Annex C (*Status of Implementation of Project Preparation Activities and the Use of Fund*) in the CEO Endorsement/Approval template. Any PPG funding not fully used at CEO Endorsement/Approval should be indicated. The Agency can continue to use the remaining funds on the eligible expenditure items under PPG as presented in Table 1 within one year after the project has been CEO Endorsed/Approved. Thereafter, any unused PPG funds will be returned to the respective Trust Fund²⁶ following the Financial Procedures Agreement between the GEF Agency and the Trustee. The GEF Agency reports on the closure of the PPG in the quarterly report submitted to the Trustee.

III. RELATED DOCUMENTS AND REFERENCES

- *GEF-6 Project Identification Form Template, August 2016*

²³ On an exceptional basis, PPG amounts may be higher. The GEF Agency provides a justification. The Secretariat assesses such requests and recommends to the CEO whether to approve them. Child Projects under a program follow the same rule as regular FSPs or MSPs.

²⁴ For regional and global projects, GEF Agencies can request a higher PPG amount with justification. The Secretariat assesses such requests and recommends to the CEO whether to approve them.

²⁵ See PIF template, August 2016, footnote 6: PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

²⁶ GEF Trust Fund, LDCF, SCCF or CBIT as appropriate.

- *GEF-6 CEO Endorsement/Approval Template*, August 2016
- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016
- *Progress Report on the GEF Project Cycle Streamlining and Harmonization Process*, GEF/C.46/Inf.13, May 2014
- *PPG Template (for previously approved PIF)*, December 2013
- *Progress Report on the GEF Project Cycle Streamlining Measures*, GEF/C.45/04, November 2013
- *Streamlining of Project Cycle*, GEF/C.43/06, November 2012
- *GEF Policies on Environmental and Social Safeguards and Gender Mainstreaming*, GEF/C.40/10/Rev.1, May 2011
- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *Proposal for Revising the Fee System*, GEF/C.23/8, May 2004
- *Proposal for Revising the Fee System*, GEF/C.23/8/Rev.1, June 2005
- *Project Development and Preparation Facility (PDF)*, GEF/C.3/6, February 1995

Table 1. Examples of eligible expenditures under Project Preparation Grant (PPG)

Examples of Eligible Expenditure Items

For In-country Preparations of GEF project submission:

- Local consultations, national hearings and/or workshops to inform about GEF purposes and procedures or to discuss specific project and program ideas. This could include translation into local languages where appropriate and preparation of background papers that could facilitate discussion.
- Travel costs for local experts for consultations and discussions with interested parties and stakeholders, and local participation where warranted in project design.
- Local workshops to discuss a project concept and provide a platform for divergent views on its efficacy.
- Consultancies to develop program and/or project options. This could include preparation of terms of reference for pre-feasibility studies, feasibility studies, basic costing, technical and scientific design parameters, financial plan, assessment of incremental cost, strategy papers and where possible, the preparation of such papers.
- Free prior and informed consent and related consultations where appropriate to ensure environmental and social safeguard standards are met.
- Assistance in preparing national and/or sectoral plans and programs (such as energy, industry or agriculture) that have direct bearing on project design; national policy analysis, and inventories and data analysis in support of the proposed project.
- Costs of translating documents into and out of English.
- Assessing capacity of executing partners.

In addition, for regional and global projects:

- In-country cost in eligible recipient countries, including travel and subsistence costs of recipient country experts to consultations associated with the development of a regional or global program.

Table 2. Examples of ineligible expenditures under Project Preparation Grant (PPG)

- Costs associated with the work of government staff or regular project/program activities of a GEF Agency or a Project Executing Entity (EA).
- Non-project preparation costs including: project start-up costs; demonstration and pilot projects; implementation of large-scale enabling activities, including detailed country-wide inventories and country studies, training activities other than where they are directly related to project and/or country preparation and major research.
- Capital goods other than those directly required for project preparation, such as computers and engineering equipment.
- Goods and services that can be procured through funding channels other than the GEF.

ANNEX 3: PROJECT AND PROGRAM MONITORING AND EVALUATION PLANS

I. INTRODUCTION

1. The GEF Monitoring and Evaluation Policy 2010 (M&E Policy) states that all projects and programs will include a concrete and fully budgeted M&E plan by CEO endorsement for full-sized projects and CEO approval for medium-sized projects.²⁷ Therefore, understanding what activities constitute an M&E Plan is required for preparation and planning of projects and programs.

2. In the GEF context, monitoring is the continuous or periodic process of collecting and analyzing data to measure the performance of a program, project or activity. The M&E Policy enhances the responsibility of the GEF Secretariat and GEF Agencies for monitoring at the portfolio and project levels. It stresses that *monitoring* tells whether the organization, country, portfolio or project is on track to achieving its intended objectives.²⁸

3. Evaluation is the systematic and independent assessment of ongoing or completed projects or programs, along with their design, implementation and results, that aim to determine the relevance of objectives, development efficiency, effectiveness, impact and sustainability. The M&E Policy highlights that *evaluation* provides information on whether the project or portfolio achieves its objectives. In this context, evaluation also provides evidence on how changes are taking place, and the strengths and weaknesses of the design of the projects, programs or corporate strategies.²⁹

II. GUIDELINES FOR DETERMINING M&E BUDGETS FOR PROJECTS AND PROGRAMS

4. Project/Program Concept Stage: At the concept stage, an M&E budgeted plan is not required. However, in anticipation of this requirement at the time of project endorsement/approval, the GEF Agency and Executing Partner (s) and stakeholders need to budget for the M&E plan in the total cost of the project/program. The indicative estimated cost of the M&E Plan needs to be included in Table B of the PIF and PFD Template.³⁰

5. CEO Endorsement/Approval Stage: During the project preparation stage, the GEF Agency and the Project Executing Entity (EA) refine and finalize the budgeted M&E activities for a full-sized or a medium-sized project. They subsequently describe this plan in the CEO Endorsement/Approval template under item C, Part II-Project Justification.³¹

²⁷ The GEF Monitoring and Evaluation Policy 2010 – page 29

²⁸ The GEF Monitoring and Evaluation Policy 2010 – page 1

²⁹ The GEF Monitoring and Evaluation Policy 2010 – page 1

³⁰ Access templates at <http://www.thegef.org/documents/templates>

³¹ See [GEF-6 Request for Endorsement/Approval Template](#) for both Full-sized and Medium-sized Projects under Item C, Part II – Project Justification – access templates at <http://www.thegef.org/documents/templates>.

6. The GEF Agency and the EA should work together to define which M&E activities would be performed by each party and the appropriate cost category to which these activities belong.³² Activities that can be included in the M&E Plan are listed in Table 1.

Table 1: Examples of Activities for M&E Plan³³

- Inception/closure workshop
- Inception Report
- Standard GEF Agency monitoring and reporting requirements
- Monitoring and evaluation of indicators in project results framework
- GEF Project Implementation Report (PIR)
- Supervision missions
- Knowledge management
- Monitoring of environmental and social risks, and corresponding management plans as relevant
- Learning missions /site visits
- Mid-term GEF Tracking Tool to be updated
- Mid-term Review (MTR)
- Final GEF Tracking Tool to be updated
- Independent Terminal Evaluation (TE) included in the GEF Agency evaluation plan

III. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016
- *The GEF Monitoring and Evaluation Policy 2010*, November 2010
- *Revision of the GEF Monitoring and Evaluation Policy*, GEF/ME/C.39/6/Rev.1, November 2010

³² For example, reporting is both an M&E activity, as well as part of the day-to-day management functions of the EA. Reporting on monitored data on project-specific activities is an eligible project-level M&E activity. On the other hand, routine project progress reports by the EA to the GEF Agency should be charged to project management costs – please see guideline on Implementation and Execution Functions, Agency Fee and Project Management Cost.

³³ Activities will be conducted with the participation of EAs, GEF Agencies and relevant stakeholders as appropriate.

ANNEX 4: ADDRESSING STAKEHOLDERS' COMMENTS

I. INTRODUCTION

1. When a GEF Agency submits to the GEF Secretariat for review and clearance of a PIF³⁴, MSPs approval template for MSP one-step or a PFD, it simultaneously copies STAP, the relevant Convention Secretariats and other GEF Agencies. The aim is to promote transparency and to solicit additional comments that may add value to the review process. This guideline outlines the process for GEF Agencies to address all stakeholders' comments on their projects and programs.

II. GUIDELINES ON OTHER AGENCIES' COMMENTS

2. Maintaining coordination and transparency throughout the project cycle is a requirement for implementation of GEF projects.³⁵ To that end, proponents circulate their project proposals to GEF Agencies, among others, through an established mechanism. This enables Agencies to provide helpful comments in the following ways:

- Point out duplication of efforts in the project area based on their knowledge of the same GEF Agency and/or other international organizations may be doing regarding similar or complementary activities on the ground;
- Advise the project proponent on how to further strengthen elements of the proposed project by sharing lessons learned from similar or complementary projects in the region;
- Improve the merit and soundness of the project; and
- Suggest complementarity to carry out the work based on their comparative advantage.

3. The Agency submits PIFs, MSPs approval template for MSP one-step and PFDs to the Secretariat on a rolling basis, copying other Agencies, STAP and the relevant Convention Secretariats.³⁶

4. Within five business days³⁷ after receiving the FSP or the Program, other GEF Agencies should provide any comments directly to the proponent Agency with a copy to the Secretariat. The Secretariat will upload the comments on PMIS.

5. Proponent Agency response to other Agencies' Comments on the FSP/Program. The proponent Agency should respond directly to the other Agencies on their comments, if any, with a copy to the Secretariat. The Secretariat will upload the responses on PMIS.

³⁴ Including PIFs for MSPs two-steps

³⁵ See GEF/C.12/9 para 15

³⁶ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 6 and 12

³⁷ GEF Project Cycle, GEF/C.31/7, June, 2007 - para 6

6. Proponent Agency response to Other Agencies' Comments when submitting the request for CEO Endorsement/Approval. When preparing the request for CEO Endorsement/Approval, the proponent Agency should respond adequately to any comments from other Agencies received after Council approval on the FSP/Programs, as well as explain how it has incorporated comments into the Project Document in Annex B of the Request for Project Endorsement/Approval Template.

III. GUIDELINES ON CONVENTION SECRETARIAT'S COMMENTS³⁸

7. Relevant Convention Secretariats should provide their comments within five business days³⁹ after receiving the FSP or the Program directly to the proponent Agency with a copy to the GEF Secretariat. The GEF Secretariat uploads the comments on PMIS.

8. Proponent Agency response to Relevant Convention Secretariats' Comments on the FSP/Program. The proponent Agency should respond directly to the relevant Convention Secretariat regarding their comments, if any, with a copy to the GEF Secretariat. The GEF Secretariat will upload the responses to PMIS.

9. Proponent Agency response to Convention Secretariat's Comments when submitting Request for CEO Endorsement/Approval. When preparing the project for CEO Endorsement, the Agency should respond adequately to any comments from the Convention Secretariats received after Council approval on the FSP/Programs, as well as explain how the comments have been incorporated into the Project Document in Annex B of the Request for Project Endorsement/Approval Template.

IV. GUIDELINES ON COUNCIL COMMENTS⁴⁰

ADDRESSING COUNCIL COMMENTS AT CEO ENDORSEMENT

10. The Council reviews a work program at its biannual meetings. As well, it reviews intersessional work programs with decision by mail on a no-objection basis between Council meetings.⁴¹ Four weeks prior to the Council meeting or prior to the deadline of a decision by mail, the work program is posted on the GEF website and circulated to Council Members. Council Members have two additional weeks after the work program is approved in a Council meeting to submit supplementary comments.⁴²

11. Compilation of Council comments. The Secretariat compiles Council members' comments, forwards them to all Agencies and posts them on the GEF website. In the case of

³⁸ For Chemicals and Waste Focal Area, the Multilateral Fund Secretariat can also submit comments as it deems necessary.

³⁹ GEF Project Cycle, GEF/C.31/7, June, 2007 - para 6

⁴⁰ Council comments are provided exclusively to FSPs and Programs.

⁴¹ Subject to resource availability.

⁴² Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 7. The two additional weeks to provide written comments don't apply in the case of intersessional work programs.

intersessional work programs, the Secretariat compiles Council Members' comments provided by the deadline of the decision by email. The Agencies are also notified of these comments through the Weekly Program Management Bulletin.

12. Proponent Agency Response to Council comments when submitting projects for CEO Endorsement. The proponent Agency will incorporate as appropriate Council comments received at work program approval either during a Council meeting or by email for intersessional work programs during project preparation. The Agency should respond adequately to comments from Council members received on the FSP/Program, as well as explain how comments have been incorporated into the Project Document in Annex B of the Request for Project Endorsement/Approval Template.

13. Proponent Agency Response to additional Council comments prior to CEO Endorsement. At the time of work program approval, a Council member can request to circulate a project's CEO Endorsement Request and the Final Project Document to the Council for review four weeks prior to Endorsement.⁴³ Any Council member may submit additional comments that require further clarifications. If so, Council members send comments directly to the GEF Agency with a copy to the Secretariat. The Secretariat assesses whether the answers from the GEF Agency address the Council member's comments.⁴⁴ On that basis, the CEO can issue an LoE.

ADDRESSING COUNCIL COMMENTS ON A PROJECT MAJOR AMENDMENT SUBMITTED FOR CEO ENDORSEMENT/RE-ENDORSEMENT

14. Agency response to Council comments on a major project amendment.⁴⁵ When an Agency requests CEO endorsement for a project with a major amendment,⁴⁶ the proposal is circulated for four weeks to Council for its comments and approval. Council members send comments directly to the GEF Agency with a copy to the Secretariat. The Secretariat assesses whether the answers from the GEF Agency address the Council member's comments.⁴⁷ On that basis, the CEO can convey Council approval of the proposed project as amended with an endorsement/re-endorsement letter.

15. Council Objection to the Amendment. At the end of the four-week circulation period for the project amendment, if four or more Council Members raise an objection because in their view the proposed project with the proposed amendments is not consistent with the GEF

⁴³ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 7

⁴⁴ If requested by the Secretariat, the Agency communicates directly with the Council Member to clarify or resolve any issues, with a copy to the Secretariat.

⁴⁵ See guidelines on Project Amendment, Drop, Suspension and Cancellation.

⁴⁶ This is defined in the Policy as a change in project design or implementation that has a significant impact on the project's objectives or scope, or an increase of the GEF Project Financing of more than 5%.

⁴⁷ If requested by the Secretariat, the Agency communicates directly with the Council member to clarify or resolve any issues, with a copy to the Secretariat.

Instrument or GEF policies or procedures, the CEO endorsement will be withheld and the project may be resubmitted to a subsequent Council meeting.⁴⁸

V. GUIDELINES ON STAP COMMENTS⁴⁹

16. STAP provides independent scientific and technical advice to enhance the scientific and technical quality of projects. STAP carries out this mandate by screening PIFs/PFDs and reviewing projects on a selective basis upon request from the GEF Secretariat or the GEF Agency. The screening is completed, whenever possible, within a three-week period of the STAP Secretariat receiving the GEF work program.⁵⁰

17. STAP uses a standard screening template to provide scientific and technical advice based on knowledge of the scientific literature and technical evidence from experiences elsewhere. STAP also considers the soundness of the scientific approach, including *inter alia* the use of indicators, scientific methods and experimental design. STAP uses Part II of the PIF/PFD templates to provide this advice. STAP screens full-sized projects, programs, and targeted or applied, research proposals⁵¹. STAP comments are included in the GEF Secretariat’s Review Sheet.

18. Agency response to STAP comments at project concept stage and prior to CEO endorsement. STAP comments are provided directly to Agencies at the concept stage when the project is included in a Work Program. Agency response is encouraged as early as possible. However, it is required by the time of CEO endorsement request. As shown below, STAP rates its advisory response as concur, minor issues, or major issues, to consider during the project design. The expected Agency action for each of the STAP’s rating is indicated below and should be included in Annex B of the Request for Project Endorsement / Approval Template and incorporate actions as appropriate in the Project Document.

19. Agencies are welcome to approach STAP to have a dialogue on any technical and scientific advice, especially if the rating is “Major issues to be considered during project design”. This will allow the opportunity for the Agency to discuss STAP’s concerns as early as possible during the project development, and confer how to address STAP’s advice.

STAP advisory response	Brief explanation of advisory response and action proposed
1. Concur	STAP acknowledges that on scientific or technical grounds the concept has merit. The proponent is invited to approach STAP for advice at any time during

⁴⁸ GEF Project and Programmatic Approach Cycles, GEF/C.39/Inf.3, November 2010, page 19, para. 79

⁴⁹ STAP comments are provided exclusively to FSPs, Programs and targeted or applied research proposals. However, STAP screens enabling activity projects if they establish there is a significant technical component that warrants a review.

⁵⁰ Terms of Reference of the Scientific and Technical Advisory Panel (March 2012), para 17

⁵¹ Research within the GEF: Proposals for Revising the Targeted Research Modality, GEF/STAP/C.43/Inf.02, para 19

	the development of the project brief prior to submission for CEO endorsement.
2. Minor issues to be considered during project design	STAP has identified specific scientific /technical suggestions or opportunities that should be discussed with the project proponent as early as possible during development of the project brief. The proponent may wish to: (i) Open a dialogue with STAP regarding the technical and/or scientific issues raised. (ii) Set a review point at an early stage during project development, and possibly agreeing to terms of reference for an independent expert to be appointed to conduct this review. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
3. Major issues to be considered during project design	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical methodological issues, barriers, or omissions in the project concept. If STAP provides this advisory response, a full explanation would also be provided. The proponent is strongly encouraged to: (i) Open a dialogue with STAP regarding the technical and/or scientific issues raised. (ii) Set a review point at an early stage during project development including an independent expert as required. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.

VI. GUIDELINES ON GEF SECRETARIAT’S COMMENTS

ADDRESSING SECRETARIAT’S COMMENTS AT CONCEPT AND ENDORSEMENT/APPROVAL STAGES

20. The Secretariat shall, on behalf of the Council, provide the proper and adequate review of projects and work program proposals⁵² within ten business days. Therefore, the Secretariat provides comments to FSPs, MSPs, EAs and Programs through the Review Sheet. The Secretariat’s comments are provided both at the concept stage and at the CEO Endorsement/Approval stage. The latter applies only to the Child Projects under the Program.⁵³

21. Depending on the extent of the Secretariat’s comments, Agencies are expected to consult with the national project stakeholders and respond to these comments adequately. They provide replies and address changes made in the review sheet. This sometimes requires a resubmission of the Project/Program (at concept stage) or the Request for CEO Endorsement/Approval template (at endorsement / approval stage). Agencies can also contact the Secretariat any time during the project review period to discuss any issues outlined in the review sheet. The aim is to facilitate understanding of the required actions before resubmitting a Project/Program Document. Satisfactory responses from the Agency allows the Secretariat to recommend for clearance/approval of the Project/Program for inclusion in a work program for

⁵² Instrument for the Establishment of the Restructured Global Environment Facility, October 2011, para 21c

⁵³ For MSPs one-step and Enabling Activities, the Secretariat provides any comments at MSP/EA Approval Request.

Council approval, or to recommend for CEO Endorsement/Approval on fully prepared FSPs/MSPs.

