

**GUIDELINES ON THE PROJECT AND PROGRAM CYCLE POLICY  
(2020 UPDATE)**

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## INTRODUCTION

1. These Guidelines serve to clarify GEF policies, processes and procedures related to the Project and Program Cycle. They are derived from the GEF Project and Program Cycle Policy and its original Guidelines (dated June 2017), Replenishment resolutions, Council-approved policies, and their associated CEO-approved Guidelines already circulated to Council for information. Various clarifying edits have also been made to reflect, among others, capabilities of new GEF systems (e.g. GEF Portal), where guidance is no longer relevant, and updated references.
2. The GEF Agencies were closely engaged in the development of the original Guidelines and consulted on this update. As at the date of this update, the GEF Partnership has also been managing the implications of the COVID-19 pandemic for approximately four months. Specific responses to the pandemic have been developed by the GEF Agencies and Secretariat. Additional time-bound measures will continue to be considered under separate processes, as some of these may require consideration by Council.
3. All GEF Policies and Guidelines are available at [www.thegef.org/documents/policies-guidelines](http://www.thegef.org/documents/policies-guidelines).
4. All templates are available both publicly at [www.thegef.org/documents/templates](http://www.thegef.org/documents/templates) and to authorized users through the GEF Portal.
5. The Role and Responsibilities of STAP in the Project Cycle (Annex 11) and Guidelines for GEF Agencies in Conducting Terminal Evaluations for Full-sized Projects (Annex 12) are prepared independently by STAP and IEO respectively and have not been updated in this version of the Guidelines. Any updates provided will be included in a subsequent update of the Guidelines.
6. The Guidelines are effective from July 20, 2020.<sup>1</sup> They are intended as a living document, to be updated as new guidance, information and implementation experience becomes available.

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<sup>1</sup> Revised procedures apply to original/initial submissions after this date (PIFs, PFDs, One Step MSPs, EAs, CEO Endorsements, CEO Approvals) as applicable, further described in respective Annexes.

## SUMMARY OF UPDATES IN THIS VERSION

1. ***Operational Focal Point (OFP) Letter of Endorsement (LOE):*** As this is provided upstream of the detailed project design, it is clarified that implementation/execution arrangements may be specified if the GEF Agency and/or OFP prefer but are not required at this stage. In cases where it is proposed that the GEF Agency will play a dual implementing and executing role, this should first be the subject of consultation with the Secretariat. A requirement for submission of a translated LOE in English has been added. It is also clarified that LOEs are not required for NGI projects, global-regional coordination child projects, nor when beneficiaries are exclusively private sector and located in more than one country.
2. ***Project Preparation Grants:*** Guidance on eligible expenditures has been clarified. This includes that, while there may be exceptional cases in which the purchase of motorized vehicles is an eligible expense in projects, this is not an eligible expense for Project Preparation Grants. Further clarification is provided that PPGs are not available for Enabling Activities.
3. ***Project and Program Results Framework and Monitoring and Evaluation Plans:*** The Guideline has been updated to reflect the switch to Core Indicators in GEF7 and Results Based Management Guidelines presented at C.56 have been integrated. The separate Annex on Results-Based Management Reporting Requirements has therefore been deleted. Further clarity on M&E budgets and responsibilities has been added, based on approved policies for Evaluation, Project Cycle and Agency Fees. These policies make reference to Mid-Term Review and Terminal Evaluation activities as project cycle management activities; costs to manage and oversee their production are covered by the Agency Fee, whereas preparation, development and other outsourced costs may be included in the M&E budget. Observed M&E budgets during GEF6-7 - i.e. 5% of the GEF-financed portion for projects/programs up to USD 5 million, 3% for projects/programs between USD 5-10 million, and 2% for projects/programs over USD 10 million - are presented as a reference to guide Agencies when preparing M&E budgets.
4. ***Stakeholder Engagement:*** Guidelines presented to C.55 are incorporated, including requirements for a Stakeholder Engagement Plan and reporting thereon. Communication modalities have been updated to reflect new GEF Portal capabilities.
5. ***Non-Grant Instruments:*** Insofar as these follow the same Project and Program Cycle Guidelines as other GEF projects and their characteristics change based on the terms of respective NGI calls for proposals, this section has been deleted. Reflow reporting and management activities continue as described in program documents and Financial Procedures Agreements.

6. **Enabling Activities:** The Guidance has been clarified to confirm that co-financing is not required for EAs, that PPGs are not available for EAs, and that M&E budgets are not required as these costs do not apply to EAs.
7. **Programs and Integrated Approaches:** Deadlines for various steps in the program cycle have been updated to reflect the new Cancellation Policy and other Policy Measures (GEF/C.55/04/Rev.01). This includes changes to the Agency Fee commitment reflected in these policies, e.g. that the Trustee commits 20% of the Agency Fees for each Child Project listed in a PFD at the time of PFD approval, as well as the procedure regarding the submission of the addendum to the PFD.
8. **Implementation and Execution Functions and Project Budget:** Further guidance on the foundational importance of a separation of functions in the governance of the GEF Partnership has been added, based on recently approved updated Minimum Fiduciary Standards for GEF Agencies. This includes clarification of the role and activities of Project Executing Entities, under the supervision of GEF Agencies. The strong preference for national execution is reflected in a new requirement for a letter of support from the OFP for exceptions. The procedure to seek an exception has been clarified, and guidance on the Council requirement for a breakdown of project costs by function and entity - to be provided in the budget at CEO Endorsement/Approval - has been added. A new requirement is introduced to provide an indicative project budget in a standardized format at CEO Endorsement/Approval. Budgets should show clear distinction between: i) PMC activities, ii) monitoring and evaluation activities, iii) project budget activities, as well as: iv) which entity makes use of GEF financing to undertake them. An indicative template is provided for this purpose and will be reviewed over time based on Agency experience.
9. **Results-Based Management (RBM) Reporting Requirements:** This section has been deleted as updated information and guidance has been consolidated in the section on Monitoring and Evaluation.
10. **Agency Fee and Project Management Costs:** This guidance was previously included under Implementation and Execution Functions and has been moved to a dedicated section to add detail and clarity. It reflects changes to the Agency Fee Policy related to tranching based on milestones. It refers to existing policy documents confirming project cycle management costs are covered by the Agency Fee, and references in the accompanying tables are clarified. In exceptional cases where project staff funded from PMC perform functions charged to project budgets, clear Terms of Reference and definition of outputs are required. References to treatment of Agency Fee upon cancellation are updated to reflect the new policy and clarify that fees are cancelled, but not necessarily returned by Agencies. It is clarified that motorized vehicles may be purchased with GEF financing only under specific conditions and should instead generally be covered

by co-financed amounts. Guidance is provided on the Council decision GEF/C.39.9, including that there should be proportionality between the PMC covered by co-financed amounts and the PMC covered by the GEF funding, recognizing that each GEF-funded project will have unique characteristics. Government salaries remain listed as ineligible expenses, to which associated benefits, bonuses and emoluments are added for clarity. Guidance is added that any disposition of assets funded from project budgets should benefit the recipient organisations or institutions, consistent with Agency policies and procedures.

11. ***Project Amendment, Drop, Suspension and Cancellation:*** Amendments have been made to reflect impacts of the new Cancellation Policy on the procedures for FSPs, MSPs and Programs.
12. ***Project Transfer from One Agency to Another:*** A reference is added to reflect that such transfers are first consulted with the country/countries involved. Updates also reflect GEF Portal capabilities and the updated Cancellation Policy.
13. ***Gender Policy and Implementation:*** The separate Gender Policy Guidelines approved in June 2018 are referenced and implications for the Project and Program Cycle are highlighted, i.e. i) indicative information on gender considerations and consultations conducted are now required at the PIF and PFD stage, and ii) analysis and corresponding measures to be taken are included at the CEO Endorsement/Approval stage.
14. ***Co-financing:*** The separate Co-Financing Guidelines approved in June 2018 are referenced and implications for the Project and Program Cycle are highlighted. Clarification is added that co-financing targets are at the overall GEF Replenishment level, not for individual projects, and that co-financing is not required for Enabling Activities. Requirements for the reporting of both Co-financing and Investment Mobilised (i.e. co-financing net of recurrent expenditure) are clarified.
15. ***Environmental and Social Safeguards:*** The separate Guidelines on GEF Policy on Environmental and Social Safeguards approved in December 2019 are referenced and implications for the Project and Program Cycle are highlighted, along with roles and responsibilities. The procedures with respect to Enabling Activities are clarified.
16. ***Knowledge Management:*** A new section has been added providing guidance on knowledge management activities, consistent with policies on monitoring and evaluation, results-based management, and the GEF7 Replenishment decisions. These reflect the Approach Paper (GEF/C.48/07/Rev.01) and Status Report (GEF/C.52/Inf.08) presented to the May 2017 Council meeting.

## **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)<sup>2</sup> confirms the project is consistent with national priorities, has been discussed with relevant stakeholders, and that the country has committed to providing the necessary support to the project, while aiming to achieve its expected results and long-lasting impacts.<sup>3</sup> 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 LoE signed by the current country's GEF OFP is a requirement when requesting GEF funding through any of the following:

- Project Identification Form (PIF) for Full-sized Project or Medium-sized Project (two-step)
- 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)<sup>4</sup>
- Major amendments (for MSPs or FSPs).<sup>5</sup>

3. Electronic signature or similar confirmation by the OFP is valid. The relevant authorizing OFP is the one named and effective at the time of submission of the PIF/PFD to the Secretariat. A new LOE is not required in the event of a change in OFP during the project cycle.

4. The LoE details the GEF project financing being requested, including project preparation grants (if any) and associated Agency fees related to project financing and preparation grants. The LoE needs to be included at the time of PIF/PFD submission for FSPs, two-step MSPs and

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<sup>2</sup> 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](https://www.thegef.org/focal_points_list)

<sup>3</sup> 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.

<sup>4</sup> For umbrella projects, LoE for all participant countries need to be submitted at CEO Endorsement/Approval request at the latest.

<sup>5</sup> When requesting an increase in the GEF project financing or major amendments, see guidelines on project amendment, drop, suspension and cancellation.

Child Projects included in Programs. It must be included at the time of MSP Approval Request submission for one-step MSPs or EA Approval Request for Enabling Activities submitted through a GEF Agency. In cases where a PPG was not requested at the time of PIF<sup>6</sup> 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.

5. For projects that require funding allocation from non-STAR focal areas (Chemicals and Waste, Climate Change Adaptation, and International Waters), GEF OFP LoE 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. LoEs are **not** required in the following cases:

- (i) Global or regional projects with no GEF project-funded activities in the countries;
- (ii) Projects or Programs using Non-Grant Instruments in which there are public sector beneficiaries in more than one country.<sup>7</sup>
- (iii) Projects or Programs using Non-Grant Instruments in which the beneficiaries are private sector actors exclusively;
- (iv) Global or Regional coordination child projects for Programs

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.

8. If the LoE is in a language other than English, it is to be accompanied by a copy translated into English. An unofficial translation is sufficient. The GEF OFP must use the LoE templates on the GEF website; this template contains the minimum information requested.

9. The LoE should not include reference to an exception for implementation and execution by the same GEF Agency, without prior consultation with the GEF Secretariat on the feasibility of such exception.

### **III. RELATED POLICY DOCUMENTS**

- *GEF Project and Program Cycle Policy*, OP/PL/01, December 2018
- *Project Cancellation Policy*: OP/PL/02, December 2018

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<sup>6</sup> Or Child Projects for Programs.

<sup>7</sup> 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.



- *Policy on the System of Transparent Allocation of Resources (STAR), GA/PL/01 and Guidelines for STAR, GA/GN/01, June 2018*

#### **IV. RELATED REFERENCES**

- *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. Requesting 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 a PPG: A PPG request can be submitted in the following time frame in accordance with the project needs. The CEO decides whether to approve the PPG<sup>8</sup>:

- (a) PPGs can be requested as part of the submission of a Project Identification Form (PIF) for both FSPs or for MSPs using a two-step approval process by selecting the appropriate box in the Portal. PPGs are not available for Enabling Activities.<sup>9</sup>
- (b) Letters of Endorsement (LOEs) are required for PPGs. Please see Annex 1 for additional detail, including exceptions.
- (c) If not requested at PIF stage, PPGs can also be requested separately any time before the CEO endorsement submission of FSPs or CEO approval submission of MSPs. The request for PPG should be submitted through the Portal.
- (d) 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. The appropriate box of the one-step MSP approval template in the Portal should be selected.
- (e) For Child Projects under a program, PPGs can be individually requested only after Council approves the Program Framework Document (PFD). However, they must be requested before Child Projects are submitted for CEO endorsement or approval.

3. Limits for PPG Amount: The amount of PPG that can be requested is proportional to the size of the project (amount of GEF Financing excluding Agency Fee) as follows:<sup>10</sup>

- (a) For MSPs the limit is USD 50,000;

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<sup>8</sup> Project and Program Cycle Policy, Policy OP/PL/ 01, December 2018

<sup>9</sup> The Project and Program Cycle Policy defines PPG as “the funding provided to support the preparation of a FSP or MSP” (page 4). An Enabling Activity funds preparation of a plan, strategy or report to fulfil commitments under a Convention and in this respect already funds preparatory activities.

<sup>10</sup> On an exceptional basis, higher PPG amounts may be approved by the CEO, based on the Secretariat’s assessment of the justification provided by the GEF Agency. Child Projects under a program follow the same rule as regular FSPs or MSPs.

- (b) For FSPs less than USD 3 million, the limit is USD 100,000;
  - (c) For FSPs USD 3 million or greater, but less than USD 6 million, the limit is USD 150,000;
  - (d) For FSPs USD 6 million or greater, but less than USD 10 million, the limit is USD 200,000; and
  - (e) For FSPs USD 10 million and greater, the limit is USD 300,000.
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. The GEF Agency can request the PPG fee in full from the Trustee upon approval of the PPG.
5. Approval of PPGs: The CEO issues a PIF clearance letter for FSPs and the approval of PPGs and associated fee once the PIF is included in the work program. Similarly, when a two-step MSP PIF is approved by the CEO, a PIF and PPG approval letter is issued, including associated fee. For a one-step MSP, the CEO issues an MSP approval letter that includes the associated fee and reimbursable PPG, if any.
6. Eligible Activities Covered by PPGs: The GEF Agency together with the executing partner (if already identified) 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. PPG funds cannot be used for project implementation/execution as they are approved: i) under the terms that they are for preparatory activities, and ii) in the amount stipulated in the LOE and approval documents.
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 the respective Annex *Status of Implementation of Project Preparation Activities and the Use of Fund* in the Portal. Any PPG funding not fully used at CEO Endorsement/Approval should be indicated. The Agency can continue to use the remaining funds only 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 must be returned to the Trustee, for credit to the respective GEF Trust Fund. The GEF Agency reports on the closure of the PPG in the quarterly report submitted to the Trustee.

