

GEF/C.66/Inf.11 January 31, 2024

66<sup>th</sup> GEF Council Meeting February 5 – February 9, 2024 Washington D.C., USA

> SUMMARY OF THE EXTENSIONS GRANTED UNDER THE CANCELLATION POLICY

## INTRODUCTION

1. The purpose of this report is to provide the most up to date summary of projects for which exceptions to the Project Cancellation Policy<sup>1</sup> have been requested and granted by the CEO since the previous report was presented at the 64<sup>th</sup> GEF Council meeting in June 2023. It is presented to Council outside the usual circulation deadlines to capture the most recent data in advance of the 66<sup>th</sup> GEF Council meeting.

2. The <u>Project Cancellation Policy</u> was approved by Council at its 55<sup>th</sup> Meeting in December 2018. The Policy includes provisions under which countries may formally request that the GEF CEO grant an exception to cancellation deadlines. These exceptions may only be granted in cases of extraordinary events or circumstances beyond the control of the parties (Agency, country), such as war, flood, earthquake or epidemic, or similar circumstances which prevent them from adhering to the business standards established in the Policy.

3. The Policy stipulates that the CEO communicate any exception decision to the Council for information and post the information on the GEF website.

## BACKGROUND

4. The Project Cancellation Policy was formulated to align incentives for timely project preparation and more specifically to dis-incentivize excessive delays between PIF approval and CEO-endorsement/approval of projects.

5. The COVID-19 crisis, however, impacted preparation of some projects from early 2020, in some cases causing delays in project preparation. As a result, in active consultation within the Partnership, the GEF Secretariat introduced a series of measures to increase flexibility and avoid the risk of cancellation. These actions have been developed to mitigate the impact and risks linked to COVID-19 and ensure efficient and effective design and implementation of GEF resources.

6. The first action was a blanket extension of six months of two important deadlines specified in the Cancellation Policy: (i) the 8 and 12-month deadline<sup>2</sup> for submission of CEO Approval/Endorsement requests; and (ii) the 12 and 18-month deadline<sup>3</sup> for final CEO Approval/Endorsement. This extension was provided for all stand-alone projects and child projects under Programs for which PIFs/PFDs were approved from the beginning of GEF-7 to June 3, 2020.

7. The second action was described in the Council document '<u>The Impact of COVID-19 on</u> <u>GEF Project Preparation and Implementation: Overview of Responses from Across the GEF</u> <u>Partnership</u>' (GEF/C.59/11) for Council consideration at its 59<sup>th</sup> meeting in December 2020. That

<sup>&</sup>lt;sup>1</sup> OP/PL/02

<sup>&</sup>lt;sup>2</sup> Depending on project type. 8-month deadline applicable to Medium-Sized Projects. 12-month deadline applicable to Full-Sized Projects.

<sup>&</sup>lt;sup>3</sup> 12-month deadline applicable to Medium-Sized Projects. 18-month deadline applicable to Full-Sized Projects.

document reported on information received through surveys of Agencies, consultations with countries and discussions at the Fall 2020 Agency retreat. The document also summarized the measures Agencies and Countries had introduced to address the challenges encountered during the pandemic.

8. In this context, the Council approved an exceptional and time-bound authority for the GEF CEO to grant longer extensions to the Project Cancellation Policy, for a total of up to 24 months and for all projects types, effective from December 11, 2020 (approval date of the Summary of the Chair - <u>GEF/C.59/Summary</u>) through the final day of the 60<sup>th</sup> GEF Council meeting (June 18, 2021)<sup>4</sup>.

9. As of the date of this report, the Secretariat received a total of 272 requests for extension. Of those, 46 were reported during the  $60^{th}$  Council Meeting (<u>GEF/C.60/Inf.10</u>), 32 were reported during the  $61^{st}$  Council Meeting (<u>GEF/C.61/Inf.12</u>), 115 were reported during the  $62^{nd}$  Council Meeting (<u>GEF/C.62/Inf.10</u>), 14 were reported during the  $63^{rd}$  Council Meeting (<u>GEF/C.63/Inf.13</u>) and 54 were reported during the  $64^{th}$  Council Meeting (<u>GEF.C.64/Inf.08</u>).