22. For Enabling Activities above USD 1 million, the procedures are similar to a MSP one-step modality. However, the Secretariat's comments are conveyed using the GEF Secretariat Review for Enabling Activity Proposal Template. For Enabling Activities above USD 2 million, the procedures are similar to a FSP modality. However, the Secretariat's comments are conveyed using the GEF Secretariat Review for Enabling Activity Proposal Template.

VII. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *Project and Program Cycle Policy*, Policy OP/PL/ 01, November 2016
- *GEF Project Cycle*, GEF/C.31/7, June, 2007

ANNEX 5: USE OF NON-GRANT INSTRUMENTS

I. INTRODUCTION

1. The use of Non-Grant Instruments (NGIs) in a GEF project allows the use of funds in a form that has the potential to generate financial returns, irrespective of whether such financial returns flow back to the GEF Trust Fund. Financial returns comprise funds or proceeds that are collected from the beneficiaries of projects/programs using NGIs.⁵⁴ These include the original investment amount, principal, earnings or interest from the investment, dividends, proceeds from the sale of equity stakes, and repayment of original reserves and guarantees.⁵⁵

2. The GEF encourages the use of NGIs to foster higher leverage and, often, greater private sector engagement. In cases where NGIs are used in a project with no expectation of reflows, standard project guidelines apply. This guideline clarifies the required processes for the GEF Agencies to access funds for use of NGIs with an expectation of reflows to the GEF Trust Funds.

II. GUIDELINES IN PROCESSING PROJECTS USING NGIs

3. Projects requesting NGI resources with expected reflows to the GEF Trust Funds can be submitted as Programs, FSPs and/or MSPs.⁵⁶ Programs and FSPs can be submitted for Council approval as part of a regular work program. However, while Programs can only be approved through a meeting, FSPs can also be approved at Council meetings and intersessionally. MSPs can be submitted on a rolling basis for CEO approval.⁵⁷

4. A GEF Agency is eligible to request NGI resources if it can demonstrate the following:⁵⁸

- (a) Ability to accept financial returns and transfer from the GEF Agency to the GEF Trust Fund;
- (b) Ability to monitor compliance with non-grant instrument repayment terms;
- (c) Capacity to track financial returns (semester billing and receiving) not only within its normal lending operations, but also for transactions across trust funds;
- (d) Commitment to transfer reflows twice a year⁵⁹ to the GEF Trust Fund;
- (e) And, in case of NGI for private sector beneficiaries:
- (f) Track-record of repaid principal and financial returns from private sector beneficiaries to the GEF Agency.

⁵⁴ May refer to credit guarantee, performance risk guarantee, structured financing, equity/investment fund, revolving equity fund, contingent loan, concessional loan, or revolving loan fund as described in Policy: FI/PL/02.

⁵⁵ GEF/C.47/06 GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments, Annex 1, para 3

⁵⁶ GEF/C.47/06 GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments, para 10

⁵⁷ Applications from GEF Agencies for the Pilot will follow similar procedures as in GEF-5, as described in GEF/C.42/Inf.08, Operational Modalities for Public Private Partnership Programs. However, all modalities (Programs, FSPs and MSPs), will follow the content of the Project and Program Cycle Policy (OP/PL/ 01, November 2016).

⁵⁸ GEF/C.47/06 GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments, Annex I - para 10.

⁵⁹ A different schedule of transfer can be negotiated with the Trustee and the Secretariat as appropriate.

And, in case of NGI for public sector recipients:

- (g) Track-record of lending or financing arrangements with public sector recipients;
- (h) Established relationship with the beneficiary countries' Ministry of Finance or equivalent.

FOR PROGRAMS REQUESTING NGIS

5. A GEF Agency submits a Program Framework Document (PFD) to GEFSEC for technical review and approval by the CEO for inclusion in a work program. The GEF Operational Focal Point LoE is not required unless the proposed PFD is specific to one country.⁶⁰ Once Council approves a Program proposal, the Trustee will reserve approved funding.

6. At the time of submission for a work program, the GEF Agency proposes in the PFD how the investment decisions will be made in consultation with the Secretariat under the following limited delegated decision-making authority options⁶¹:

- Option 1. In advance. The Secretariat concurs in advance of the Council meeting with very specific investment focus for the *entire portfolio* at the time of PFD approval using standardized and pre-established parameters. The GEF Agency will have the flexibility to approve all investments without coming back to the Secretariat because the Secretariat's concurrence was established at the time of work program inclusion. All reflows return to the GEF Trust Fund (See Table 2).
- Option 2: Concurrence. The Secretariat concurs with *each* investment prior to the GEF Agency Investment Review Committee (IRC)⁶² approval. This option is suited for diverse investment portfolios, different NGIs and different technologies or approaches. The Secretariat communicates its position and any conditions on funding the proposed investments within five days of submission. If the Secretariat's conditions cannot be met, the investment cannot be supported with GEF funds, even if other partners in the program may choose to proceed.
- Option 3: Hybrid. Follows Option 1 for the bulk of investments, but Option 2 is used if an investment falls outside the well-defined boundaries of the approved program.⁶³

7. Under Option 2, the GEF Agency provides documentation on each investment in detailed form based on the information included in Table 1. Documentation will need to include

⁶⁰ Revised Strategy for Enhancing Engagement with the Private Sector - GEF/C.41/09/Rev.01 – page 11 – Also see Operational Modalities for Public Private Partnership Programs – GEF/C.42/Inf.08 – page 2 and page 8. Also see Guidelines on the GEF Operational Focal Point Letter of Endorsement.

⁶¹ Refer to GEF/C.42/Inf.08 para 52.

⁶² GEF Agencies may establish an Investment Review Committee (IRC) that concurs on individual investments before approval by the GEF Agency Board or Management – Operational Modalities for Public Private Partnership Programs - GEF/C.42/Inf.08 – para 51.

⁶³ The Secretariat response may take longer than the five days depending on the complexities of the proposed investments.

copies of materials prepared for the GEF Agency IRC or the equivalent. The Secretariat reviews the proposed investments for consistency with the Program as approved by Council. The Secretariat compares the terms of the investment to other similar investments if needed. Particular attention will be paid to the level of concessionality of the investment, the risk exposure of the GEF and expected reflows.

8. Also under this option, the Secretariat review of investments must be conducted expeditiously to allow Agency IRCs to complete decisions against deadlines. The Secretariat concurrence, concurrence with conditions or non-concurrence will be communicated to the GEF Agency formally. Pre-consultation between the Agency and the Secretariat during development of the investment pipeline is encouraged to improve shared understanding of the Program implementation and speed concurrence on investment decisions.

9. Under Option 3, the GEF Agency would prepare a PFD using Option 1. After approval and during implementation, the GEF Agency may identify an investment opportunity that is consistent with all aspects of the Program as approved by Council, but which falls short on one or more of the defined investment parameters established under Option 1. If the GEF Agency wishes to pursue this exceptional investment opportunity, it would need the Secretariat concurrence for such exceptional investments under the same modalities as Option 2. If the GEF Agency desires this hybrid approach, it should be clearly articulated in the PFD and approved by Council.

10. In a typical GEF Program, individual Child Projects are submitted for CEO Endorsement. In a Program using an NGI, the entire Program is submitted for CEO Endorsement. An Annex describing an indicative schedule of reflows is required before endorsement. During implementation, the GEF Agency will be responsible for developing the investment pipeline consistent with the endorsed program, negotiating each investment with the beneficiary and obtaining approval for the investment under the approved limited delegated authority. Each investment must be approved before the GEF Agency can allocate program funds for the investment.⁶⁴

FOR FULL-SIZED PROJECTS REQUESTING NGIs

11. The GEF Agency submits a PIF and, within 18 months of Council approval, a fully developed FSP for CEO Endorsement. Data requirements and procedures follow similar steps as described for PFDs. At CEO endorsement, the GEF Agency submits the Request for Project Endorsement template with a calendar of expected reflows to the GEF Trust Fund under Annex D.

FOR MEDIUM-SIZED PROJECTS REQUESTING NGIs

12. The GEF Agency submits on a rolling basis, a PIF and, within 12 months, a fully developed MSP. A one-step MSP submission, however, is preferred. Data requirements are

⁶⁴ Through Investment Review Committee (IRC) as appropriate.

similar to those described for programs and FSPs except that for MSPs, the CEO is the approving authority. At MSP approval, the GEF Agency submits the Request for Project Approval template with a calendar of expected reflows to the GEF Trust under Annex D.

MONITORING, REPORTING AND MANAGEMENT OF REFLAWS

13. The GEF Agency will monitor and report on financial returns and reflows consistent with the policy on non-grant instruments, which can be referred to in “Annex 1: Updated Policy – Non-Grant Instruments, FI/PL/02”.⁶⁵

14. The procedures that apply to the management of reflows by the GEF Agency to the GEF Trust Fund can be referred to from the provisions of the *Financial Procedures Agreement* signed between the GEF Agency and the Trustee.

III. RELATED DOCUMENTS AND REFERENCES

- *Annual Portfolio Monitoring Report 2016*, GEF/C.51/03, October 2016
- *Second Progress Report on the Non-Grant Instrument Pilot*, GEF/C.49/Inf.12, October 2015
- *Progress Report on the Non-Grant Instrument Pilot*, GEF/C.48/Inf.04, June 2015
- *GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments*, GEF/C.47/06, October 2014
- *Non-Grant Instruments*, FI/PL/02, October 2014
- *GEF-6 Programming Directions*, GEF/A.5/07/Rev.01, May 22, 2014
- *Business Plan and FY15 Corporate Budget*, GEF/C.46/08/Rev.01, May 2014
- *Progress Report on the GEF Project Cycle Streamlining Measures*, GEF/C.45/04, November 2013
- *Streamlining of Project Cycle*, GEF/C.43/06, November 2012
- *Operational Modalities for Public Private Partnership Programs*, GEF/C.42/Inf.08, June 2012
- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *Streamlining the Project Cycle & Refining the Programmatic Approach*, GEF/C.38/5/Rev.1, June-July 2010
- *Operational Policies and Guidance for the Use of Non-Grant Instruments*, GEF/C.33/12, April 2008
- *The Use of Non-Grant Instruments in GEF Projects: Progress Report*, GEF/C.32/7, October 2007
- *GEF Project Cycle: An Update*, GEF/C.22/Inf.9, November 2003
- *Engaging the Private Sector in GEF Activities*, GEF/C.13/Inf.05, April 22, 1999

⁶⁵ GEF/C.47/06 GEF 6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments page 8, para 23; page 14, item VIII

Table 1: Indicative Schedule of Reflows for [project name] ⁶⁶

Item	Data
GEF PMIS #	
Agency	
Investment Name or Number	
Agency ID	
Regional Description	
Description of Investment Purpose	
Estimated Agency Board approval date	
Investment Type Description	
Type of non-grant instrument	
Expected start of investment	
Amount of investment (USD GEF funds)	
Amount of investment (USD co-financing)	
Estimated interest rate/return	
Term of investment	
Estimated Reflow Schedule	
Repayment method description	
Frequency of reflow payments	
First repayment date	
First repayment amount	
Final repayment date	
Final repayment amount	
Total principal amount to be reflowed	
Total interest/earnings amount to be reflowed	

⁶⁶ Use this template for stand-alone FSPs, MSPs and Multiple Investments FSPs.

ANNEX 6: ENABLING ACTIVITIES

I. INTRODUCTION

1. Enabling Activities (EA) are projects to fulfill essential communication requirements to a Convention.⁶⁷ The GEF currently finances EA related to five conventions, namely: Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC), Stockholm Convention on Persistent Organic Pollutants (POPs), UN Convention to Combat Desertification (UNCCD) and Minamata Convention on Mercury. This guideline clarifies established procedures for EA considering the different types and processing modalities.

II. GUIDELINES FOR SUBMISSION AND APPROVAL OF ENABLING ACTIVITIES

2. Funding Requirements for EAs by focal area: EAs qualify for full agreed costs funding from the GEF; there is no co-finance requirement for EA. Countries may also exercise their option to contribute additional funds from their STAR allocation in biodiversity, climate change and land degradation focal areas as they deem necessary. GEF funds can be requested by focal area as indicated below:

- (a) *Biodiversity*: Eligible countries can request GEF funding for the preparation of National Biodiversity Strategies and Action Plan to the CBD, as well as national reporting obligations under the Cartagena Protocol and Nagoya Protocol.
- (b) *Climate Change*: Eligible countries can request GEF funding to finance activities related to the preparation of the National Communication report to the United Nations Framework Convention on Climate Change (UNFCCC); the Biennial Update Report (BUR); the National Adaptation Plan of Action (NAPA);⁶⁸ Technology Needs Assessments (TNAs); and Technology Action Plans (TAPs).
- (c) *Land Degradation*: Eligible countries can request GEF funding to finance activities related to alignment of National Action Programs (NAPs) with the UNCCD 10-Year Strategy (i.e. NAP Alignment) and reporting process, as per obligations to the UNCCD. The financing will also take into account the need to align focal area portfolio monitoring needs with planned activities by STAP and the UNCCD Secretariat on indicator-based reporting in response to COP decisions.
- (d) *Chemicals and Waste*: Eligible countries can request GEF funding for the preparation of National Implementation Plans (NIPs)⁶⁹ on Persistent Organic Pollutants in support of the Stockholm Convention and to update their NIPs as the list of Stockholm Convention banned chemicals expands. GEF resources may also support Minamata Initial Assessment (MIA)⁷⁰ and, for countries confirming in writing at the ministerial level that Artisanal and Small-scale Gold Mining (ASGM)

⁶⁷ Project and Program Cycle Policy, Policy OP/PL/01, November 2016 – page 3

⁶⁸ Under the Least Developed Countries Fund (LDCF)

⁶⁹ Guidelines for Reviewing and Updating the NIP under the Stockholm Convention on POPs GEF/C.39/Inf.5

⁷⁰ Initial Guidelines for Enabling Activities for the Minamata Convention on Mercury GEF/C.45/Inf.05/Rev.01

is a significant issue, National Action Plans — both in support of the Minamata Convention on Mercury.

3. Modalities for Processing Enabling Activities (EAs):

- (a) *By the size of EAs:* (i) expedited EA: single country enabling activity project up to USD 2 million is processed under the CEO expedited approval authority procedures, either as an expedited EA up to USD 1 million or as an MSP above USD 1 million but up to USD 2 million; or (ii) non-expedited EA: single country enabling activity projects beyond USD 2 million follow the project cycle procedures for FSPs.⁷¹
- (b) *By country processing option:*⁷² (i) the country can submit EA through a GEF Agency using the Request for [focal area] Enabling Activity Template⁷³; or (ii) the country can use the Direct Access modality to submit EA directly to the Secretariat.⁷⁴

4. Procedures for Umbrella Enabling Activities (UEAs) processed as FSPs and as/or MSPs: in those cases where several countries make a similar request for EA proposals in one focal area, such proposals can be consolidated into one umbrella enabling activity (UEA) for economies of scale. UEAs are processed following the same procedures as an MSP or FSP, depending on its size⁷⁵ using a EA template. The steps to follow for an EA processed as FSP are:

- (a) *Step 1: Work Program Inclusion Stage:*⁷⁶
- UEA proposals are submitted by a GEF Agency for Work Program inclusion as fully developed non-expedited EA requesting more than USD 1 million⁷⁷ using the EA template.
 - UEA proposals are submitted with: (i) the list of all countries included in the project; (ii) details of the EA to be supported in each of these countries; and (iii) the OFP endorsement letters from participating countries.⁷⁸
 - The Secretariat reviews the proposal. The CEO decides whether to include the proposal in the work program.

⁷¹ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 10

⁷² GEF Project and Program Cycle Policy GEF/C.50/08

⁷³ Access the Request for [focal area] Enabling Activity Template at <https://www.thegef.org/documents/templates>

⁷⁴ For procedures and details on the Direct Access modality, please refer to the Council Approved document “Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Convention Reports – With Direct Access by Recipient Countries” – GEF/C.38/6/Rev.01 – July, 2010

⁷⁵ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 10

⁷⁶ Use the Request for [focal area] Enabling Activity Template at <https://www.thegef.org/documents/templates>.

⁷⁷ See Joint Summary of the Chairs – 45th Council meeting – paragraph 21.

⁷⁸ Though UEAs follow the same procedure as FSPs, they do not require submission of co-financing letters. Also, the Letter of Endorsement for all participant countries needs to be submitted at CEO Endorsement request at the latest.

- If included, the Council reviews the proposal as part of the work program and approves it at a Council meeting or inter-sessionally by mail.
- (b) *Step 2: CEO Endorsement stage:* Two weeks after Council approval, the GEF Agency can request the CEO endorsement for the UEA.⁷⁹ If no Council comments are received, the CEO can issue an endorsement letter. If Council comments are received, the GEF Agency must respond directly to the Council member with a copy to the Secretariat. The Secretariat confirms with the Council Member whether he/she is satisfied with the Agency's responses. On that basis, the CEO can issue an endorsement letter.

5. Procedures for Umbrella Enabling Activities (UEAs) processed as MSPs two-steps: The steps to follow for an EA processed as MSP two steps are:

- (a) *Step 1: MSP PIF Stage:*⁸⁰
- UEA proposals are submitted by a GEF Agency for CEO approval as fully developed expedited EA requesting more than USD 1 million but up to USD 2 million using the EA template.
 - UEA proposals are submitted with: (i) the list of all countries included in the project; (ii) details of the enabling activity to be supported in each of these countries; and (iii) the OFP endorsement letters from participating countries.⁸¹
 - The Secretariat reviews the proposal. The CEO decides whether to approve the PIF.
- (b) *Step 2: CEO Approval stage:* after PIF approval, the GEF Agency can request the CEO approval for the UEA.⁸² The CEO decides to issue an approval letter.

6. Procedures for Umbrella Enabling Activities (UEAs) processed as MSPs one-step: The steps to follow for an EA processed as MSP one step are:

- UEA proposals are submitted by a GEF Agency for CEO approval as fully developed expedited EA requesting more than USD 1 million but up to USD 2 million using the EA template.

⁷⁹ Agencies can submit the request for CEO endorsement through email – no need to re-submit the GEF-6 Request for CEO Endorsement/Approval Template.

⁸⁰ Use the Request for [focal area] Enabling Activity Template at <https://www.thegef.org/documents/templates>.

⁸¹ Though UEAs follow the same procedure as MSPs, they do not require submission of co-financing letters. Also, the Letter of Endorsement for all participant countries needs to be submitted at CEO Approval request at the latest.

⁸² Agencies can submit the request for CEO endorsement through email – no need to re-submit the GEF-6 Request for CEO Endorsement/Approval Template.

- UEA proposals are submitted with: (i) the list of all countries included in the project; (ii) details of the EA to be supported in each of these countries; and (iii) the OFP endorsement letters from participating countries.⁸³
- The Secretariat reviews the proposal. The CEO decides whether to approve the EA.

