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INVESTING IN OUR PLANET

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## **GEF PROJECT AND PROGRAMMATIC APPROACH CYCLES**

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## INTRODUCTION

1. The GEF project cycle<sup>1</sup> has seen continuous streamlining efforts ever since it was first introduced in 1994. The latest streamlining decisions for both the project cycle and programmatic approach were taken by the GEF Council at its June 2010 meeting. The Council, while approving the proposed streamlining measures, requested the Secretariat to prepare an information document consolidating the policies and procedures for the GEF Project and Programmatic Approach cycles, reflecting all decisions taken to date by the GEF Council.
2. Council also requested the Secretariat to include in this document: (i) the business standards agreed with the GEF Agencies for procedural interactions between the Secretariat and the Agencies during the project cycle; and (ii) improvements to be undertaken in the GEF Project Management Information System to track concepts from when they are first submitted to an Agency by a GEF recipient country.
3. Some basic principles govern the GEF project cycle. The principle that GEF funds are to be incremental (or additional, as in the case of the Least Developed Country Fund (LDCF) and the Special Climate Change Fund (SCCF) ) to the funds required for national sustainable development helps to ensure that scarce resources are not diverted from development financing and that GEF resources are targeted towards generating global environmental benefits. GEF activities are to aim at maximizing agreed global environmental benefits in the six focal areas that GEF supports, i.e., climate change, biodiversity, international waters, land degradation, ozone depleting substances and persistent organic pollutants.
4. The GEF provides resources for two main classes of activities in the context of a country's sustainable development priorities: (i) investments geared toward generating global environmental benefits; and (ii) technical assistance to strengthen the enabling environment. All proposals should be aligned with the results of a National Portfolio Formulation Exercise (NPFE),<sup>2</sup> or with development plans and strategies of the recipient country.
5. GEF support for these classes of activities is provided through four modalities: (i) full-sized projects (FSPs); (ii) medium-sized projects (MSPs); (iii) programs; and (iv) enabling activities (EAs).<sup>3</sup>

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<sup>1</sup> The GEF project cycle steps outlined in this paper focus on key approval steps involving the Council, the GEF Secretariat and the GEF Agencies. Other GEF partners, including Trustee, convention secretariats, the Scientific and Technical Advisory Panel (STAP) and the Evaluation Office also play very important roles, which provide support to different stages of the project cycle.

<sup>2</sup> Beginning with GEF-5, a country may request up to \$30,000 to undertake a national portfolio formulation exercise (NPFE) to engage in consultations with various stakeholders and identify programming priorities for GEF resources available to the country.

<sup>3</sup> A description of each modality is presented in Annex 1.

## PROCESSING OF DIFFERENT MODALITIES OF GEF ACTIVITIES

### Full-Sized Projects (FSPs)

6. Full-sized projects are those that request more than \$1 million in GEF resources,<sup>4</sup> and go through four main steps, two of them in the approval phase and two of them in the implementation phase, as follows:

#### Council and Secretariat

- (a) GEF Council approval of the work program,<sup>5</sup> consisting of the project's PIF cleared by the GEF CEO; and
- (b) Endorsement of the project by the CEO.<sup>6</sup>

#### GEF Agency<sup>7</sup>

- (c) Approval of the project by the GEF Agency and the start of implementation; and
- (d) Completion of implementation, terminal evaluation and formal financial closure of the project by the GEF Agency.

### *GEF Council Approval of Work Program*

7. A recipient country works with a GEF Agency to develop project concepts and prepare Project Identification Forms (PIFs). If the country has undertaken a voluntary NPFE, these concepts should reflect the directions and priorities that are identified through that exercise. Otherwise, the concepts should reflect priorities established through an equivalent process, such as ongoing dialogues or other national planning processes. PIFs that have been endorsed by the country's Operational Focal Point (OFP)<sup>8</sup> may be submitted to GEF Secretariat through the GEF Agency on a rolling basis. When submitting PIFs, Agencies have to simultaneously copy the PIFs to all other GEF Agencies, the relevant convention secretariat(s), and STAP. All other GEF Agencies, the relevant convention secretariat (s), and STAP have five days to review and provide comments, which must be copied to the Secretariat.

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<sup>4</sup> The exceptions are for financing from the LDCF, for which a full-sized project is defined as a request of more than \$2 million. PIFs for FSPs under the program are processed in accordance with the procedures set out in the programmatic approach in subsequent paragraphs that follow.

<sup>5</sup> In the case of LDCF proposals, PIFs are submitted to the LDCF/SCCF Council on a rolling basis and approved by mail, rather than through a work program.

<sup>6</sup> Subject to the availability of funds, the Trustee commits the endorsed amount to the relevant GEF Agency.

<sup>7</sup> At present, the GEF Secretariat works in partnership with 10 agencies including the following 10 GEF Agencies: ADB, AfDB, EBRD, FAO, IDB, IFAD, UNDP, UNEP, UNIDO and WB.

<sup>8</sup> If resources are requested from the biodiversity, climate change or land degradation focal areas, operational focal points should explicitly endorse the indicative project amount, including fees, requested from allocations available to the country under the GEF System of Transparent Allocation of Resources. Endorsement is required only once during the project cycle when a PIF is submitted for review. However, operational focal points may reserve the right to review and endorse a project prior to submission to the Secretariat for CEO endorsement. Procedures for OFP endorsement for different modalities of projects are detailed in Annex 1.

8. After the Secretariat has completed the PIF review<sup>9</sup> and within 10-days of receipt of the PIF, one of the following three decisions regarding each PIF are to be conveyed to the Agencies:

- (a) Recommended to the CEO for inclusion in a work program; or
- (b) Pending inclusion in a work program subject to further clarification or additional information; or
- (c) Not recommended for further processing.

9. The CEO constitutes the work program from newly submitted and cleared PIFs, as well as those previously cleared by the CEO but which were not included in the past work programs, taking into account the level of resources available in the Trust Fund.<sup>10</sup> Before the draft work program is submitted to the Council, the GEF Secretariat organizes a GEFOP<sup>11</sup> meeting to review the draft work program and provide feedback prior to the CEO submitting the work program for Council approval.

