

Global Environment Facility Introduction Seminar



Fee Policy; Project
Cancellation Policy
Wednesday January 21st
11:30 – 12:00

GEF-6 Policies
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January 20 - 22, 2015

Overview

Background: GEF Policies are usually submitted to Council for approval via Council papers but do not capture discussions/views of Council during the meeting.

GEF Policy Framework:

In GEF-6: Types and Hierarchy of Policy and Procedure Framework was established

Policy: A statement of principles or values approved by the GEF Council that mandates or constrains activities undertaken to achieve the institutional goals of the GEF Secretariat. A Policy's legal power is higher than that of procedures and guidelines.

Procedures: A set of instructions or process that must be followed to adhere to a particular Policy or to accomplish an operational function or a specific task. Procedures are approved by the GEF CEO with the responsibility for the relevant Policy or relevant operational area or subject matter.

Guideline: Additional information to help explain or implement a particular policy. Guidelines are approved by the CEO or by Team Leaders with responsibility of the relevant Policy or relevant operational area or subject matter. Guidelines have the lowest power in the strata of Policies, Procedures and Guidelines.



Overview.....(2)

1. **GEF Agency Fee Policy**, 42th and 47th Council Meeting
2. **Update on Project Cancellation Policy**, 47th Council Meeting



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Agency Fees

Since January 2013, a new fee structure approved by Council in the June 2012 meeting has been implemented:

- For all projects (FSPs, MSPs and EAs) where GEF project grants are up to, and including, \$10 million, GEF Partner Agencies will receive fees at 9.5 percent of the grant; for GEF Project grants above \$10 million, GEF Partner Agencies will receive fees at 9.0 percent of the grant;
- Agency fees for Programmatic Approaches follow the same fee level similar to all other projects (approved by Council in October 2014);
- The fees for the Small Grants Program are set at 4.0 percent;
- For new GEF Project Agencies accredited under the Pilot Program on Accrediting GEF Project Agencies, fees will be at 9.0 percent of the GEF project/program grant, irrespective of project grant amount; GEF Project Agencies will not be compensated for any involvement in GEF “corporate activities” in which they may choose to become involved;
- The fees for PPGs follow the same rate of the related project.



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Project Cancellation Policy

Objectives:

- to improve the GEF's operational efficiency, particularly in the amount of time it takes to prepare and deliver projects;
- to ensure that GEF-financed projects remain relevant to the objectives and priorities of the GEF and recipient countries.

Using **Phased approach** to implement the policy for FSPs:

- After **12 months** of Council approval of PIF, a notification will be sent to the Agency and OFP of the recipient country to alert them of the remaining 6 months for submission of project for CEO endorsement;
- After **18 months**, the Secretariat informs all relevant stakeholders on the cancellation of the project.
- The Secretariat will consider exception to the above cancellation only on extraordinary events, and if agreed, will notify Council.
- Cancelled projects may be resubmitted within a year for consideration of CEO endorsement if resources are available.



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Project Cancellation Policy.....(2)

For Programs: Cancellation of unused program amount:

- All child projects should be submitted for CEO endorsement by the program commitment deadline – this is the time when Trustee commits Program fund to the child project upon CEO endorsement;
- Six months before the program commitment deadline, if there are still program funds not yet committed, the Secretariat sends a notification to the Lead Agency notifying it of the upcoming cancellation of such program funds.
- After the passing of the program commitment deadline, the CEO notifies the relevant Lead Agency and the Trustee of the cancellation for the remaining program funds.



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Thank you for your attention!
Questions?

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