7. Procedures for Single Country EA Proposal:⁸⁴ Where a Convention requires more than one type of reporting within the same focal area, a request for combined funding can be made in a single EA proposal.⁸⁵ If the EA requests a GEF project funding up to USD 1 million, it will be processed through the expedited procedures for EA.⁸⁶ If the EA requests a GEF project funding higher than USD 1 million, it will follow the MSP or FSP project cycle depending on its size.⁸⁷

III. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016
- *Progress Report on the GEF Project Cycle Streamlining Measures*, GEF/C.45/04, November 2013
- *Joint Summary of the Chairs – 45th Council meeting*, November 2013
- *Streamlining of Project Cycle*, GEF/C.43/06, November 2012
- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *Streamlining the Project Cycle & Refining the Programmatic Approach*, GEF/C.38/5/Rev.1, June-July 2010
- *GEF Project Cycle: An Update*, GEF/C.22/Inf.9, November 2003

⁸³ Though UEA follow the same procedure as MSPs, they do not require submission of co-financing letters. Also, the Letter of Endorsement for all participant countries needs to be submitted at CEO Approval request at the latest.

⁸⁴ Progress Report on the GEF Project Cycle Streamlining Measures, GEF/C.45/04, November 2013

⁸⁵ A good example is combining a National Communications (NC) and a Biennial Update Report (BUR) to the UNFCCC into one EA project.

⁸⁶ See paragraph 3. a) above.

⁸⁷ Following the procedures described in paragraph 4, 5 and 6 above.

ANNEX 7: PROGRAMS

I. INTRODUCTION

1. A Program is a longer-term and strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.⁸⁸ Programs are submitted for inclusion in a biannual work program by the Lead Agency⁸⁹ through a Program Framework Document Template (PFD)⁹⁰. The Lead Agency⁹¹ resubmits a revised PFD for Council approval prior to the Program Commitment Deadline⁹² to allow either an increase in proposed utilization of country STAR allocations for Child Projects and/or an increase in GEF resources for the Program.⁹³ This Guideline clarifies the procedures and requirements in the preparation and submission/re-submission of Programs.

II. GUIDELINES ON PROCEDURES FOR SUBMITTING PROGRAMS

PROCEDURES FOR PFD SUBMISSION AND CHILD PROJECT SUBMISSION FOR CEO ENDORSEMENT/APPROVAL

2. The submission of the PFD needs to include: (i) clear and measurable criteria for the identification of Child Projects;⁹⁴ and (ii) a list of anticipated Child Projects, and GEF Operational Focal Point (GEF OFP) letters of endorsement (LoE) for expected use of STAR and non-STAR allocations in the program.⁹⁵ Considering the need for flexibility for Programs during the preparation stage, when the allocation of GEF resources needs is submitted, GEF Agencies are to follow the guidance below:

At the time of PFD submission

- (i) Table A presents the GEF financing allocation for Focal Area Objectives/Focal Area Programs and, if applicable, for set-aside or incentive funds.
- (ii) Table D must reflect exactly what countries endorsed⁹⁶ for their respective STAR and non-STAR contribution. Total set-asides in Table D must be within the

⁸⁸ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 4

⁸⁹ Is the Agency that coordinates all activities under a Program - Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 4.

⁹⁰ Access templates at <http://www.thegef.org/documents/templates>.

⁹¹ Any GEF Agency can be a Lead Agency. For the eight recently accredited GEF Agencies, some restrictions apply as specified in the Memorandum of Understanding with the GEF Secretariat.

⁹² Program Commitment Deadline means the date included in a Program Framework Document before which Agencies participating in a Program are required to submit all Child Project documents for Secretariat review for CEO endorsement (for FSPs) or approval (for MPs).

⁹³ Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 17

⁹⁴ Countries select their GEF Agency of choice to develop and submit Child Projects in the same way as any other stand-alone project.

⁹⁵ See para 35c GEF/C.47/07, and Guidelines for GEF Operational Focal Point Endorsement letter.

⁹⁶ As per the GEF OFP Letter of Endorsement.

budget approved by Council in the Programming Targets included in the Programming Directions Document.⁹⁷

- (iii) The breakdown of GEF financing and co-financing between Table A and Table D may differ to allow flexibility in selecting Focal Area Objectives/Focal Area Programs and, if applicable, set-aside or incentive funds. However, the total envelope of GEF financing and of co-financing needs to be the same between the two tables.

At the time of Child Project submission for CEO Endorsement/Approval

- (iv) Same principles as in (i) and (iii) apply.
- (v) The selected Focal Area Objectives/Focal Area Programs and, if applicable, set-asides or incentive funds in Table A of the CEO Endorsement/approval request template must be aligned with what was presented in the PFD's Table A. However, the child project *financing amounts* by Focal Area Objectives/Focal Area Programs and, if applicable, set-aside or incentive funds, do not necessarily need to match with the PFD financing amounts presented in Table A.
- (vi) Table D of the CEO endorsement/approval request template must exactly match with PFD's table D by country and by focal area as approved by Council.

3. At the time of PFD submission and/or before CEO Endorsement/Approval of Child Projects under the Program, participating Agencies can request PPG resources through the Project Preparation Grant (PPG) Request Template. The submission of a PPG request needs to be accompanied by the GEF OFP Letter of Endorsement.⁹⁸ Whenever requested, the PPG resources and associated PPG Fee must be excluded from the total PFD envelope approved by Council.

CONDITIONS FOR PFD RESUBMISSION

4. After Council approval of a PFD, but before the Program Commitment Deadline when all Child Projects must be submitted, the Lead Agency resubmits a revised PFD if one of the following two conditions arises during the program appraisal phase:

- New countries have decided to join the program.
- Countries already in the program have decided to expand their child project coverage and made provisions for additional funding from STAR and non-STAR resources.

⁹⁷ See Summary of the Negotiations of the Sixth Replenishment of the GEF Trust Fund – GEF/C.46/07/Rev.01 - <http://www.thegef.org/council-meetings/gef-46th-council-meeting>.

⁹⁸ This requirement applies if the PPG resources are not mentioned in the GEF OFP Letter of Endorsement for the respective Child Project included in the PFD submission.

5. The Program Commitment Deadline of the resubmitted PFD can differ from the original to allow the proper preparation of new Child Projects that have joined the program.⁹⁹

PROCEDURES FOR PFD RESUBMISSION AND CHILD PROJECT SUBMISSION FOR CEO ENDORSEMENT/APPROVAL

6. The Lead GEF Agency resubmits to the Secretariat a package of documents consisting of:

- (i) A revised PFD using the Program Framework Document Template;¹⁰⁰
- (ii) New or revised GEF OFP Letters of Endorsement as needed;
- (iii) Project Preparation Grant (PPG) Request Templates for new Child Projects, if requested.¹⁰¹

7. When the Lead Agency re-submits the PFD or the participating GEF Agencies submit the Child Projects for CEO Endorsement/Approval, the breakdown of GEF resources follows the steps in paragraph 2 above. If approved,¹⁰² the Lead Agency, the Trustee and the concerned OFPs are notified accordingly.

PROCEDURES FOR THE 40% AGENCY FEE TRANCHING FOR CHILD PROJECTS UNDER PROGRAMS

8. In June 2016, the GEF Council approved the document GEF Project and Program Cycle Policy (GEF/C.50/08/Rev.01). This makes a provision for the Trustee to commit 40% of the Agency fee for each Child Project listed in a PFD at the time of PFD approval. This fee has to be returned to the Trustee if the Child Project is dropped/cancelled, or not submitted for CEO Endorsement/Approval prior to the respective Program Commitment Deadline – with no exceptions.

9. This policy covers all GEF-6 Programs approved by the Council and their respective Child Projects. In order to operationalize this provision, the Secretariat, the GEF Agencies and the Trustee will follow the procedure below:

- (i) After being approved by Council, in the Annex on funding approval to the Joint Summary of the Chairs, the Secretariat will indicate: (i) the participating Agencies in the Program; and (ii) the 40% Agency fee to be committed by the Trustee for each participating GEF Agency. This 40% Agency fee tranching will be based on the total PFD envelope, as well as on the indicative list of Child Projects and participating Agencies.
- (ii) Because the 40% Agency fee tranching is based on the total Agency's allocation out of the total PFD envelope, only when Child Projects (both FSPs and

⁹⁹ Original Child Projects are subject to the original Program Commitment Deadline.

¹⁰⁰ The revised PFD may include – among others – updates to the data and assumptions underpinning the original design as well as recent developments, as appropriate.

¹⁰¹ For PPGs, follow the procedure in paragraph 3 above.

¹⁰² Council approved the PDF and reviews Child Projects while the CEO endorses/approves Child Projects.

MSPs¹⁰³) are CEO Endorsed/Approved would the remaining 60% Agency fee tranching be applied.

- (iii) The flexibility of Programs allows (i) in consultation with and as per the approval of the relevant country, participating GEF Agencies to shift GEF project funding among themselves and among Child Projects; and (ii) for new GEF Agencies to join the Program even though they were not included at the time of PFD approval. Before the Lead Agency submits the first Child Project for CEO Endorsement/Approval, it must submit to the Secretariat an agreed consolidated list among all GEF participating Agencies of all Child Projects that will be submitted for CEO Endorsement/Approval. This must include both the GEF project financing amount and Agency fee broken down for each participating Agency. The Agency fee and the GEF project financing for all Child Projects in each country cannot exceed the amounts endorsed by the GEF OFP in a particular program. Without this information, the Secretariat cannot issue the CEO Endorsement/Approval letter that indicates the Trustee will commit the remaining 60% of the Agency fee.
- (iv) The Lead Agency needs to compile the list of all Child Projects at CEO Endorsement/Approval stage as required under point (iii) above. The list must include any changes in the Child Project (which include both GEF project financing and related Agency fee and/or Agency transfer including the participation of a new Agency). The transfer of the GEF project financing amount and related Agency fee¹⁰⁴ have to be agreed among Agencies. In any case, the Agency fee for all Child Projects cannot exceed the Agency fee amount as per the approved PFD envelope.

III. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016
- *Request for PPG Template for Child Project* – September 2015 on the GEF website
- *The GEF Programmatic Approach Modality – Guidelines for Implementation*, January 26, 2015 (a GEF internal document)
- *Improving the Project Cycle*, GEF/C.47/07/Rev.01, October 2014
- *Business Plan*, GEF/C.39/4/Rev.1, November 2010
- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.03, November 2010
- *Streamlining the Project Cycle & Refining the Programmatic Approach*, GEF/38/5/Rev.01, June-July 2009
- *Management of the GEF Project Cycle Operations: A Review*, GEF/C.34/Inf.4, November 2008
- *From Projects to Program: Clarifying the Programmatic Approach in the GEF Portfolio*, GEF/C.33/6, April 2008

¹⁰³ For stand-alone MSPs, the Trustee commits 100% of Agency Fee at MSP CEO Approval.

¹⁰⁴ This occurs whether it is the remaining 60% or the already received 40% of Agency fee in cases where a new Agency takes over an already existent Child Project.

ANNEX 8: IMPLEMENTATION & EXECUTION FUNCTIONS, AGENCY FEE AND PROJECT MANAGEMENT COST

I. INTRODUCTION

1. The separation of implementation and execution functions is an important aspect of the GEF Minimum Fiduciary Standards.¹⁰⁵ This Guideline clarifies the differences between these two functions, as well as the sources from where they are financed.

II. IMPLEMENTATION FUNCTIONS (GEF AGENCY)

2. GEF Agencies are responsible for the implementation of the project, which “entails oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and requirements”.¹⁰⁶ GEF Agencies are accountable to the GEF Council for their GEF-financed activities.¹⁰⁷ GEF Agencies are responsible for project cycle management services and corporate activities. GEF fees are paid to cover Agency costs for providing these services.

3. GEF Agencies perform Project Cycle Management Services that may involve project identification, preparation of project concept, preparation of detailed project document, project approval and start-up, risk management and mitigation, project supervision and oversight, and project completion and evaluation¹⁰⁸ (see Table A for detailed list). Each GEF Agency implements projects according to its internal guidelines and rules after approval of GEF-funded projects by its governing body following GEF CEO Endorsement/Approval.

4. Additionally, GEF Agencies engage in corporate activities with the GEF Secretariat, GEF Trustee, GEF Independent Evaluation Office and the GEF Council on the formulation of policy and strategy. This includes, among others, policy support, periodic portfolio-level reporting, outreach and knowledge sharing, and support to the GEF Independent Evaluation Office.¹⁰⁹

III. EXECUTION FUNCTIONS (PROJECT EXECUTING ENTITY)

5. A project executing entity (EA) receives project-specific GEF funding from a GEF Agency to execute a GEF project, or parts thereof, under the supervision of the same GEF Agency.¹¹⁰ Thus, EAs undertake the execution of projects, which implies the ability to manage and administer the day-to-day activities of a project. Execution functions are financed through Project Management Costs (PMC), which are funded partly by the GEF funding and partly by the

¹⁰⁵ Section A.2 (g) of the Standards - Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies, GEF/C.31/6, June 2007

¹⁰⁶ GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 3

¹⁰⁷ GEF Instrument – March 2015 – page 20

¹⁰⁸ GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 5

¹⁰⁹ Rules and Guidelines for Agency Fees and Project Management Costs GEF/C.39/9, October 2010 – page 2

¹¹⁰ Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 3

counterpart funding of the beneficiary government or other co-financing resources. EA “reports and is responsible to the agency that carries out project implementation”.¹¹¹ The beneficiary country, in consultation with the GEF Agency, usually selects an EA to help the government execute the project on the ground.¹¹²

6. Execution generally includes the management and administration of project activities, in addition to managing the delivery of project outputs (funded by the GEF project financing and respective co-financing). This is in accordance with specific project requirements outlined in the approved Project Document and the agreement with the GEF Agency responsible for implementation. Execution implies accountability for intended and appropriate use of funds, for procurement and contracting of goods and services, and for timely delivery of inputs and outputs.¹¹³

IV. EXCEPTIONS FOR A GEF AGENCY PROVIDING EXECUTION SERVICES

7. The GEF Fee Policy explicitly precludes the merging or crossing over of the implementing functions of the GEF Agencies and the execution functions undertaken by EAs. However, in exceptional cases, and as per the request of the beneficiary country/countries, GEF Agencies may carry out both functions. The request of such exceptions should be clearly described at the project concept stage, i.e. including such information in the PIF,¹¹⁴ or submitted before or by the time of CEO Endorsement/Approval at the latest.¹¹⁵ The Secretariat assesses the request and decides whether to approve it. The GEF Agency is informed of the decision in the review sheet.

8. In the exceptional cases where a GEF Agency carries out both implementation and execution functions of projects, the GEF Agency must separate its project implementation and execution duties and establish each of the following:

- (a) A satisfactory institutional arrangement for the separation of implementation and executing functions in different departments of the GEF Agency; and
- (b) Clear lines of responsibility, reporting and accountability within the GEF Agency between the project implementation and execution functions.

9. This separation helps ensure the financial management segregation of duties where incompatible. Related duties are subject to a regular review by management; response is

¹¹¹ GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 3

¹¹² Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 3

¹¹³ GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 5

¹¹⁴ Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 3

¹¹⁵ The specific roles and responsibilities of all partners, including any execution activities provided by a GEF Agency at the request of a country/partner would be clearly described in the section on Institutional Arrangement and Coordination.

required when discrepancies and exceptions are noted; and segregation of duties is maintained between: settlement processing; procurement processing; risk management/reconciliations; and accounting.¹¹⁶

V. GEF AGENCY FEE

10. GEF Agencies are provided with a fee (which is separate from and additional to the GEF project financing) to cover their costs in delivering GEF-specific project cycle management services and corporate activities as defined by the GEF Council (see Table A).

11. The fee structure as a percentage of the GEF project financing differs by GEF Agency¹¹⁷:

(a) For the ten GEF Agencies¹¹⁸ that have been working in the GEF partnership before the Pilot Program on Accrediting GEF Agencies, the fee structure is as follows:

- 9.5%: for GEF project/program financing up to and including USD 10 million;
- 9.0%: for GEF project/program financing above USD 10 million;
- 4.0%: For GEF Small Grants Programme (SGP).

(b) For the eight GEF Agencies¹¹⁹ accredited through the Pilot Program on Accrediting GEF Agencies, the fee structure is 9.0% for all types and sizes of projects and programs irrespective of the GEF project financing size.¹²⁰

12. When a project/program is dropped or cancelled before CEO Endorsement/Approval or completion, the unutilized fees specific to that project are returned to the respective Fund as the full set of GEF-specific services will not be delivered. The return of unutilized Agency fees is determined as follows:¹²¹

¹¹⁶ GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 5

¹¹⁷ Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 2

¹¹⁸ The International Bank for Reconstruction and Development (World Bank), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank (IADB), the International Fund for Agricultural Development (IFAD) and the United Nations Industrial Development Organization (UNIDO).

¹¹⁹ Conservation International (CI), Development Bank of Latin America (CAF), Development Bank of Southern Africa (DBSA), Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO), Brazilian Biodiversity Fund (FUNBIO), International Union for Conservation of Nature (IUCN), West African Development Bank (BOAD), World Wildlife Fund Inc. (WWF-US).

¹²⁰ These GEF Agencies accredited through the Pilot Program on Accrediting GEF Agencies are not obliged to perform GEF corporate activities. However, they are welcomed and encouraged to participate in these activities.

¹²¹ Proposal for Revising the Fee System, GEF/C.23/8/Rev.1, June 2005 – page 8

- (a) For any Council- or CEO-Approved project that is dropped by the GEF Agency or cancelled by the GEF Secretariat¹²² before CEO Endorsement/Approval, 60% of the fee for FSPs¹²³ and 100% of the fee for MSPs would be cancelled.
- (b) For any Council-approved PFD whose Child Project is dropped by the GEF Agency or cancelled by the GEF Secretariat¹²⁴ before CEO Endorsement/Approval, 100% of the fee for the Child Project would be cancelled.¹²⁵
- (c) For any FSP cancelled after CEO Endorsement, 60% of fee returns would be prorated based on project duration as stated in the project document endorsed by the CEO.¹²⁶
- (d) For any MSP/EA cancelled after CEO Approval, 100% of fee returns would be prorated based on project duration as stated in the project document approved by the CEO.¹²⁷

VI. GEF PROJECT MANAGEMENT COSTS

13. Project Management Costs (PMC) represent the actual costs associated with the unit executing the project on the ground (i.e. project executing entity – EA-) – see Table B. PMC are usually financed from the GEF project financing¹²⁸ and co-financing sources. A component related to these costs is included in the individual project budgets.¹²⁹

14. During the identification of a potential project or program, the GEF Agency and executing partner(s) provide an indicative cost estimate of the PMC budget that appears in Table B of the PIF and PFD templates, as follows:¹³⁰

- For FSPs: PMCs are not recommended to exceed 5% of GEF project financing (which is above USD 2 million).

¹²² As per the Cancellation Policy.

¹²³ As 40% of the fee for FSPs is already committed at PIF/PFD approval.

¹²⁴ Following the Cancellation Policy.

¹²⁵ As per the GEF Project and Program Cycle Policy – see Project and Program Cycle Policy/Policy OP/PL/ 01, November 2016 – page 14.

¹²⁶ For example, if a project with a five-year implementation period is cancelled in year two, the Agency would return 36% of the fee (retain 40% for the period up to Agency-approval plus 12% per year for the two years of implementation).

¹²⁷ The fee for MSP and EA is committed only after CEO Approval as stated in the Project and Program Cycle Policy in paragraphs 39 and 40 of see OP/PL/01 (for many years this applied to all the GEF modalities as stated in the Council-approved document GEF/C.31/Rev.1, June 2007 - see paragraph 17). However, the Council approved tranche payment of fees exclusively for FSP in 2012 (see annex I GEF/C.43/6, November 2012).