### **III. RELATED POLICY DOCUMENTS**

- *GEF Project and Program Cycle Policy*, OP/PL/01, December 2018

### **IV. RELATED REFERENCES**

- *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 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. Eligible expenditures under Project Preparation Grants (PPGs)**

### **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 and contracts to develop program and/or project options. These may be national, regional or international, as appropriate and agreed among partners. 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.
- Gender and Environmental and Social Safeguards analysis required at project preparation phase. Subject to discussion with and concurrence of GEF Secretariat during the review process, this could include documenting the project baseline conditions and evaluating safeguard risks, developing related action plans or equivalents.
- 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.
- Other itemized costs not listed in Table 2, as agreed with the Secretariat

#### **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 project or program.

**Table 2. Ineligible expenditures under Project Preparation Grants (PPGs)**

- 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 (i.e. costs covered by Agency Fee such as pipeline management, operationalization of the project, internal appraisal, or covered by the project budget); 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 (e.g. computers and engineering equipment) other than those directly required for project preparation,.
- Purchase of motorized vehicles (such purchase, if required, should instead be covered by co-financing amounts, not PPG).

## **ANNEX 3: PROJECT AND PROGRAM RESULTS FRAMEWORK AND MONITORING & EVALUATION PLANS**

### **INTRODUCTION**

1. This guidance note builds on and refers to existing GEF policies and guidelines. As such, it should be read in tandem with recent policy updates on monitoring, results and evaluation<sup>11</sup>, as well as policies that include project reporting requirements. The note follows a practical approach by highlighting how GEF Agencies should use the GEF Portal to report project results. The guidance note first outlines how to plan and budget for M&E activities, grounded in the project results framework. It then presents in a second section key monitoring tools to provide updates on implementation progress. Attachment A provides a checklist GEF Agencies can refer to when preparing and implementing projects.

### **PREPARING THE PROJECT RESULTS FRAMEWORK**

2. Different sections of the project document contribute together to a comprehensive results framework, with different requirements at different stages of project preparation (see Table 1). They include: A) essential results elements anchoring the project's results focus, such as the project objective and a set of outcome and output indicators that are linked to the project objective, B) core indicators highlighting the project's level of ambition around GEF priorities, C) the comprehensive project results-based logical framework, outlining the causal pathway with intermediate steps in a way that provides the project's overall theory of change, and D) Monitoring & Evaluation arrangements highlighting how results will be monitored and with what resources. In addition, the project document provides a dedicated space (Part II. Section 9) to indicate in a narrative form the overall project's socioeconomic benefits.

3. Altogether, these elements add up to a results framework—a management tool representing how the project's underlying logic will help it achieve its overarching objective and with what indicators. This section indicates how projects build the results framework at two different stages of the preparation phase and with different sources of funding. Table 1 summarizes guidance on the M&E and results requirements at the stages of PIF/PFD submission and request for CEO endorsement/approval. It points to the related sections of the project document for PFDs, MSPs and FSPs. One-step MSPs should refer only to the right column of the table. Meanwhile, it is not mandatory for Enabling Activities to report on Core Indicators or to provide a full project results framework.

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<sup>11</sup> *Updated Results Architecture for GEF-7*, GEF/C.54/11/Rev.02 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.11.Rev\\_.02\\_Results.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.11.Rev_.02_Results.pdf)); *Policy on Monitoring*, GEF/C.56/03/Rev.01 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.56.03.Rev\\_.01\\_Policy\\_on\\_Monitoring.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_.01_Policy_on_Monitoring.pdf)); and, *The GEF Evaluation Policy*, GEF/ME/C.56/02/Rev.01 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C56\\_02\\_Rev01\\_GEF\\_Evaluation\\_Policy\\_June\\_2019\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_Rev01_GEF_Evaluation_Policy_June_2019_0.pdf)).

## A. ESSENTIAL RESULTS ELEMENTS

4. Outlining the overall project objective, outcomes and outputs is central to the design of a project; these critical elements appear at the front-end of the project document in the Indicative Project Summary section (Part I.B. of the project document) and are required of all project types, except for Program Framework Documents which do not indicate outputs. In this summary section, results elements sit next to the list of project components, and GEF financing, co-financing and project management costs.

## B. CORE INDICATORS

5. A set of 11 Core Indicators is now under implementation, with targets for 10 of these for the GEF-7 period. Each of the key GEF programming priorities include at least one indicator - either an output or an outcome. The use of Core Indicators supports the implementation of the GEF-7 results architecture and helps ensure consistency in reporting on results, by providing definitions and methodological guidance for each core indicator and sub-indicator.<sup>12</sup>

**Table 1. Addressing Results/M&E in the two preparation stages**

PIF/PFD	CEO ENDORSEMENT/APPROVAL
<b>A. ESSENTIAL RESULTS ELEMENTS (Part I. Section B.)</b>	
<ul style="list-style-type: none"> <li>▶ Brief project objective statement indicating the project's desired effect(s) as a result of the project interventions (in Part I, Section B).</li> <li>▶ Project outcomes that measure progress toward the aspects covered in the project objective as a result from outputs, with indicator name, units of measurement, and tentative baseline and target data.</li> <li>▶ Project outputs, that track the products, goods services or actions, only if available data at this early stage of project design. (PFDs are not requested to provide outputs.)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Final project objective statement indicating the project's desired effect(s) as a result of the project interventions (in Part I, Section B).</li> <li>▶ Final Project outcomes that measure progress toward the aspects covered in the project objective as a result from outputs, with indicator name, units of measurement, and baseline and target data.</li> <li>▶ Final Project outputs, that track the products, goods services or actions with indicator name, units of measurement, and final baseline and target data.</li> </ul>
<b>B. CORE INDICATORS (dedicated section)</b>	
<ul style="list-style-type: none"> <li>▶ Select a minimum of one Core indicator or sub-indicator in alignment with the project outcomes and outputs.</li> <li>▶ Provide an estimated target for each selected Core indicator.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Select a minimum of one Core indicator or sub-indicator in alignment with the project outcomes and outputs.</li> <li>▶ Provide a final target for each selected Core indicator in line with project results indicators.</li> <li>▶ Changes in the target level as compared to the PIF stage need to be justified.</li> </ul>
<b>C. COMPREHENSIVE RESULTS FRAMEWORK (Annex A)</b>	

<sup>12</sup> Updated Results Architecture for GEF-7, GEF/C.54/11/Rev.02 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.11.Rev\\_02\\_Results.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.11.Rev_02_Results.pdf)); Guidelines on Core Indicators and Sub-Indicators, ME/GN/02 [https://www.geftracks.com/sites/default/files/2019-04/indicators\\_0.pdf](https://www.geftracks.com/sites/default/files/2019-04/indicators_0.pdf)).

PIF/PFD	CEO ENDORSEMENT/APPROVAL
► Not required at this stage.	<i>Located in Annex A.</i> ► A full project results framework is required here, either as a copy and paste from the agency document or as a cross-reference to where the document is located.
D. MONITORING AND EVALUATION PLAN (Part II. Section 9.)	
► The M&E plan is not expected at PIF stage, however project financing should include an indicative M&E budget in Part I, Section B of the project document. ► PFDs are expected to describe the intended M&E approach across the program, the theory of change, results frameworks and indicators, and coherence across child projects, with M&E budget resources planned into each child project in Part I, Section B of the project document.	► The M&E plan and related budget are required for projects, inclusive of data source and responsible entity for data collection.

6. Until GEF-5, projects used tracking tools to monitor progress in a standardized way. The GEF phase of project approval determines whether a project must use Core Indicators. In addition to GEF-7 projects, GEF-6 projects must also use Core Indicators at the next opportunity in the project's life cycle—endorsement / approval, mid-term review or terminal evaluation, as summarized in Table 2. LDCF and SCCF projects do not report on Core Indicators, unless they are part of a multi-trust fund project. Instead, they use a separate results framework on climate change adaptation.

**Table 2. The Core Indicators apply to all new and GEF-6 projects**

PHASE	USE	USE OF CORE INDICATORS
GEF-5 and earlier	<b>X</b>	<i>Not required.</i> Continue to submit tracking Tools at mid-term and completion, if applicable. Core indicators submitted if available.
GEF-6	<b>Y</b>	<i>Transition to Core Indicators.</i> GEF-6 projects shift to Core Indicators at the next opportunity. They discontinue the use of Tracking Tools.
GEF-7	<b>Y</b>	<i>Mandatory starting at PIF stage.</i> Core indicators and sub-indicators applied to all projects and programs, from concept stage to completion

7. In the context of GEF-7, every new GEF trust fund medium- and full-sized project and Program Framework Document must use one or more Core Indicators to indicate the project's level of ambition and to monitor results, along with the broader set of results indicators in the project's results framework. Projects report on relevant indicators regardless of focal area source (e.g. a biodiversity protected areas project may report on GHG emission co-benefits). Dedicated fields of the online Portal exist to enter this data. In addition to selecting a Core Indicator, projects also identify a target or an expected level of results at identification or PIF stage, and adjust it when reaching endorsement / approval stage. The Mid-Term Review and Terminal Evaluation are the two milestones during which GEF Agencies report on progress



against Core Indicators. Table 3 provides the Core Indicator requirements throughout the project life.

**Table 3. Projects update Core Indicators at four preparation and implementation milestones**

PREPARATION		IMPLEMENTATION AND COMPLETION	
PIF/PFD	ENDORSEMENT / APPROVAL	MID-TERM REVIEW	TERMINAL EVALUATION
<ul style="list-style-type: none"> <li>Select one or more Core indicators or sub-indicators in line with the project outcomes and outputs.</li> <li>Provide an estimated target for each selected Core indicator.</li> <li>Justify the target level.</li> </ul>	<ul style="list-style-type: none"> <li>Select one or more Core indicators or sub-indicators in line with the project outcomes and outputs.</li> <li>Provide a final target or expected results for each Core indicator.</li> <li>Justify changes to the target compared to PIF.</li> </ul>	<ul style="list-style-type: none"> <li>Provide an update on the achievement of actual results.</li> <li>The project might use the MTR report and text fields in the Portal to justify the level of achievement.</li> </ul>	<ul style="list-style-type: none"> <li>Provide the final actual results value achieved during the project.</li> <li>The project might use the TE report and text fields in the Portal to justify the level of achievement.</li> </ul>

8. The Core Indicator target forms the basis against which the success of the project is assessed. They can be set using trend analysis, technical expertise and other resources. The level of overall financing available by the project, through GEF resources and co-financing, also informs the target level, as well as judgement in ensuring that the target is reasonable and adequate. Including information in project documentation on how targets were set—criteria, computation or projection— is not required, but helps understand the project’s level of realism and ambition. As GEF projects are made up of both GEF financing as well as co-financing, the Results Framework seeks to capture core indicator and sub-indicator values to which the GEF projects have contributed, in a way that reflects the full project financing, not just the GEF portion. Justification on the target levels must be provided in the project document’s section that immediately follows the Core Indicators in the GEF Portal. Projects separately track the materialization of co-financing at MTR and TE stages.

9. In addition to the 11 Core Indicators, several sub-indicators exist to provide more granular data and support various analytical and accountability needs across the GEF partnership, including reporting to the multilateral environmental agreements. These sub-indicators are either sub-indicators feeding into an aggregate indicator given the multidimensional nature of the results that is being measured (e.g. mercury or hydrochlorofluorocarbon as two distinct chemicals measured) or contextual indicators that provides elements providing a broader picture of the achievement taking place (number of low- or non-chemical systems implemented).

### C. COMPREHENSIVE RESULTS FRAMEWORK

10. Each project may include a full-fledged results framework or a results matrix in Annex A of the project document in the GEF Portal. GEF Agencies have flexibility in using their own template in doing so. It may include all results indicators, inclusive of core indicators, along with

units of measure, baseline and target values. Altogether, it may highlight the logical chain that leads to outputs and the desired outcomes, to meet the project objective.

11. An effective results framework not only articulates what outcomes the project aims to change and how (causal pathway), but also builds into it the critical assumptions that could impact the achievement of expected results. This includes possible constraints or risks, so that those risks can be better managed<sup>13</sup>. This results framework will help assess the causal logic at completion stage.

#### **D. MONITORING & EVALUATION PLAN AND BUDGET**

12. The Monitoring and Evaluation (M&E) plan is a core component of the project's results framework. It specifies for each indicator the role and responsibilities for collecting, reporting and analyzing data on results indicators, as well as the sources and frequency of data availability.

##### **■ *Developing an M&E Plan***

13. The GEF Agency is responsible for preparing the M&E Plan, however key project stakeholders inform the design of the M&E plan (the EA, public administration, etc.). Stakeholders indicate the availability of data from existing sources and confirm that the M&E plan is built on systems and institutional arrangements preferably already in place, such as data from public administration and surveys. In making roles and responsibilities clear, the M&E plan should also be informed by institutional capacity for M&E and related capacity strengthening activities.

14. Agencies submit the M&E plan when reaching the CEO endorsement or approval step, in Part II, Section 9 of the project document. However, Program Framework Documents are expected to describe the intended M&E approach across the program and coherence across child projects. The M&E plan specifies roles and responsibilities, including where the information will come from, who will gather the information, and how often it will be collected and reported. It should also indicate what capacity strengthening activities are needed.

15. Monitoring and evaluation (M&E) are two complementary but distinct processes. While monitoring is part of project management in that it tracks progress in achieving results at regular project intervals, evaluation is the systematic and impartial assessment of planned, ongoing, or completed activities, projects, programs in specific focal areas or sectors. At the GEF, the Independent Evaluation Office manages evaluation-related elements, mainly through terminal evaluations.

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<sup>13</sup> In this way, the results framework becomes close to what amounts to a theory of change. See guidance in the GEF context from the Scientific and Technical Advisory Panel: *Theory of Change Primer*, cdc GEF/STAP/C.57/Inf.04 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_STAP\\_C.57\\_Inf.04\\_Theory%20of%20Change%20Primer\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_STAP_C.57_Inf.04_Theory%20of%20Change%20Primer_0.pdf)).

## ■ Principles for budgeting an M&E plan

16. This section clarifies the logic that determines the cost items eligible for consideration under the M&E plan and which entity will incur them. The M&E plan provides a breakdown which recognizes that M&E is an activity conducted by both the implementing and executing agencies, but different contexts, and with the understanding that most activities are conducted in partnerships.

17. Table 4 provides a breakdown by cost categories. The underlying rationale is that M&E activities taking place for project execution purposes—non-financial data collection, reporting and use for monitoring and management purposes—may be covered by the M&E budget, whereas activities taking place for oversight, supervision and corporate reporting on the project progress undertaken by the Agency are covered by the Agency Fee. Care should be taken not to include costs in the M&E budget that should be covered by Project Management Costs (e.g. administrative project updates<sup>14</sup>, and audit). While the M&E budget can be charged for the **monitoring and evaluation** of the project performance, Environmental and Social Safeguards (ESS), Gender action plan and Stakeholder engagement plan, the Project Preparation Grant or project funds should cover the **design**; with project funds used for the **implementation** of ESS, gender and stakeholder engagement requirements.

18. While the M&E plan only comes at CEO endorsement or approval stage, projects however have to include an estimated total budget amount for an M&E plan as part of the overall project cost at PIF or PFD stage. The budget template in Annex 7 may be used for this purpose.

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<sup>14</sup> Rules and Guidelines for Agency Fees and Project Management Costs, GEF/C.39/9 ([https://www.thegef.org/sites/default/files/council-meeting-documents/C.39.9\\_Fees\\_and\\_Project\\_Management\\_Costs%2C\\_October\\_20%2C\\_2010\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.39.9_Fees_and_Project_Management_Costs%2C_October_20%2C_2010_4.pdf)).