10. The GEF Council reviews several work programs in a year – either during a Council meeting, or intersessionally<sup>12</sup> for decision by mail on a no-objection basis. For intersessional work programs (IWPs), only proposals that do not present any policy issues may be submitted for Council approval.<sup>13</sup> The individual PIFs, with indicative GEF grant amounts, are to be annexed to the work program document and posted on the GEF website: (i) four weeks in advance of a Council meeting; or (ii) four weeks in advance of a decision date for an intersessional work program. The STAP's PIF screening reports are also to be provided to the GEF Council (See Annex 11 on the *Role and Responsibilities of the STAP in the Project Cycle*.)

11. In approving the work program, the Council provides guidance to the Secretariat and the Agencies on the strategic directions and programming framework for the GEF. In addition, the Council may agree to remove specific concepts from the work program reviewed at a Council Meeting. For an intersessional work program, if one or more Council Members object to the work program or a particular concept, the work program or the concept is to be deferred to the next regular meeting of the Council.

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<sup>9</sup> PIFs for targeted research will need to be submitted for review by a STAP convened research committee, after CEO clearance, but prior to inclusion in a work program.

<sup>10</sup> The constitution of a work program described here applies in general within any given replenishment period. Exceptions to this rule may apply in particular during the end of a replenishment period where previously cleared PIFs that have not been included in past work programs may not be included in the work program in a new replenishment period.

<sup>11</sup> GEFOP is GEF Operations Committee which reviews and recommends work program to CEO for final submission to Council. GEFOP is an interagency committee with responsibilities in the project cycle and is composed of representatives from the GEF Secretariat, the 10 GEF Agencies, the Chairperson of STAP and as appropriate, representatives of the secretariats of the Conventions where the GEF Secretariat acts as financial mechanism.

<sup>12</sup> Intersessional work programs will be constituted at the discretion of the GEF CEO before the Council meetings, provided that, at any point in time, cleared PIFs meet the intersessional work program criteria: either at least 10 cleared PIFs are ready for inclusion in the proposed work program, or the amount of cleared PIFs is worth at least \$50 million (CEO letter to Council dated December 19, 2007).

<sup>13</sup> Reference to Council paper, “*Clarification of Procedures for Council Review and Approval of the Work Program*,” (GEF/C.25/10, June 2005).

12. Set-aside of Funds by the Trustee: Resources associated with PIFs that have been approved by the Council, including Agency fees, are to be set aside for the relevant GEF Agency by the Trustee.

*Endorsement of a Project by the CEO*

13. After a PIF is approved by the Council, Agencies and countries have a maximum of 18 months to prepare the project and secure CEO endorsement. When a project is fully prepared and meets the conditions for CEO endorsement,<sup>14</sup> the Agencies are to transmit to the GEF Secretariat a request for CEO endorsement, as well as the final project document (which is the same document that the Agencies prepare for their respective internal approving authorities).<sup>15</sup> Agencies have to simultaneously copy the endorsement template and final project document to all Agencies, the relevant convention secretariat(s), and the STAP for their information. The final GEF grant amount is confirmed by the CEO at endorsement.

14. In its request for CEO endorsement, the Agency is to report on how it has responded to any Council comments and to concerns identified by STAP. The Secretariat is to request revisions to proposals that it deems are not in compliance with the conditions for endorsement specified during PIF approval. The Agencies, working with the countries, are to revise and resubmit those proposals for Secretariat review. In cases where the final project document submitted for CEO endorsement does not meet one or more of the endorsement conditions,<sup>16</sup> the CEO may determine, in consultation with the country and the Agency concerned, to stop further project preparation and cancel the project from the GEF pipeline.

15. Projects that meet conditions for endorsement are endorsed by the CEO and posted on the GEF website for information.

16. Exceptions: In the following two instances, which are exceptions to the non-circulation rule for endorsement, the Secretariat circulates the final project document to the Council for a four-week review prior to CEO endorsement:

- (a) A GEF Council Member has requested, at the time of work program approval, that the Secretariat circulate the final project document of a particular project to the full Council for review prior to endorsement; or
- (b) The GEF CEO has, upon review, determined that there have been major changes to the project scope and approach since PIF approval.

17. Trustee Commitment for Project Grant and Agency Fees: Subject to the availability of funds, the Trustee commits the resources to the GEF Agency upon CEO endorsement of the final project document. Funds associated with a full-sized project are eligible for transfer to the GEF Agency when the Agency confirms to the Trustee that the project has been approved

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<sup>14</sup> Conditions for CEO endorsement include in addition to a well-prepared final project document, the following criteria: (a) compliance with the agreed elapsed time of submission; (b) meeting the review criteria for GEF projects at CEO endorsement stage; (c) the submission of confirmed cofinancing letters from cofinanciers; and (d) completed tracking tools.

<sup>15</sup> Generally, Agency approval of the final project document occurs after CEO endorsement; however, the different project cycles of Agencies may require Agency approval before CEO endorsement.

<sup>16</sup> Same as footnote 14.



by the Agency. For Agency fees, they are eligible for cash transfer immediately after Trustee commitment (which follows CEO endorsement).

#### *Approval of a Project by the GEF Agency*

18. After a project is endorsed by the CEO, the GEF Agency follows its own internal procedures to approve the project,<sup>17</sup> and start project implementation. The GEF Agency supervises throughout the implementation of the project and conducts periodic reviews, such as mid-term review, and final terminal evaluation of the project. The Agency submits an annual project implementation review report for all projects that have been CEO endorsed/approved. In addition, they also have to submit other reports to the GEF Secretariat and to the Trustee.<sup>18</sup> All terminal evaluation reports are to be submitted to the GEF Evaluation Office for review.

#### *Project Completion and Terminal Evaluation*

19. The GEF Agency is responsible for the completion of an implementation, terminal evaluation and financial closure of the project. The GEF Agency is required to prepare, in English, a terminal evaluation report at the operational completion of any GEF full-sized project, program, and until further notice, any medium-sized project and non-expedited enabling activity. The Agency prepares the terminal evaluation following the guidance provided in the “*GEF (Results Based) M&E Policy*” and the “*Guidelines for GEF Agencies in Conducting Terminal Evaluations*.”<sup>19</sup> The Agency is required to submit the terminal evaluation to the GEF Evaluation Office, with a copy to the Secretariat, within 12 months of the operational completion of the project. The Agency is also required to submit to the Trustee the report on financial closure of the project.