¹²⁸ See activities not covered by the GEF funding in Table C.

¹²⁹ Rules and Guidelines for Agency Fees and Project Management Costs GEF/C.39/9, October 2010 – page 6

¹³⁰ The procedures apply to all modalities: FSPs, MSPs, EAs and Programs. Child Projects of Programs follow the same procedure as FSPs or MSPs. Hence, PMC for Programs is the total of the Project Management Costs of all Child Projects. PMCs should be charged proportionately to focal areas based on focal area project financing amount as indicated in Table D of the PIF/PFD template – access templates at <http://www.thegef.org/documents/templates>.

- For MSPs and EAs: PMCs shall not exceed 10% of GEF project financing (which is up to USD 2 million).

15. During project preparation, the GEF Agency and the EA refine the PMC information provided during the PIF stage. These refinements are reflected in Table B of the CEO Endorsement request for FSPs or the CEO Approval request for MSPs, and in Table A of the Enabling Activity Approval request. Any request above the thresholds indicated above requires justification. The GEF Secretariat assesses the request for such increase and decides whether to approve it.

Table A - Project Cycle Management and Corporate Activities

Project Cycle Management Services¹³¹
<p>(a) Project identification</p> <ul style="list-style-type: none"> (i) Consult with appropriate stakeholders in-country, including the GEF Operational Focal Point, identify opportunities for GEF financing, using country dialogue and other country planning/sector strategy documents as a basis. (ii) Together with the involved governments, identify the possible Project Executing Entity (EA) for the project and review the proposed execution arrangements. (iii) Together with the project proponent, review options for co-financing and partnerships. (iv) Incorporate GEF opportunities in appropriate planning/country assistance strategy documents of the GEF Agency.
<p>(b) Preparation of project concept</p> <ul style="list-style-type: none"> (i) Discuss GEF eligibility criteria with the recipient country's GEF operational focal point and other stakeholders. (ii) Undertake brief in-country consultation mission if necessary. (iii) Consult within the GEF Agency. (iv) Assist project proponent to prepare PIF, in consultation with appropriate stakeholders, including the GEF operational focal point and the GEF Secretariat. (v) Assist the project proponent to prepare the PPG. (vi) Obtain endorsement letter(s) from the GEF operational focal point(s). (vii) Discuss with the GEF Secretariat PIF clearance and PPG approval.
<p>(c) Preparation of the detailed Project Document</p> <ul style="list-style-type: none"> (i) Prepare and execute legal agreements for PPG activities. Keep the operational focal point informed. (ii) Help the project proponent write terms of reference (TORs) for consultant(s), if

¹³¹ Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 4

required, to undertake PPG activities.

- (iii) Assist the project proponent to identify and recruit consultants to assist with project preparation, if necessary.
- (iv) Supervise project preparation, in consultation with all appropriate stakeholders, including missions to the field, with particular focus on risk assessment, governance issues, execution arrangements, co-financing, capacity development, partnership building and outreach.
- (v) Negotiate and reach agreement on incremental cost with government and other relevant stakeholders.
- (vi) Provide technical oversight on the preparation of GEF tracking tools for different focal areas.
- (vii) Submit Project Document with Request for CEO Endorsement/Approval template to the GEF Secretariat.
- (viii) Coordinate with relevant stakeholders in formulating programs; prepare a Program Framework Document (PFD) for submission to the GEF Secretariat for work program entry and Council approval; implement the programs; monitor and report on progress of the programs, prepare and submit for approval all Child Projects under the program; complete implementation of all Child Projects under the program.

(d) Project Approval and Start-up

- (i) Appraise the project and finalize project implementation arrangements, including mission travel.
- (ii) Prepare legal and other documentation for approval by the GEF Agency approval authority.
- (iii) Advise the project proponent on the establishment of a project management structure in the recipient country/countries.
- (iv) Assist project management to draft TORs and advise on the selection of experts for implementation.
- (v) Advise on and participate in project start-up workshop.

(e) Project implementation and supervision

- (i) Conduct at least one supervision mission per year, including briefing operational focal points on project progress.
- (ii) Provide technical guidance, as necessary, for project implementation.
- (iii) As necessary, include technical consultants during supervision missions to advise government officials on technical matters and provide technical assistance for the project as needed.
- (iv) Oversee procurement and financial management to ensure implementation is in line with Agency policies and timeline.
- (v) Disburse funds to the EA and review financial reports.

- (vi) Oversee the preparation of the required reports¹³² for submission to the GEF Secretariat.
- (vii) Monitor and review project expenditure reports.
- (viii) Prepare periodic revisions to reflect changes in annual expense category budgets.
- (ix) Undertake the mid-term review, including possible project restructuring. Send a copy to the GEF Secretariat.
- (f) Project completion and evaluation
 - (i) Oversee the preparation of the Project Completion Report/Independent Terminal Evaluation, submit the report to the GEFIO and send a copy to the GEF Secretariat.
 - (ii) Prepare project closing documents and inform the GEF Secretariat.
 - (iii) Prepare the financial closure of the project and inform to the GEF Secretariat.

Corporate Activities¹³³

- (a) Policy support includes the development, revision and operationalization of GEF policies, strategies, business plans and guidelines. It also includes participation in the meetings of the GEF governing bodies.
- (b) Portfolio management includes pipeline and program management, financial management and data management. It includes participation in financial consultations organized by the Trustee. It also comprises preparation of the Annual Monitoring Report (AMR), the Annual Portfolio Review for the Evaluation Office (APR) and the overall management of the portfolio regardless of the number of projects undertaken.
- (c) Reporting includes all the reporting requirements as per the Guidelines.
- (d) Outreach and knowledge sharing includes participation in sub-regional consultations, Country Support Program (CSP) activities and STAP meetings.
- (e) Support to Independent Evaluation Office includes evaluations, reviews and studies initiated by the GEF Independent Evaluation Office.

Table B - Examples of Execution Functions eligible for funding by the GEF portion of PMC¹³⁴

Staffing costs:

- Project manager;
- Project assistant technical specialist(s);
- Procurement specialist; and/or
- Financial specialist.

¹³² See Guideline on Reporting Requirements.

¹³³ Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 2

¹³⁴ Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 6

Project-related activities:

- Preparation of procurement plans;
- Terms of reference and procurement packages;
- Management of consultant activities;
- Management of output deliverables;
- Maintenance of records of all project-related documentation
- Knowledge management;
- Preparation of progress reports and financial reports for the project;
- Consultation with project stakeholders;
- Financial auditing for the project.

Table C - Project Activities not covered by GEF Funding under PMCs

1. Government staff salaries;
2. Salaries and fees for GEF Agency staff or consultants,¹³⁵
3. Purchase of vehicles,¹³⁶
4. Monitoring of project indicators and periodic monitoring report (this should be budgeted under the M&E Budget and is a separate component of the project cost);
5. Independent terminal evaluation for the project (this should be a part of the M&E budget); and
6. Mid-term review/evaluation (this should be a part of the M&E budget).

IV. RELATED DOCUMENTS AND REFERENCES

- *Project and Program Cycle Policy*, Policy OP/PL/ 01, November 2016
- *Fee Policy for GEF Partner Agencies – Policy: FI/PL/03*, August 2012
- *Clarifying the Responsibilities of the GEF's Key Actors with respect to the Use of GEF Resources*, GEF/C.42/04, June 2012
- *GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies*, GEF/C.41/06/Rev.01, November 2011
- *GEF Administrative Expenses - Fees and Project Management Costs: External Review*, GEF.C.41.07, November 2011
- *Broadening GEF Executing Entities*, GEF/C.38/Inf.10, June-July 2010
- *Rules and Guidelines for Agency Fees and Project Management Costs*, GEF C.39/9
- *Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies*, GEF/C.31/6, June 2007
- *Proposal for Revising the Fee System*, GEF/C.23/8/Rev.1, June 2005
- *Roles and Comparative Advantages of the GEF Implementing Agencies*, GEF/C.30/9, December 2006

¹³⁵ Except when they are approved by the GEF Secretariat to carry out executing functions as per paragraph 7.

¹³⁶ The use of GEF funds to purchase vehicles is strongly discouraged as such costs are normally expected to be borne by co-finance. Any request to use GEF funding to purchase project vehicles must be justified. The Secretariat assesses such requests and decides whether to approve them.

ANNEX 9: RESULTS-BASED MANAGEMENT (RBM) REPORTING REQUIREMENTS

I. INTRODUCTION

1. The GEF introduced Results-Based Management (RBM) during GEF-4. This was when the fundamental building blocks of the system were conceptualized based on the experience and input from all GEF partners and laid out in the GEF Monitoring and Evaluation Policy.¹³⁷ The system has been updated further in the successive GEF cycles to include clearly defined corporate objectives, outcomes and targets, to which focal area goals align.
2. The RBM system of the GEF Secretariat aims to improve management effectiveness and accountability. It defines realistic expected results, monitors progress toward achievement of expected results, integrates lessons learned into management decisions and reports on performance.¹³⁸
3. The processes in place to operationalize the GEF-6 RBM action plan¹³⁹ ensure the alignment of objectives and indicators with GEF focal strategies, goals and broader corporate results, including Global Environmental Benefits (GEBs). The objective of the current Guidelines is to outline the reporting requirements.
4. The following guidelines lay out the requirements associated with the GEF's overall RBM system. These guidelines cover the GEF Trust Fund and Multi Trust Fund projects. They include the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), Nagoya Protocol Implementation Fund (NPIF) and Capacity Building Initiative for Transparency (CBIT).

II. GUIDELINES ON RBM REPORTING REQUIREMENTS

5. The report submission process is divided into two steps. First, each GEF Agency submits annual information on the GEF projects under implementation one year or longer, in the form of an Excel sheet (see Tables 1, 2 and 3 in Attachment 1 and 2) including the geographical location data (*WHEN ADOPTED BY AGENCIES*). Second, each Agency submits relevant Project Implementation Reports (PIRs), Mid-term Reviews or Evaluations (MTRs/MTEs), Tracking Tools (TTs) and Terminal Evaluations (TEs). The reporting requirements include¹⁴⁰:

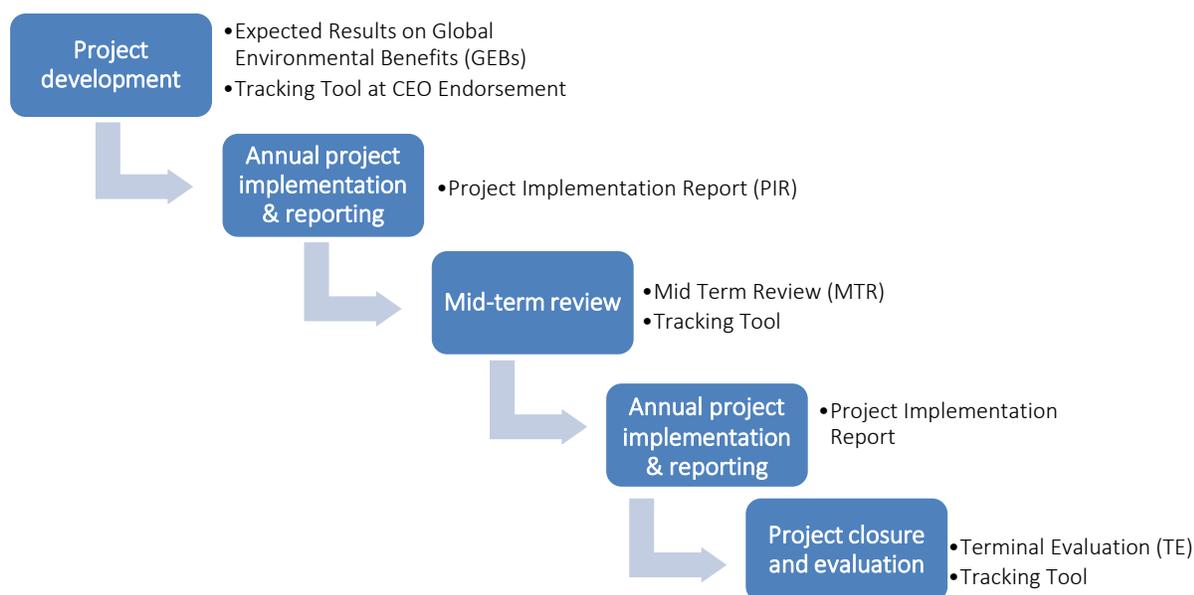
¹³⁷ GEF/ME/C.39/6/Rev.1, *Revision of the GEF Monitoring and Evaluation Policy*, 2010

¹³⁸ GEF/C.31.11, RBM framework approved by Council in 2007

¹³⁹ GEF/C.48/Inf.07, *Progress Report On the Implementation of the Results-Based Management Action Plan*, 2015

¹⁴⁰ The GEF will notify the Agencies annually about the specific date of submission.

Figure 1: RBM Reporting within the GEF Project Cycle¹⁴¹



6. Project Implementation Reports (PIR): The GEF Agencies must submit to the GEF Secretariat individual PIRs for all full-sized and medium-sized GEF projects under implementation for at least one year or longer by June 30 of a set fiscal year, including projects which complete implementation during the preceding fiscal year.¹⁴² Each Agency must submit to the GEFSEC the yearly report required by their respective Agency. The reports must include, at the minimum, the following:

- a. Basic Data: Project Name, GEF ID Number¹⁴³, Country, Focal Area, GEF Financing Amount, Co-financing amount, Total GEF Resources.
- b. Project Status: Project Start Date, Expected Project Close Date, First Disbursement date and Disbursements to Date.¹⁴⁴
- c. Rating project performance: Make an overall assessment and provide ratings of “likelihood of achieving project objective” and “implementation progress”. The definition of ratings is provided in Attachment 3.
- d. Risk Rating: Provide an overall risk rating. Risk ratings will assess the overall risk of factors internal or external to the project that may affect implementation or

¹⁴¹ GEF Knowledge Management Initiative - Assessment of Existing Knowledge Assets of the GEF, July 2016

¹⁴² A fiscal year at the GEF starts on 1 July and ends on 30 June of the following calendar year.

¹⁴³ Agencies may (but are not required to) include their internal Agency ID.

¹⁴⁴ The definition of “First Disbursement Date” is when either: (a) the first transfer/disbursement of GEF funds to the project Executing Agency takes place; or (b) the first direct payment is made with GEF funds to suppliers of goods and/or services for the project, whichever comes first.

prospects for achieving project objectives. The risk rating scale and definition are provided in Attachment 3.

7. **Mid-Term Reviews or Evaluations (MTR/MTE)**¹⁴⁵: Mid-term Reviews are required for all full-sized projects and are strongly encouraged for medium-sized projects. Mid-term Reviews/Evaluations should be accompanied by tracking tools for full-sized projects.

8. **Terminal Evaluations (TE)**: All full-sized and medium-sized projects are required to submit a terminal evaluation (TE) report to the GEF Independent Evaluation Office (IEO) immediately after it is completed and no more than 12 months after project completion.

- a. GEF Agencies are required to send a list completed projects to the IEO and RBM team. Agencies should indicate the approximate date of completion of their TE reports.
- b. GEF Agencies are required to submit the Terminal Evaluations to the GEFSEC and IEO on a rolling basis; please refer to the TE guidelines¹⁴⁶ issued by the IEO for more detailed information.

9. (WHEN ADOPTED BY AGENCIES) [**Location Data**: At CEO Endorsement or shortly after, one or more locations to indicate where the project will take place should be provided. This includes Feature Name, Feature ID, Latitude and Longitude (in decimal degrees). Please use www.geonames.org if possible. Please use the finest scale available for the location(s). If you prefer to provide a GIS shapefile you may do that instead. Additional guidance on providing location data will be available in the coming months.]

10. **Tracking Tools (TT)**: For full-sized projects (FSPs), the Agencies must fill out the same tracking tool three times during the project's life: at CEO Endorsement, at mid-term and at project completion stage. For medium-sized projects (MSPs), Agencies are expected to submit two TTs during the project's life: at CEO Approval and at project completion.

- a. Each focal area has a dedicated Tracking Tool. TTs and accompanying guidelines are available below:
https://www.thegef.org/documents/tracking_tools
- b. When more than one Agency implements a project, only the lead Agency should submit the necessary TTs throughout the life of the project.
- c. For Multifocal Area Projects (MFA) and Multi Trust Funds (MTF) projects, the respective relevant sections of the relevant tracking tools should be completed in line with their focal area objectives.

¹⁴⁵ UNDP guidance for MTRs of GEF projects: http://web.undp.org/evaluation/documents/guidance/GEF/mid-term/Guidance_Midterm%20Review%20EN_2014.pdf – Agencies are expected to use their own guidance, but UNDP's detailed guidance could serve as a reference.

¹⁴⁶ Referred to IEO's Guidelines for GEF Agencies in Conducting Terminal Evaluations

11. **Programs:** All Agencies with Council-approved Program Framework Documents (PFDs) are required to submit reports related to the approved PFD to the GEF Secretariat. At completion or at near completion of the program, or at a time-milestone given in the PFD, the lead agency should evaluate the program.

- a. All Child Projects are required to submit all relevant PIRs, MTRs/MTEs, TEs and TTs.
- b. The Lead Agency is expected to submit a yearly report on the status of the entire program within one year after Council approval of the PFD and every year thereafter. The report should highlight program-level activities and achievements that go beyond those of the individual Child Projects as presented in PIRs. It should include progress toward program-level outcomes, major milestones achieved through overall program implementation, and engagement in regional or global fora as a means toward advancing the overall program goal. Agencies may use their own template to report.

12. All the requested information is used to inform the Annual Portfolio Monitoring Report (APMR) as shown in Attachment 4.

Attachment 1. GEF Agency Summary Tables

All Agency summary tables should be prepared in an Excel file. Table 1 requests information on individual projects (i) that have been under implementation for one year or longer as of June 30 (for which a PIR is completed), as well as (ii) CEO Endorsed/Approved projects that have **not** yet started implementation or have **not** completed a full year of implementation. Table 2 includes all enabling activities that have been approved, but not yet closed. Table 3 provides a separate table for each program approved starting in GEF-6.

An Excel sheet template will be provided to Agencies requiring the following information in Tables 1, 2 and 3. If any information is not available or not applicable, report as “not available (NA)” and “not applicable (NP)”, respectively. The GEF Secretariat will mark blank slots as “not reported (NR)”. This approach will enable the Secretariat to monitor the quality of submissions by the Agencies.

Table 1: For Medium- and Full-sized Projects (MSP & FSP)

1. General Information	1	GEF ID (PMIS ID)
	2	Focal Area(s) ¹⁴⁷
	3	Region ¹⁴⁸
	4	Country
	5	Project Title
	6	Project Size (FSP, MSP, EA)
	7	Trust Fund ¹⁴⁹
2. Milestone Dates ¹⁵⁰	8	Project Implementation Start Date
	9	Proposed/Revised Implementation End
	10	Actual Implementation End (operational) ¹⁵¹
	11	First Disbursement Date
3. Funding	12	PPG Funding (if any) USD ¹⁵²
	13	GEF Project Financing (USD)
	14	Total GEF disbursement as of June 30 of the FY (USD)
	15	Confirmed Co-financing at CEO Endorsement (USD)
	16	Materialized Co-financing at project Mid-term (USD)
	17	Materialized Co-financing at project completion (USD)
4. Evaluations	18	Proposed Mid-term/Tracking Tool date (if applicable)
	19	Actual Mid-term date (if applicable)

¹⁴⁷ BD, CC, IW, LD, ODS, C&W, POPs, MFA

¹⁴⁸ AFR, ECA, EAP, LAC, MNA, SA, Regional, Global

¹⁴⁹ GEF TF, MTF, LDCF, SCCF

¹⁵⁰ Please provide dates as (mm/dd/yyyy).