**Table 3. Cost assignment of M&E activities**

	ACTIVITY FOR THE RESPONSIBLE ENTITY INCURRING COST	
	M&E BUDGET	AGENCY FEE
Inception workshop (M&E part)	■ M&E Plan consultation (Executing Entity staff, consultants)	■ Participation of Agency staff and consultants, review and oversight ■ M&E Plan consultation and review (Agency staff)
Inception Report (M&E part)	■ M&E Plan: elaboration, including M&E of Gender, ESS Strategies, Stakeholder Engagement Plan	■ Review and oversight
M&E of Core Indicators and project results framework	■ Monitoring of Core Indicators and reporting to Agency on progress, including for MTR and TE updates	■ Oversight, review, reporting through GEFSEC
Project Implementation Report (PIR)	■ Reporting to Agency on progress, along requirements	■ Oversight, review, reporting through GEFSEC
Supervision missions	■ Conduct supervision missions (non-agency staff, technical experts)	■ Oversight, review, reporting through GEFSEC ■ Agency supervision, staff, technical experts
Learning mission / site visit	■ Plan and execute (Executing Entity staff)	■ Plan and execute (Agency staff)
Monitoring of ESS, and management plans	■ Monitoring and reporting to Agency on identified risks and impact, and management	■ Oversight, review, reporting through GEFSEC
GEF Tracking Tool to be updated at MTR and TE	■ Reporting to Agency updated data for Tracking Tools	■ Oversight, review, reporting through GEFSEC
Mid-term Review (MTR)	■ Undertake (produce, prepare, lead), including outsourced contracting.	■ Oversight, review, reporting through GEFSEC
Independent Terminal Evaluation (TE)	■ Undertake independent evaluation according to the requirements of the GEF Evaluation Policy (produce, prepare), including outsourced contracting	■ Oversight and review of preparation (via the Agency's own IEO as applicable) and submit per GEF Evaluation Policy

19. The cost of monitoring and evaluating activities depends on project characteristics, however past trends can inform Agencies' M&E budget preparation. An analysis of GEF-6 projects indicates that M&E budgets amount to, on average:

- 5% of the GEF-funded part of project financing for projects up to USD 5 million,
- 3% for projects from USD 5 to USD 10 million and
- 2% for projects above USD 10 million.

20. When designing M&E budgets, GEF agencies should take into account the key elements that have implications on M&E costs. Project determinants guiding the preparation of the M&E budget include the project size, the number and remoteness of project locations, M&E capacity strengthening required and type of results to monitor.

#### MONITORING DURING PROJECT IMPLEMENTATION AND AT COMPLETION

21. Countries and GEF Agencies use the results framework during implementation to assess progress toward the project objective and adjust course when necessary. They use the mid-term review to assess overall project performance in-depth and take actions to enhance implementation. The mid-term review is a key instrument for project reorientation if needed, to achieve intended results. At project completion, the results framework provides the foundation to evaluate the project performance in meeting its objective, identify achievements and application of the project's M&E plan. Within the context of the GEF, three types of documents provide updates on project progress. This section presents these three tools that help assess project performance—the Project Implementation Report (PIR), Mid-Term Review (MTR) and Terminal Evaluation (TE). Table 5 provides the list of reporting requirements for projects for each of these tools.

**Table 4. The GEF's reporting requirements during the project life cycle**

POLICIES	PIR	MTR	TE	OTHER
<b>UPDATED RESULTS ARCHITECTURE FOR GEF-7 (EFFECTIVE: July 2018)</b>				
GEF-7 & GEF-6 projects update progress in achieving core indicators		●	●	
GEF-5 projects and earlier use tracking tools		●	●	
<b>MONITORING POLICY (EFFECTIVE: JULY 2019)</b>				
Project status	●			
GEF first disbursement				●
GEF disbursement amount	●			
DO rating	●			
IP rating	●			
Risk rating	●			
Changes to expected MTR and TE dates, and reasons	●			
PFD's Lead agency provides an annual report one year after Council approval				●
Small Grant Program-consolidated annual report.				●
Annual summary report on the administrative expenses by agencies				●
<b>CO-FINANCING GUIDELINES (does not apply to EAs) (EFFECTIVE: July 2018)</b>				
Materialized co-financing amounts, sources and types & investment mobilized		●	●	
Explain any changes in co-financing from endorsement to implementation		●	●	
<b>STAKEHOLDER ENGAGEMENT POLICY (EFFECTIVE: July 2018)</b>				
Information on progress, challenges and outcomes	●	●	●	
<b>GENDER EQUALITY POLICY (EFFECTIVE: July 2018)</b>				
Information on implementing gender-responsive measures and results areas	●	●	●	
Information on progress with gender-related indicators in project documents	●	●	●	

POLICIES	PIR	MTR	TE	OTHER
UPDATED POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS (EFFECTIVE: July 2019)				
Annual report on accountability, grievance and conflict resolution mechanisms				●
Progress on implementing any risk management measures		●	●	
Update on any revisions to identified types of risks or risk ratings		●	●	
FIDUCIARY POLICY (EFFECTIVE DATE: December 2019)				
Update on grievance cases				●

22. While the Monitoring policy provides more details on the PIR and MTR, the Evaluation policy is a key document for guidance on preparing a TE. PIRs, MTRs and TEs are disclosable to the public. Two types of GEF operations follow different rules— programs and the Small grant program (SGP). The Policy on Monitoring explains how a program lead agency and SGP global program agency both submit annual reports, whereas FSPs and MSPs designed under the SGP follow typical project monitoring requirements<sup>15</sup>. Finally, agencies also share annual summary reports on the administrative expenses covered by agency fees, including project cycle management and any corporate activities, within 75 days of the end of a fiscal year (see Appendix B).

#### A. PROJECT IMPLEMENTATION REPORT (PIR)

23. The Project Implementation Report is a key self-assessment tool used by GEF Agencies for reporting every year on project implementation status. The GEF Agency submits an update on implementation progress around key data points directly in the Portal. In addition, they provide narrative context on the challenges encountered during implementation, as well as an account of progress made in implementing the stakeholder engagement plan, gender action plan, ESS and knowledge management activities<sup>16</sup>.

24. The GEF Portal provides a space to attach a dedicated PIR with additional information, building on Agencies' own implementation progress and monitoring reports. Attached PIRs help further assess progress toward achieving the project objective and implementation progress and challenges, risks and actions that need to be taken.

<sup>15</sup> See paragraphs 26 to 38, *Policy on Monitoring*, GEF/C.56/03/Rev.01 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.56.03.Rev\\_01\\_Policy\\_on\\_Monitoring.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_01_Policy_on_Monitoring.pdf)).

<sup>16</sup> *Policy on Gender Equality*, SD/PL/02 ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf)); *Policy on Stakeholder Engagement*, SD/PL/01 ([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf)); *GEF Knowledge Management Approach Paper*, GEF/C.48/07/Rev.01 ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.48.07.Rev\\_01\\_KM\\_Approach\\_Paper.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.48.07.Rev_01_KM_Approach_Paper.pdf)).

25. All projects must submit a PIR update annually for each year of implementation, within 75 calendar days after the end of each GEF's full fiscal year (July 1 – June 30). The first PIR is due once the project has completed its first full fiscal year under implementation, within 75 days of the fiscal year completion. Before this first PIR, GEF Agencies update the date of first disbursement in a dedicated module of the GEF Portal.

26. The GEF Portal is continuously updated with the objective of being the one-stop-shop for GEF Agencies to submit PIR updates, including the following data:

- ▶ information on project status, including implementation start and first disbursement dates;
- ▶ the amount of GEF Project Financing disbursed;
- ▶ the latest Development Objective (DO) rating, Implementation Progress (IP) rating, and Risk Rating—using Agencies' own rating approach on a six-point scale for DO and IP ratings, and four-point scale for risks;
- ▶ any changes to the expected dates of submission of Terminal Evaluations and any Mid-Term Reviews, as well as reasons therefore

27. Enabling Activity projects provide a yearly update in the PIR module of the GEF Portal on the project status and financing disbursed, and any other information as required by GEF policies as appropriate.

#### **B. MID-TERM REVIEW (MTR)**

28. The Mid-term review is a critical milestone of project implementation that involves key project stakeholders. It takes stock of progress and performance in reaching the project objective, and supports making decisions to strengthen progress, ownership and commitment going forward. This may take the form of project restructuring. The MTR is also an opportunity to discuss with the country and project beneficiaries the continued relevance of the project objective and likelihood of achievement during the remaining implementation period, taking into account current government and sector priorities.

29. The exercise is mandatory for full-sized projects and encouraged for medium-sized projects. GEF Agencies also provide updates and narrative assessments as required by relevant GEF policies in the GEF Portal. The following information is also required to be submitted:

- ▶ *Core indicators.* At MTR stage, GEF Agencies must provide an update on progress in reaching actual results for Core Indicators within the MTR module of the Portal. The update focuses on the achievement of actual results. It highlights the distance left to meet targets by Terminal Evaluation stage. This applies to GEF-7 projects and GEF-6 projects. GEF-6 projects that have reached CEO endorsement use the MTR to shift to Core Indicators as applicable.

- *Tracking Tools.* Projects approved with financing from the GEF-5 and earlier phases should continue submitting updated tracking tools at the MTR stage to provide an update on progress in reaching results indicators.
- *Co-financing.* The achievement of the full extent of project results relies on the timely availability of financing, including from co-financiers. At MTR stage, GEF Agencies provide information on the planned and actual amounts, sources and types of co-financing and investment mobilized. Agencies can also mention entities that provide new co-financing, in addition to the co-financing expected at CEO endorsement / approval. The Portal provides space to explain any deviation from the co-financing target set at CEO endorsement and challenges.

30. While the GEF does not prescribe a specific format for this report, the MTR should typically take place at least two years after project implementation begins and before disbursing the majority of financing available. The MTR should be prepared and submitted within the expected date provided in the first PIR, or as amended during implementation.

31. The GEF Portal provides a dedicated module where Agencies complete information on Core Indicators and Co-financing, and attach the MTR report, along with tracking tools as relevant, and text fields to provide update on implementation and GEF policies. This includes an update on progress, challenges and outcomes on project implementation activities; on stakeholder engagement; on the gender action plan; on gender-responsive measures and indicators; on knowledge activities; on ESS; as well as the main findings of the MTR. Narrative sections should be candid, concise, consistent and complete in providing the key findings, progress, or lack thereof, and the actions to be undertaken.

### **C. TERMINAL EVALUATION (TE)**

32. At project completion, Agencies submit a Terminal Evaluation in line with the requirements specified by the GEF's Independent Evaluation Office<sup>17</sup>. The exercise is mandatory for full- and medium-sized projects. It takes place in consistency with the expected submission date provided at CEO endorsement/approval or as amended during implementation, and no later than twelve months after the actual Implementation End Date. In terms of content, the same information requested at MTR should also be provided at TE stage, in the GEF Portal's dedicated online module:

- *Core indicators.* GEF Agencies provide the final update on the achievement of actual Core Indicator results. This applies to GEF-7 projects and GEF-6 projects. GEF-6 projects that have not yet had the opportunity to shift to Core Indicator do so at the TE stage.

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<sup>17</sup> *The GEF Evaluation Policy*, GEF/ME/C.56/02/Rev.01([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C56\\_02\\_Rev01\\_GEF\\_Evaluation\\_Policy\\_June\\_2019\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_Rev01_GEF_Evaluation_Policy_June_2019_0.pdf)).



- *Tracking Tools.* Projects approved with financing from the GEF-5 and earlier phases should continue submitting updated tracking tools at the TE stage to provide an update on progress in reaching results indicators.
- *Co-financing.* GEF Agencies provide information on the actual amounts, sources and types of co-financing and investment mobilized. Agencies can also mention entities that provide new co-financing, in addition to the co-financing expected at CEN endorsement / approval. The Portal provides space to explain any deviation from the co-financing target set at CEO endorsement and challenges.

33. The GEF Portal provides a dedicated module where Agencies complete information on Core Indicators and Co-financing, attach the TE report and tracking tools as relevant, and text fields to provide update on implementation and GEF policies as relevant. This includes an update on progress since MTR, challenges and outcomes on project on stakeholder engagement; on the on gender-responsive measures and indicators; on knowledge activities; and on ESS. Narrative sections should be candid, concise, consistent and complete in providing the key findings, progress, or lack thereof, and the actions to undertake. The TE should be prepared and submitted within the expected date provided at CEO endorsement or approval, or as amended during implementation. It should follow IEO guidelines enclosed in this document and in IEO policy.

#### RELATED POLICY DOCUMENTS

- *Policy on Monitoring, GEF/C.56/03/Rev.01* ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.56.03.Rev\\_.01\\_Policy\\_on\\_Monitoring.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_.01_Policy_on_Monitoring.pdf)).
- *The GEF Evaluation Policy, GEF/ME/C.56/02/Rev.01* ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C56\\_02\\_Rev01\\_GEF\\_Evaluation\\_Policy\\_June\\_2019\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_Rev01_GEF_Evaluation_Policy_June_2019_0.pdf)).
- *Fee Policy for GEF Partner Agencies, FI/PL/03* ([http://www.thegef.org/sites/default/files/documents/Agency\\_Fee\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Agency_Fee_Policy.pdf));
- *Minimum Fiduciary Standards for GEF Partner Agencies, GA/PL/02* ([http://www.thegef.org/sites/default/files/documents/GA.PL\\_02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](http://www.thegef.org/sites/default/files/documents/GA.PL_02_Minimum_Fiduciary_Standards_0.pdf));
- *Monitoring Agencies' Compliance with GEF Policies, ME/PL/02* ([http://www.thegef.org/sites/default/files/documents/Monitoring\\_Agency\\_Compliance\\_Policy\\_0.pdf](http://www.thegef.org/sites/default/files/documents/Monitoring_Agency_Compliance_Policy_0.pdf));
- *Policy on Access to Information; GEF/C.55/06* ([http://www.thegef.org/sites/default/files/council-meetingdocuments/EN\\_GEF.C.55.06\\_Policy\\_on\\_Access\\_to\\_Information.pdf](http://www.thegef.org/sites/default/files/council-meetingdocuments/EN_GEF.C.55.06_Policy_on_Access_to_Information.pdf));
- *Policy on Co-Financing, FI/PL/01* ([http://www.thegef.org/sites/default/files/documents/Cofinancing\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Cofinancing_Policy.pdf));
- *Policy on Environmental and Social Safeguards, GEF/C.55/07/Rev.01* ([http://www.thegef.org/sites/default/files/council-meetingdocuments/EN\\_GEF.C.55.07.Rev\\_.01\\_ES\\_Safeguards.pdf](http://www.thegef.org/sites/default/files/council-meetingdocuments/EN_GEF.C.55.07.Rev_.01_ES_Safeguards.pdf));
- *Policy on Gender Equality, SD/PL/02* ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf));

- *Policy on Stakeholder Engagement*, SD/PL/01  
([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf));
- *Project Cancellation*, OP/PL/02  
([http://www.thegef.org/sites/default/files/documents/Project\\_Cancellation\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Project_Cancellation_Policy.pdf));
- *Project and Program Cycle Policy*, OP/PL/01  
([http://www.thegef.org/sites/default/files/documents/Project\\_Program\\_Cycle\\_Policy\\_OPPL01.pdf](http://www.thegef.org/sites/default/files/documents/Project_Program_Cycle_Policy_OPPL01.pdf));
- *Updated Policy on Minimum Fiduciary Standards*, GEF/C.57/04/Rev.02  
([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.57.04.Rev\\_.02\\_Update\\_GEF\\_Minimum\\_Fiduciary\\_Standards.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.57.04.Rev_.02_Update_GEF_Minimum_Fiduciary_Standards.pdf)).