#### *Medium-Sized Projects (MSPs)*

20. Medium-sized projects are those that request less than or equivalent to \$1 million in GEF resources.<sup>20</sup> When preparing an MSP, the Agency may consult STAP about any technical or scientific issues in the project.<sup>21</sup> The cofinancing confirmation letter and the OFP endorsement letter should be attached as part of the submission to the GEF Secretariat requesting approval for the final project document. If a PPG is requested, the OFP endorsement should be submitted with the PIF. The approval of an MSP follows one of the two paths below:

- (a) An expedited one-step approval process: No PIF is required.

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<sup>17</sup> Some Agencies approve the project document prior to submission to the GEF Secretariat for CEO endorsement.

<sup>18</sup> Refer to Annex 8 for more detailed reporting requirements from Agencies throughout project implementation.

<sup>19</sup> GEF (Results Based) M&E Policy, GEF/ME/C.39/6; “*Guidelines for GEF Agencies in Conducting Terminal Evaluations* (Evaluation Document No. 3, 2008)  
<http://www.thegef.org/gef/sites/thegef.org/files/documents/Policies-TEguidelines7-31.pdf>

<sup>20</sup> In the case of the LDCF, medium-sized projects are those that request less than or equivalent to \$2 million in LDCF resources.

<sup>21</sup> Review by a STAP convened research committee will be required for targeted research MSPs.

- (i) GEF Approval: The CEO approves a fully prepared MSP project document if all project review criteria have been fulfilled. Resources associated with an MSP, including Agency fees, are committed by the Trustee to the relevant GEF Agency upon CEO approval of the final project document. Funds associated with these types of MSPs are eligible for transfer to the GEF Agency when the Agency confirms to the Trustee that the project has been approved by the Agency. For Agency fees, they are eligible for cash transfer immediately after Trustee commitment (which follows CEO approval).
  - (ii) Agency Approval: Upon CEO approval of the MSP, the Agency follows its own internal approval process for the project and start implementation. The approved project document, together with the GEF Secretariat's review sheet is then posted on the GEF website for information.
- (b) Two-step approval process (if PPG is requested): (i) PIF with PPG; and (ii) final MSP project document. Elapsed time from PIF approval to CEO approval of the final MSP project document should not exceed 12 months.
- (i) GEF Approval: A PIF should be submitted together with a PPG request, following a similar process as for the PIFs of FSPs. Upon CEO approval of the MSP PIF, the Trustee is to set aside the approved funds for the relevant GEF Agency.
  - (ii) The CEO approves a fully prepared MSP if all project review criteria have been fulfilled. Subject to the availability of funds, the Trustee commits the CEO approved amount to the relevant GEF Agency. For Agency fees, they are eligible for cash transfer immediately after Trustee commitment (which follows CEO approval).
  - (iii) Agency Approval: Upon CEO approval of the MSP, the Agency follows its own internal project approval process prior to project implementation. The approved project document, together with the GEF Secretariat's review sheet, is then posted on the GEF website for information.

## Enabling Activities (EAs)

21. Enabling activities may be submitted to the Secretariat on a rolling basis throughout the year, and if the total cost of GEF financing is within a ceiling approved by the Council,<sup>22</sup>

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<sup>22</sup> Currently, the Council has agreed that expedited procedures may be followed for biodiversity, climate change and persistent organic pollutants projects not exceeding \$500,000; for desertification, \$150,000.

As a follow-up to the GEF Capacity Development Initiative (CDI), the Council approved GEF support for National Capacity Self Assessments (NCSAs) to countries that request such assistance. The primary objective of the NCSAs is to identify country level priorities and needs for capacity building to address global environmental issues, with the aim of catalyzing domestic and/or externally assisted action to meet those needs. Requests up to \$200,000 are reviewed and processed under expedited procedures, following GEF operational procedures for NCSAs, and approved by the CEO; requests over \$200,000 are processed for submission to the GEF Council as FSPs. NCSAs can also request a PPG, not to exceed \$25,000, provided that a PIF is submitted and cleared by the GEF Secretariat.

an EA may be processed in accordance with expedited procedures and approved by the CEO. Under expedited procedures, there are operational guidelines for each type of EA, which are to be followed in preparing a project. Operational guidelines have been prepared by the GEF Secretariat taking into account the relevant guidance from the Convention.<sup>23</sup>

22. EAs requesting GEF financing in excess of the ceiling amount approved by the Council are considered non-expedited EAs and are processed either as MSPs or FSPs, following the processing procedures for MSPs and FSPs, respectively. Starting in GEF-5, expedited EAs can be financed through two pathways:

- (a) Countries can request funding through one of the GEF Agencies, similar to the current practice. Resources for the EA, including the associated Agency fees, are to be set aside and committed by the Trustee upon CEO approval of the EA. Trustee transfer of funds to Agencies is based on the agreed existing Financial Procedures Agreement between the Trustee and the Agencies.
- (b) A second pathway is through direct access as approved by the Council in June 2010.<sup>24</sup> Under the “direct access” pathway, resources are provided directly to the country as long as the requested amount does not exceed \$500,000. Countries using this pathway should follow the GEF Secretariat’s direct access procedures. Projects requiring more financing than the convention-approved ceiling may be processed through the regular GEF project cycle as full-sized projects.<sup>25</sup>

## Project Preparation Grants (PPGs)

### *For FSPs and MSPs*

23. PPGs for FSPs can be submitted at the same time as PIF submission to the GEF Secretariat or after Council approval of the PIF or at an even later time. OFP endorsement is required for a PPG request which is usually included in the endorsement letter for the PIF.

24. The general rule is that when a PIF is cleared by the CEO and recommended for work program inclusion (for FSP), or when the PIF is approved for an MSP, the PPG request is simultaneously considered. PPG funding requests are approved on the basis of financing requirements for the estimated actual incremental costs of project preparation. The Agency fee is also approved at the time of PPG approval. Subject to the availability of funds, the Trustee commits the PPG amount, including the associated Agency fees, to the relevant GEF Agency. The amounts associated with approved PPGs are eligible for transfer immediately after Trustee commitment.

25. PPG implementation has to be completed, or at least all PPG funding has to be committed, by the time the project document is submitted for CEO endorsement (FSPs) or approval (MSPs). Unused PPG funding must be returned to the Trustee after financial closure

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<sup>23</sup> See Annex 2 for relevant convention guidelines.