¹⁵¹ Operational closure: all activities have been closed and project is due for a TE.

¹⁵² Please provide numbers as is (e.g. 1,438,000 and NOT 1.4 million).

	20	Proposed Terminal Evaluation/Tracking Tool date
	21	Actual Terminal Evaluation/Tracking Tool date
5. Ratings	22	Overall DO rating
	23	Overall IP rating
	24	Overall Risk rating
6. Status	25	Status (CEO Approved/Endorsed, Under Implementation, Cancelled, Withdrawn, Completed)
	26	Implementation Status (Not yet started, Less than one year implementation, 1 st PIR, 2 nd PIR, ... Closed) <i>Please indicate if this is the final PIR for the project.</i>
7. Files	27	PIR – file name [GEFID_YYYY PIR_Agency_Country]
	28	MTR – file name [GEFID_YYYY MTR_Agency_Country]
	29	TT – file name [GEFID_YYYY TT_Agency_Country]
	30	TE – file name [GEFID_YYYY TE_Agency_Country] ¹⁵³

Table 2: For Enabling Activities (EA)

a. General Information	1	GEF ID (PMIS ID)
	2	Focal Area(s) ¹⁵⁴
	3	Region ¹⁵⁵
	4	Country
	5	EA Title
	6	EA Type ¹⁵⁶
b. Milestone Dates ¹⁵⁷	7	Project Implementation Start Date
	8	Proposed/Revised Implementation End Date
	9	Actual Implementation End Date (operational) ¹⁵⁸
	10	GEF Financing (USD)
	11	Total GEF disbursement as of June 30 of the FY (USD)
	12	Expected Co-financing (USD)
c. Status	13	Status (Approved, Under Implementation, Cancelled, Withdrawn, Completed)

¹⁵³ TE should be sent directly to the EO.

¹⁵⁴ BD, CC, IW, LD, ODS, POPs, MFA

¹⁵⁵ AFR, ECA, EAP, LAC, MNA, SA, Regional, Global

¹⁵⁶ NBSAPs, National Communications, NIPs, NCSAs, NAPA, etc.

¹⁵⁷ Please provide dates as (mm/dd/yyyy).

¹⁵⁸ Operational closure: all activities have been closed and project is due for a TE.

Table 3: For Programs

a. General Information	1	Type (Program/Child Project)
	2	Agency
	3	GEF ID (PMIS ID)
	4	Program/Child Project Title
b. Milestone Dates ¹⁵⁹	5	Estimated Program Duration
	6	Program Approval Date
	7	CEO Endorsement/Approval Date
	8	Implementation Start Date
c. Funding	9	Approved GEF project financing
	10	PPG Amount
	11	Confirmed Co-financing
d. Status	12	Status

Note: Items 7, 8, 9 and 11 apply to Child Projects under a program and not to the program itself.

¹⁵⁹ Please provide dates as (mm/dd/yyyy).

Attachment 2. Administrative Expenses Matrix

GEF Fiscal Year Estimated actual administrative costs	Staff time (days)	Consultant time (days)	Staff cost (USD)	Consultant cost (USD)	Travel costs (USD)	General operating costs (USD)	Total cost (USD)
1. GEF Corporate activities: a) Policy support b) Portfolio Management c) Reporting d) Outreach and knowledge sharing e) Support to the GEF Independent Evaluation Office							
Subtotal							
2. GEF Project Cycle management services: a) Project identification, preparation, approval and start up b) Project implementation, supervision, and monitoring c) Project completion and evaluation							
Subtotal							
Total:							

Activity Categories:

- (a) *Policy support includes the development, revision and operationalization of GEF policies, strategies, business plans and guidelines. It also includes participation in the meetings of the GEF governing bodies.*
- (b) *Portfolio management includes pipeline and program management, financial management and data management. It includes participation in financial consultations organized by the Trustee. It also comprises preparation of the Annual Portfolio Monitoring Report (APMR), the Annual Portfolio Review for the Evaluation Office (APR) and the overall management of the portfolio regardless of the number of projects undertaken.*

- (c) Reporting includes all the reporting requirements listed in Annex 1.4 of GEF/C.39/09.
- (d) Outreach and knowledge sharing includes participation in sub-regional consultations, country dialogues and STAP meetings.
- (e) Support to Evaluation Office includes evaluations, reviews and studies initiated by the GEF Evaluation Office.

Attachment 3. Definition of Ratings

Implementation Progress Ratings

1. **Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Moderately Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Moderately Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Global Environment Objective/Development Objective Ratings

7. **Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
8. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
9. **Moderately Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives, but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.
10. **Moderately Unsatisfactory (MU):** Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.
11. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

12. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

Development/Adaptation Objective Ratings (For LDCF/SCCF/SPA)

13. **Highly Satisfactory (HS):** Project is expected to achieve or exceed all its major development/adaptation objectives, and yield substantial adaptation benefits, without major shortcomings. The project can be presented as “good practice”.

14. **Satisfactory (S):** Project is expected to achieve most of its major development/adaptation objectives, and yield satisfactory adaptation benefits, with only minor shortcomings.

15. **Marginally Satisfactory (MS):** Project is expected to achieve most of its major relevant development/adaptation objectives, but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major development objectives or yield some of the expected adaptation benefits.

16. **Marginally Unsatisfactory (MU):** Project is expected to achieve its major development/adaptation objectives with major shortcomings or is expected to achieve only some of its major adaptation objectives.

17. **Unsatisfactory (U):** Project is expected not to achieve most of its major development/adaptation objectives or to yield any satisfactory adaptation benefits.

18. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, any of its major development/adaptation objectives with no worthwhile adaptation benefits.

Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project that may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

19. **High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

20. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

21. **Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/or the project may face only modest risks.

22. **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/or the project may face only modest risks.

Attachment 4. Annual Portfolio Monitoring Report (APMR) Requirements

1. The APMR provides an overview of the progress and performance of the GEF portfolio, among other purposes. The APMR covers all full- and medium-sized GEF projects that began implementation at least one year or longer as of June 30 of a set fiscal year,¹⁶⁰ and have been under implementation for a full year. Projects that completed implementation during the fiscal year should submit a final project implementation report (PIR). The steps, responsibilities and outputs of the APMR process are as follows:
2. *Annual Portfolio Monitoring Report:* The GEF Secretariat will prepare a draft APMR report for the October/November Council based on the Agencies' summary tables and administrative expenses, as well as data from the Secretariat's PMIS. A second report on lessons learned and overall results will be presented to the May/June Council of the following year.
3. *Project Implementation Reports (PIR):* The GEF Agencies will submit to the GEF Secretariat individual PIRs for all full- and medium-sized GEF projects that have been under implementation for at least one year or longer as of June 30 of a set fiscal year, including projects that completed implementation during the fiscal year. Each Agency will submit the same yearly report that is required of their respective Agency. Reports must include the following:
 - a. **Basic Data:** Project Name, GEF ID Number, Country, Focal Area, GEF Grant Amount, Co-finance amount, Total Project Cost
 - b. **Project Status:** Project Start Date, Expected Project Close Date and Disbursements to Date
 - c. **Rating project performance:** An overall assessment and ratings of "likelihood of achieving project objective" and "implementation progress". The definition of ratings is provided in Attachment 3.
 - d. **Risk Rating:** An overall risk rating. Risk ratings will assess the overall risk of factors internal or external to the project that may affect implementation or prospects for achieving project objectives. The risk rating definition and scale are provided in Attachment 3.
4. *Focal Area Tracking Tools:* Tracking tools are due for all FSPs at mid-term and project completion. For MSPs, TTs are due at project completion. Tracking tools and directions for completing them are explained in the "tracking tool requirement" section above (section 2).
5. *Agency Summary Tables (in Excel):* Attachment 1 provides the contents requested of the three Agency summary tables. An Excel template is also provided as an attachment to this document. The three tables requested include:

¹⁶⁰ A fiscal year for the GEF starts on July 1st and ends on June 30th of the following year.

- a. **MSPs and FSPs:** Agencies should provide the Secretariat with a summary table that lists all projects required to submit PIRs, as well as all CEO Endorsed/Approved projects that have not yet started implementation or have not been under implementation for a full year.
 - b. **Enabling Activities:** Agencies should provide the Secretariat with a summary table of all EA that have been approved but not yet closed.
 - c. **Programmatic Approaches:** Agencies should provide the Secretariat with a summary table of each programmatic approach.
6. *Mid-term Review/Evaluations*¹⁶¹: The GEF Agencies are expected to submit copies of mid-term reviews or evaluations that have been completed during that fiscal year for both MSPs and FSPs.
7. *Administrative Expenses:* Agencies will submit administrative expenses as agreed to in the template provided in Attachment 2.
8. Exact dates for when all submissions are due will vary slightly from year to year. In principle, the summary tables from Attachment 1 and administrative expenses are due in September and the PIRs, MTRs, TTs and progress report on sub-optimal ratings are due in December.

¹⁶¹ Terminal Evaluations should be submitted directly to the Evaluation Office.

ANNEX 10: PROJECT AMENDMENT, DROP, SUSPENSION AND CANCELLATION

I. INTRODUCTION

1. At any stage of the project cycle, the country, the GEF Agencies, as well as the GEF Secretariat, may recommend amending/dropping/suspending/cancelling a project. The decision is based on changes in national priorities, poor implementation performance leading to a conclusion that the project can no longer meet its objectives, and unmet benchmarks for project preparation, among others.¹⁶² This guideline clarifies procedures for any of the circumstances mentioned.

II. GUIDELINES FOR PROJECT AMENDMENT

PROJECT AMENDMENT

2. During project preparation or implementation, changes to the project design, implementation modality, or timeline for the project may be required to allow the project to continue preparation or implementation. Such changes can either be a major or minor amendment.

3. Major amendment means a change in project design or implementation that has a significant impact on the project's objectives or scope, or an increase of the GEF project financing of more than 5%.¹⁶³ Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5%.

4. If the reason for the amendment includes an increase of the GEF project financing¹⁶⁴, the GEF Agency needs to confirm with the Secretariat whether the requested additional funds are available in the respective focal area(s)¹⁶⁵. If they are available, the Secretariat needs to approve such an increase. The increases in the GEF project financing can only be tapped within the same replenishment period. For focal areas subject to STAR, the involved country/countries need to: (i) ascertain if there are enough un-used resources in the respective focal area(s); and (ii) express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF Operational Focal Point(s).

5. Procedures for Major Amendment for FSPs:

¹⁶² Rules, Procedures and Objective Criteria for Project Selection, Pipeline Management, Approval of Subprojects, and Cancellation Policy, GEF/C.30/3, December 2006. For cancellation of projects caused by non-compliance with the elapsed time allowed for project preparation, additional information is available on the GEF website, under the Cancellation Policy OP/PL/01, June 2015.

¹⁶³ GEF Project and Program Cycle Policy – OP/PL/01, November 2016, page 4

¹⁶⁴ Regardless whether this is a major or minor amendment.

¹⁶⁵ Including STAR and non-STAR focal areas.

- If the amendment includes an increase of the GEF project financing, the Secretariat needs to confirm and approve resource availability.¹⁶⁶ Once approved, the GEF Agency submits a project proposal and project document requests for CEO endorsement (or re-endorsement, if the project is under implementation). This must include the GEF Agency amended notification (see Attachment 1) justifying the changes.
- If the changes do not include an increase in GEF financing, but changes in project objectives or scope (i.e. downgrade GEB), the amendment follows the Agencies' policies before sending the amendment to the Secretariat.
- Once received, the Secretariat reviews the amended project proposal. If it concurs, it circulates the amended proposal to Council for four weeks for its comments and approval.
- If Council comments are received, the GEF Agency must respond directly to the Council member with a copy to the Secretariat. The Secretariat assesses whether the answers provided by the GEF Agency address the Council member's comments.¹⁶⁷ On that basis, the CEO conveys the Council approval with an endorsement (or re-endorsement) letter.
- If four or more Council Members raise an objection because in their view the proposed amendment to the project is not consistent with the GEF Instrument or GEF policies or procedures, the CEO endorsement (or re-endorsement) will be withheld and the project will be resubmitted to a subsequent Council meeting.¹⁶⁸ The CEO endorses/re-endorses the project if the Council finds that the project is consistent with the Instrument and GEF policies and procedures.
- If there are no Council comments, at the expiration of the circulation period the CEO conveys Council approval with an endorsement (or re-endorsement, if the project is under implementation) letter. If the reason for the amendment includes an increase of the GEF project financing, the Trustee will be informed through the CEO endorsement (or re-endorsement) letter.

6. Procedures for Major Amendment for MSPs and EAs:

- If the amendment includes an increase of the GEF project financing, the Secretariat needs to confirm and approve resource availability.¹⁶⁹ Once approved, the GEF Agency resubmits an amended MSP or amended EA proposal for CEO approval (or

¹⁶⁶ Countries need to express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF Operational Focal Point(s).

¹⁶⁷ If requested by the Secretariat, the Agency communicates directly with the Council Member to clarify or resolve any issues, with a copy to the Secretariat.

¹⁶⁸ *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010, page 19, para. 79 (b)

¹⁶⁹ Countries need to express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF Operational Focal Point(s).

re-approval, if under implementation). This must include a cover note¹⁷⁰ justifying the changes and reflecting these changes, with the associated documentation for CEO re-approval.¹⁷¹

- If the changes do not include an increase in GEF financing, but changes in project objectives or scope (i.e. downgrade GEB), the amendment follows the Agencies' policies before being submitted to the Secretariat.
- Once received, the Secretariat reviews the amended project proposal. If the Secretariat concurs, the CEO issues an approval (or re-approval) letter. If the reason includes an increase of the GEF project financing, the Trustee will be informed through the CEO approval (or re-approval) letter.

7. Procedures for Minor Amendment for FSPs:

- If the changes occur *before* the CEO endorsement and include an increase of the GEF project financing up to 5%, the Secretariat needs to confirm and approve resource availability.¹⁷² Once approved, the GEF Agency submits the CEO endorsement request template reflecting the minor changes. The Secretariat reviews and if it concurs with the minor amendment, the CEO issues an endorsement letter to the GEF Agency with the revised project financing amount. The Trustee will be copied accordingly.
- If the changes occur *after* the CEO endorsement, and *do not* include a change in the GEF project financing, the Agencies act on the amendment at their discretion. However, it will be reported in the annual Project Implementation Review (PIR) submitted to the Secretariat after the Agency approves the project.
- If the changes occur *after* the CEO endorsement, and *do* include an increase in the GEF project financing up to 5%, the Secretariat needs to confirm and approve resource availability.¹⁷³ Once approved, the GEF Agency submits the CEO endorsement request template reflecting the minor changes. Upon CEO concurrence, a CEO re-endorsement letter with the revised project financing amount will be issued to the GEF Agency and communicated to the Trustee accordingly.

8. Procedures for Minor Amendment for MSPs and EAs:

- If the changes do not include an increase in GEF project financing, changes for MSPs and EAs proposed *after* the CEO has approved a project are made at the discretion

¹⁷⁰ Via email or one pager brief explanation

¹⁷¹ *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016, page 13, para (a) vi.

¹⁷² Countries need to express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF Operational Focal Point(s).

¹⁷³ Countries need to express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF operational focal point(s).

of the responsible GEF Agency. They are reported to the GEF Secretariat as part of the annual Project Implementation Review (PIR) after agency approval.

- If the changes involve an increase up to 5% in the GEF project financing amount, the Secretariat needs to confirm and approve resource availability.¹⁷⁴ Once approved, the GEF Agency submits an amended MSP/EA approval request to the Secretariat. Upon CEO concurrence, a CEO re-approval letter with the revised project financing amount will be issued to the GEF Agency and communicated to the Trustee accordingly.

III. GUIDELINES FOR PROJECT DROP/SUSPENSION/ CANCELLATION¹⁷⁵

DROPPING A PROJECT¹⁷⁶

9. Dropping refers to the termination of further preparation of a project concept when no GEF project financing has been set-aside. Some criteria for dropping a project include, but are not limited to, the following:

- Country national priorities have changed;
- The problem/situation (e.g. threats, barriers removal, etc.) is removed, no longer relevant or expected to be fully addressed through another intervention;
- Corrupt or fraudulent practices;
- The agreed project cycle did not meet the benchmark time for preparation.¹⁷⁷

10. Procedures for dropping a project:

- Any project modality can be dropped through a drop notification (see Attachment 1) submitted to the GEF Secretariat.
- In consultation with the country/countries Operational Focal Point(s)¹⁷⁸, the GEF Agency explores options for not dropping the project concept. If no option is feasible, the GEF Agency makes a final decision for dropping the project concept.
- The Secretariat updates the project status on PMIS accordingly.

SUSPENDING A PROJECT

¹⁷⁴ Countries need to express their willingness to allocate the additional funds through a new Letter of Endorsement signed by the GEF Operational Focal Point(s).

¹⁷⁵ For return of Agency Fees when appropriate, consult the Guideline on Implementing Function – Executing Functions/Agency Fee/Project Management Costs.

¹⁷⁶ GEF/C.24/Inf.5, Table 1, page 4

¹⁷⁷ OP/PL/01 Cancellation Policy provides detailed procedures of cancellation procedures under these circumstances.

¹⁷⁸ All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted as appropriate.

11. Suspending refers to a temporary stoppage or an interruption of project implementation or disbursement of funds, upon advice of the GEF Agency, the Secretariat or the country, and as warranted by special circumstances, such as:

- Conditions in the country that presented imminent danger for undertaking project activities by either the GEF Agency or local staff;
- Detection of corruption by government officials, project personnel or partners involved in the project;
- Non-compliance of the country in the contractual agreements with the GEF Agency.

12. Procedures for suspending a Project:

- Full-sized projects, medium-sized projects and enabling activities may be suspended after Agency approval, but before project completion.
- In consultation with the country/countries Operational Focal Point(s)¹⁷⁹, the GEF Agency explores options to determine whether under the current circumstances it is still possible to continue to meet the project's objectives. If no other option is feasible than to suspend the project, the GEF Agency makes a final decision.
- The GEF Agency needs to get the country's commitment to address the identified problems.¹⁸⁰ Once the commitment is received, the GEF Agency sends an official suspension notification (see Attachment 1) to the GEF Secretariat, the Operational Focal Point(s) and the Trustee. The notification specifies the conditions under which the suspension can be lifted, as well as a reasonable maximum deadline after which the project will be cancelled.
- The Secretariat concurs with the project suspension with a letter to the GEF Agency, copying the Operational Focal Point(s)¹⁸¹ and the Trustee. It indicates the reasons for the suspension, as well as the suspended project financing amount.
- The GEF Agency follows its own financial rules and procedures regarding the freezing of disbursements. At the same time, it complies with the financial procedures agreement signed with the Trustee.
- The GEF Agency notifies the Secretariat whenever suspension is lifted. The Secretariat assesses the lifting of the suspension. If it agrees, it issues a letter to the GEF Agency, copying Operational Focal Point(s) and the Trustee. If the conditions for lifting the suspension are not met by the deadline proposed by the GEF Agency or the Secretariat, the project is subject to cancellation.¹⁸²

¹⁷⁹ As well as other relevant government agencies and partners, including co-financiers involved in the project implementation, as appropriate.