#### RELATED REFERENCES

- *GEF Knowledge Management Approach Paper*, GEF/C.48/07/Rev.01  
([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.48.07.Rev\\_.01\\_KM\\_Approach\\_Paper.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.48.07.Rev_.01_KM_Approach_Paper.pdf));
- *Updated Results Architecture for GEF-7*, GEF/C.54/11/Rev.02  
([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.11.Rev\\_.02\\_Results.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.11.Rev_.02_Results.pdf));

## Attachment A: M&E and results checklist during the project life cycle

This checklist helps GEF agencies ensure that critical M&E and results dimensions are considered when preparing and implementing projects. It should be read in tandem with the overall guidelines, as an aid to ensure key results and M&E areas are met in projects.

PROJECT PREPARATION STAGE	
The table considers two stages of project development, with PIF/PFD marked as “1” and CEO endorsement or approval as “2”. When reaching endorsement stage (2), PIF/PFD questions (1) should again be reviewed, this time in light of information that emerged during preparation, with a view to finalize results and M&E elements.	
ESSENTIAL RESULTS ELEMENTS AND RESULTS FRAMEWORK	
1	<input type="checkbox"/> Is the proposed project/program objective consistent with GEF’s programming priorities by focal area(s)? <input type="checkbox"/> Is there a robust link between project activities, outputs and final outcomes? <input type="checkbox"/> Are the problems and barriers the project/programs seeks to solve and their root causes well defined? <input type="checkbox"/> Are the key risks to project/program outcomes assessed adequately with candor? <input type="checkbox"/> Are the targets reachable within the context and type of financing (investments vs. technical assistance)? <input type="checkbox"/> Is each results indicator clear and inclusive of an estimated baseline, target and unit of measurement? <input type="checkbox"/> Is each aspect of the Project Objective captured by at least one result indicator? <input type="checkbox"/> Are target estimates of a PFD reflective of the underlying child projects?
2	<input type="checkbox"/> Is the project/program approach grounded in evidence that emerged during the preparation phase? <input type="checkbox"/> Does the results framework in Annex A reflect the project logic, assumptions and results chain? <input type="checkbox"/> Does the project document include, if available, a diagram of the project’s theory of change?
CORE INDICATORS	
1	<input type="checkbox"/> Does the project/program use at least one GEF core indicator? And sub-indicators when relevant? <input type="checkbox"/> Is the use of core indicators aligned and consistent with all results elements of the project/program, and inclusive of co-benefits as appropriate? <input type="checkbox"/> Does the project/program justify how these targets have been identified? <input type="checkbox"/> Are the targets set in a way that considers the full project/program financing and co-financing? Including in cases where financing comes from other trust funds.
2	<input type="checkbox"/> Are changes in final target levels and use of Core Indicator justified as compared to the PIF stage? <input type="checkbox"/> Are METT scores provided in case of the use of sub-indicators 1.2 and 2.2? <input type="checkbox"/> Are indicators and targets of child projects consistent with target levels expressed in the parent PFD?
M&E PLAN	
1	<input type="checkbox"/> Has the project included the M&E budget in its overall financing? <input type="checkbox"/> Does the PFD include elements that describe the intended M&E approach across the program and coherence across child projects, with M&E budget resources planned into each child project?
2	<input type="checkbox"/> In the instance where baseline data is unavailable, what are the plan, resources and timeline to fix this? <input type="checkbox"/> Do the monitoring tools provide the necessary information to report on progress, and involve key stakeholders and use existing data systems? <input type="checkbox"/> Have staffing, technical and financial needs for M&E been identified to ensure data availability? <input type="checkbox"/> If M&E capacity strengthening is needed, does the M&E plan take this into account and budget for it? <input type="checkbox"/> Are the budgeted activities aligned with the guidance provided in the related section of the guidelines?

PROJECT IMPLEMENTATION AND COMPLETION STAGES	
PROJECT IMPLEMENTATION REPORT	
<input type="checkbox"/>	Does the PIR capture adequately the latest progress data available for all requested fields in the GEF Portal?
<input type="checkbox"/>	Does each project rating (implementation progress, development outcomes and risks) reflect the implementation challenges and risks that are affecting or likely to affect the achievement of project outcomes?
<input type="checkbox"/>	Does the PIR indicate any changes to the expected MTR or TE dates? If so, are these changes justified by information that emerged from implementation review exercises?
<input type="checkbox"/>	Does the PIR provide a candid, concise, consistent and complete narrative account on implementation progress and around policies in the GEF Portal's text fields? This includes progress on stakeholder engagement, gender-responsive measures and knowledge activities.
<input type="checkbox"/>	Has a more comprehensive implementation report been uploaded in the GEF Portal that justifies ratings and provides an account of the overall project implementation progress?
MID-TERM REVIEW	
<input type="checkbox"/>	Does the project provide an update in the Portal fields on the progress made in achieving Core Indicators and materializing co-financing?
<input type="checkbox"/>	In the case of a GEF-6 project, has it transferred to reporting on the GEF-7 Core Indicators?
<input type="checkbox"/>	Does the project provide the updated METT tracking tool as appropriate?
<input type="checkbox"/>	In the cases of a GEF-5 or earlier project, has it provided an updated tracking tool?
<input type="checkbox"/>	Does the MTR provide a candid, concise, consistent and complete narrative account on the MTR's main findings and around policies in the GEF Portal's text fields? This includes progress on ESS risk management measures, stakeholder engagement, gender-responsive measures and knowledge activities.
<input type="checkbox"/>	Has a more comprehensive MTR report been uploaded in the GEF Portal that indicates progress in achieving project objective, validates project design, justification, and relevance of results indicators?
<input type="checkbox"/>	Does the MTR report assess progress against the project results indicators with data and in line with the M&E plan, and that the project is on track to achieve its targeted outputs and outcomes?
<input type="checkbox"/>	Does the MTR report provide a review of the quality of outputs delivered and conformity with specifications?
<input type="checkbox"/>	Is the assessment of progress in the MTR report informed by PIR and M&E data, supplemented by findings from the mid-term review, and inclusive of information gathered through interviews with stakeholders?
<input type="checkbox"/>	Have critical risks to achievement of the project objective been continually assessed, updated and mitigated as appropriate, including identification of risks to sustainability?
<input type="checkbox"/>	Is the project proactive in proposing solutions to problems, including restructuring and adaptative actions to pursue if necessary?
TERMINAL EVALUATION	
<input type="checkbox"/>	The following is only related to reporting on the TE-related field in the Portal, as the guidelines on Terminal Evaluation available in this document provide the full guidance on preparing Terminal Evaluation.
<input type="checkbox"/>	Does the project provide a final update on progress made in achieving Core Indicators and materializing co-financing in the Portal?
<input type="checkbox"/>	In the case of a GEF-6 project, has it transferred to reporting on the GEF-7 Core Indicators?
<input type="checkbox"/>	Does the project provide the final METT tracking tool as appropriate?
<input type="checkbox"/>	In the cases of a GEF-5 or earlier project, has it provided a final tracking tool?
<input type="checkbox"/>	Does the MTR provide a candid, concise, consistent and complete narrative account on the TE's main findings and around policies in the Portal's text fields? This includes progress on ESS risk management measures, stakeholder engagement, gender-responsive measures and knowledge activities.

## Attachment B: Agency Fee Reporting Template<sup>18</sup>

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)
<b>1. GEF CORPORATE ACTIVITIES</b>							
Policy support							
Portfolio Management							
Reporting							
Outreach and knowledge sharing							
Support to the GEF Independent Evaluation Office							
<b><i>SUB-TOTAL</i></b>							
<b>2. GEF PROJECT CYCLE MANAGEMENT SERVICES</b>							
Project identification, preparation, approval and start up							
Project implementation, supervision, and monitoring							
Project completion and evaluation							
<b><i>SUB-TOTAL</i></b>							
<b><i>TOTAL</i></b>							

<sup>18</sup> This annual reporting requirement was established by Council (ref. C.33/8, C.34/Inf.8 and C.41/07) and covers only use of GEF financing. This report may be uploaded directly to the Portal together with the PIR.

**Attachment B (cont'd). 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 periodic (e.g. GEF Portal, annual) portfolio monitoring reporting, 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.*

## **ANNEX 4: ADDRESSING STAKEHOLDERS' COMMENTS**

### **I. INTRODUCTION**

1. The GEF Stakeholder Engagement Policy Guidelines<sup>19</sup> provide guidance on requirements for stakeholder engagement relevant to the project and program cycle. Paragraph 8 of the Policy states that in submitting project proposals to the GEF Secretariat (as PIFs or PFDs), “. . . Agencies provide a description of any consultations conducted during project development, as well as information on how Stakeholders will be engaged in the proposed activity, and means of engagement throughout the project/program cycle.” Guidance on project and program development (paras 20-26) includes steps related to dialogue, outreach and consultations, identification of roles, among others.

### **II. ENGAGING STAKEHOLDERS IN POLICY AND PROGRAM DESIGN AND IMPLEMENTATION**

2. A Stakeholder Engagement Plan is required by the Policy, to be included at the time an Agency submits a project or program to the CEO for Endorsement or Approval. Guidance on the development of a Plan can be found in the GEF Stakeholder Engagement Policy Guidelines (paras 27-31). The Plan should be made publicly available by the Agency in a form and language appropriate to the relevant stakeholders and disseminated proactively to them. The Plan is made publicly available by the GEF. Finally, Agencies should include information on progress, challenges and outcomes of stakeholder engagement in their annual Project Implementation Reports, Mid-Term Review, and Terminal Evaluation.

### **III. GUIDELINES ON OTHER AGENCIES' COMMENTS**

3. Maintaining coordination and transparency throughout the project cycle is a requirement for implementation of GEF projects.<sup>20</sup> To that end, GEF Agencies can access PIFs and PFDs on the GEF website once the Work Program is posted. This enables Agencies to provide helpful comments in the following ways:

- Point out potential duplication of efforts, opportunities for collaboration, or other 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.

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<sup>19</sup> Stakeholder Engagement Policy Guidelines (SD/GN/01), December 20, 2018

<sup>20</sup> See GEF/C.12/9 para 15

4. 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, as well as explain in the corresponding Annex of the CEO Endorsement/Approval document, how it has incorporated comments into the Project Document in the Annex of the Request for Project Endorsement/Approval Template.<sup>21</sup>

#### **IV. GUIDELINES ON CONVENTION SECRETARIAT'S COMMENTS<sup>22</sup>**

5. Relevant Convention Secretariats should provide their comments after accessing the PIFs and PFDs on the GEF web site once the Work Program is posted.

6. Proponent Agency response to Relevant Convention Secretariats' Comments. The proponent Agency should respond directly to the relevant Convention Secretariat regarding their comments, if any.

7. Proponent Agency response to Convention Secretariat's Comments when submitting Request for CEO Endorsement. When preparing the project for CEO Endorsement, the Agency should respond adequately to any comments from the Convention Secretariats as well as explain in the corresponding Annex of the CEO Endorsement/Approval document how the comments have been incorporated into the Project Document in Annex of the Request for Project Endorsement Template.

#### **V. GUIDELINES ON COUNCIL COMMENTS<sup>23</sup>**

##### **ADDRESSING COUNCIL COMMENTS AT CEO ENDORSEMENT**

8. 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.<sup>24</sup> 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.

9. Compilation of Council comments. Council members' comments are uploaded in Portal.<sup>25</sup> In the case of intersessional work programs, Council Members' comments are provided by the deadline of the decision by email. The Agencies may access these comments in the GEF Portal.

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<sup>21</sup> This will be possible through the GEF Portal

<sup>22</sup> For Chemicals and Waste Focal Area, the Multilateral Fund Secretariat can also submit comments as it deems necessary.

<sup>23</sup> Council comments are provided exclusively to FSPs and Programs.

<sup>24</sup> Subject to resource availability.

<sup>25</sup> See Stakeholder Comments icon in the Portal



10. 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. The Agency should respond adequately to comments from Council members, as well as explain in the corresponding Annex of the CEO Endorsement/Approval document, how comments have been incorporated into the Project Document in the Annex of the Request for Project Endorsement/Approval Template in the Portal.

11. 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. Similarly, for all Child Projects, CEO Endorsement/Approval Request and the Final Project Document to the Council should be circulated for review four weeks prior to Endorsement/Approval. Any Council member may submit additional comments that require further clarifications to the Secretariat. The Secretariat makes sure that comments are addressed in a satisfactory manner.<sup>26</sup> On that basis, the CEO can issue the CEO Endorsement/Approval.

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

12. Agency response to Council comments on a major project amendment.<sup>27</sup> When an Agency requests CEO endorsement for a project with a major amendment,<sup>28</sup> the proposal is circulated for four weeks to Council for comments and approval. Council members send any comments directly to the Secretariat. The Secretariat makes sure that comments are addressed in a satisfactory manner.<sup>29</sup> On that basis, the CEO can convey Council approval of the proposed project as amended with an endorsement/re-endorsement letter.

13. 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 Instrument or GEF policies or procedures, the CEO endorsement will be withheld and the project may be resubmitted to a subsequent Council meeting.<sup>30</sup>

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<sup>26</sup> 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.

<sup>27</sup> See guidelines on Project Amendment, Drop, Suspension and Cancellation.

<sup>28</sup> 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%.

<sup>29</sup> 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.

<sup>30</sup> *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010, page 19, para. 79

## VI. GUIDELINES ON GEF SECRETARIAT'S COMMENTS

### ADDRESSING SECRETARIAT'S COMMENTS AT CONCEPT AND ENDORSEMENT/APPROVAL STAGES

14. The Secretariat, on behalf of the Council, provides the proper and adequate review of projects and work program proposals<sup>31</sup> within ten business days. The Secretariat provides comments on 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.<sup>32</sup> Engagement and continued consultations with the GEF Secretariat are encouraged.

15. Depending on the extent of the Secretariat's comments, Agencies are expected to consult with the national project stakeholders, respond to these comments adequately, provide replies and address changes made in the review sheet. This requires a resubmission of the Project/Program (at concept stage) or the Request for CEO Endorsement/Approval template (at endorsement / approval stage). Satisfactory responses and revisions from the Agency allow the Secretariat to recommend for clearance/approval of the Project/Program for inclusion in a work program for Council approval or to recommend for CEO Endorsement/Approval on FSPs/MSPs.

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

## VII. RELATED REFERENCES

- *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010
- *GEF Project Cycle*, GEF/C.31/7, June, 2007

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<sup>31</sup> Instrument for the Establishment of the Restructured Global Environment Facility, October 2011, para 21c

<sup>32</sup> For one-step MSPs and Enabling Activities, the Secretariat provides any comments at MSP/EA Approval Request.

## ANNEX 5: ENABLING ACTIVITIES

### I. INTRODUCTION

1. Enabling Activities are projects to fulfill essential communication requirements to a Convention. The GEF currently finances Enabling Activities 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 Enabling Activities considering the different types and processing modalities.