<sup>24</sup> For more detailed procedures, refer to Council document: “*Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Conventions Reports – With Direct Access by Recipient Countries*,” GEF/C.38/6/Rev.1 (July 2010).

<sup>25</sup> Annex 2 provides an additional description of EAs and the threshold amounts for each focal area.

of the PPG. Status of PPG utilization has to be reported as part of the template to request CEO endorsement (FSPs) or CEO approval (MSPs).

*For EAs*

26. Generally, enabling activities are not eligible for PPG resources, with the exception of National Capacity Self Assessments (NCSAs), for which a maximum of \$25,000 maybe approved. If a PPG is requested for an NCSA, a PIF should be prepared to accompany the PPG request. A PPG for an NCSA may be approved only upon approval of the accompanying PIF.

Programmatic Approaches (PAs)

27. The overall objective of the programmatic approach is to secure a larger-scale and sustained impact on the global environment by implementing medium to long-term strategies for achieving specific global environmental objectives that are consistent with the national or regional strategies and plans of recipient countries. By working through programmatic approaches, the GEF aims to disburse large-scale GEF resources effectively and efficiently to countries and regions with enhanced accountability and oversight. Moreover, programs can provide an opportunity for interested donors or other partners (including the private sector) to invest additional, focused funding that seeks to achieve the same impacts.

28. Any stakeholder group (including countries, GEF Agencies, civil society, etc.) may seek GEF support through a programmatic approach. Agreement on an approach would lead to the development of a Program Framework Document (PFD) for the defined scope of the program. This would be done with the full engagement and participation of key Agencies in the country, sector specialists, civil society, the broader GEF partnership, and other interested donors and development agencies.

29. The use of programmatic approaches at the GEF should not preclude the application of GEF funds through regular modalities outside the scope and context of a program. PFDs may be submitted to the GEF Secretariat for consideration for work program inclusion only during Council meetings, not intersessionally.

30. Approval of a programmatic approach may follow one of two pathways depending on the type of GEF Agency submitting the proposal.<sup>26</sup> The two types of GEF Agencies are:

- (a) Qualifying GEF Agency (QGA), which meets the criteria listed in Annex 4; and
- (b) Program Coordination Agency (PCA), which does not meet the above-mentioned criteria but which is coordinating the implementation of a GEF program.

*Qualifying GEF Agency (QGA)*

31. A program submitted by a Qualifying GEF Agency (QGA) may not include any other GEF Agency in its preparation or implementation. The QGA is responsible for the preparation and submission of the PFD for CEO clearance. The GEF Secretariat presents

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<sup>26</sup> Annex 3 provides a summary of the two pathways for processing programmatic approaches.

cleared PFDs for Council approval as part of a work program. The QGA is also responsible for all implementation matters for the program, including the approval of projects under the program, the supervision of the program and its underlying projects, the mid-term review and terminal evaluation reports, as well as for submitting an annual performance review report for the program to the GEF Secretariat.

#### *Program Coordination Agency (PCA)*

32. Alternatively, programs may be submitted by a Program Coordination Agency (PCA). The PCA, in consultation with the GEF Secretariat, coordinates the preparation of a program, including through holding consultations with various stakeholders and drafting the final PFD for CEO clearance and submission to Council for approval as part of a work program. A program can be implemented by one or more GEF Agencies. During program implementation, the Program Coordination Agency (PCA)<sup>27</sup> coordinates program supervision, mid-term review and terminal evaluation reports, as well as the submission to the GEF Secretariat of the annual performance review report for the program.

#### *Council Approval of a Program Framework Document Submitted by a QGA*

33. This approach is accessible only to QGAs. As noted above, programs under this approach have to be prepared and implemented by a single qualifying GEF Agency.

34. The QGA prepares a PFD in accordance with the criteria outlined in Annex 5 and submits it to the GEF Secretariat, with copies provided to all GEF Agencies, convention secretariat(s) and the STAP, for review and clearance by the CEO. When submitting a PFD, the QGA should obtain an endorsement letter from the country's OFP. The letter should include an endorsement of the program concept and objectives, as well as for the entire program amount, inclusive of the Agency fees. The STAP, relevant convention secretariat(s) and Agencies may provide comments on the PFD to the GEF Secretariat, within 5 working days.

35. Upon review by the Secretariat, CEO clearance is granted if the PFD is deemed to have met the PFD criteria. A CEO-cleared PFD is to be submitted for Council approval as part of a work program. Upon Council approval of the PFD, QGA can proceed with approval of the PIFs under the program, following its own internal procedures.

36. Trustee Set-aside of Funds: Based on Council approval of the PFD under the work program, the Trustee sets aside the total resource envelope approved, including the Agency fee. These resources may come from a single focal area or from a number of focal areas. The amounts that eventually will be committed for approved projects under the program are to be deducted from this envelope, by relevant focal area in relative proportions, until the entire envelope is fully utilized.

37. The QGA will advance resources from its own account for the preparation of the PFD. Following Council approval of the PFD, the QGA may request up to 30% of the total fee associated with the program as advance funding for the project preparation activity.

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<sup>27</sup> Criteria for determining the appropriate Program Coordination Agency is detailed in Annex 3.

### *Approval of Individual Projects under a Program submitted by a QGA*

38. The QGA approves the project concepts for the underlying projects in its programs following its own individual procedures. When the projects are fully prepared, the project documents, for both FSPs and MSPs, are submitted to the Secretariat and STAP for a 10 working-day review period for CEO endorsement/approval.

39. After CEO endorsement/approval of each project, the QGA will approve the project following its own internal procedures, and start project implementation. All approved project documents will be posted on the GEF website for information. All projects must start implementation no later than 18 months after the approval of the PFD.<sup>28</sup>

40. The feasibility of introducing a no-objection CEO endorsement approach will be examined after two years of implementation of this type of programmatic approach.