¹⁸⁰ As long as those problems are, to certain extent, under the control of the Government.

¹⁸¹ All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted, as appropriate.

¹⁸² For cancellation, please follow the steps presented in the section Procedures for cancelling a project below.

CANCELLING¹⁸³ A PROJECT

13. Cancelling refers to the cessation of project preparation or implementation. Some criteria for cancelling a project include, but are not limited to, the following:

- Poor implementation performance¹⁸⁴ leading to a conclusion that the project can no longer meet its objectives, and where restructuring is not likely or appropriate to address the issue;
- Changes in country national priorities;
- The problem/situation (e.g. threats, barriers removal, etc.) is removed or no longer relevant or expected to be fully addressed through another intervention;
- No baseline project supports the GEF-funded project;
- Corruption or fraudulent practices.

14. Procedures for cancelling a project:

- Full-sized projects may be cancelled after Council approval, but before project completion. Medium-sized projects and Enabling Activities may be cancelled after CEO approval, but before project completion.
- In consultation with the country/countries Operational Focal Point(s)¹⁸⁵, the GEF Agency explores options to ensure it is possible to either complete project preparation or for the project to meet its objectives. If no option is feasible, the GEF Agency makes a final decision for cancelling the project.
- The GEF Agency notifies the Secretariat of project cancellation through submission of a cancellation notification (see Attachment 1). This indicates the reasons for cancellation, as well as the cancelled GEF project financing amount and Agency fee.
- The Secretariat reviews the notification. It acknowledges the Agency's recommendation to cancel the project with a CEO concurrence letter to the GEF Agency, copying the country/countries Operational Focal Point(s) and the Trustee.
- The GEF Agency returns the cancelled funds of the GEF project financing in accordance with the financial procedures agreement signed with the Trustee.
- Agency fees have to be returned to the Trustee as follows:¹⁸⁶ (i) for FSP, 60% of the Agency fee would be prorated based on project duration as stated in the project

¹⁸³ Please refer to the Project Cancellation, POLICY: OP/PL/01, June 2015 for criteria to cancel the project based on the timeframe between PIF/PFD approval and CEO Endorsement/Approval submission.

¹⁸⁴ Lack of adequate performance can be captured through Project Implementation Reviews (PIR), Mid-term Review (MTR) and/or any other monitoring report/information coming from the GEF Secretariat, GEF Agencies and/or other stakeholders.

¹⁸⁵ All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted, as appropriate.

¹⁸⁶ As stated in the Guidelines for Implementation & Execution Functions, Agency Fee and Project Management Cost, paragraph 12 (c) and (d).

document endorsed by the CEO and the prorated amount returned;¹⁸⁷ (ii) for any MSP/EA cancelled after CEO Approval, 100% of the Agency fee would be prorated based on project duration as stated in the project document approved by the CEO, and the prorated amount returned.

- During GEF-6, the cancellation of any project prior to the last six months of the replenishment (December 31, 2017) will lead to those resources becoming available again to that same country (or focal area set-aside) and focal area. In the last six months, the cancellation of any project will lead to those resources becoming available to the same focal area.¹⁸⁸

REPORTING REQUIREMENTS ON PROJECT DROP/CANCELLATION/SUSPENSION¹⁸⁹

15. The GEF Agency is expected to report all project changes in its quarterly report to the Trustee and copy the Secretariat. The Trustee is expected to report to Council on a semi-annual basis on cumulative funding cancelled as of the reporting date in the GEF Trust Fund Financial Report.

IV. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy* – OP/PL/01, November 2016
- *Project Cancellation, POLICY: OP/PL/01*, June 2015
- *Improving the Project Cycle*, GEF/C.47/07/Rev.01, October 2014
- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *Policies and Procedures for the GEG Project Cycle*, GEF/C.31/7, June 2007 (updated version in November 2008)
- *GEF Project Cycle*, GEF/C.31/7, June 2007
- *Rules, Procedures and Objective Criteria for Project Selection, Pipeline Management, Approval of Subprojects and Cancellation Policy*, GEF/C.30/3, December 2006
- *GEF Project Cycle Update: Clarification of Policies and Procedures for Project Amendments and Drops/Cancellations*, GEF/C.24/Inf.5, November 2004
- *GEF Project Cycle: An Update*, GEF/C.22/Inf.9, November 2003

¹⁸⁷ For example, if a project with a five-year implementation period is cancelled in year two, the Agency would return 36% of the fee (retain 40% for the period up to Agency-approval plus 12% per year for the two years of implementation).

¹⁸⁸ Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6 – GEF/C.46/05/Rev.01- page 13.

¹⁸⁹ Agency Notification Templates for reporting amendments, dropped or cancelled projects can be downloaded from the GEF website at <http://www.thegef.org/documents/templates>.



**AGENCY NOTIFICATION ON
AMENDED/DROPPED/SUSPENDED/CANCELLED (SELECT PROJECT TYPE)**

Add Date

PROJECT IDENTIFIER

Name of Project:**Country(ies):****GEF Agency:****GEF Project ID:****Agency Project ID:****Focal Area:** (Select Focal Area)**Trust Fund:** (select trust fund)**PIF Approval Date:****PPG Approval Date:****Council Approval Date** (for FSP):**CEO Approval Date** (for MSP, EA):**CEO Endorsement Date** (for FSP):

FINANCIAL STATUS

FSP/MSP/EA Amended/Dropped/Suspension/Cancellation Date:**Grant Amount:** (in exact dollar amount) **Agency Fee:** (exact \$ amount)**Undisbursed Grant Amount:** (exact \$ amount)**Undisbursed Agency Fee:** (exact \$ amount)**Explanation for amending/dropping/suspending/cancelling project¹⁹⁰:**

AGENCY CERTIFICATION

The (Name of Agency) would like to inform the GEF Secretariat that it will amend/drop/cancel/suspend the above-mentioned project after consultation with the beneficiary country, particularly with the relevant government agencies involved in project preparation/implementation, and other partners including co-financiers.

(Name and Signature)

Agency Certifying Officer

Email Address:

Phone:

Project Contact Person

Email Address:

Phone:

¹⁹⁰ Attach evidence of consultation with country regarding the amended/dropped/cancelled/suspended project.

ANNEX 11: PROJECT TRANSFER FROM ONE AGENCY TO ANOTHER

I. INTRODUCTION

1. GEF Agencies are responsible for implementation of the project, which “entails oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and requirements”.¹⁹¹ However, during project preparation or implementation, circumstances may change that prompts the transfer of a project from one GEF Agency to another. The procedures for such transfer are described below.

II. GUIDELINES ON PROJECT TRANSFER

2. GEF Agency transferring the project and GEF Agency assuming implementation functions:

The GEF Agency wishing to transfer its implementation functions on a project to another GEF Agency performs the following:

- (a) Identifies and agrees with the GEF Agency willing to assume implementation functions of the continued preparation and/or implementation of a project, on both technical (e.g. existing baseline project, justification of alignment with the existing GEF-funded project) and financial terms of the transfer (e.g. transfer of any technical documentation available and of the GEF Project financing amount and Agency fee);¹⁹²
- (b) Consults with the country/countries involved in the project and obtains concurrence letter(s) from the GEF Operational Focal Point(s);¹⁹³
- (c) Coordinates with GEF Agency assuming the implementation functions to complete the notification to disclose whether any change in project design or implementation has a significant impact on the project’s objectives or scope.
- (d) Coordinates with GEF Agency assuming project implementation functions to complete the notification to include a new expected date for submission¹⁹⁴ of the project for CEO Endorsement/Approval by the GEF Agency assuming project implementation functions, if the project is under preparation (or project completion date, if the project is under implementation); and explicitly mentions the GEF Agency’s agreement to take over the project and the country’s/countries’ agreement to such proposed transfer.

¹⁹¹ See Guidelines on Implementation & Execution Functions, Agency Fee and Project Management Cost.

¹⁹² If applicable, Project Preparation Grant funds.

¹⁹³ All other relevant government agencies and partners, including co-financiers involved in project preparation, can be consulted, as appropriate.

¹⁹⁴ Unless agreed otherwise by the Secretariat, the project must continue to abide by the project cycle target as follows: 18 months in the case of FSP from Council approval to CEO endorsement submission, and 12 months in the case of MSP approval submission – see paragraph 5 below.

- (e) Submits the Agency Notification on Project Transfer Template (see Attachment 1) to the GEF CEO, with a copy to the GEF Agency assuming implementation functions. It requests the transfer by providing the rationale, justification for such transfer, the agreed GEF project financing and Agency fee to be transferred between the two Agencies; the GEF Agency transferring the project will also copy notification to the GEF Trustee.

3. GEF Secretariat's Role

- (a) The Secretariat reviews the request. It assesses if any change in project design or implementation has (i) a significant impact on the project's objectives or scope; and/or (ii) an increase of the GEF project financing of more than 5%. If so, the project has to be processed as a major amendment.¹⁹⁵
- (b) If the Secretariat agrees with the request, the CEO issues an approval letter (see Attachment 2) addressed to the transferring GEF Agency. The letter is copied to the GEF Agency assuming the implementation functions, the GEF Operational Focal Point(s) and Trustee.
- (c) The Secretariat will modify the project information on the PMIS reflecting the GEF Agency assuming the implementation functions and revise the expected Agency approval date.

4. Role of Trustee: Upon receiving the CEO approval letter, the Trustee will transfer the commitment of project financing amount and Agency fee to the GEF Agency assuming the implementation functions accordingly. To secure the funding, the GEF Agency assuming the implementation functions should follow the standard financial procedures agreement with the Trustee.

5. GEF Agency assuming Project Implementation Functions: Upon receipt of the CEO approval letter, the GEF Agency assuming the implementation functions can continue project preparation or implementation, as the case may be. Unless agreed by the Secretariat, the GEF Agency assuming implementation functions should continue to abide by the project cycle target as follows: 18 months in the case of FSP from Council approval to CEO endorsement submission, and 12 months in the case of MSP approval submission. No new dates will be extended unless explicitly discussed with and agreed by the Secretariat; otherwise, the Cancellation Policy applies.

III. RELATED DOCUMENTS AND REFERENCES

- *GEF Project and Program Cycle Policy, OP/PL/01*, November 2016
- *GEF Secretariat Operations Manual*, August 2005

¹⁹⁵ See Guidelines for GEF Project Amendment, Drop, Suspension and Cancellation.



**AGENCY NOTIFICATION ON
PROJECT TRANSFER (SELECT PROJECT TYPE)**

Attachment 1

ADD DATE

PROJECT IDENTIFIER

Name of Project:

Country(ies):

GEF Agency:

GEF Project ID:

Agency Project ID:

Focal Area: (Select Focal Area)

Trust Fund: (select trust fund)

PIF Approval Date:

PPG Approval Date:

Council Approval Date (for FSP):

CEO Approval Date (for MSP, EA):

CEO Endorsement Date (for FSP):

FINANCIAL STATUS

FSP/MSP/EA Transfer Date:

Grant Amount: (in exact dollar amount) **Agency Fee:** (exact \$ amount)

Undisbursed Grant Amount: (exact \$ amount)

Undisbursed Agency Fee: (exact \$ amount)

Explanation for transferring project¹⁹⁶:

AGENCY CERTIFICATION

The transferring (Name of Agency) would like to inform the GEF Secretariat the transfer of the above-mentioned project to [Name of receiving Agency] after consultation with the beneficiary country/countries, particularly with the relevant government agencies involved in project preparation/implementation and other partners, including co-financiers.

(Name and Signature)

Project Contact Person

Agency Certifying Officer

Email Address:

Email Address:

Phone:

¹⁹⁶ Attach concurrence letters from operational focal point(s).

CEO Approval of Project Transfer to another Agency

[Date]

GEF Executive Coordinator
GEF Agency

Dear _____,

Subject: Request for Project Transfer to [New Agency]

I refer to [transferring Agency's] notification dated xxx proposing transfer of Implementing Agency and to [receiving Agency's] concurrence letter dated xxx for the transfer of the full-sized project entitled: "**Country: Project Title**" – GEF ID xxx.

I have reviewed the circumstances that have led to this request for change of implementing agency. With [receiving Agency's] readiness to take over implementation of the project and with the concurrence of the country's Operational Focal Point and related Government Agencies, I find your justification acceptable and, therefore, approve the proposed project transfer. I expect continued close coordination among the concerned GEF Agencies and partners to implement this project.

Latest Project Status:	
GEFSEC ID:	
Transferring Agency:	
Receiving Agency:	
Focal Area:	
Project Type:	
Country(ies):	
Name of Project:	
Indicative GEF Project Grant:	

Indicative Agency Fee:	
PPG Grant:	
PPG Agency Fee:	
Undisbursed GEF Project Grant to be transferred to receiving Agency:	
Undisbursed Agency Fee to be transferred to receiving Agency:	
Undisbursed PPG Grant to be transferred to receiving Agency:	
Undisbursed PPG Agency Fee to be transferred to receiving Agency:	
Funding Source (GEF/SCCF/LCDF/CBIT):	

Sincerely,

Chief Executive Officer and Chairperson

Attachment:

Agency Notification Request on Project Transfer to [Agency assuming the implementation functions]

Receiving Agency's Letter of Concurrence

Operational Focal Point Letter of Concurrence

Copy:

[Agency assuming implementation functions]

GEF Secretariat

GEF Trustee

Operational Focal Point(s)

ANNEX 12: THE ROLE AND RESPONSIBILITIES OF STAP IN THE PROJECT CYCLE¹⁹⁷

I. INTRODUCTION

1. The Scientific and Technical Advisory Panel's (STAP) mandate is to provide strategic scientific and technical advice to the Global Environment Facility (GEF). STAP's role is defined in the Terms of Reference (TOR) approved by the GEF Council in March 2012¹⁹⁸. STAP's role is unique among GEF corporate bodies, being to assist in assuring the scientific and technical quality of GEF investments and enhancing innovation.
2. The Sustainable Development Goals and the multilateral environmental agreements, which the GEF serves as a financial mechanism¹⁹⁹, share an understanding of the importance of building healthy systems that are resilient to future shocks to achieve sustainability. The GEF recognizes there is a need to act differently to support sustainability by embracing transformational change in order to strengthen the resilience of ecosystems, social systems and responses to climate change.
3. Through its scientific and technical advice, STAP is available to support the GEF achieve transformational change. The Operational Advice section of STAP's TOR (paragraphs 16-23) details STAP's role and responsibilities in the GEF project cycle, which can be summarized as follows:
 - (a) Screening GEF full-sized project (FSP) and Program concepts and all applied research proposals²⁰⁰ regardless of the project modality; providing independent review and the provision of objective scientific and technical advice to enhance the quality of projects at entry, and at any stage during project development.
 - (b) Identifying any anomalies or gaps in the project process that could be improved based on developments in the scientific and technical knowledge, and proposing courses of action by the GEF and its agencies to address them.
 - (c) Convening a Research Committee to advise the GEF CEO on each Targeted Research proposal that is received. STAP should be involved in the steering committee, and/or scientific committee, of projects involving significant research effort to ensure that the research is of high quality, is of most relevance to the GEF, and is readily translated to other contexts.
 - (d) Providing advice on project development on a selective basis as invited by GEF Agencies.

¹⁹⁷ Prepared by STAP.

¹⁹⁸ Refer to STAP Terms of Reference, <http://www.stapgef.org/sites/default/files/documents/STAP-TORs.pdf>.

¹⁹⁹ The GEF serves as a financial mechanism to five conventions, which are Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC), Stockholm Convention on Persistent Organic Pollutants (POPs), UN Convention to Combat Desertification (UNCCD) and Minamata Convention on Mercury.

²⁰⁰ Refer to GEF Council document "Principles for GEF Financing of Targeted Research" (GEF/C.9/5, 1997), and "Research within the GEF: Proposals for Revising the Targeted Research Modality" (GEF/STAP/C.43/Inf.02).

4. The STAP Secretariat and Panel members screen project concepts (submitted to the GEF through Project Identification Forms (PIFs) and Program Framework Documents (PFDs) to identify, at an early opportunity, whether a project proposal could benefit from scientific advice in its further preparation and whether the project proponents have the necessary knowledge and understanding of recent advances in science and technology relevant to the proposed investment.

5. In such cases, and according to the approach outlined below, the STAP may recommend that an independent review take place during project development to ensure that scientific and technical concerns identified during the screening process are properly addressed. STAP's PIF/PFD screening reports form part of the official public record of GEF project reviews, and they are provided to the GEF Council, Agencies, and Secretariat. The reports also are kept by the STAP Secretariat, and made available on the GEF Project Management Information System (PMIS).

II. STAP SCREENING OF PIFs AND PFDs

6. GEF Agencies are required to submit PIFs and PFDs to the STAP Secretariat at the same time that they are formally submitted to the GEF Secretariat. STAP provides advice on PIFs and PFDs once the CEO approves the inclusion of the proposed PIF/PFD into the GEF work program. However, the GEF Agencies and GEF Secretariat have in the past, and are welcome to continue to, approach(ed) STAP in project conceptualization should the proponents believe that the planned PIF/PFD would benefit from STAP's input at an earlier stage.

7. STAP screens all full-sized PIFs and PFDs to advise the GEF Agency and Council of STAP's concerns and suggested improvements, if any. STAP will screen full-sized projects that are part of Programs upon request by the GEF Agency, Council, or GEF Secretariat. STAP will generally not screen any enabling activity projects, unless STAP establishes that there is a significant technical component, including social science that warrants a review. The STAP reports its findings in a screening report that is provided to the GEF Secretariat, GEF Agency, and Council, and filed in the GEF's PMIS. For multi-focal area projects, it is usual for more than one panel member to review the PIF/PFDs to cover the topic(s).²⁰¹

8. In providing advice through PIF/PFD screening reports, STAP concentrates on the scientific, technical and logical design components of the projects. It also pays close attention to components of scientific and technical innovation, and to methodological and implementation barriers. Following STAP screening, the GEF Secretariat includes STAP's recommendations in the project review sheet for CEO endorsement and ensures that the

²⁰¹ Reviewing projects associated with the Integrated Approach Pilots (IAPs) has been somewhat ad hoc to date since each of the three IAPs has sought varying inputs from STAP. STAP will revisit the current review process for multifocal area and IAP projects once plans to implement the proposed Impact Programs for GEF-7 have been confirmed.

relevant GEF Agency undertakes the necessary steps identified in the STAP screen to address the issue(s) prior to CEO endorsement.

III. SCREENING REPORT ADVISORY RESPONSES AND FOLLOW-UP ACTIONS

9. The intent of the STAP screening report is to add value to programs and projects, and provide quality assurance at an early stage in the GEF Project Cycle to the GEF Council. The PIF/PFD screening report will include one of three possible overall advisory responses (concur, minor changes recommended, major changes recommended), which are explained in Table 1 together with proposed follow on actions.

