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INVESTING IN OUR PLANET

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# **Policies on Project & Program Cycle Agency Fee Project Cancellation Co-financing**

Asia ECW  
April 23-26, 2019  
Ulaanbaatar, Mongolia

# GEF Project Types

- **Full-Sized Project (FSP):** over US\$2M  
Approval authority: **Council** (meets twice a year in person & intersessional by mail)
- **Medium-Sized Project (MSP):** US\$2M or less  
Approval authority: **GEF CEO** (on a rolling basis)
- **Program & Child Projects**  
Approval authority: **Council**



# Agency Fee Policy

ALL Projects (Programs, FSPs, MSPs, EAs)		
	\$10M & less	Over \$10M
10 Existing Agencies	9.5%	9.0%
8 Accredited Agencies*	9.0%	
Fees for PPGs	Same rate as the baseline project	

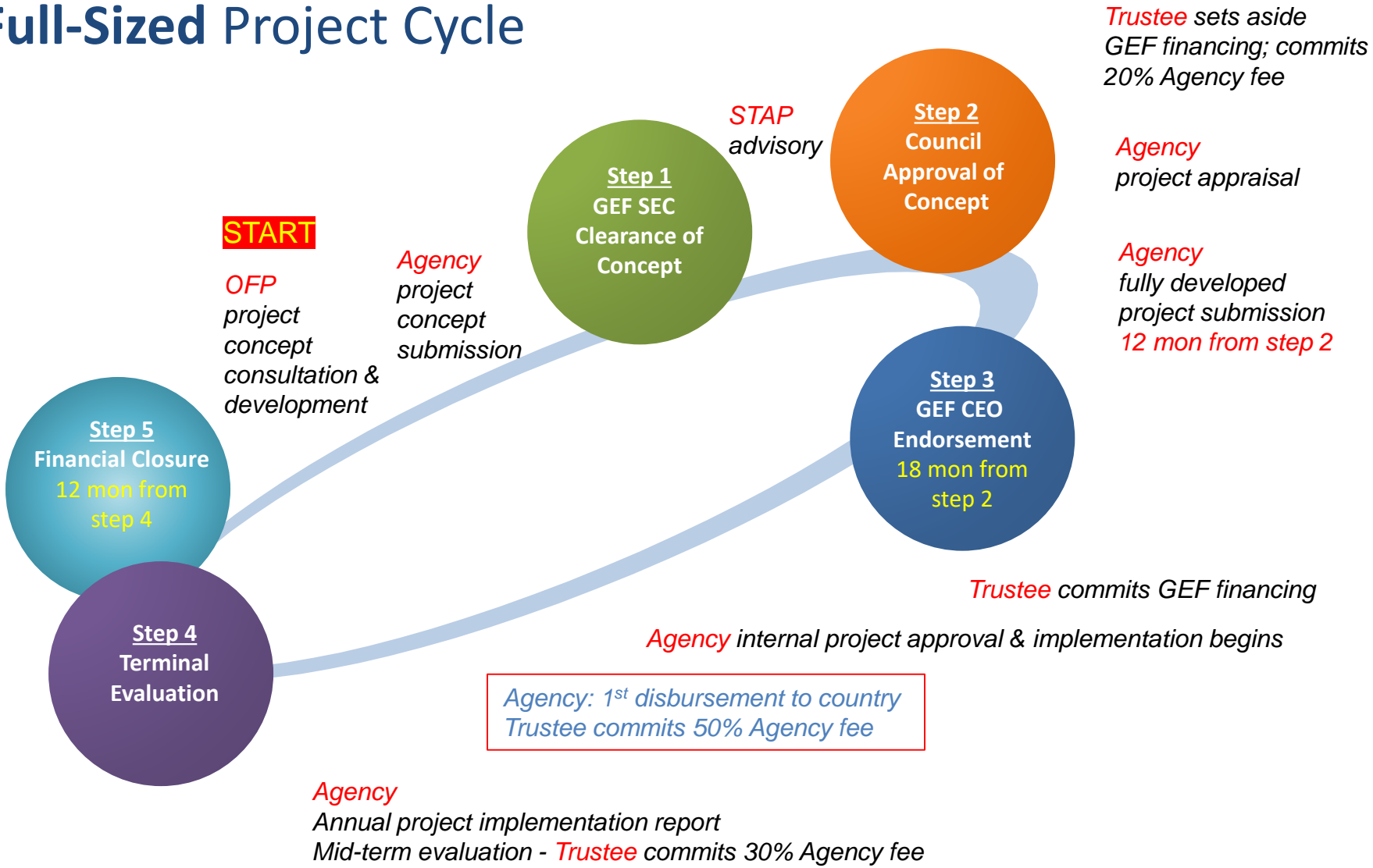
\* BOAD, CAF, CI, DBSA, FECO, FUNBIO, IUCN, WWF-US