### II. GUIDELINES FOR SUBMISSION AND APPROVAL OF ENABLING ACTIVITIES

2. Funding Requirements for Enabling Activities by focal area: Enabling Activities qualify for full cost funding from the GEF - i.e. there is no co-finance requirement. Similarly, PPGs and additional M&E costs are not applicable. Countries may also exercise their option to contribute additional funds from their STAR allocation in biodiversity, climate change mitigation and land degradation focal areas as they deem necessary. GEF funds can be requested by focal area as indicated below, or as established in GEF Replenishments. In addition, eligible countries may request GEF funding for new Enabling Activities that may be identified in future Convention guidance to the GEF.

- (a) *Biodiversity:* Eligible countries can request GEF funding for the preparation and revisions of National Biodiversity Strategies and Action Plans, as well as national reporting obligations under the CBD, the Cartagena Protocol, and the 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);<sup>33</sup> 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 respective UNCCD Strategy and reporting process, as per obligations to the UNCCD. The financing will also take into account emerging needs to facilitate countries planning, monitoring and reporting requirements in response to UNCCD COP decisions.
- (d) *Chemicals and Waste:* Eligible countries can request GEF funding for the preparation of National Implementation Plans (NIPs)<sup>34</sup> on Persistent Organic

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<sup>33</sup> Under the Least Developed Countries Fund (LDCF)

<sup>34</sup> Guidelines for Reviewing and Updating the NIP under the Stockholm Convention on POPs GEF/C.39/Inf.5

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)<sup>35</sup> and, for countries confirming in writing at the ministerial level that Artisanal and Small-scale Gold Mining (ASGM) is a significant issue, National Action Plans — both in support of the Minamata Convention on Mercury.

3. Modalities for Processing Enabling Activities:

- (a) *By size:* (i) expedited Enabling Activity: single country enabling activity project up to USD 2 million is processed under the CEO expedited approval authority procedures, either as an expedited Enabling Activity up to USD 1 million or as an MSP above USD 1 million but up to USD 2 million; or (ii) non-expedited Enabling Activity: single country enabling activity projects beyond USD 2 million follow the project cycle procedures for FSPs.<sup>36</sup> In both cases, the Enabling Activity Template has to be utilized and submitted through the GEF Portal.
- (b) *By country processing option:*<sup>37</sup> (i) the country can submit Enabling Activity through a GEF Agency using the Request for [focal area] Enabling Activity Template<sup>38</sup>; or (ii) the country can use the Direct Access modality to submit Enabling Activity directly to the Secretariat.<sup>39</sup>

4. Procedures for Umbrella Enabling Activities (UEAs) processed as FSPs and /or MSPs: in those cases where several countries make a similar request for Enabling Activity proposals in one focal area, such proposals can be consolidated into one umbrella enabling activity for economies of scale. UEAs are processed following the same procedures as an MSP or FSP, depending on its size<sup>40</sup> using an Enabling Activity template. The steps to follow for an Enabling Activity processed as FSP are:

- (a) *Step 1: Work Program Inclusion Stage:*<sup>41</sup>
  - UEA proposals are submitted by a GEF Agency for Work Program inclusion as fully developed non-expedited Enabling Activity requesting more than USD 2 million<sup>42</sup> using the Enabling Activity template.

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<sup>35</sup> Initial Guidelines for Enabling Activities for the Minamata Convention on Mercury GEF/C.45/Inf.05/Rev.01

<sup>36</sup> Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 10

<sup>37</sup> GEF Project and Program Cycle Policy GEF/C.50/08

<sup>38</sup> Templates are generally submitted through the GEF Portal. Examples of templates are also available at <https://www.thegef.org/documents/templates>

<sup>39</sup> 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

<sup>40</sup> Project and Program Cycle Policy, Policy OP/PL/ 01, November 2016 – page 10

<sup>41</sup> Use the Request for [focal area] Enabling Activity Template at <https://www.thegef.org/documents/templates>.

<sup>42</sup> See GEF/C.43/06, Streamlining of Project Cycle.

- 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.<sup>43</sup>
  - The Secretariat reviews the proposal. The CEO decides whether to include the proposal in the work program.
  - If included, the Council reviews the proposal as part of the work program and approves it at a Council meeting or inter-sessionally.
- (b) *Step 2: CEO Endorsement stage:* Two weeks after Council approval, the GEF Agency can request the CEO endorsement for the UEA. If no Council comments are received, the CEO can issue an endorsement letter. If Council comments are received, the Secretariat makes sure that comments are addressed in a satisfactory manner. On that basis, the CEO can issue an endorsement letter.
5. Procedures for Umbrella Enabling Activities (UEAs) processed as two-step MSPs: The steps to follow for an EA processed as two-step MSPs are:
- (a) *Step 1: MSP PIF Stage:*<sup>44</sup>
- 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.<sup>45</sup>
  - 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. The CEO decides to issue an approval letter.
6. Procedures for Umbrella Enabling Activities (UEAs) processed as one-step MSPs: 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 Enabling Activity requesting more than USD 1 million but up to USD 2 million using the Enabling Activity template.

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<sup>43</sup> 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.

<sup>44</sup> Use the Request for [focal area] Enabling Activity Template at <https://www.thegef.org/documents/templates>.

<sup>45</sup> 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.

- 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.<sup>46</sup>
- The Secretariat reviews the proposal. The CEO decides whether to approve the Enabling Activity.

7. Procedures for Single Country EA Proposal:<sup>47</sup> 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 Enabling Activity proposal.<sup>48</sup> If GEF project funding up to USD 1 million is requested, it will be processed through the expedited procedures.<sup>49</sup> If GEF project funding greater than USD 1 million is requested, it will follow the MSP or FSP project cycle depending on its size.<sup>50</sup>

### III. RELATED REFERENCE DOCUMENTS

- *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

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<sup>46</sup> 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.

<sup>47</sup> Progress Report on the GEF Project Cycle Streamlining Measures, GEF/C.45/04, November 2013

<sup>48</sup> A good example is combining a National Communications (NC) and a Biennial Update Report (BUR) to the UNFCCC into one EA project.

<sup>49</sup> See paragraph 3. a) above.

<sup>50</sup> Following the procedures described in paragraph 4, 5 and 6 above.

## **ANNEX 6: PROGRAMS AND INTEGRATED APPROACHES**

### **I. INTRODUCTION**

1. A Program is a strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.<sup>51</sup> An Integrated Approach is a type of Program. Programs are submitted for inclusion in a biannual work program by the Lead Agency<sup>52</sup> through a Program Framework Document Template (PFD)<sup>53</sup>. The Lead Agency can submit an addendum to the approved PFD for Council approval prior to the Program Commitment Deadline<sup>54</sup> 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.<sup>55</sup> This Guideline clarifies the procedures and requirements in the preparation and submission/re-submission of Programs.

### **II. GUIDELINES ON PROCEDURES FOR SUBMITTING PROGRAMS AND INTEGRATED APPROACHES**

#### 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;<sup>56</sup> (ii) a list of anticipated Child Projects; (iii) Concept Notes for Child Projects; (iv) GEF Operational Focal Point (GEF OFP) letters of endorsement (LoE) for expected use of STAR and non-STAR allocations in the program;<sup>57</sup> and (v) a Program Commitment Deadline not exceeding 18 months, before which Child Projects need to receive CEO Endorsement/approval. Considering the need for flexibility for Programs during the preparation stage, when the PFD 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.

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<sup>51</sup> Project and Program Cycle Policy, Policy OP/PL/ 01, December 2018

<sup>52</sup> Is the Agency that coordinates all activities under a Program - Project and Program Cycle Policy, Policy— page 4. 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

<sup>53</sup> Access templates at <http://www.thegef.org/documents/templates>.

<sup>54</sup> 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).

<sup>55</sup> Project and Program Cycle Policy, Policy OP/PL/ 01— page 13

<sup>56</sup> Countries select their GEF Agency of choice to develop and submit Child Projects in the same way as any other stand-alone project.

<sup>57</sup> See para 35c GEF/C.47/07, and Guidelines for GEF Operational Focal Point Endorsement letter. Global / Regional Coordination child projects do not require Letters of Endorsement.

- (ii) Table D must reflect exactly what countries endorsed<sup>58</sup> for their respective STAR and non-STAR contribution, if applicable. Total set-asides in Table D must be within the budget approved by Council in the Programming Targets included in the Programming Directions Document, net of amounts assigned for PPGs.
- (iii) The breakdown of GEF 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 needs to be the same between the two tables.

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

- (iv) The same principles as in (i) 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 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. After PFD approval by Council 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 a GEF OFP Letter of Endorsement.<sup>59</sup> Whenever requested, the PPG resources and associated PPG Fee must be excluded from the total PFD envelope approved by Council.

4. Ten (10) months before the Program Commitment Deadline, if there are still program funds awaiting submission of Child Projects for CEO endorsement/approval, the Secretariat sends a notification to the Lead Agency notifying it of the upcoming cancellation of such Program funds. If there are still program funds that are awaiting submission of Child Projects (with the required documentation) for CEO endorsement / approval six (6) months before the Program Commitment Deadline, the country Operational Focal Point (or the Partner Agency for global and regional Child Projects) sends a notice to the CEO to confirm this. If such notification is not received six (6) months before the Program Commitment Deadline, the CEO notifies the Partner Agency, the recipient country Operational Focal Point and the Trustee, informing them of the cancellation of the Child Project(s), stating an effective date for the cancellation. After the passing of the Program Commitment Deadline, if the Child Project has not been CEO

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<sup>58</sup> As per the GEF OFP Letter of Endorsement, except for Global / Regional Coordination child project.

<sup>59</sup> 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.



endorsed / approved, the CEO notifies the relevant Lead Agency and the Trustee in writing of the cancellation of the remaining Program funds stating an effective date for the cancellation. The Lead Agency informs all relevant stakeholders engaged in the Program of the cancellation.

#### CONDITIONS FOR SUBMISSION OF ADDENDUM TO THE PFD

5. After Council approval of a PFD, but at least 6 months<sup>60</sup> before the Program Commitment Deadline when all Child Projects must be submitted, the Lead Agency may submit an Addendum to the PFD for Council approval prior to the end of the Replenishment period if the following are requested:

- an increase in proposed utilization of country STAR allocations for Child Projects through addition of new countries and/or.
- an increase in GEF resources for the Program.

6. The Addendum to the approved PFD should include the following information: (i) the contribution of the new Child Project(s) to the Program's objective and results; (ii) the increased financing resources for Child Projects, supported by the OFP Letter(s) of Endorsement; (iii) the list of new Child Projects with their corresponding co-financing amounts; and (iv) an explanation, if any, of the process through which the Child Projects were included in Program.

7. The Program Commitment Deadline of the submitted addendum to the PFD can differ from the original to allow the proper preparation of new Child Projects that have been added to the program.<sup>61</sup>

#### PROCEDURES FOR SUBMISSION OF THE ADDENDUM TO THE PFD AND CHILD PROJECT SUBMISSION FOR CEO ENDORSEMENT/APPROVAL

8. The Lead GEF Agency submits to the Secretariat via the Portal:

- (i) An addendum to PFD using the Program Framework Document Template;
- (ii) New or revised GEF OFP Letters of Endorsement as needed;
- (iii) After the addendum to the PFD is approved by Council, Project Preparation Grant (PPG) Request Templates for new Child Projects, if any.<sup>62</sup>

9. When the Lead Agency submits the addendum to the PFD or the participating GEF Agencies submit the Child Projects for CEO Endorsement/Approval, the breakdown of GEF

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<sup>60</sup> Policy Measures to Enhance Operational Efficiency, Accountability and Transparency (GEF/C.55/04/Rev.01), December 20, 2018

<sup>61</sup> Original Child Projects are subject to the original Program Commitment Deadline.

<sup>62</sup> For PPGs, follow the procedure in paragraph 3 above.

resources follows the steps in paragraph 2 above. If approved,<sup>63</sup> the Lead Agency, the other participating Agencies, the Trustee and the concerned OFPs are notified accordingly.

10. Unspent/uncommitted balances under a Program will be cancelled and released to the GEF Trust Fund immediately after: (i) a Child Project is cancelled; (ii) a Child Project is financially closed with the Trustee; or (iii) the Program Commitment Deadline.

PROCEDURES FOR THE AGENCY FEE TRANCHING FOR CHILD PROJECTS UNDER PROGRAMS, INCLUDING INTEGRATED APPROACHES

11. Set-aside and commitment for Programs: The Trustee sets aside the amount of Total GEF Resources requested under a PFD once the Work Program is approved by the Council, subject to the availability of resources. The Trustee commits 20% of the Agency Fees for each Child Project listed in a PFD at the time of PFD approval. This is subject to the 20% fee commitment being returned if the Child Project is dropped / cancelled prior to the respective Program Commitment Deadline, with no exceptions. If the Child Project is not submitted for CEO endorsement/approval by the time of the respective Program Commitment Deadline, the 20% fee commitment will be cancelled and returned to the GEF Trust Fund, with no exceptions.

12. The decision on tranching of the Agency Fee<sup>64</sup> covers all GEF-7 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 approval by Council of the Annex on funding approvals (in the Joint Summary of the Chairs), the Secretariat will indicate: (i) the participating Agencies in the Program and/or the addendum to the PFD; and (ii) the 20% Agency fee to be committed by the Trustee for each participating GEF Agency. This 20% 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 20% Agency fee tranching is based on the total Agency's allocation out of the total PFD envelope, only when Child Projects (both FSPs and MSPs<sup>65</sup>) reach first disbursement and/or MTR, would the remaining Agency fee tranching be applied accordingly.
- (iii) Any changes in Child Projects (which include both GEF project financing and related Agency fee and/or Agency transfer including the participation of a new Agency<sup>66</sup>) must be agreed among Agencies, and follow the project Transfer procedures presented in Annex 10 of this document.

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<sup>63</sup> Council approves the PDF and reviews Child Projects while the CEO endorses/approves Child Projects.

<sup>64</sup> GEF/C.55/04/Rev.01, Policy Measures to Enhance Operational Efficiency, Accountability and Transparency

<sup>65</sup> For stand-alone MSPs, the Trustee commits 100% of Agency Fee at MSP CEO Approval.

<sup>66</sup> This occurs whether it is the remaining or the already received Agency fee in cases where a new Agency takes over an already existent Child Project.

### III. RELATED POLICY DOCUMENTS

- *GEF Project and Program Cycle Policy*, OP/PL/01, December 2018
- *Policy Measures to Enhance Operational Efficiency, Accountability and Transparency*, GEF/C.55/04/Rev.01), December 2018

### IV. RELATED REFERENCES

- *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

## **ANNEX 7: PROJECT BUDGET AND IMPLEMENTATION & EXECUTION FUNCTIONS**

### **I. INTRODUCTION**

1. The separation of implementation functions performed by GEF Agencies and execution functions performed by Project Executing Entities (EAs)<sup>67</sup> is a key feature of the governance of the GEF Partnership and an important aspect of the GEF Minimum Fiduciary Standards.<sup>68</sup> GEF Agencies are the only legal entities accountable to the GEF Council for the operational use of GEF financing. Their exercise of such legal personality in the supervision and oversight of execution activities is, therefore, critical to the operations of the GEF Partnership. This Guideline clarifies the differences between these two functions and provide guidance on project budgets.

### **II. PROJECT BUDGET**

2. The Budget Template in Appendix A should be completed by the Agency and submitted at the time of CEO Endorsement/Approval as an annex in the Portal. The indicative project budget should present a clear distinction between: i) PMC activities, ii) Monitoring and Evaluation activities and iii) project activities (“project budget”). The same Budget Template in excel format should be uploaded in the Portal - section “Documents”.