10. In cases where STAP acknowledges the project has merit on scientific and technical grounds, the STAP recognizes this in the screen by stating that STAP is satisfied with the scientific and technical quality of the proposal, and receives a STAP advisory response 'concur' (see Item 1 in Table 1) to indicate that the STAP finds no significant scientific and technical issues that might hamper the further development of the project proposal. In cases where the STAP identifies that a project (a) includes a major component of science and technical innovation that is not adequately handled, (b) makes use of an experimental design or approach that needs further attention, or (c) confronts significant implementation and methodological barriers as noted above, STAP may recommend that further improvements are needed to the project design. References to relevant scientific papers or reports are often provided to assist the project proponent. Projects in these cases receive either a STAP advisory response of 'minor issues to be considered in project design' or 'major issues' (2 or 3 in Table 1). Two types of follow-up action are envisaged:

- (a) STAP may recommend that the GEF Agency takes action to improve aspects of the project design, based on STAP's advice. The GEF Agency is expected to consider STAP's advice in its project documentation and provide a report on the actions taken (or not) in response to STAP advice, at the time of submission of the final project document for CEO endorsement.
- (b) In certain cases, STAP may additionally recommend that the GEF Agency commission and fund an independent review of the project design at an agreed point in time well before submission for CEO endorsement, with the purpose of reviewing the project design and confirming that it meets the standards agreed in advance between STAP and the Agency. The review would also enable the Agency to take further corrective action if necessary well in advance of the submission date for CEO Endorsement. The review should be attached to the final project document with a short report of any action agreed and taken, at the time of submission of the final project document for CEO endorsement.

Table 1. Definitions of STAP Advisory Responses

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Concur	STAP acknowledges that on scientific or technical grounds the concept has merit. The proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
2. Minor issues to be considered during project design	STAP has identified specific scientific /technical suggestions or opportunities that should be discussed with the project proponent as early as possible during development of the project brief. The proponent may wish to: (i) Open a dialogue with STAP regarding the technical and/or scientific issues raised. (ii) Set a review point at an early stage during project development, and possibly agreeing to terms of reference for an independent expert to be appointed to conduct this review. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
3. Major issues to be considered during project design	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical methodological issues, barriers, or omissions in the project concept. If STAP provides this advisory response, a full explanation would also be provided. The proponent is strongly encouraged to: (i) Open a dialogue with STAP regarding the technical and/or scientific issues raised. (ii) Set a review point at an early stage during project development including an independent expert as required. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.

IV. TARGETED RESEARCH

11. Targeted Research (TR) is defined as “goal-oriented research that supports the GEF operational strategy by providing information, knowledge and tools that improve the quality and the effectiveness of the development and implementation of GEF projects and programs”.²⁰² Specifically, after CEO clearance and Council approval of a proposed project incorporating targeted research, STAP convenes a research committee to review the proposal. STAP may also itself propose TR projects and, working with the GEF Secretariat and GEF Agencies, assist with the development, execution and monitoring of a project (for example, “The Coral Reef Targeted Research & Capacity Building for Management (CRTR) Program (2004-2009) by the World Bank). GEF Agencies are encouraged to contact STAP at an early stage to seek informal advice as they develop TR ideas.

²⁰² The processes that govern targeted research are set out in GEF Council document “Principles for GEF Financing of Targeted Research” (GEF/C.9/5, 1997), and relevant STAP rules and procedures (see document GEF/C.23/Inf.11, Rules of Procedure of The Scientific and Technical Advisory Panel (STAP) of the Global Environment Facility).

V. RISKS ASSOCIATED WITH CLIMATE CHANGE

12. Since 2010, STAP has highlighted that many GEF focal area objectives and expected outputs are prone to risks associated with climate change through both direct and indirect effects on project interventions (Ravindranath et al., 2010). Since then, the identification of climate change risks has also become mandatory across all GEF projects²⁰³. Addressing climate risks in GEF investments is an important and urgent issue requiring a comprehensive and integrated approach²⁰⁴. It is a developing area for integration across the GEF and can be undertaken at three different levels: i) climate resilience as risk management; ii) climate resilience as a co-benefit; iii) climate resilience integrated into a Multiple Benefits framework (Bierbaum et al 2014). At a minimum, climate risks must be properly assessed to ensure that GEF project objectives are not compromised by climate change impacts. STAP encourages all relevant projects to integrate issues related to climate change into the project framework in order to build more responsive actions to enhance climate resilience for developing the multiple benefits of a project.

13. Many funding agencies have implemented climate change risk assessments, but for effective implementation of such tools “additional efforts will likely be required in order to ensure that there is sufficient knowledge and information on climate risks to global environmental benefits available”.²⁰⁵ Hence, STAP continues to assess the scientific and technical quality of climate risk assessments in all PIFs, and is consolidating existing screening tools and data visualization/interpretation tools to enable more robust and consistent assessments to be made.

VI. PLANNING FOR ADDITIONAL INTEGRATED PROGRAMS INTEGRATED APPROACHES

14. The recent trend towards projects and programs with more integration across focal areas seems likely to continue. Based on STAP’s experience in screening projects, it has identified the following essential characteristics for what makes a good integrated project based on the developing science of systems thinking:

- The project objective would not be achievable by addressing a single focal area.
- There are linkages and drivers of environmental degradation common to several focal areas.
- Integration of the different focal areas contributes to maximizing environmentally sustainable development, and minimizing trade-offs in relation to the project’s objective.

²⁰³ See Evaluation of the GEF Strategic Priority for Adaptation (GEF/ME/C.39/4).

²⁰⁴ See Enhancing Resilience to Reduce Climate Risks (GEF/C.39/Inf.18).

²⁰⁵ Refer to GEF STAP 2011, GEF/C.41/Inf.16).

15. STAP believes that by applying recent advances in systems thinking and assessing resilience in complex social-ecological contexts, programs and their constituent projects will be substantially improved. The design and management of integrated, or multi-focal area, projects will better enable them to deliver their intended outcomes and long-lasting environmental benefits in the face of significant, and often unpredictable, change²⁰⁶. There is a growing understanding that project design for complex situations should be based on comprehensive problem analysis with stakeholders, underpinned by a system description that identifies the main resources and products of the system, key controlling variables, threshold effects, cross-scale interactions and feedback loops. STAP's guidelines for "Planning for integration: Addressing multiple benefits at project identification stage and in project design", can be found at: <http://www.stagef.org/policy-briefs>.

VI. PROVISION OF EXPERT ADVICE

16. STAP maintains contact with a wide network of scientific and technical organizations through which additional expertise is regularly sourced. GEF Agencies are encouraged to approach STAP to make use of this expertise. STAP has, where relevant, maintained continuing expert advisory input not only to Targeted Research projects but also to innovatory projects through accepting invitations to join project Scientific Advisory Committees.

²⁰⁶ To encourage holistic thinking in the GEF's responses to global change, STAP developed guidelines on resilience based on the theories behind the Resilience, Adaptation Pathways and Transformation (RAPTA) Framework. The guidelines focus on key components for building resilience thinking into project design, including how to consider opportunities for adaptation, or transformation, in order to meet project goals. The components are: 1) scope, scale and location of a project; 2) engagement of stakeholders; 3) theory of change; 4) description and assessment of the social-ecological system; and 5) adaptive implementation pathways and learning. For a thorough description of the components, refer to the STAP publication: "Designing projects in a rapidly changing world, 2016" (www.stagef.org).

ANNEX 13: GUIDELINES FOR GEF AGENCIES IN CONDUCTING TERMINAL EVALUATION FOR FULL-SIZED PROJECTS²⁰⁷

I. SUMMARY

1. The GEF Monitoring and Evaluation Policy (2010) specifies that each GEF full-sized project will be evaluated at the end of implementation. The purpose of Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full Sized Projects is to support GEF Agencies in conducting terminal evaluations in a consistent manner.

II. APPLICABILITY:

2. Terminal evaluation reports are required, in English, at project completion for all full-size projects (including child projects and enabling activities that were processed as full-size projects) funded by GEF through the GEF Trust Fund, the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and, where applicable, other GEF administered trust funds.²⁰⁸ Terminal evaluation reports are also required for full-sized projects that have been cancelled if at least US \$ 1 million (or more than US \$ 2 million for the projects approved on or after January 1st 2013) of the GEF grant had been spent at the point of cancellation.

3. These guidelines take precedence over any other guidance on terminal evaluations for full-sized projects issued by the GEF Independent Evaluation Office (GEF IEO) in past and complement the relevant guidance issued by the GEF Agencies. Although these guidelines do not cover terminal evaluations for GEF programs or medium-sized projects, the Agencies are encouraged to use these guidelines as a reference to develop their approach to conduct terminal evaluations for these activities as well.

III. KEY WORDS:

4. Co-financing; Full-sized Project; Impact; Learning; Lessons; Monitoring and Evaluation; Outcomes; Project Cycle; Results; Sustainability; Terminal Evaluation.

IV. INTRODUCTION

5. The terminal evaluations, i.e. evaluations that are conducted at the end of project implementation, are expected to provide a comprehensive and systematic account of the performance of a completed project by assessing its design, implementation, and achievement of objectives. They are expected to: promote accountability and transparency; facilitate

²⁰⁷ Prepared and Approved by the GEF Independent Evaluation Office.

²⁰⁸ In August 2006 the Council decided that all GEF operational policies, procedures, and governance structure are applied to these funds unless the LDCF/SCCF Council decides otherwise (GEF/C.29/5, *Governance of the Climate Change Funds*, Joint Summaries of the Chairs, 29th GEF Council Meeting, Decision on Agenda Item 6). Accordingly, the LDCF/SCCF currently applies the GEF M&E policy.

synthesis of lessons; provide feedback to allow the GEF IEO to identify issues that are recurrent across the GEF portfolio; and, contribute to GEF IEO databases for aggregation and analysis.

V. GUIDELINES FOR CONDUCT OF TERMINAL EVALUATIONS

a. Roles and Responsibilities

*GEF Agencies*²⁰⁹

1. The GEF Agencies will:
 - a. Conduct terminal evaluations within six months before or after completion of a full-sized project.
 - b. Develop specific terms of reference for each terminal evaluation. Provide guidance, documentation, and support to the evaluation team.
 - c. Archive information gathered during project implementation and conduct of terminal evaluation and, at the request of the GEF IEO, make it available for follow-up studies and evaluations.
 - d. Ensure that the evaluation team is composed of evaluators with relevant expertise, including social safeguards and gender.
 - e. Ensure that project evaluation team members are independent, unbiased, and free of conflicts of interest. The GEF Agency should ensure an independent quality control review of the terminal evaluation.
 - f. Facilitate the engagement of the GEF operational focal points in conduct of terminal evaluations, without compromising the independence of the evaluation. The GEF Agencies will share the terms of reference for the evaluation with the relevant operational focal points. The Agencies will also share the draft reports of the evaluation with them for comment, and transmit the final report to them.
 - g. Actively seek and address feedback of relevant stakeholders to prepare terminal evaluation's terms of reference and its final report.
 - h. Submit the terminal evaluation to the GEF IEO within 12 months of project completion.
 - i. Share the terminal evaluation reports publicly, with the relevant operational focal points, and with the relevant national and regional counterparts.
2. For full-sized projects that are **jointly implemented** by two or more GEF Agencies, one terminal evaluation report should be prepared. The terminal evaluation report should be:

²⁰⁹ This includes the 10 GEF Agencies and 8 GEF Agencies accredited through the Pilot Program on Accrediting GEF Agencies.

- a. **Unified.** The terminal evaluation report will include the overall assessment of project performance and cover all project components.
- b. **Jointly owned.** Unless otherwise agreed, the lead Agency implementing the project will lead the process for conducting the terminal evaluation. It should be undertaken with active participation and/or support from other GEF Agencies.

Independent Evaluation Units of the GEF Agencies

3. The GEF IEO encourages the independent evaluation units of the GEF Agencies to review and validate terminal evaluation reports to ensure compliance with GEF evaluation requirements. Where the ratings and assessments provided by the independent evaluation units of the GEF Agencies have a track record of being consistent with those given by the GEF IEO, the GEF IEO will adopt them for reporting to the GEF Council.

GEF Operational Focal Points

4. Minimum requirement 4 of the GEF Monitoring and Evaluation Policy (2010) requires that the GEF Agencies involve the relevant operational focal points in the terminal evaluation process. The OFPs will receive the draft terminal evaluation report for comments, and will receive the final evaluation report within 12 months of project or program completion. The operational focal points are encouraged to provide inputs while respecting the independent nature of the evaluation.

Evaluators

5. The following guidelines shall be observed by the evaluators in conducting terminal evaluations:
 - a. As per the minimum requirement 3 of the GEF M&E Policy (2010), evaluators will be independent. This implies independence from project design, approval, implementation and execution.
 - b. Evaluators will familiarize themselves with the GEF programs and strategies, and with relevant GEF policies such as those on project cycle, M&E, co-financing, fiduciary standards, gender, and environmental and social safeguards.
 - c. Evaluators will take perspectives of all relevant stakeholders into account. They will gather information on project performance and results from multiple sources including the project M&E system, tracking tools, field visit, stakeholder interviews, project documents, and other independent sources, to facilitate triangulation. They will seek the necessary contextual information to assess the significance and relevance of observed performance and results.

- d. Evaluators will be impartial and will present a balanced account consistent with evidence.
- e. Evaluators will apply the rating scales provided in these guidelines.
- f. Evaluators will abide by the *GEF Evaluation Office Ethical Guidelines*.²¹⁰

b. Content of the Terminal Evaluation Report

Scope of Terminal Evaluation

- 6. The scope of a terminal evaluation will depend upon the project's theory of change, its objectives, supported activities, M&E design and implementation, and the context in which the project was designed and implemented. The terminal evaluation report will clarify the key questions that the evaluation seeks to answer, the interventions assessed, the geographical and demographic coverage, the methods used, and the time period under review.
- 7. In most cases, terminal evaluations will include field visits, and interviews with key stakeholders; review of project documents, project M&E data, audit reports, and mid-term reviews; and information from independent sources.

General Information

- 8. The terminal evaluation report will provide general information on the project and conduct of the terminal evaluation. This includes information such as GEF Project ID, project name, GEF financing, promised and materialized co-financing, key objectives, GEF Agency, project countries, key dates, name of the project executing entity, whether the project is linked to a GEF program, the evaluation team, etc. The terminal evaluation report will also provide information on when the evaluation took place, places visited, who was involved, the methodology, and the limitations of the evaluation. The report will also include, as annexes to the main report, the evaluation team's terms of reference, its composition and expertise.
- 9. Where feasible and appropriate, the terminal evaluation reports should include geo-referenced maps and/or coordinates that demarcate the planned and actual area covered by the project.²¹¹ To facilitate tracking and verification, where feasible, the terminal evaluations should include geo-referenced pictures of the sites where GEF supported interventions were undertaken.

Project Theory of Change

²¹⁰ *GEF Evaluation Office Ethical Guidelines*, Evaluation Document No. 2 (GEF Independent Evaluation Office, 2007) is available at <http://www.gefio.org/sites/default/files/ieo/evaluations/gef-eo-ethical-guidelines-2007.pdf>

²¹¹ This applies in instances where geo-referenced maps were included in a given project's proposal and annexes.

10. A project's theory of change provides a basis for evaluation of the theory and results. The terminal evaluation report will include a description of the project's theory of change including description of: the outputs, outcomes, intermediate states, and intended long-term environmental impacts of the project; the causal pathways for the long-term impacts; and, implicit and explicit assumptions. The project's objective(s) should also be included within the theory of change.
11. Some of the projects may already have an explicit theory of change. Where appropriate, after consultations with the project stakeholders, the evaluators may refine this theory of change. Where an explicit theory of change is not provided in the project documents, the evaluators should develop it based on information provided in the project documents and through consultations with the project stakeholders.

Assessment of Project Results²¹²

12. Minimum Requirement 3 of the GEF Monitoring and Evaluation Policy (2010) specifies that terminal evaluations will, at the minimum, assess achievement of outputs and outcomes, and report on these. While assessing a project's results, evaluators will determine the extent to which the project objectives – as stated in the documents submitted at the CEO Endorsement stage – have been achieved. The evaluators should also indicate if there were any changes in project design and/or expected results after start of implementation. If the project did not establish a baseline (initial conditions), where feasible, the evaluator should estimate the baseline conditions so that results can be determined. Where applicable, the terminal evaluation report will include an assessment of the level of achievement of the GEF corporate results targets to which the project contributes and will also incorporate data from the focal area tracking tool.

Outputs

13. Outputs are tangible direct results of a project, and to a large extent its production is within direct control of the project management. The evaluators should assess the extent to which the key expected outputs were actually delivered. They should also identify and assess the factors that affected delivery of outputs.

Outcomes²¹³

²¹² In GEF terms, "results" include direct project outputs, short- to medium-term outcomes, and progress toward longer-term impact including global environmental benefits, replication effects, and other local effects (page 27, *The GEF Monitoring and Evaluation Policy 2010* <http://www.gefio.org/evaluations/gef-monitoring-and-evaluation-me-policy-2010>).

²¹³ Outcomes are "the likely or achieved short-term and medium-term effects of an intervention's outputs. Outputs are the products, capital goods and services which result from a development intervention; may also include

14. In the causal pathways of a project, its outputs are expected to lead to its intended outcomes. Although achievement of outcomes is not certain, most GEF projects may be expected to achieve the targeted outcomes at implementation completion. The evaluators should, therefore, assess the extent to which the expected outcomes were achieved and the extent to which its achievement was dependent on delivery of project outputs. They should also assess the factors that affected outcome achievement, e.g. project design, project's linkages with other activities, extent and materialization of co-financing, stakeholder involvement, etc. Where the project was developed within the framework of a program, the assessment should also report on the extent the project contributed to the program outcomes.

Criteria for Outcome Ratings

15. Outcome ratings will take into account the outcome achievements of the projects against its expected targets.²¹⁴ Project outcomes will be rated on three dimensions:
 - a. **Relevance:** Were the project outcomes congruent with the GEF focal areas/operational program strategies, country priorities, and mandates of the Agencies? Was the project design appropriate for delivering the expected outcomes?
 - b. **Effectiveness:** The extent to which the project's actual outcomes commensurate with the expected outcomes?
 - c. **Efficiency:** Was the project cost-effective? How does the project cost/time versus output/outcomes equation compare to that of similar projects?
16. **Rating Scale for Outcomes:** An overall outcome rating will be provided on a six-point scale (highly satisfactory to highly unsatisfactory) after taking into account outcome relevance, effectiveness, and efficiency (See Annex 2).

Sustainability

17. The GEF Monitoring and Evaluation Policy (2010), minimum requirement 3, specifies that a terminal evaluation will assess the likelihood of sustainability²¹⁵ of outcomes at project termination and provide a rating. The assessment of sustainability will weigh risks to continuation of benefits from the project. The

changes resulting from the intervention which are relevant to the achievement of outcomes." *Glossary of key terms in evaluation and results based management. OECD, Development Assistance Committee.*

²¹⁴ Where measurement of outcome achievements is not realistic at the point of project completion, quality and level of outputs delivered may be used as a proxy to indicate outcome achievement.

²¹⁵ The GEF M&E Policy 2010 adopts the following definition of sustainability: the likely ability of an intervention to continue to deliver benefits for an extended period of time after completion; projects need to be environmentally as well as financially and socially sustainable.

assessment should identify key risks and explain how these risks may affect continuation of benefits after the GEF project ends. The analysis should cover financial, socio-political, institutional, and environmental risks.