41. Trustee Commitment of Funds: The Trustee commits funds, including Agency fees, on a project-by-project basis under the PFD upon CEO endorsement of each project document. Amounts associated with committed projects under the PFD become eligible for transfer when the Agency confirms to the Trustee that the relevant project has been approved by the Agency; after which, the Trustee transfers funds to QGA based on existing agreed financial procedures between the Trustee and the Agency. The biannual report on programming informs the Council of the financial status of approved programs, including all associated GEF amounts, and the QGA provides all relevant project data to the GEF Secretariat to meet the internal deadlines of these reports. If the timeline for the commencement of a project's implementation has passed, resources that have been set aside for that project are returned to the GEF Trust Fund.<sup>29</sup>

### *Agency Fee for Programs submitted by a QGA*

42. The proposed streamlined approach for QGAs is expected to result in a reduction of transaction costs. In line with other funds following similar approaches, the QGA will receive 8% of the overall program grant as an Agency fee. The level of fees for this new processing pathway for QGAs will be reviewed after one year of implementation.

### *Council Approval of Program Framework Document Submitted by a PCA*

43. The first official step toward agreement on a programmatic approach is securing the approval of the PFD by the Council as part of a work program presented for Council review. The PCA must obtain an endorsement letter from the country's Operational Focal Point (OFP) who must endorse the program concept and objectives. The OFP does not have to endorse the program amount, instead, a separate endorsement should be provided for each project under the program. The PCA submits the PFD to the GEF Secretariat for work program inclusion, and provides copies to all relevant Agencies, convention secretariats and STAP,

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<sup>28</sup> The exception would be for those projects that require parliamentary approval in the recipient country.

<sup>29</sup> Since under the STAR, resources go back into the country's STAR allocations for the three STAR focal areas, a country could come back with a new version of the dormant proposal when it is ready. For focal areas outside the STAR, the ability to reactivate these projects depends upon the availability of resources. Note that projects requiring parliamentary approval in the recipient country do not have a timeline by which implementation must commence.

simultaneously. STAP, the convention secretariats and the Agencies may provide comments on the PFD to the GEF Secretariat. Upon review, the CEO clears the PFD if it is deemed to meet the PFD criteria.<sup>30</sup> STAP screening comments are to be provided to the Council for those PFDs included in GEF work programs.

44. The Council reviews the PFD and agrees to its concept and objective. The PIFs of the FSPs under the PCA program are submitted either as part of the PFD or as part of subsequent work programs for approval of the Council.<sup>31</sup> All PIFs under a program should be submitted for the review and approval of the Council no later than 6 months after endorsement of the PFD by the Council.

45. Trustee Set-aside of Funds: The Trustee will set aside resource envelopes associated with individual projects under a program presented by a PCA on a project-by-project basis when the PIFs are approved by the Council.

#### *Endorsement/Approval of Individual Projects under a Program Submitted by a PCA*

46. When an Agency has prepared a full project documents for an FSP under a program, it submits a project document to the Secretariat for CEO endorsement following a 4-week circulation period.<sup>32</sup> The documents are distributed during the circulation period to the Council. For an MSP, it is submitted for CEO approval following the same procedures as for stand-alone MSPs.

47. Upon CEO endorsement/approval, the PCA is to approve underlying projects of a program, following the Agency's own procedures, and initiate project implementation. The elapsed time between endorsement of a PFD by the Council and the start of the implementation of the entire program, inclusive of all its component projects, cannot exceed 18 months.<sup>33</sup>

48. Trustee Commitment of Funds: When a final project document is endorsed/approved by the CEO and subject to the availability of funding, the Trustee commits resources on a project-by-project basis. Amounts associated with committed projects under the PFD become eligible for transfer when the Agency confirms to the Trustee that the relevant project has been approved by the Agency; after which, the Trustee transfers funds to the relevant Agency based on existing agreed financial procedures between the Trustee and the Agency. If the timeline for the commencement of the project's implementation has passed, resources that have been set aside for the project are returned to the GEF Trust Fund.<sup>34</sup>

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<sup>30</sup> See Annex 5 for detailed PFD criteria.

<sup>31</sup> In the case of the LDCF proposals, PIFs are submitted to the LDCF/SCCF Council on a rolling basis and approval of which is by mail, rather than through a Work Program.

<sup>32</sup> Full-sized project documents are first reviewed by the Secretariat (10-working day business standard) and then submitted to the Council for a 4-week review period, following which the CEO endorses the document. Medium-sized project documents are reviewed and approved by the CEO following the 10-working day business standard.

<sup>33</sup> The exception would be for those projects that require parliamentary approval in the recipient country.

<sup>34</sup> Since under the STAR, the resources go back into the country's STAR allocations for the three STAR focal areas, a country could come back with a new PIF when the country is more prepared. For focal areas outside the STAR, the ability to reactivate a project depends upon the availability of resources. Note that projects requiring parliamentary approval in the recipient country do not have a timeline by which implementation must commence.

### *Agency Fees for Programs Submitted by a PCA*

49. The PCA submits a detailed proposal for coordination as part of a PFD, which should include all participating Agencies in the program, if any. The total Agency fee for a programs submitted by a PCA will be 9% of the entire program amount, calculated as a summation of all PIF amounts submitted under the program. From that total amount, each participating Agency will receive its portion of the Agency fee, calculated at 9% of the amount of the total GEF grant associated with those projects that the Agency submitted. When PIFs under a program are approved by the Council, associated fees are to be approved. The Trustee is to set aside the fee amount associated with the GEF Agency implementing the project. After the project is CEO-endorsement, the Trustee commits the fee. The GEF Agency can then request disbursement of the fee together with project amount, according to the Financial Procedures Agreement between the GEF Agency and the Trustee.

### SERVICE STANDARDS

50. The GEF Secretariat has set a 10-working day service standard for responding to proposals submitted by the GEF Agencies. The focus of GEF-5 will be to continue improving this service standard while providing greater clarity, comprehensiveness, and consistency in the review sheet to avoid confusion.

51. To further improve the transparency of the review and approval of projects, starting with the first work program in GEF-5,<sup>35</sup> review sheets of all PIFs for full-sized projects included in the work program are to be posted on the GEF website, together with the PIFs and STAP comments, four weeks before the relevant Council meeting or four weeks before the decision date for the relevant intersessional work program.<sup>36</sup> Review sheets associated with the approval of all MSPs and enabling activities are to be posted on the website along with the associated project document after CEO approval.

52. The GEF Secretariat expects the GEF Agencies to respond to the Secretariat within 10 working days after the receipt of a review sheet from the GEF Secretariat. The responses can be either of the following:

- (a) The Agency responds to the questions raised in the review sheet; the document is updated to reflect proposed solutions to the questions raised and is resubmitted to the Secretariat within 10 working days;
- (b) In cases where an Agency needs additional time to consult with the relevant country, the Agency provides a response within 10 working days, explaining the pending issues and specifying the time needed to resolve the issue. The Agency and the Secretariat mutually agree on a timeframe for resubmitting the document.