3. Any information not subject to public disclosure should be marked and will be treated as such by the Secretariat. The purpose of the template is to promote a level playing field across GEF Agencies, facilitate consistent review, reduce the need for follow up information requests and improve reporting on project costs. The budget detail is considered indicative, within the Council-approved totals.

4. If project staff are charged to both PMC and project components (i.e. not only to PMC), clear Terms of Reference describing unique outputs linked to the respective components are required at the time of CEO Endorsement/Approval, for review by the Secretariat. Project staff refers to the following: i) personnel of the Executing Entity carrying out long-lasting tasks<sup>69</sup> funded with GEF resources; ii) GEF Agency staff funded with GEF resources when the GEF Agency is also acting as an Executing Entity.

5. Procurement and disposition of assets acquired with GEF funding follows GEF Agency policies and procedures. Any residual assets should be assigned for the benefit of the recipient organisation(s) or institutions(s), or proceeds from disposition returned to the GEF Trustee.

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<sup>67</sup> “Project Executing Entity” is a defined term in the Project and Program Cycle Policy, however the acronym “EA” (denoting Executing Agency) is sometimes also used to denote these entities.

<sup>68</sup> Section A.2 (g) of the Standards - Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies, GEF/C.31/6, June 2007

<sup>69</sup> As opposed to a consultant whose expertise is provided on a temporary basis, carries out a detailed task, and delivers a specific output linked to the nature and purpose of the task.

### **III. IMPLEMENTATION FUNCTIONS (GEF AGENCY)**

6. GEF Agencies are responsible for the implementation of the project/program, which “entails oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and requirements”.<sup>70</sup> GEF Agencies are accountable to the GEF Council for their GEF-financed activities<sup>71</sup> and are responsible for project cycle management services and corporate activities. GEF Agency Fees cover Agency costs for providing these services.

7. GEF Agencies perform Project Cycle Management Services that involve project identification, preparation of project concepts, preparation of detailed project documents, project approval and start-up, risk management and mitigation, project supervision and oversight, and project completion and evaluation<sup>72</sup> (see Table A for detailed list).

8. 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.

9. 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.<sup>73</sup>

### **IV. EXECUTION FUNCTIONS (PROJECT EXECUTING ENTITY)**

10. A Project Executing Entity (EA) is an organization that executes a GEF Project or Program, or portions of it, under the supervision of a GEF Agency. EAs are generally (but not exclusively) national or sub-national government agencies, civil society organizations, private sector entities, or academic institutions, among others. Execution generally includes the management and administration of the day-to-day activities of projects in accordance with specific project requirements in an agreement with the GEF Partner Agency responsible for implementation. Execution implies accountability for intended and appropriate use of funds, procurement and contracting.<sup>74</sup> Selection of the EA by the GEF Agency must therefore preserve this chain of accountability (i.e. from the EA to the GEF Agency to the GEF Council).

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<sup>70</sup> GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 3

<sup>71</sup> GEF Instrument – March 2015 – page 20

<sup>72</sup> GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 5

<sup>73</sup> Rules and Guidelines for Agency Fees and Project Management Costs GEF/C.39/9, October 2010 – page 2

<sup>74</sup> GEF Updated Minimum Fiduciary Standards: Financial Management and Control, Oversight of Executing Entities, GEF/C.57/04/Rev.02, December 2019

The EA is selected by the GEF Agency, in consultation with and with the concurrence of the beneficiary country, for review and concurrence by the GEF Secretariat.

11. The 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.<sup>75</sup> 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 counterpart funding of the beneficiary government or other co-financing resources. The EA “reports and is responsible to the agency that carries out project implementation”.<sup>76</sup>

12. 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), under the oversight and supervision of the GEF Agency. 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.<sup>77</sup>

## **V. EXCEPTIONS FOR A GEF AGENCY PROVIDING EXECUTION SERVICES**

13. The GEF Minimum Fiduciary Standards Policy establishes the responsibilities of the GEF Agencies to oversee EAs and ensure the latter have adequate capacities and controls in place. The GEF Agency Fee Policy also 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 required by the Agency in accordance with its policy requirements, per the request of the beneficiary country/countries, and with the appropriate justification (see below), the same GEF Agency may carry out both functions, under conditions described below. The request for such exceptions should be clearly specified and included in a letter of support from all the relevant OFPs<sup>78</sup>, submitted before or by the time of CEO Endorsement/Approval at the latest. The specific roles and responsibilities of all partners, including any execution activities provided by the GEF Agency would be clearly described in the letter of support. A template letter will be made available on the GEF website. As noted in Annex 1 (OFP Letter of Endorsement), the LoE should not include reference to an exception for implementation and execution by the same GEF Agency, without prior consultation with the GEF Secretariat on the feasibility of such exception. Upstream consultation with the GEF Secretariat on the proposed execution arrangements is strongly encouraged. The Secretariat

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<sup>75</sup> Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 3

<sup>76</sup> GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies - GEF/C.41/06/Rev.01, November 2011 – page 3

<sup>77</sup> GEF Updated Minimum Fiduciary Standards: Financial Management and Control, Oversight of Executing Entities, GEF/C.57/04/Rev.02, December 2019.

<sup>78</sup> Before obtaining the GEF OFP’s letter of support, the Agency should contact the Secretariat to explore the feasibility of such request. GEF OFP letters of support would not apply in cases where GEF Agencies would execute projects that do not require OFP endorsement letters (e.g. global or regional coordination child projects).

assesses the request and decides whether to approve it; the GEF Agency is informed of the decision in the review sheet.

14. 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<sup>79</sup> of the GEF Agency; and
- (b) Clear lines of responsibility, reporting, monitoring and evaluation and accountability within the GEF Agency between the project implementation and execution functions.

15. This separation helps ensure the segregation of accountability and financial management roles, in light of the accountability of the GEF Agency to supervise the entity carrying out project/program execution. Segregation of duties is to be maintained in the following areas, at a minimum: settlement processing, procurement processing, risk management/reconciliations and accounting. Related roles and duties of the separate responsible units within the Agency are subject to a regular review by Agency management and action by the Agency is required when discrepancies and exceptions are noted.

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<sup>79</sup> Departments, units, or similar with separate reporting lines.

## Appendix A: Indicative Project Budget Template

Expenditure Category	Detailed Description	Component (USDeq.)									Total (USD eq.)	Responsible Entity (Executing Entity receiving funds from the GEF Agency) <sup>80</sup>
		Component 1		Component 2		Component 3		Sub-Total	M & E	P M C		
		Outcome 1.1	Outcome 1.2	Outcome 2.1	Outcome 2.2	Outcome 3.1	Outcome 3.2					
Works	...											
	...											
Goods	Equipment 1											e.g. Ministry of Environment
	Equipment 2											
	...											
Vehicles						xxx			xx x			
Grants/ Sub-grants	...											
Revolving funds/ Seed funds / Equity	...											
Sub-contract to executing partner/ entity												
Contractual Services – Individual	...											
Contractual Services – Company	...											
International Consultants	Int’l consultant 1	xxx										
	Int’l consultant 2			xxx								
	...											
Local Consultants	...											
	...											
Salary and benefits / Staff costs	e.g. Technical Coordinator	xxx		xxx								
	e.g. Project Manager								x xx			
	...											
	...											
Trainings, Workshops, Meetings	e.g. Inception Workshop							xxx				
	...											

<sup>80</sup> In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat



Expenditure Category	Detailed Description	Component (USDeq.)									Total (USD eq.)	Responsible Entity (Executing Entity receiving funds from the GEF Agency) <sup>80</sup>
		Component 1		Component 2		Component 3		Sub-Total	M & E	P M C		
		Outcome 1.1	Outcome 1.2	Outcome 2.1	Outcome 2.2	Outcome 3.1	Outcome 3.2					
Travel	...											
	...											
Office Supplies	...											
	...											
Other Operating Costs	...											
	...											
Grand Total												

## ANNEX 8: GEF AGENCY FEE AND PROJECT MANAGEMENT COSTS

### I. AGENCY FEE

1. 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 in GEF policies and procedures (see Table A).<sup>81</sup> All Agency costs for project/program implementation, including items in Table A, are to be covered by the GEF Agency Fee, within the determined caps below.
2. The fee structure as a percentage of the GEF project financing differs by GEF Agency<sup>82</sup>:
  - (a) For the ten GEF Agencies<sup>83</sup> 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<sup>84</sup>;
    - 9.0%: for GEF project/program financing above USD 10 million;
    - 4.0%: for GEF Small Grants Programme (SGP).
  - (b) For the eight GEF Agencies<sup>85</sup> 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.<sup>86</sup>
3. In the exceptional cases where the GEF Agency is carrying out executing functions and costs for Agency staff resources and/or consultants are charged to project budgets (i.e. not to Agency Fee), clear Terms of Reference describing unique outputs are required at CEO endorsement/approval, for review by the Secretariat.

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<sup>81</sup> Updated Policy on Minimum Fiduciary Standards, GEF/C.57/04/Rev.02 December 2019, among others

<sup>82</sup> Fee Policy for GEF Partner Agencies – Policy: FI/PL/03, August 2012 – page 2

<sup>83</sup> 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).

<sup>84</sup> For Child Projects under a Program, the Agency fee is calculated based on the Program Financing irrespective of the Child Project's financing.

<sup>85</sup> 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).

<sup>86</sup> 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.

4. When a project/program is cancelled before CEO Endorsement/Approval or completion, the unutilized fees specific to that project are returned to the respective trust fund as the full set of GEF-specific services will not be delivered. For projects approved after March 1, 2019, the return of unutilized Agency fees (i.e. cancellation of fee set-aside or commitment by the Trustee) is determined as follows, and in accordance with Agency Financial Procedures Agreements:<sup>87</sup>

- (a) For any Council- or CEO-Approved project that is cancelled by the GEF Agency or GEF Secretariat<sup>88</sup> before CEO Endorsement/Approval, 80% of the fee set aside by the Trustee for FSPs<sup>89</sup> and 100% of the fee for MSPs would be cancelled.
- (b) For any Council-approved PFD whose Child Project is cancelled by the GEF Agency or GEF Secretariat<sup>90</sup> before CEO Endorsement/Approval, 100% of the fee for the Child Project would be cancelled.<sup>91</sup>
- (c) For any FSP cancelled after CEO Endorsement/Approval, 80% of fee cancellation would be prorated based on project duration as stated in the project document endorsed by the CEO.<sup>92</sup>
- (d) For any MSP/EA cancelled after CEO Approval, 100% of fee cancellation would be prorated based on project duration as stated in the project document approved by the CEO.<sup>93</sup>

## II. GEF PROJECT MANAGEMENT COSTS

5. 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 financing<sup>94</sup> and co-financing sources. In accordance with Council decision GEF/C.39.9, there should be “proportionality” between the PMC covered by co-financing amounts and the PMC covered by the GEF funding.<sup>95</sup> The spirit of this decision is

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<sup>87</sup> Proposal for Revising the Fee System, GEF/C.23/8/Rev.1, June 2005 – page 8

<sup>88</sup> As per the Cancellation Policy. For projects approved before 1 March 2019, the relevant percentage in (a) and (c) is 60%.

<sup>89</sup> As 20% of the fee for FSPs is already committed at PIF/PFD approval (change from 40% under old fee policy).

<sup>90</sup> Following the Cancellation Policy.

<sup>91</sup> As per the GEF Project and Program Cycle Policy – see Project and Program Cycle Policy/Policy OP/PL/ 01, November 2016 – page 14.

<sup>92</sup> For example, if a project with a five-year implementation period is cancelled in year two, 48% of the total fee set-aside would be cancelled (i.e. Agency would retain 20% for the period up to Agency- approval and the remaining 80% cancelled on a pro-rata basis i.e.  $80\% \times 3/5 = 48\%$ ). For MSPs and EAs, 100% of the fee is prorated and cancelled accordingly, i.e.  $100\% \times 3/5 = 60\%$ .

<sup>93</sup> 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 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).

<sup>94</sup> See activities not covered by the GEF funding in Table C.

<sup>95</sup> C.39/9. Para 23.c

that the GEF trust funds should not bear a disproportionate burden of the total management costs for GEF-financed projects, when co-financing is included. Recognizing that each GEF-funded project will have unique characteristics, the Council decision also provides that: “Depending on the nature of the project, special cases will be reviewed and discussed with the GEF Secretariat on a case-by-case basis”. Agencies are therefore encouraged to consult with the GEF Secretariat on this in instances where this spirit of proportionality is not observed.

6. Detail on the component PMC costs is included in the individual project budgets, submitted at the time of CEO Endorsement/Approval.<sup>96</sup>

7. During the identification of a potential project or program, the GEF Agency (working with the EA, if already identified) provides an indicative cost estimate of the PMC budget that appears in the PIF and PFD templates, as follows:<sup>97</sup>

- For FSPs (above USD 2 million): PMCs are not recommended to exceed 5% of GEF project financing.
- For MSPs and EAs (up to USD 2 million): PMCs shall not exceed 10% of GEF project financing.

8. During project preparation, the GEF Agency and the EA refine the PMC information provided during the PIF stage. These refinements are reflected in the CEO Endorsement request for FSPs or the CEO Approval request for MSPs, and in the Enabling Activity Approval request. Any request above the thresholds indicated above requires justification.<sup>98</sup> The GEF Secretariat assesses the request for such increase and decides whether to approve it.

**Table A - Activities Covered by the Agency Fee**

<b>Project Cycle Management Services<sup>99</sup></b>	
(a) Project identification	
(i)	Consult with appropriate stakeholders in-country, including the GEF Operational Focal Point, identify opportunities for GEF financing, using country dialogue and 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

<sup>96</sup> Rules and Guidelines for Agency Fees and Project Management Costs GEF/C.39/9, October 2010 – page 6

<sup>97</sup> 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 the Table of the PIF/PFD template in GEF Portal

<sup>98</sup> PMC may not exceed 10% of the GEF Financing.

<sup>99</sup> Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 4

documents of the GEF Agency.

(b) Preparation of project concept

- (i) Discuss GEF eligibility criteria with the recipient country's GEF Operational Focal Point and other stakeholders.
- (ii) Undertake brief in-country consultation missions as 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 PIF clearance and PPG approval with the GEF Secretariat.

(c) Preparation of the detailed Project Document

- (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 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, environmental and social safeguards, gender issues, 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 core indicators for different focal areas.
- (vii) Submit Project Document with Request for CEO Endorsement/Approval template to the GEF Secretariat.
- (viii) For Programs: 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.

(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 Agency's technical staff or 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 reports<sup>100</sup> 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 (MTR) and 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 GEF IEO 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, submit it to the Trustee and inform to the GEF Secretariat.

#### **Corporate Activities<sup>101</sup>**

- (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

<sup>100</sup> See Guideline on Project Monitoring and Evaluation.

<sup>101</sup> Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 2

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 - Execution Functions eligible for funding by the GEF portion of PMC<sup>102</sup>**

**Staffing costs, including:**

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

**Project-related activities of Executing Entity, including:**

- 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
- Management and administration of the Knowledge Management Plan;
- Preparation of progress reports and financial reports for the project;
- Consultation with project stakeholders;
- Financial auditing for the project.