- **Full-Sized** Project Agency Fee : 20/50/30% tranche payment after Council approval / 1<sup>st</sup> disbursement / Mid-term evaluation
- **Medium-Sized** Project Agency Fee : full payment after 1<sup>st</sup> disbursement
- **PPG** Agency Fee : full payment after CEO approval



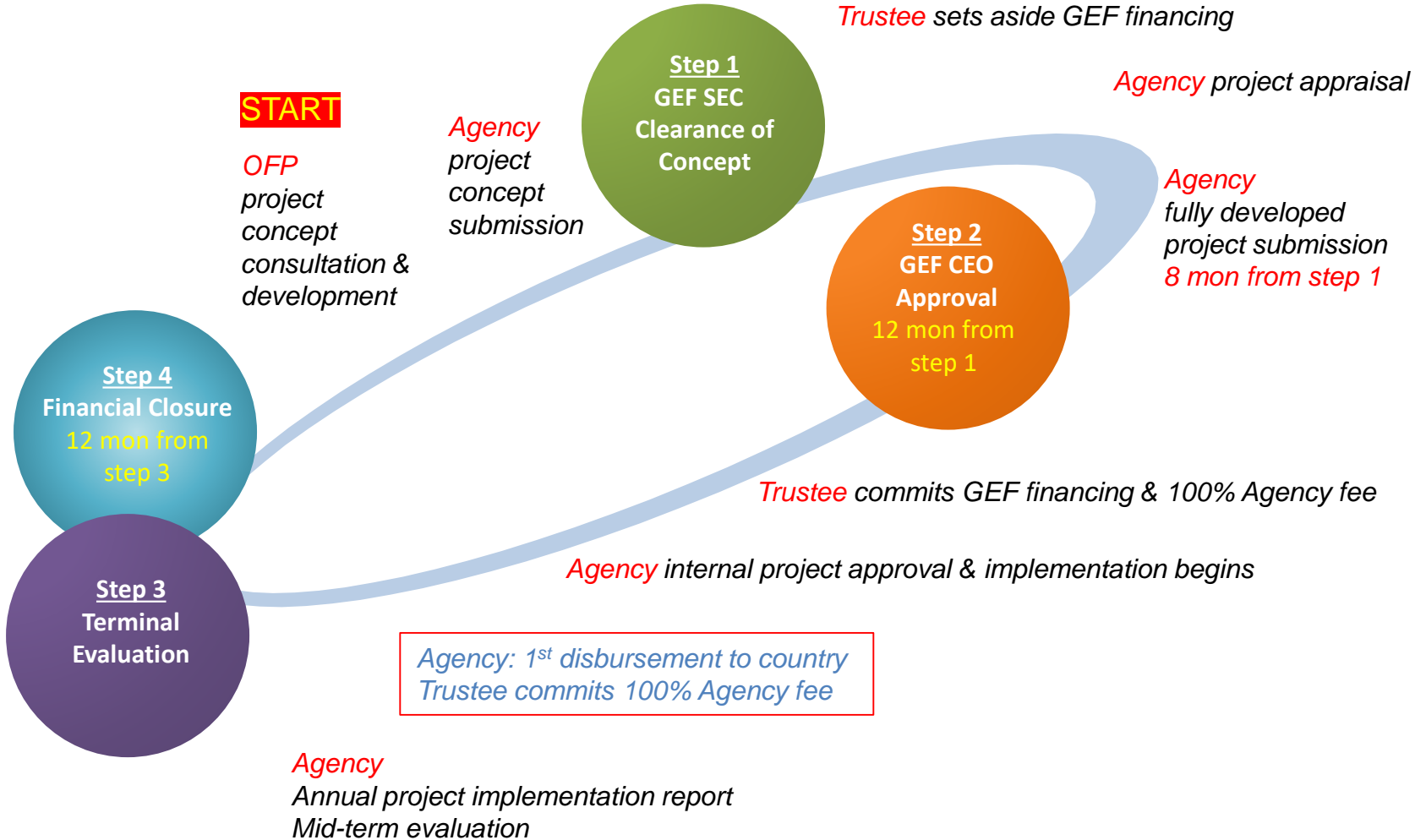
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# Full-Sized Project Cycle