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<sup>35</sup> The first work program in GEF-5 is the November 2010 work program.

<sup>36</sup> In the case of LDCF projects, review sheets together with the PIFs will be posted on the web on a rolling basis.



## ONE REVIEW POLICY

53. To facilitate and expedite communication between the GEF Secretariat and the Agencies during the proposal review process, the Secretariat has established the “One Review Policy.” This policy is set as a goal for the Secretariat, with the cooperation of the GEF Agencies. The One Review Policy requires the Secretariat program managers to provide comprehensive and succinct comments when sending a review sheet to the Agencies the first time, and to avoid bringing up new questions subsequently. This does not mean an outright rejection of projects where an Agency does not provide an adequate response the first time. In practice, there could still be exchanges in the process of clarification, but the intention is to minimize this practice. The Secretariat will also work towards improving the quality of the review sheet by providing, along with their comments further guidance that is actionable and easy to understand. When necessary, bilateral meetings on project issues related to a particular PIF, or set of PIFs, will be organized upon the request of an Agency.

## PROJECT MANAGEMENT INFORMATION SYSTEM (PMIS)

54. The PMIS was designed as a depository for all project data and key information. In addition, the PMIS will continue to be improved in order to track all critical operational data and to enable reporting through the Annual Monitoring Report (AMR) on the elapsed times for various segments of the project cycle, including:

- (a) The service standard of the GEF Secretariat and GEF Agencies;
- (b) Milestones/operational progress for:
  - (i) the time elapsed between the submission of a project concept by a country to a GEF Agency and the submission of the PIF by that Agency to the GEF Secretariat;
  - (ii) the time elapsed between the receipt by the GEF Secretariat of a proposal from an Agency and the CEO clearance of the PIF;
  - (iii) the time elapsed between PIF approval by the GEF Council and CEO endorsement (the current target is 18 months); and
  - (iv) the time elapsed between the CEO endorsement of a project and the first project disbursement.

55. The time elapsed between the submission of a project concept by a country to a GEF Agency and the submission of the PIF by that Agency to the GEF Secretariat is a new progress indicator that the GEF Secretariat will track in response to Council comments and to the concerns expressed by many countries regarding the lack of information about the status of some concepts that they have discussed with the Agencies. To facilitate the tracking of this progress indicator, the Secretariat plans to design a webpage to enable country operational focal points (OFP) to record such concepts, so that they can be tracked in the GEF’s PMIS.

56. The discussion of project concepts may be an ongoing process between the GEF Agencies and the countries, so it might be difficult to identify a starting point to record a concept in the GEF webpage. The GEF Secretariat proposes that the OFP record concepts when they think that the concept is mature for development into a project. This will eliminate confusion resulting from many casual discussions after which neither the country nor the GEF

Agency has any real commitment to take any further action. When recording the concept in the GEF webpage, the OFP should specify the date on which they have submitted a formal letter to a GEF Agency requesting its assistance in developing a PIF for the concept. The letter must explain the proposed concept (which can be just 1-2 pages) including its objectives and baseline.

57. Once the GEF Agency receives notification by email or letter from the OFP regarding a concept that maybe developed into a project, the Agency should inform the GEF Secretariat, no later than 30 days following the receipt of the notification from the OFP. The GEF Agency should indicate to the Secretariat how it intends to proceed and provide an estimate of the time that it will take for a PIF to be ready for submission to the GEF Secretariat. If the GEF Agency were to decide to reject the concept, a notification should also be sent to the GEF Secretariat and the PMIS is to be updated accordingly. No further action would be needed. If clarification were sought from the OFP or the concept were accepted by the Agency, the GEF Secretariat would expect a PIF to be submitted.

58. To further increase transparency, the GEF webpage where the OFPs are to record their concepts will be made live and accessible to both the GEF Agencies and the OFPs. To more systematically track the progress of the development of project concepts, the Secretariat will also issue a progress report every six months to all Agencies and OFPs concerned. This progress report will review the status of all concepts recorded on the GEF webpage by the OFP, and note, if applicable the date the Agency sent the PIF to the Secretariat. The progress report will serve as a reminder to the Agencies and OFPs to tend to those concepts not yet developed into PIFs. The Secretariat will follow up with the Agencies concerned for all pending concepts.

59. Information in the GEF PMIS will also enable a more systematic tracking of progress toward meeting the other milestones listed above. All milestones progress will be reported in the Annual Monitoring Review.

## IMPLEMENTATION AND MONITORING

### Annual Monitoring Review

60. Each Agency has its own internal processes for ensuring that approved/endorsed projects begin timely implementation. The Agencies must report annually to the GEF Secretariat on implementation status. In addition, the GEF Secretariat, in collaboration with the Agencies, monitors and reports on portfolio-level performance to the Council. The GEF corporate and focal area results frameworks provides the basis for the Secretariat's monitoring and learning activities.

61. As part of its monitoring responsibilities, the Secretariat conducts an Annual Monitoring Review, which is based on information gathered from the Agencies and the GEF's PMIS. Each Agency is requested to submit the following for the completion of this review:

- (a) *Project Implementation Reports (PIRs)*: PIRs are required for all projects that have been CEO endorsed/approved and not closed. While each Agency has developed its own PIR format in line with its internal monitoring procedures, a specified set of information is required from all Agencies.

- (b) *Focal Area Tracking Tool:* Each project must submit a focal area tracking tool at the time of CEO endorsement/approval. Tracking tools are then submitted every year in conjunction with the PIRs.<sup>37</sup>
- (c) *Agency Overview Reports:* Each Agency provides an overall assessment of its GEF portfolio under implementation. Information from these reports is then used to inform the AMR discussion of focal area results as well as to develop lessons learned.
- (d) *Excel master list of all projects under implementation:* Each Agency provides a master list of all projects that have been CEO approved/endorsed. Information requested includes milestone dates, implementation ratings and other indicators necessary to perform an analysis of the GEF portfolio.

62. The Agencies are also required to undertake mid-term reviews for full-sized projects under implementation. Mid-term reviews are encouraged for medium-sized projects and enabling activities. The Agencies submit a Mid-term Review Report to the GEF Secretariat as part of the Annual Monitoring Review process.