**Table C - Project Activities ineligible for GEF Funding under PMCs**

1. Government staff salaries, benefits, bonuses or other emoluments (not eligible for any GEF project funding);
2. Salaries and fees for GEF Agency staff or consultants;<sup>103</sup>
3. Purchase of vehicles;<sup>104</sup>
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);

<sup>102</sup> Rules and Guidelines for Agency Fees and Project Management Costs, GEF C.39/9, page 6. Must also be consistent with Agency policy and procedure.

<sup>103</sup> Except when they are approved by the GEF Secretariat to carry out executing functions (i.e. not listed in Table A), on an exceptional basis.

<sup>104</sup> The use of GEF funds to purchase vehicles is strongly discouraged. Such costs are normally expected to be borne by the co-financed portion of PMCs. Any request to use GEF funding to purchase project vehicles must be justified by the exceptional specific circumstances of the project/program. The Secretariat assesses such requests and decides whether to approve them, based on following criteria: type of project, operating environment, contribution to achievement of project results, and share of costs covered by co-financing, among others.

### **III. RELATED POLICIES**

- *Project and Program Cycle Policy*, Policy OP/PL/ 01, December 2018
- *Fee Policy for GEF Partner Agencies* – Policy: FI/PL/03, August 2012
- *GEF Minimum Fiduciary Standards: Separation of Implementation and Execution Functions in GEF Partner Agencies*, GEF/C.41/06/Rev.01, November 2011
- *Rules and Guidelines for Agency Fees and Project Management Costs*, GEF C.39/9
- *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

### **III. RELATED REFERENCE DOCUMENTS**

- *Clarifying the Responsibilities of the GEF's Key Actors with respect to the Use of GEF Resources*, GEF/C.42/04, June 2012
- *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
- *Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies*, GEF/C.31/6, June 2007



## **ANNEX 9: 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. Such decision could be based on changes in national priorities or operating environment, poor implementation performance leading to a conclusion that the project can no longer meet its objectives, and unmet benchmarks for project preparation, among others.<sup>105</sup> 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%.<sup>106</sup> 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 financing<sup>107</sup>, the GEF Agency needs to confirm with the Secretariat whether the requested additional funds are available in the respective focal area(s).<sup>108</sup> If funds are available, such an increase requires Secretariat approval. The increases in the GEF project financing can only be accessed 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).

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<sup>105</sup> 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/02, December 2018. The Policy covers also cases of force majeure (e.g. pandemics).

<sup>106</sup> GEF Project and Program Cycle Policy page 4

<sup>107</sup> Regardless whether this is a major or minor amendment.

<sup>108</sup> Including STAR and non-STAR focal areas.

5. Procedures for Major Amendment for FSPs:

- If the amendment includes an increase of the GEF project financing, the Secretariat needs to confirm and approve resource availability.<sup>109</sup> The GEF Agency then 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 significant changes in project objectives or scope, 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.<sup>110</sup> 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.<sup>111</sup> 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.<sup>112</sup> Once approved, the GEF Agency resubmits an amended MSP or amended EA proposal for CEO approval (or

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<sup>109</sup> 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).

<sup>110</sup> 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.

<sup>111</sup> *GEF Project and Programmatic Approach Cycles*, GEF/C.39/Inf.3, November 2010, page 19, para. 79 (b)

<sup>112</sup> 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 note<sup>113</sup> justifying the changes and reflecting these changes, with the associated documentation for CEO re-approval.<sup>114</sup>

- If the changes do not include an increase in GEF financing, but significant changes in project objectives or scope 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.<sup>115</sup> 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 or significant changes in project scope or objectives, the Agencies act on the amendment at their discretion. However, it should be reported in the annual Project Implementation Review (PIR) submitted to the Secretariat after the Agency approves the project changes.
- 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.<sup>116</sup> 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

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<sup>113</sup> Via email or brief (e.g. one page) explanation

<sup>114</sup> *GEF Project and Program Cycle Policy*, GEF/C.50/08/Rev.01, June 2016, page 13, para (a) vi.

<sup>115</sup> 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).

<sup>116</sup> 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.<sup>117</sup> 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/ CANCELLATION <sup>118</sup>

#### DROPPING A PROJECT<sup>119</sup>

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;

#### 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)<sup>120</sup>, 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 in the Portal accordingly.

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<sup>117</sup> 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).

<sup>118</sup> For return of Agency Fees when appropriate, consult the Guideline on Implementing Function – Executing Functions and Agency Fee/Project Management Costs.

<sup>119</sup> GEF/C.24/Inf.5, Table 1, page 4

<sup>120</sup> All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted as appropriate.

## SUSPENDING A PROJECT

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;
- Need to review/assess implementation or execution arrangements;
- Circumstances that would result in project suspension according to the contractual conditions established between the GEF Agency and the Executing Entity.

12. Procedures for suspending a Project:

- Full-size projects, medium-size projects and enabling activities may be suspended after Agency approval, but before project completion.
- If appropriate, in consultation with the country/countries Operational Focal Point(s)<sup>121</sup>, 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.
- If feasible, the GEF Agency needs to get the country's commitment to address the identified problems.<sup>122</sup> 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)<sup>123</sup> 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.

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<sup>121</sup> As well as other relevant government agencies and partners, including co-financiers involved in the project implementation, as appropriate.

<sup>122</sup> As long as those problems are, to certain extent, under the control of the Government.

<sup>123</sup> All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted, as appropriate.

- 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.<sup>124</sup>

#### CANCELLING 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 performance<sup>125</sup> 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;
- Delays in endorsement or approval of a project due to protracted delays in the preparation stage.

14. The cancellation of any project prior to the last six months of the replenishment period (e.g. December 31, 2021 for GEF-7) 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.<sup>126</sup>

#### **Cancellation of projects prior to CEO Endorsement/Approval due to protracted delays in the preparation stage:**<sup>127</sup>

##### **15. Full-Sized Projects**

- (a) After 8 months from the date of Council approval of a PIF, if a project has not been submitted for CEO Endorsement (with the required documentation), the Secretariat notifies the Agency and recipient country Operational Focal Points in

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<sup>124</sup> The suspension may also be extended. For cancellation, please follow the steps presented in the section Procedures for cancelling a project below.

<sup>125</sup> 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.

<sup>126</sup> Policy and Guidelines on STAR (GA/GN/01), June 2018, para 18

<sup>127</sup> Project Cancellation Policy: OP/PL/02, December 2018.

writing of the Secretariat's expectation to receive the project for endorsement within the next four months.

- (b) If the project (with the required documentation) cannot be submitted for CEO Endorsement within 12 months of the date of Council approval, the country Operational Focal Point (or the Agency for global and regional projects) notifies the CEO. If such notification is not received within 12 months of the date of Council approval, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.
- (c) After 18 months from the date of Council approval of the PIF, if the project has not been CEO endorsed, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.
- (d) Country Operational Focal Points (or the Agencies for global and regional projects) may request an exception from the CEO to the cancellation of a project before this 18-month deadline for CEO Endorsement only in cases of an extraordinary event or circumstances clearly beyond the control of the parties, such as a war, flood, earthquake or epidemic, or similar circumstances which prevents them from meeting the business standards. After consideration of the exception request and provided that the request is received prior to the last day of the 18th month, the CEO determines whether to grant a one-time exception for up to twelve months, and communicates such decision in writing. The CEO communicates any exception decision to the Council for information and posts the information on the GEF website.
- (e) If a project is cancelled by the CEO in accordance with the paragraphs (a)-(c) above, parties may resubmit the project for CEO Endorsement within one year from the effective date of cancellation without resubmitting a PIF. Subject to availability of resources in the GEF Trust Fund (and in the country's STAR allocations), and the project meeting the required criteria for endorsement, the Secretariat circulates the project for a four-week review by the Council prior to CEO Endorsement.

#### **16. Medium-Sized Projects**

- (a) After 6 months from the date of CEO Approval of a PIF, if a project has not been submitted for CEO Approval (with the required documentation), the Secretariat notifies the Agency and recipient country Operational Focal Points in writing of the Secretariat's expectation to receive the project for approval within the next two months.
- (b) If the project (with the required documentation) cannot be submitted for CEO Approval within 8 months of the date of CEO Approval of the PIF, the country Operational Focal Point (or the Agency for global and regional projects) notifies

the CEO. If such notification is not received within 8 months of the date of CEO Approval of the PIF, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.

- (c) After 12 months from the date of CEO Approval of the MSP PIF, if the project has not been CEO approved, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.
- (d) Country Operational Focal Points (or the Agencies for global and regional projects) may request an exception from the CEO to the cancellation of a project before this 12-month deadline for CEO Approval only in cases of an extraordinary event or circumstances clearly beyond the control of the parties, such as a war, flood, earthquake or epidemic, or similar circumstances which prevents them from meeting the business standards. After consideration of the exception request and provided that the request is received prior to the last day of the 12th month, the CEO determines whether to grant a one-time exception for up to six months, and communicates such decision in writing. The CEO communicates any exception decision to the Council for information and posts the information on the GEF website.

## **17. Programs**

- (a) Ten months before the Program Commitment Deadline, if there are still program funds that are awaiting submission of Child Projects for CEO Endorsement/Approval, the Secretariat sends a notification to the Lead Agency notifying it of the upcoming cancellation of such Program funds.
- (b) If there are still program funds that are awaiting submission of Child Projects (with the required documentation) for CEO Endorsement/Approval six months before the Program Commitment Deadline, the country Operational Focal Point (or the Agency for global and regional Child Projects) notifies the CEO. If such notification is not received no later than six months before the Program Commitment Deadline, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the Child Project stating an effective date for the cancellation.
- (c) After the passing of the Program Commitment Deadline, if the Child Project has not been CEO endorsed/approved, the CEO notifies the relevant Lead Agency and the Trustee in writing of the cancellation for the remaining Program funds stating an effective date for the cancellation. The Lead Agency informs all relevant stakeholders engaged in the Program of the cancellation.

When the CEO cancels a project proposal or remaining funds under a Program, the following actions are taken:



- (i) The Secretariat removes the proposal from the project pipeline, informs the recipient country and the Agency, and informs the Trustee of any project development funding that it has approved for the proposal.
- (ii) For any return of GEF funds, including the first tranche of the Agency Fee, the Agency will comply with the provisions of Financial Procedures Agreement with the Trustee regarding the return of funds, with no exceptions.

### **Cancellation of Projects after CEO Endorsement/Approval**

#### **18. 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)<sup>128</sup>, 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, PPG 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 must be returned to the Trustee as follows:<sup>129</sup> (i) for FSP, 80% of the Agency fee would be prorated based on project duration as stated in the project document endorsed by the CEO and the prorated amount returned;<sup>130</sup> (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.

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<sup>128</sup> All other relevant government agencies and partners, including co-financiers involved in project implementation, can be consulted, as appropriate.

<sup>129</sup> As stated in the Guidelines for Implementation & Execution Functions, Agency Fee and Project Management Cost, paragraph 12 (c) and (d).

<sup>130</sup> 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).

19. 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 POLICY DOCUMENTS**

- *Project Cancellation Policy – OP/PL/02, December 2018*
- *GEF Project and Program Cycle Policy – OP/PL/01, December 2018*

**V. RELATED REFERENCE DOCUMENTS**

- *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*
- *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*

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<sup>131</sup> 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  
(SELECT ACTION) (SELECT PROJECT TYPE)**

**Attachment 1**

**Add Date**

**PROJECT IDENTIFIER**

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**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**

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**FSP/MSP/EA (select action) Date:**

**Grant Amount:** (in exact dollar amount)

**Agency Fee:** (exact \$ amount)

**PPG:** (exact \$ amount)

**Undisbursed Grant Amount:** (exact \$ amount)

**Undisbursed Agency Fee:** (exact \$ amount)

**Undisbursed PPG:** (exact \$ amount)

**Explanation for (select action) project<sup>132</sup>:**

**AGENCY CERTIFICATION**

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The **(Name of Agency)** would like to inform the GEF Secretariat that it will **(select action)** the above-mentioned project after consultation with the Executing Entity and beneficiary country (as appropriate), 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:

## **ANNEX 10: 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”.<sup>133</sup> However, during project preparation or implementation, circumstances may change that prompt 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 transferring its implementation functions on a project to another GEF Agency performs the following:

- (a) Consults with the country/countries involved in the project;
- (b) 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);<sup>134</sup>
- (c) Obtains concurrence letter(s) from the GEF Operational Focal Point(s);<sup>135</sup>
- (d) 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.
- (e) Coordinates with GEF Agency assuming project implementation functions to complete the notification to include a new expected date for submission<sup>136</sup> 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.

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<sup>133</sup> See Guidelines on Implementation & Execution Functions, Agency Fee and Project Management Cost.

<sup>134</sup> If applicable, Project Preparation Grant funds.

<sup>135</sup> All other relevant government agencies and partners, including co-financiers involved in project preparation, can be consulted, as appropriate.

<sup>136</sup> Unless agreed otherwise by the Secretariat, the project must continue to abide by the project cycle targets for CEO endorsement/approval.

- (f) 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.<sup>137</sup>
- (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 Agency and Secretariat will modify the project information in the GEF Portal reflecting the GEF Agency assuming the implementation functions and revise the expected Agency approval date if needed.

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, in accordance with the respective Financial Procedures Agreements 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 targets and terms of the GEF Cancellation Policy. No new dates will be extended unless explicitly discussed with and agreed by the Secretariat.

**III. RELATED DOCUMENTS AND REFERENCES**

- *GEF Project and Program Cycle Policy, OP/PL/01, December 2018*
- *GEF Secretariat Operations Manual, August 2005*

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<sup>137</sup> See Guidelines for GEF Project Amendment, Drop, Suspension and Cancellation.



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

**Attachment 1**

**ADD DATE**

**PROJECT IDENTIFIER**

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**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**

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**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 project<sup>138</sup>:**

**AGENCY CERTIFICATION**

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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:

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<sup>138</sup> Attach concurrence letters from operational focal point(s).

**CEO Approval of Project Transfer to another Agency**

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[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 11: THE ROLE AND RESPONSIBILITIES OF STAP IN THE PROJECT CYCLE<sup>139</sup>

### 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 2012<sup>140</sup>. 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 mechanism<sup>141</sup>, 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 proposals<sup>142</sup> 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.

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<sup>139</sup> This Annex is prepared by STAP. **It is unchanged from the 2017 version and may be updated subsequently.**

<sup>140</sup> Refer to STAP Terms of Reference, <http://www.stapgef.org/sites/default/files/documents/STAP-TORs.pdf>.

<sup>141</sup> 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.

<sup>142</sup> 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 Secretariat 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).<sup>143</sup>

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

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<sup>143</sup> 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**

<b><i>STAP advisory response</i></b>	<b><i>Brief explanation of advisory response and action proposed</i></b>
<b>1. Concur</b>	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.
<b>2. Minor issues to be considered during project design</b>	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.
<b>3. Major issues to be considered during project design</b>	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”.<sup>144</sup> 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.

<sup>144</sup> 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 projects<sup>145</sup>. Addressing climate risks in GEF investments is an important and urgent issue requiring a comprehensive and integrated approach<sup>146</sup>. 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”.<sup>147</sup> 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.

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<sup>145</sup> See Evaluation of the GEF Strategic Priority for Adaptation (GEF/ME/C.39/4).

<sup>146</sup> See Enhancing Resilience to Reduce Climate Risks (GEF/C.39/Inf.18).