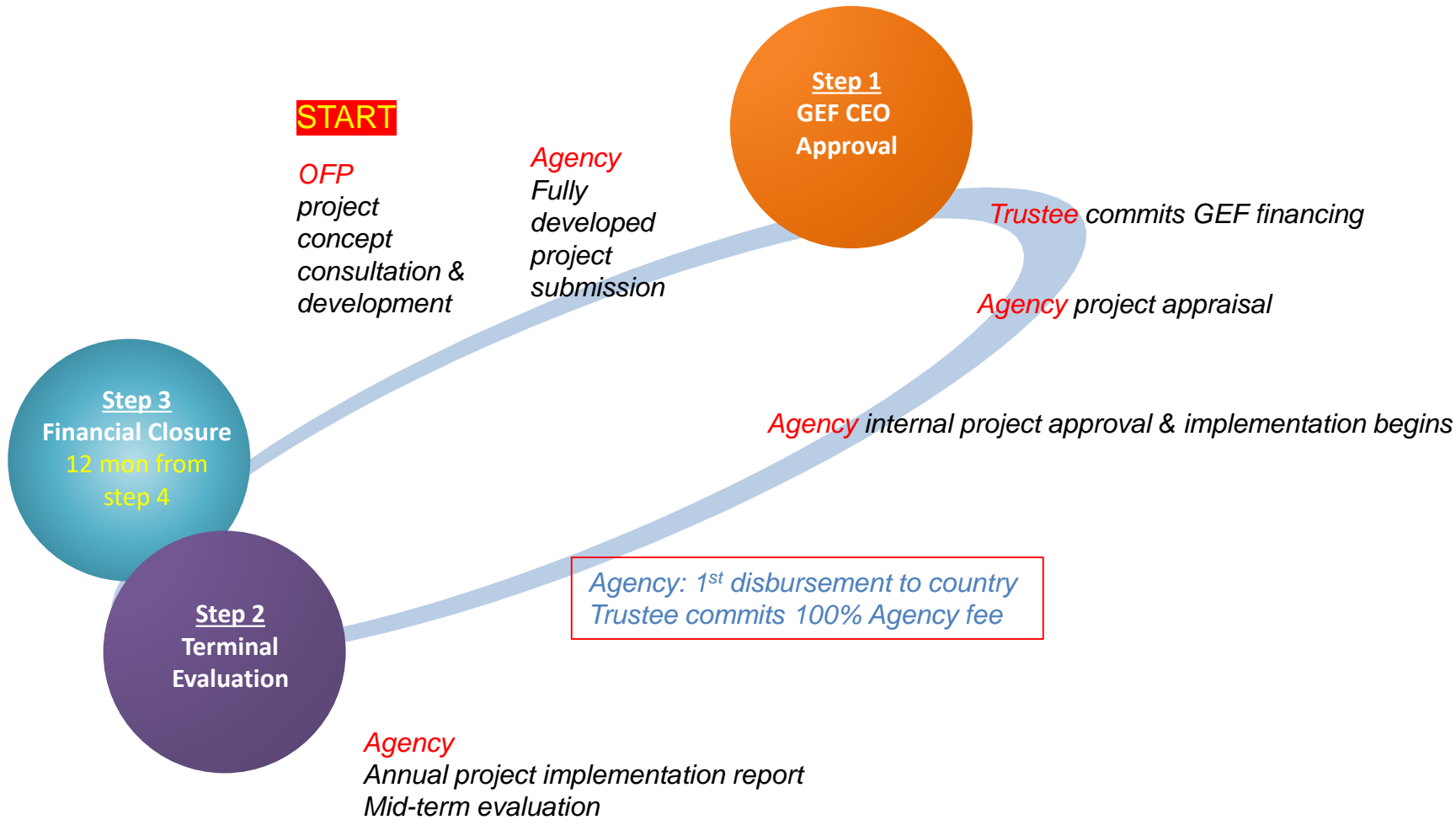


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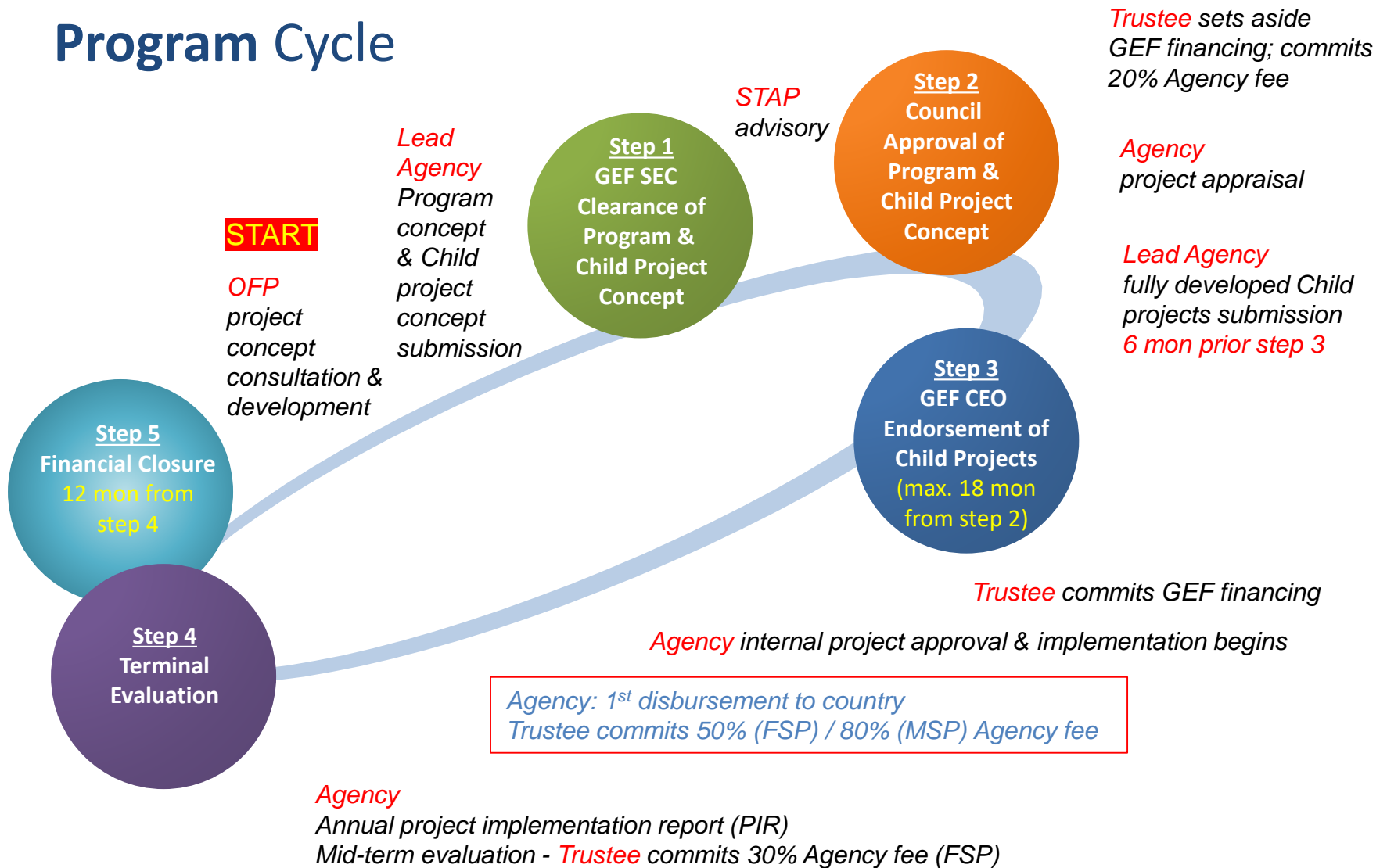
# Medium-Sized 2 Step Project Cycle



# Medium-Sized 1 Step Project Cycle



# Program Cycle



# Project Cancellation Policy





# Project Cancellation Policy (cont'd)

- If **CEO Endorsement/Approval request submission** can't be done within the time, **OFP** or Agency (in case of Global or Regional project) notifies the GEF CEO prior to the submission deadline.
- If **CEO Endorsement or Approval** has not been obtained within the time, **OFP** or Agency (in case of Global or Regional project) may request an extension, prior to the endorsement/approval deadline, on the ground of extraordinary events (war, large scale natural disaster, epidemic, etc). GEF CEO may grant **one-time extension** of max. 12 months (for FSP) and max. 6 months (for MSP), and report to the Council.
- Cancelled FSP: within a year CEO Endorsement request may be re-submitted, if resources are available.



# Co-financing Policy

- Co-financing contributes to effectiveness, impacts & sustainability of GEF projects and ownership of involved partners.
- 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 objectives.
  - Sources: Agency, Donor, Gov’t, Private sector, CSO, Beneficiary, Other
  - Types: Grant, Loan, Equity, Guarantee, In-kind, Other
- Co-financing is required for **FSPs, MSPs** and **Programs**.
  - On an exceptional basis, in an emergency or other unforeseen circumstance, Agencies may propose FSP/MSPs without co-financing.
- Co-financing is encouraged in **Enabling Activities**.



# Co-financing Policy (cont'd)

- **NO minimum co-financing ratio requirement for a project**
- GEF-7 emphasis on investment financing
  - *'investment mobilized'* term introduced
- Level of ambition for GEF-7 entire portfolio
  - **7:1** (Co-financing : GEF financing)
  - For Upper-Middle Income & High-Income countries that are not SIDS or LDCs
    - ✓ **5:1** (Investment Mobilized : GEF financing)