#### Preparation of Terminal Evaluation Reviews

63. The GEF encourages an independent review of the findings, ratings, and quality of terminal evaluations. Such independent reviews should assess the consistency of the ratings for outcomes, sustainability, and project M&E, and should be based on the evidence presented in the terminal evaluation reports. These reviews should also assess the overall quality of the evaluation.

64. Several GEF Agencies have an established process in place whereby an independent evaluation office reviews and validates terminal evaluations and assesses the quality of terminal evaluation reports. Where such processes exist, the GEF Evaluation Office will assess the extent to which the independent review process meets GEF standards and provides the required information for GEF oversight and reporting. Once the Office has deemed that a GEF Agency's independent review process meets GEF standards and information needs, it may accept the reviews and the verified ratings by the independent evaluation office of the respective Agency. In such cases, the GEF Evaluation Office will periodically assess the extent to which the independent review process continues to meet GEF standards.

65. Where a GEF Agency does not have an independent evaluation unit or lacks an independent review process, the GEF Evaluation Office will review the terminal evaluation reports to verify ratings and assess quality.

#### Reporting Requirement

66. To ensure that the GEF PMIS is reliable, the GEF Secretariat, the GEF Agencies, the GEF Evaluation Office and the Trustee, have to fulfill their reporting requirements in accordance with their roles in the project cycle. Among others responsibilities, the GEF Agencies must submit PIRs to the GEF Secretariat as part of the Annual Monitoring Review Report. Financial reports on an aggregate level are submitted to the GEF Trustee on a

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<sup>37</sup> The biodiversity (BD) focal area is an exception to this rule. For BD projects tracking tools are submitted only three times during the life of the project – CEO endorsement/approval, mid-term, and project closure.

quarterly basis. A summary of the GEF's periodic reporting requirements is presented in Annex 8.

### *Consequence of Non-compliance on Reporting Requirements*

67. As agreed by the Council in May 2004,<sup>38</sup> the Trustee may suspend the commitment and transfer of GEF funds that have been allocated by the Council and/or the CEO, as appropriate, to any Agency which is out of compliance with its reporting obligations to the Trustee under the *Financial Procedures Agreement* that the Agency entered into with the Trustee for a period of not less than thirty days after written notification from the Trustee. Such a suspension of the transfer of funds may continue until such time as the non-compliance is resolved to the satisfaction of the Trustee.

## REVIEW CRITERIA FOR GEF PROJECTS AND PROGRAMS

### Full-sized/Medium-sized Projects and Programs

68. The GEF review criteria for projects are applicable to both the FSPs and MSPs, as well as programs. The purpose in establishing these criteria for the review of GEF projects is to provide guidance to the Agencies for preparing GEF project proposals and to the Secretariat for assessing how project proposals align with the GEF focal area strategic objectives and GEF policies. The set of criteria listed below applies to reviewing proposals for programs at work program entry, at PIF stage and at CEO endorsement/approval of FSPs/MSPs, though the level of information requirement differs at the two stages of the project cycle.

69. GEF project proposals are reviewed by the GEF Secretariat using specific review criteria, which serve as the basis for arriving at a recommendation for or against CEO clearance of programs or PIFs and/or CEO endorsement of FSPs/approval of MSPs. The fundamental assessment of a proposal is to be based on the application of the incremental cost principle, whereby projects are assessed as to whether they define baselines clearly and whether the baseline activities are adequately funded from non-GEF resources. Eight sets of review criteria<sup>39</sup> are employed for the overall review of a proposal at the PIF stage and at the point of CEO endorsement. At the PIF stage, however, the criteria are directed at the concept level; while the focus at CEO endorsement is on the fully developed project. Hence, the same questions require a different kind of response at CEO endorsement. For example, at the PIF stage, an indication of how the criteria will be met is sufficient; while at CEO endorsement, a more in-depth response/or confirmation is expected. Moreover, some questions in the review sheet may require a response only at the PIF stage, others at CEO endorsement. Below are the 8 categories of criteria which largely reflect the questions posed in a proposal template (PFD, PIF and CEO Endorsement/Approval):

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<sup>38</sup> *Joint Summary of the Chairs*, GEF Council Meeting, May 19-21, 2004

<sup>39</sup> Annex 6 provides additional description of the criteria for review of GEF projects and the associated questions that help in the application of the criteria.

- (a) Country eligibility and ownership;
- (b) Agency's comparative advantage;
- (c) Resource availability;
- (d) Project consistency;
- (e) Project design;
- (f) Project financing;
- (g) Project monitoring and evaluation; and
- (h) Agency's responses to comments and reviews

70. While the above sets of criteria does not differ from what has been used in GEF-4, during GEF-5, emphasis will be focused in particular the following:

- (a) Project/Program consistency: Is the proposal consistent with the country's national strategies and plans?
- (b) Project/Program design: Is there a clear baseline definition? Who is financing it?
- (c) Comparative advantage of the GEF Agencies: The GEF Secretariat will scrutinize very thoroughly the comparative advantage of an Agency in terms of its institutional mandate and strategy in relation to the project it is bringing forward, the amount of cofinancing the Agency is bringing to the project, and the Agency's program and staff capacity in the country. Countries can indeed choose the GEF Agency with which they would like to work, as long as the Agency meets the comparative advantage criteria.

#### Projects under Expedited Processing

71. Enabling activities in biodiversity, climate change, persistent organic pollutants and land degradation, as well as national capacity self assessments are reviewed in accordance with their respective Operational Guidelines and are processed under GEF expedited procedures. Project grant requests must be for amounts not exceeding \$500,000. Grant requests larger than the ceiling amounts are processed in accordance with regular full-sized projects policies and procedures.