18. The overall sustainability of project outcomes will be rated on a four-point scale (Likely to Unlikely) based on an assessment of the likely incidence and magnitude of the risks to sustainability. Higher levels of risks and magnitudes of effect, imply lower likelihood of sustainability. Annex 2 describes the rating scale for sustainability.

Progress to Impact

19. It is often too early to assess the long-term impacts of the project at the point of project completion. This said, some evidence on progress towards long-term impacts, and the extent to which the key assumptions of the project's theory of change hold, may be available and it may be feasible to assess and report on the progress. The evaluators should also assess the extent to which the progress towards long-term impact may be attributed to the project.
20. The evaluators should report the available qualitative and quantitative evidence on environmental stress reduction (e.g. GHG emission reduction, reduction of waste discharge, etc.) and environmental status change (e.g. change in population of endangered species, forest stock, water retention in degraded lands, etc.). When reporting such evidence, the evaluator should note the information source and clarify the scale/s at which the described environmental stress reduction is being achieved.
21. The evaluators should cover project's contributions to changes in policy/legal/regulatory framework. This would include observed changes in capacities (awareness, knowledge, skills, infrastructure, monitoring systems, etc.) and governance architecture, including access to and use of information (laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc.). Contribution to change in socioeconomic status (income, health, well-being, etc.) should also be documented.
22. Where the environmental and social changes are being achieved at scales beyond the immediate area of intervention, the evaluators should provide an account of the processes such as sustaining, mainstreaming, replication, scaling up and market change, through which these changes have taken place. The evaluators should discuss whether there are arrangements in the project design to facilitate follow-up actions, and should document instances where the GEF promoted approaches, technologies, financing instruments, legal frameworks, information systems, etc., were adopted/implemented without direct support from, or involvement of, the project. Evidence on incidence of these processes should be discussed to assess progress towards impact.

23. When assessing contributions of GEF project to the observed change, the evaluators should also assess the contributions of other actors and factors. The evaluators should assess merits of rival explanations for the observed impact and give reasons for accepting or rejecting them. Where applicable, the evaluators are encouraged to identify and describe the barriers and other risks that may prevent further progress towards long-term impacts.
24. The evaluators should document the unintended impacts – both positive and negative impacts – of the project and assess the overall scope and implications of these impacts. Where these impacts are undesirable from environmental and socio-economic perspectives, the evaluation should suggest corrective actions.

Assessment of Monitoring & Evaluation Systems

25. The GEF M&E minimum requirement 1 calls for fully developed and budgeted project M&E plan at CEO Endorsement, and the minimum requirement 2 calls for implementation of these plans. The evaluators will include an assessment of the strengths and weaknesses of the project M&E plan and its implementation.
26. **M&E Design.** To assess the quality of the M&E plan, the evaluators will assess: Was the M&E plan at the point of CEO Endorsement practical and sufficient? Did it include baseline data? Did it: specify clear targets and appropriate (SMART²¹⁶) indicators to track environmental, gender, and socio economic results; a proper methodological approach; specify practical organization and logistics of the M&E activities including schedule and responsibilities for data collection; and, budget adequate funds for M&E activities?
27. **M&E Implementation.** The evaluators should assess: Whether the M&E system operated as per the M&E plan? Where necessary, whether the M&E plan was revised in a timely manner? Was information on specified indicators and relevant GEF focal area tracking tools gathered in a systematic manner? Whether appropriate methodological approaches have been used to analyze data? Were resources for M&E sufficient? How was the information from M&E system used during the project implementation?
28. Project M&E systems will be rated on the quality of M&E design and quality of M&E implementation using a six-point scale (Highly Satisfactory to Highly Unsatisfactory). Annex 2 provides more details on the scale.

Assessment of Implementation and Execution

29. The assessment of the implementation and execution of GEF full size projects will take into account the performance of the GEF Agencies and project executing entities (EAs) in discharging their expected roles and responsibilities. The

²¹⁶ SMART: Specific, Measurable, Achievable/Attributable, Relevant/Realistic, and Time-bound, Timely, Trackable and Targeted.

performance of these agencies will be rated using a six-point scale (Highly Satisfactory to Highly Unsatisfactory). See Annex 2 for more information on the scale.

30. **Quality of Implementation:** Within the GEF partnership, GEF Agencies are involved in activities related to a project's identification, concept preparation, appraisal, preparation of detailed proposal, approval and start-up, oversight, supervision, completion, and evaluation.²¹⁷ To assess performance of the GEF Agencies, the evaluators will assess the extent to which the agency delivered effectively on these counts, with focus on elements that were controllable from the given GEF Agency's perspective. The evaluator will assess how well risks were identified and managed by the GEF Agency.
31. **Quality of Execution:** Within the GEF partnership, the EAs are involved in the management and administration of the project's day-to-day activities under the overall oversight and supervision of the GEF Agencies.²¹⁸ The EAs are responsible for the appropriate use of funds, and procurement and contracting of goods and services to the GEF Agency.²¹⁹ To assess EA performance, the evaluators will assess the extent to which it effectively discharged its role and responsibilities.

Other Assessments

32. The terminal evaluations should assess the following topics, for which ratings are not required:
 - a. **Need for follow-up:** Where applicable, the evaluators will indicate if there is any need to follow up on the evaluation findings, e.g. instances financial mismanagement, unintended negative impacts or risks, etc.
 - b. **Materialization of co-financing:** the evaluators will provide information on the extent to which expected co-financing materialized, whether co-financing is cash or in-kind, whether it is in form of grant or loan or equity, whether co-financing was administered by the project management or by some other organization, how short fall in co-financing or materialization of greater than expected co-financing affected project results, etc.
 - c. **Environmental and Social Safeguards**²²⁰: The evaluator will assess whether appropriate environmental and social safeguards, including those on

²¹⁷ See GEF/C.41/06/Rev.01 and GEF/C.39/9

²¹⁸ Ibid.

²¹⁹ Ibid.

²²⁰ Refer to GEF/C.41/10/Rev.1 available at: http://www.thegef.org/sites/default/files/council-meeting-documents/C.41.10.Rev.1.Policy_on_Environmental_and_Social_Safeguards.Final%20of%20Nov%2018.pdf

mainstreaming of gender concerns²²¹, were addressed in the project's design and implementation. It is expected that a GEF project will not cause any harm to environment or to any stakeholder and, where applicable, it will take measures to prevent and/or mitigate adverse effects.

- d. **Gender Concerns**²²²: The evaluator will determine the extent to which the gender considerations were taken into account in designing and implementing the project. The evaluator should report whether a gender analysis was conducted, the extent to which the project was implemented in a manner that ensures gender equitable participation and benefits, and whether gender disaggregated data was gathered and reported on beneficiaries. In case the given GEF project disadvantages or may disadvantage women, then this should be documented and reported. The evaluator should also determine the extent to which relevant gender related concerns were tracked through project M&E.
- e. **Stakeholder Engagement**: The evaluator should, where applicable, assess aspects such as involvement of civil society, indigenous population, private sector, etc.

Lessons and Recommendations

33. Evaluators should provide a few well-formulated lessons that are based on the project experience and applicable to the type of project at hand, to the GEF's overall portfolio, and/or to GEF systems and processes. Wherever possible, terminal evaluation reports should include examples of good practices in project design and implementation that have led to effective stakeholder engagement, successful broader adoption of GEF initiatives by stakeholders, and large-scale environmental impacts. The evaluators should describe aspects of the project performance that worked well along with reasons for it. They should discuss where these good practices may or may not be replicated.
34. Recommendations should be well formulated and targeted. The recommendations should discuss the need for action, the recommended action along with its likely consequences vis-à-vis status quo and other courses of action, the specific actor/actors that need to take the action, and time frame for it.

c. Submission of Terminal Evaluation

²²¹ GEF/C.40/10/Rev.1 available at: http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.10_GEF_Policies_on_Safeguards_and_Gender.April_26_2011_1.pdf

²²² POLICY: SD/PL/02 Policy on Gender Mainstreaming available at: http://www.thegef.org/sites/default/files/documents/Gender_Mainstreaming_Policy-2012_0.pdf, and GEF/C.47/09.Rev.01, Gender Equality Action Plan (GEAP) available at: http://www.thegef.org/sites/default/files/council-meeting-documents/25_EN_GEF.C.47.09.Rev_01_Gender_Equality_Action_Plan_1.pdf

35. The GEF Agencies will submit the final terminal evaluation reports to the GEF IEO, no later than one year after project completion. The GEF Agency may submit these reports either on a rolling basis or on an annual basis on or before September 30th. Along with the terminal evaluation, where applicable, the GEF Agencies should also send the independent assessment of the terminal evaluation report. The GEF IEO will track, and report on, submission of completed terminal evaluations.

d. Use of Terminal Evaluation

36. The information provided by the terminal evaluations and the independent assessment of the terminal evaluation reports, is used by the GEF IEO to report annually to the Council on portfolio performance and trends. The evidence presented in the terminal evaluations and its independent reviews may also be an input to other evaluations that the GEF IEO undertakes. The GEF IEO shares the terminal evaluation reports and terminal evaluation reviews publicly through the GEF project database webpage.

VI. RELATED DOCUMENTS AND REFERENCES

- *Clarifying the Responsibilities of the GEF's Key Actors with respect to the Use of GEF Resources*, GEF/C.42/04, June 2012
- GEF Evaluation Office Ethical Guidelines, Evaluation Document No. 2. GEF IEO, 2007.
- *GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies*, GEF/C.41/06/Rev.01, November 2011
- GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, GEF/C.41/10/Rev.1, GEF, November 2011.
- *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016.
- Gender Equality Action Plan, GEF/C.47/09.Rev.01, GEF, October 2014.
- *Glossary of key terms in evaluation and results based management*. Organisation for Economic Co-operation and Development. Development Assistance Committee. Working Party on Aid Evaluation. 2002.
- *Governance of the Climate Change Funds*, GEF/C.29/5, GEF, August 2006.
- *Guidelines for GEF Agencies in Conducting Terminal Evaluations*, Evaluation Document No. 3. GEF IEO, 2008.
- *Instrument for the Establishment of the Restructured Global Environment Facility*. GEF, March 2015.
- Joint Summaries of the Chairs: 29th GEF Council Meeting, August 2006.
- Joint Summary of the Chairs: 43rd GEF Council Meeting. GEF, November 2012.
- Policy on Gender Mainstreaming, SD/PL/02, GEF Secretariat, May 2012.
- Rules and Guidelines for Agency Fees and Project Management Costs, GEF/C.39/09, GEF, October 2010.
- *Streamlining of Project Cycle*, GEF/C.43/06. GEF, October 2012.
- *The GEF Monitoring and Evaluation Policy*, Evaluation Document No. 1. GEF IEO, 2006.

- *The GEF Monitoring and Evaluation Policy*, Evaluation Document No. 4. GEF IEO, 2010.

VII. ANNEXES

1. Impact Assessment Related Definitions

6. **Impact in general:** Positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended (OECD/DAC 2002). This definition is used by the Development Assistance Committee Evaluation Network of the Organization for Economic Co-operation and Development (OECD), the Evaluation Cooperation Group (ECG) of the International Financial Institutions, and the United Nations Evaluation Group (UNEG).

7. The goal of the GEF is to achieve **environmental impact**, which is defined as changes in biophysical parameters that could take the following forms:

- **Stress reduction:** biophysical changes that reflect reduction of threats emanating from actions of humans (local communities, societies, economies)
- **Environmental status:** changes in the status of the environment

8. Over time, stress reduction leads to improvements in environmental status. Impact measurement thus has a **time dimension**, significantly longer than project duration, as many biophysical processes that the GEF aims to influence take a long time to mature—from 20 to 30 years before an ecosystem is brought back to a healthy status to 50 years before the ozone layer is restored. This time dimension is identified in terms of the following:

- **Direct impact:** changes attributable to an intervention; i.e. habitat restoration for a specific species, which can show quick impact (within a few years)
- **Long-term impact:** changes emerging over time in long-duration biophysical processes

9. Furthermore, impact has a **spatial dimension**; it can be measured at different geographical, socio-ecological, or administrative impact scales such as demonstration sites, landscapes or seascapes, markets, in local or national administrations, in regions, or world-wide.

10. **System-level impact**, occurring at landscape, seascape, market-wide, and higher administrative scales and worldwide is measured through both biophysical and socioeconomic parameters that identify the dynamics of the system. System-level changes are difficult to attribute as too many actors and processes of interaction occur, but may have identification of contribution.

11. Impacts may have local and global significance. **Globally significant impacts** have local impact as well, but not all **local impacts** have global significance. **Social and economic impacts**

are studied to determine whether behavior changes reduce or enhance threats and whether they lead to sustainable development.

12. Broader adoption of GEF promoted approach and or technologies typically take place through mainstreaming, replication, scaling-up and market-change.

Mainstreaming: Information, lessons, or specific results of GEF are incorporated into broader stakeholder mandates and initiatives such as laws, policies, regulations, and programs. This may occur through governments and/or through development organizations and other sectors.

Replication: GEF-supported initiatives are reproduced or adopted at a comparable administrative or ecological scale, often in another geographical area or region.

Scaling-up: GEF-supported initiatives are implemented at larger geographical scale, often expanded to include new aspects or concerns that may be political, administrative or ecological in nature.

Market change: GEF-supported initiatives help catalyze market transformation by influencing the supply of and/or demand for goods and services that contribute to global environmental benefits. This may encompass technological changes, policy and regulatory reforms, and financial instruments.

2. Rating Scales

13. The main dimensions of project performance on which ratings are first provided in terminal evaluation are: outcomes, sustainability, quality of monitoring and evaluation, quality of implementation, and quality of execution.

Outcome Ratings

14. The overall ratings on the outcomes of the project will be based on performance on the following criteria:

- I. Relevance
- II. Effectiveness
- III. Efficiency

15. Project outcomes are rated based on the extent to which project objectives were achieved. A six-point rating scale is used to assess overall outcomes:

- Highly satisfactory (HS): Level of outcomes achieved clearly exceeds expectations and/or there were no short comings.
- Satisfactory (S): Level of outcomes achieved was as expected and/or there were no or minor short comings.
- Moderately Satisfactory (MS): Level of outcomes achieved more or less as expected and/or there were moderate short comings.

- Moderately Unsatisfactory (MU): Level of outcomes achieved somewhat lower than expected and/or there were significant shortcomings.
- Unsatisfactory (U): Level of outcomes achieved substantially lower than expected and/or there were major shortcomings.
- Highly Unsatisfactory (HU): Only a negligible level of outcomes achieved and/or there were severe shortcomings.
- Unable to Assess (UA): The available information does not allow an assessment of the level of outcome achievements.

16. The calculation of the overall outcomes rating of projects will consider all the three criteria, of which relevance and effectiveness are critical. The rating on relevance will determine whether the overall outcome rating will be in the unsatisfactory range (MU to HU = unsatisfactory range). If the relevance rating is in the unsatisfactory range, then the overall outcome will be in the unsatisfactory range as well. However, where the relevance rating is in the satisfactory range (HS to MS), the overall outcome rating could, depending on its effectiveness and efficiency rating, be either in the satisfactory range or in the unsatisfactory range.

17. The second constraint applied is that the overall outcome achievement rating may not be higher than the effectiveness rating.

18. During project implementation, the results framework of some projects may have been modified. In cases where modifications in the project impact, outcomes and outputs have not scaled down their overall scope, the evaluator should assess outcome achievements based on the revised results framework. In instances where the scope of the project objectives and outcomes has been scaled down, the magnitude of and necessity for downscaling is taken into account and despite achievement of results as per the revised results framework, where appropriate, a lower outcome effectiveness rating may be given.

Sustainability Ratings

19. The sustainability will be assessed taking into account the risks related to financial, sociopolitical, institutional, and environmental sustainability of project outcomes. The evaluator may also take other risks into account that may affect sustainability. The overall sustainability will be assessed using a four-point scale.

- Likely (L). There is little or no risks to sustainability.
- Moderately Likely (ML). There are moderate risks to sustainability.
- Moderately Unlikely (MU). There are significant risks to sustainability.
- Unlikely (U). There are severe risks to sustainability.
- Unable to Assess (UA). Unable to assess the expected incidence and magnitude of risks to sustainability.

Project M&E Ratings

20. Quality of project M&E will be assessed in terms of:
- Design
 - Implementation
21. Quality of M&E on these two dimensions will be assessed on a six point scale:
- Highly satisfactory (HS): There were no short comings and quality of M&E design / implementation exceeded expectations.
 - Satisfactory (S): There were no or minor short comings and quality of M&E design / implementation meets expectations.
 - Moderately Satisfactory (MS): There were some short comings and quality of M&E design/implementation more or less meets expectations.
 - Moderately Unsatisfactory (MU): There were significant shortcomings and quality of M&E design / implementation somewhat lower than expected.
 - Unsatisfactory (U): There were major short comings and quality of M&E design/implementation substantially lower than expected.
 - Highly Unsatisfactory (HU): There were severe short comings in M&E design/ implementation.
 - Unable to Assess (UA): The available information does not allow an assessment of the quality of M&E design / implementation.

Implementation and Execution Rating

22. Quality of implementation and of execution will be rated separately. Quality of implementation pertains to the role and responsibilities discharged by the GEF Agencies that have direct access to GEF resources. Quality of Execution pertains to the roles and responsibilities discharged by the country or regional counterparts that received GEF funds from the GEF Agencies and executed the funded activities on ground. The performance will be rated on a six-point scale.

- Highly satisfactory (HS): There were no short comings and quality of implementation / execution exceeded expectations.
- Satisfactory (S): There were no or minor short comings and quality of implementation / execution meets expectations.
- Moderately Satisfactory (MS): There were some short comings and quality of implementation / execution more or less meets expectations.
- Moderately Unsatisfactory (MU): There were significant shortcomings and quality of implementation / execution somewhat lower than expected.
- Unsatisfactory (U): There were major short comings and quality of implementation / execution substantially lower than expected.
- Highly Unsatisfactory (HU): There were severe short comings in quality of implementation / execution.
- Unable to Assess (UA): The available information does not allow an assessment of the quality of implementation / execution.

3. Required Project Identification and Financial Data

Project and Terminal Evaluation Data

GEF Project ID	
IA Project ID	
Project Name	
Country	
Implementing Agency / Agencies	
Executing Agency / Agencies	
Focal Area	
GEF Strategy / Operational Program	
Date of work program approval	
Date of CEO endorsement	
Date of project start / effectiveness	
Date of project completion (completion of project activities; indicate expected or actual)	
Name of Evaluators	
Date of Terminal Evaluation Completion	

Financial data

Project Preparation through PDF/PPG grants (in US \$)

Particulars	At approval	At PDF/PPG completion
GEF PDF/PPG grants for project preparation		
Co-financing for project preparation		

GEF's Project Funding

Particulars	At CEO Endorsement	At project completion
GEF project grant		
Co-financing		

Total		
-------	--	--

Project Co-financing Break up

Name of the Co-financer	Co-financer type ²²³	Type of co-financing ²²⁴	Co-financing at project start			Actual Co-financing at project end		
			In-kind	Cash	Total	In-kind	Cash	Total
Grand Total								

²²³ Examples of categories include: local, provincial or national government; semi-government autonomous institutions; educational and research institutions; private sector; multilateral or bilateral organizations; Non-profit organizations; and, others.

²²⁴ Grant; loan; or equity participation by beneficiaries (individuals) in form of cash, in-kind or material contributions.