<sup>147</sup> 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, change<sup>148</sup>. 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.stapef.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.

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<sup>148</sup> 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.stapef.org](http://www.stapef.org)).

## **ANNEX 12: GUIDELINES FOR GEF AGENCIES IN CONDUCTING TERMINAL EVALUATIONS FOR FULL-SIZED PROJECTS<sup>149</sup>**

### **I. SUMMARY**

1. The GEF Policy on Monitoring (2019) and Evaluation Policy (2019) 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.<sup>150</sup> 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-size 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

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<sup>149</sup> This Annex is prepared and Approved by the GEF Independent Evaluation Office. **It is unchanged from the 2017 version and may be updated subsequently.**

<sup>150</sup> 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, 29<sup>th</sup> 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<sup>151</sup>***

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.

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<sup>151</sup> This includes the 10 GEF Agencies and 8 GEF Agencies accredited through the Pilot Program on Accrediting GEF Agencies.



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:
  - (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*.<sup>152</sup>

## **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.<sup>153</sup> To facilitate tracking and verification, where

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<sup>152</sup> *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>

<sup>153</sup> This applies in instances where geo-referenced maps were included in a given project's proposal and annexes.

feasible, the terminal evaluations should include geo-referenced pictures of the sites where GEF supported interventions were undertaken.

### ***Project Theory of Change***

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 Results***<sup>154</sup>

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

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<sup>154</sup> 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> ).

the extent to which the key expected outputs were actually delivered. They should also identify and assess the factors that affected delivery of outputs.

### **Outcomes<sup>155</sup>**

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.<sup>156</sup> 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).

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<sup>155</sup> 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 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.*

<sup>156</sup> 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.

## ***Sustainability***

17. The GEF Monitoring and Evaluation Policy (2010), minimum requirement 3, specifies that a terminal evaluation will assess the likelihood of sustainability<sup>157</sup> of outcomes at project termination and provide a rating. The assessment of sustainability will weigh risks to continuation of benefits from the project. The 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

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<sup>157</sup> 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.

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 (SMART<sup>158</sup>) 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?

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<sup>158</sup> SMART: Specific, Measurable, Achievable/Attributable, Relevant/Realistic, and Time-bound, Timely, Trackable and Targeted.

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 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.<sup>159</sup> 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.<sup>160</sup> The EAs are responsible for the appropriate use of funds, and procurement and contracting of goods and services to the GEF Agency.<sup>161</sup> 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

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<sup>159</sup> See GEF/C.41/06/Rev.01 and GEF/C.39/9

<sup>160</sup> Ibid.

<sup>161</sup> Ibid.

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**<sup>162</sup>: The evaluator will assess whether appropriate environmental and social safeguards, including those on mainstreaming of gender concerns<sup>163</sup>, 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**<sup>164</sup>: 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.

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<sup>162</sup> 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](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)

<sup>163</sup> 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](http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.10_GEF_Policies_on_Safeguards_and_Gender.April_26_2011_1.pdf)

<sup>164</sup> POLICY: SD/PL/02 Policy on Gender Mainstreaming available at: [http://www.thegef.org/sites/default/files/documents/Gender\\_Mainstreaming\\_Policy-2012\\_0.pdf](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](http://www.thegef.org/sites/default/files/council-meeting-documents/25_EN_GEF.C.47.09.Rev_01_Gender_Equality_Action_Plan_1.pdf)



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**

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 30<sup>th</sup>. 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: 29<sup>th</sup> GEF Council Meeting, August 2006.

- Joint Summary of the Chairs: 43<sup>rd</sup> 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

1. **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).

2. 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

3. 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

4. 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.

5. **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.

6. 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.

7. 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

8. 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

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

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

10. 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.

11. 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.

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

13. 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**

14. 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**

15. Quality of project M&E will be assessed in terms of:
  - Design
  - Implementation
16. 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**

17. 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 <sup>165</sup>	Type of co-financing <sup>166</sup>	Co-financing at project start			Actual Co-financing at project end		
			In-kind	Cash	Total	In-kind	Cash	Total
Grand Total								

<sup>165</sup> 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.

<sup>166</sup> Grant; loan; or equity participation by beneficiaries (individuals) in form of cash, in-kind or material contributions.



## **ANNEX 13: POLICY ON GENDER EQUALITY**

### **I. INTRODUCTION**

1. The Guidelines on Gender Equality were approved and presented to Council in June 2018 (SD/GN/02). The implications for the Project and Program Cycle Policy are presented below.

#### **AT PIF AND PFD STAGE:**

Agencies are required to provide the following in the PIF and PFD:

- (a) indicative information on gender considerations relevant to the proposed activity and any measures to address these, including the process to collect sex-disaggregated data and information on gender.
- (b) description of any consultations conducted during project development, information on how stakeholders will be engaged in the proposed activity and means of engagement throughout the project/ program cycle.

#### **AT OR PRIOR TO CEO ENDORSEMENT STAGE:**

- (a) Gender analysis or equivalent socio-economic assessment that identifies and describes any gender differences, gender differentiated impacts and risks, and opportunities to address gender gaps and promote the empowerment of women that may be relevant to the proposed activity.
- (b) Any corresponding gender-responsive measures to address differences, identified impacts and risks, and opportunities through a gender action plan or equivalent.
- (c) If gender-responsive measures have been identified, the results framework or logical framework include actions, gender-sensitive indicators, and sex-disaggregated targets.

#### **DURING IMPLEMENTATION:**

- (a) Agencies oversee the implementation of gender-responsive measures as documented at CEO Endorsement/ Approval, and provide information in their annual project implementation reports, mid-term reviews and terminal evaluations on progress, Gender-Sensitive Indicators and results.

2. Additional guidance can be found in the stand-alone Guidelines on Gender Equality.<sup>167</sup>

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<sup>167</sup> SD/GN/02, [https://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Guidelines.pdf](https://www.thegef.org/sites/default/files/documents/Gender_Equality_Guidelines.pdf)

## **ANNEX 14: CO-FINANCING**

### **I. INTRODUCTION**

1. It should be emphasised that co-financing targets are at the overall GEF Replenishment level, not at the level of individual projects. Co-financing is not required for Enabling Activities. In this respect, some projects may have co-financing that is higher or lower than the relevant Replenishment target.

2. The Co-Financing Policy Guidelines were approved and presented to Council in June 2018 (FI/GN/01).<sup>168</sup> The implications for the Project and Program Cycle are that Agencies provide a complete breakdown of Co-Financing by amount, name, source and type throughout the GEF project cycle, in the PIF or PFDs, Requests for CEO Endorsement/ Approval, as well as mid-term reviews and terminal evaluations. Additional detail on sub-categories and definitions, including of in-kind co-financing can be found in Table 1 of the Co-Financing Guidelines (attached here as Appendix 1).

### **II. DEFINITIONS**

3. GEF Agencies are to indicate whether amounts meet the definition of:

- Co-Financing - financing that is additional to GEF Project Financing, and that supports the implementation of a GEF-financed project or program and the achievement of its objective(s), and
- Investment Mobilized - Co-Financing that excludes recurrent expenditures.

4. It is recognized that different governments, companies and organizations may use different terms to refer to “recurrent expenditures” (e.g. “current expenditures” or “operational/ operating expenditures”). In general, in-kind recurrent co-financing such as government staff salaries, office space, operating costs are considered recurrent expenditures, whereas capital investments and equipment purchase are considered investment mobilized. Agencies should include information on how the amounts are classified in accordance with their internal categorization practices, where possible.

### **III. REPORTING**

5. At PIF and PFD Stage: At the concept stage, Agencies ensure that the indicative information provided reflects a realistic expectation of the co-financing and Investment Mobilized that would be available to support the achievement of the objectives of the project/ program. The Secretariat, in its review of PIFs and PFDs submitted for Work Program entry or CEO Approval, assesses whether the indicative, expected amounts, sources and types of Co-

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<sup>168</sup> FI/GN/01, June 2018: [https://www.thegef.org/sites/default/files/documents/Cofinancing\\_Guidelines.pdf](https://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)

Financing and Investment Mobilized are adequately documented and consistent with the requirements of the Co-Financing Policy.

6. At CEO Endorsement/Approval Stage, supporting evidence should:
- (a) confirm the information provided by the Agency, including the name of the entity that provides the Co-Financing, the type of Co-Financing provided, the amount of Co-Financing, and the time frame over which the Co-Financing will be provided;
  - (b) confirm that the Co-Financing identified supports the implementation of the GEF-financed project or program for which GEF financing is sought, and the achievement of its objective(s); and
  - (c) be presented in English, where feasible, or be accompanied by an English translation of the original.

**DURING PROJECT IMPLEMENTATION AND AT PROJECT COMPLETION:**

7. Agencies should:
- (a) provide information on the actual amounts, sources and types of Co-Financing and Investment Mobilized in their mid-term reviews and terminal evaluations.
  - (b) supplement, where relevant, the information provided at CEO Endorsement/ Approval, including by identifying any entities that provide Co-Financing that were not known at the time of CEO Endorsement/ Approval.
  - (c) describe any changes from the expected amounts, sources and types of Co-Financing and Investment Mobilized provided at CEO Endorsement/ Approval

7. Additional guidance can be found in the stand-alone Guidelines on Co-financing.<sup>169</sup>

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<sup>169</sup> FI/GN/01, June 2018: [https://www.thegef.org/sites/default/files/documents/Cofinancing\\_Guidelines.pdf](https://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)

## Appendix 1:

Breakdown of Co-Financing in Project Identification Forms, Program Framework Documents, Requests for CEO Endorsement/ Approval, Mid-Term Reviews and Terminal Evaluations:

Category	Sub-Category	Definition
Amount		Amount of Co-Financing in US dollars
Name		Name of the entity that provides the Co-Financing
Source	GEF Agency	GEF Partner Agency that implements the project/ program
	Donor Agency	Multi-lateral or bilateral aid agency
	Recipient Country Government	National or sub-national governmental entity in a recipient country
	Private Sector	Commercial/ for-profit entity
	Civil Society Organization	Non-profit, non-governmental entity
	Beneficiaries	Individual or community that directly benefits from the project/ program
	Other	Other source of Co-Financing that does not match those defined above
Type	Grant	Resources provided without expectation of repayment
	Loan	Resources provided with an expectation of repayment
	Equity Investment	Investment into a company or asset with the possibility of financial returns
	Guarantee	Commitment to partially or fully reimburse a lender if the borrower fails to repay a loan
	In-Kind	Contributions in the form of goods or services other than money, including but not limited to salaries and wages, office space, and utilities <sup>1</sup>
	Public Investment	Contributions from Recipient Country Governments in types that do not match those defined above
	Other	Other type of Co-Financing that does not match those defined above
Investment Mobilized		Co-Financing that excludes recurrent expenditures

<sup>1</sup> The GEF will accept in kind Co-Financing provided that in-kind resources are accounted for with the same diligence as other Co-Financing. Agencies ensure that any in-kind Co-Financing has been valued as the lesser of the cost or market value of the required inputs they provide for the project.

## **ANNEX 15: ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

### **I. INTRODUCTION**

1. The Policy on Environmental and Social Safeguards was approved at C.55 and Guidelines were approved and presented at C57 in December 2019. The implications for the Project and Program Cycle Policy are presented below.

2. Additional guidance can be found in the stand-alone Guidelines on GEF Policy on Environmental and Social Safeguards.<sup>170</sup>

#### **AT PIF AND PFD STAGE:**

3. In Project Identification Forms (PIFs) and Program Framework Documents (PFDs) submitted for Work Program entry or CEO Approval, Agencies provide indicative information regarding any Environmental and Social Risks and potential Impacts associated with the proposed project or program; and any measures to address such risks and impacts where available.

#### **AT OR PRIOR TO CEO ENDORSEMENT STAGE:**

4. Agencies provide additional information regarding the relevant Environmental and Social Risks and Impacts associated with the proposed project where available, and associated measures to address such risks and impacts, including any environmental and social assessments carried out, and any Environmental and Social Management Plans or the equivalent.

#### **ENABLING ACTIVITIES**

5. The ESS Policy requires that, if an ESS assessment is required by Agency policy and procedures, then such assessment is provided at the time of submission of the EA for approval. If an assessment is not required by Agency policy and procedures, the Agency confirms this to the GEF Secretariat at the time of submission of the EA for approval.

#### **DURING IMPLEMENTATION:**

6. Agencies oversee the implementation as documented at CEO Endorsement/ Approval and provide information in their Mid-Term Reviews and Terminal Evaluations on progress, indicators and results, where available.

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[https://www.thegef.org/sites/default/files/documents/guidelines\\_gef\\_policy\\_environmental\\_social\\_safeguards.pdf](https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf)

## **ANNEX 16: KNOWLEDGE MANAGEMENT**

### **I. INTRODUCTION**

1. This Annex provides guidance on information required at various stages in the GEF project cycle on knowledge management activities, consistent with policies on monitoring and evaluation, results-based management, and the GEF7 Replenishment decisions. Stand-alone guidance can also be found in the Approach Paper (GEF/C.48/07/Rev.01) and Status Report (GEF/C.52/Inf.08) from the May 2017 Council meeting.<sup>171</sup> Guidance on implications for the Project and Program Cycle Policy are presented below.

#### **AT PIF AND PFD STAGE:**

2. GEF Agencies are required to outline a proposed Knowledge Management (KM) Approach for every project/program, in its PIF or PFD, including plans to learn from relevant projects, initiatives, evaluations and best practice during project/program preparation as well as proposed knowledge and learning outputs/deliverables, and to explain how the KM Approach will contribute to the project/program's overall impact. The proposed KM Approach will include processes to capture, assess and document and share, in a user-friendly manner, information, lessons, best practices, and expertise generated during implementation; plans for strategic communications; and an overview of existing lessons and best practice that inform the project concept.

#### **AT OR PRIOR TO CEO ENDORSEMENT STAGE:**

3. GEF Agencies are required, at or prior to CEO Endorsement/Approval, to elaborate on the Knowledge Management (KM) Approach of the project/program, including a budget, timeline and specific knowledge and learning outputs/deliverables as well as plans to learn from relevant projects, initiatives, evaluations and best practice during project/program implementation, and to explain how the KM Approach will contribute to the project's overall impact. At this stage, the Knowledge Management Approach will include specific details on processes to capture, assess and document and share, in a user-friendly manner, information, lessons, best practices, and expertise generated during implementation; plans for strategic communications; and knowledge outputs to be produced and shared with stakeholders.

#### **DURING IMPLEMENTATION AND PIR/MTR STAGE:**

4. GEF Agencies are required to provide progress on the implementation of the project/program's Knowledge Management (KM) Approach and on the delivery of planned knowledge and learning outputs, including knowledge products/events, lessons learned and adaptive management actions, websites/platforms, trainings, etc. This information can be provided as it becomes available and/or as part of the annual PIR and MTR submissions.

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<sup>171</sup> [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.52.Inf\\_.08\\_Status\\_Report\\_on\\_KM.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.52.Inf_.08_Status_Report_on_KM.pdf)

**AT PROJECT COMPLETION STAGE:**

5. GEF Agencies are required to provide information on the completion of the Knowledge Management (KM) Approach implementation and the evaluation of KM results and impacts, lessons learned, best practice, adaptive management action, portfolio and policy implications and dissemination and sharing to inform new GEF project/program design and scale up/replication.