10. During the period reported in this document (June 23, 2023 – January 31, 2024) 11 requests for extension, invoking the force majeure provision of the Project Cancellation Policy, due to the COVID-19 pandemic have been received by the Secretariat. Out of the 11 received requests, all have been granted by the GEF CEO under the provisions of the Policy and Council decisions referenced herein; as a result, no projects that requested extension have been automatically cancelled under the terms of the Policy. Out of the 11 requests for extension received, 4 projects have been endorsed or approved by the CEO since. Table 1 below provides the list of the 11 projects for which such exceptions have been received.

11. Agencies were notified by the Secretariat in October 2023 that, effective December 31<sup>st</sup>, 2023, blanket requests for extension based on COVID-19 would no longer be considered, except in exceptional cases, with 4 weeks advance notice prior to cancellation deadline.

<sup>&</sup>lt;sup>4</sup> GEF/C.59/Summary, para 86

GEF ID	Project Title	Agency	Country	Focal Area	Туре	New Deadline Date for actual CEO endorsement / approval
10837				Chemicals		12/18/2023 (CEO
	Global Opportunities for Long-term Development of ASGM in Zambia	UNEP	Zambia	and Waste	FSP	Endorsed)
10846						12/18/2023 (CEO Endorsed)
	GEF GOLD+ Mali: Enhancing the formalization and mercury reduction in the artisanal and small-scale gold mining in Mali	UNIDO	Mali	Chemicals and Waste	FSP	
11043						3/31/2024 (CEO
	Nation child project under the GEF Africa Mini-grids Program_			Climate		approved)
	Democratic Republic of the Congo (DRC)	UNDP	Congo DR	Change	MSP	
11011	Mainstreaming Sustainable Marine Fisheries Value Chains into the Blue Economy of the Canary Current and the Pacific Central American			International		6/22/2024
	Coastal Large Marine Ecosystems	UNDP	Global	Waters	FSP	
10997						6/23/2024
	Strengthening the Resilience of Climate-Smart Agricultural Systems			Climate		
	and Value Chains in the Union of Comoros	UNDP	Comoros	Change	FSP	
10874						2/23/2024 (CEO Endorsed)
	Conserving Biodiversity and Restoring Ecosystem Functions in and			Multi Focal		
	around the Day Forest National Protected Area	UNDP	Djibouti	Area	FSP	
10996						2/23/2024
	Developing National Capacity of Turkmenistan through Improving Regulatory Environment towards Energy Efficient and Sustainable		Turkmenis	Climate		
	Building Sector	UNDP	tan	Change	FSP	

## Table 1 - Projects that have requested extension from 23 June 2023 to 31 January 2024

10866	Comprehensive land management in forestry and agri-food systems					3/22/2024
	of three water basins in Argentina to contribute to Land Degradation			Land		
	Neutrality (LDN) and to mitigation and adaptation to climate change	CAF	Argentina	Degradation	FSP	
10913						6/23/2024
	Protection of biodiversity and sustainable land-use in conservation			Multi Focal		
	landscapes in South Sulawesi, Gorontalo and East Nusa Tenggara	UNEP	Indonesia	Area	FSP	
10917						4/22/2024
	Energy Efficiency for the Transition to Carbon Neutral Cities in			Climate		
	Colombia	CAF	Colombia	Change	FSP	
10998						6/30/2024
	Innovative approach to protect ouadis through the promotion of non					
	connected mini-grid solar energy in 3 municipalities (Mao, Kekedena			Multi Focal		
	and Nokou) of Kanem region-Chad	UNEP	Chad	Area	FSP	