#### PROJECT COFINANCING

72. Cofinancing resources comprise those project resources that are committed by the GEF Agencies, governments, other multilateral and bilateral sources, the private sector, civil society organizations (CSOs) and the beneficiaries themselves and which are essential for meeting the GEF project objectives. They exclude any direct GEF funding. Only those cofinancing resources that are committed as part of the initial financing package are termed "Cofinancing Resources." Government cofinancing in this context is defined as commitments for baseline activities upon which the project would be built and without which the project could not be implemented successfully. This financing is normally shown in the project document's logical framework. Cofinancing can include any or all of the following categories:

grants, loans (at market or concessional rates), guarantees, cash and specific in-kind support.<sup>40</sup> In particular, note that:

- (a) Financing for baseline activities is included in the definition of “cofinancing” only when such activities are essential for achieving the GEF objectives for the project, as shown in the project logical framework;
- (b) Financing for activities that are not essential for achieving the GEF objectives, but which are processed for transactional convenience in the same loan or technical assistance package of the GEF Agency, are excluded from the definition of “cofinancing;” and
- (c) Resources that are not committed as part of the essential financing package at the outset but which are mobilized subsequently are not included as “cofinancing.” Such “leveraged resources” are nevertheless important and will be also tracked.

73. It should be noted that under GEF-5, the GEF Secretariat expects all baseline projects to be adequately cofinanced. The Agencies are required to include in each project proposal template evidence that baseline projects are adequately financed, as well as the total cost and the sources of that cofinancing. In cases where there is disagreement between the Secretariat and the Agencies on the cofinancing of a project, the Secretariat is to include specific comments on this in the review sheets. The Agencies can either submit a revised PIF reflecting a corrected cofinancing amount, or provide additional justification for the cofinancing presented in the original PIF. The final decision on the appropriate level to be included in a proposal rests with the CEO.

## PROJECT AMENDMENT, CANCELLATION/TERMINATION AND EXTENSION

### Project Amendment

74. Project amendments are categorized as minor and major depending on the degree of the resulting change in the project design and implementation.

#### *Minor Amendments*

75. These are amendments to the project design or implementation that include renaming of the executing entities, revising the agreed reporting schedules or formats, changing the specification of project outputs that do not have significant impact on the project objectives or scope, changing the implementation plan, grant closing date, grant amount, specific implementation targets or dates, or reallocating the grant proceeds that do not affect the project's scope. Reporting of minor amendments is included in the annual and semi-annual periodic reports and for information to the Secretariat.

76. Procedures. When minor amendments are proposed for a full-sized project after Council approval, but prior to CEO endorsement, such changes are reflected in the project documentation submitted for CEO endorsement. In endorsing the project, the CEO has the flexibility to increase up to 5% the amount of GEF project grant approved at work program

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<sup>40</sup> More detailed notes on cofinancing can be found in Annex 7.

inclusion, as long as the increase is within the STAR allocation of the country. Increases of more than 5% are treated as major amendments.

77. All minor amendments, except changes in a grant amount that are proposed after a project has been endorsed/approved by the CEO are undertaken at the discretion of the responsible GEF Agency and reported as part of the annual Project Implementation Review (PIR) reports submitted to the GEF Secretariat.<sup>41</sup> For minor amendments in grant amounts, the Agencies have to report to the Secretariat immediately, as this has implications in resource allocation.

### *Major Amendments*

78. Major amendments include changes to project outputs that have a high probability of leading to significant changes in project outcomes or objectives, such as restructuring that involves a major amendment in the scope or design of the project, a change in the project's objectives or any other change that substantially alters the project concept. A major amendment also includes an increase in the required GEF funding; changes in the financial instruments, budget re-allocations among components in the project with amounts involving 10% of the total project grant or more, and/or the introduction of new budget items/or components that exceed 5% of original GEF allocation; as well as the cancellation of a project after CEO endorsement but prior to approval by the Agency's approving authority; or termination of a project during implementation.

### 79. Procedures

- (a) When any major amendments are proposed for a full-sized project after Council approval, but prior to CEO endorsement, the revised project document is recirculated for a four-week comment period to the Council for review accompanied by a cover note to the Council highlighting the amendment and seeking Council approval.<sup>42</sup> If when reviewing the project document submitted by the Agency for CEO endorsement, the GEF Secretariat determines that there is a major change in the project, but the Agency does not consider it to be as such, the Secretariat will discuss its views with the Agency and may decide to follow the procedures for a major amendment.
- (b) If during the review of an amended project document, 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 and procedures, the CEO endorsement is to be withheld and the project is to be submitted to the next Council meeting for review. Otherwise the CEO endorses the amended project at the end of the review period.
- (c) When any major amendments are proposed after a project has been endorsed/approved by the CEO the project must be CEO-endorsed/approved again. In the case of FSPs, the project documents with the proposed amendments

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<sup>41</sup> The CEO has the authority to approve a one-time 5% increase in a GEF grant after the project becomes effective.

<sup>42</sup> This rule would apply even if the Council had not identified this project for recirculation prior to CEO endorsement at the time of the work program review.

must be recirculated to the Council for a four week comment period, prior to the CEO's endorsement of the amendments. If during the review period, four or more Council Members raise an objection because in their view the proposed amendments are not consistent with the GEF Instrument or GEF policies and procedures, the CEO endorsement is to be withheld and the amendment proposal is to be submitted to the next Council meeting for review. Otherwise the CEO endorses the amended project at the end of the review period.

- (d) All major amendments for medium-sized projects, project preparation grants and enabling activities under expedited procedures are approved by the CEO.

### Project Cancellation/Termination

80. As a general principle, at any stage of the project cycle, the beneficiary country, the GEF Agency, or the Secretariat may recommend cancellation, termination or suspension of a project based on criteria approved by the Council. Prior to the formal approval of a project by a GEF Agency, the CEO is responsible for the decision to cancel a project proposal. However, after the approval of a project by a GEF Agency, the Agency is responsible for the decision to terminate or suspend a project.

#### *Cancellation of Project Proposals during the Preparation Phase (and prior to formal approval by the GEF Agency):*

81. The GEF CEO decides whether or not to cancel a project proposal on the basis of established criteria and after written consultation with the beneficiary country and the GEF Agency.<sup>43</sup>

- (a) Cancellation of project proposals prior to Council approval or CEO endorsement/approval: The proposal will be removed from the pipeline. The Secretariat informs the beneficiary country and the GEF Agency, accordingly, as well as the Trustee, if any project development funding has been approved for the proposal. The GEF Agency must comply with the Trustee's financial rules and procedures regarding the use of GEF funds.
- (b) Cancellation of project proposals after Council approval or after CEO endorsement/approval, but before formal approval by the GEF Agency: The Secretariat informs the beneficiary country and the GEF Agency. The GEF Agency must submit an official cancellation notification to the GEF Secretariat and the Trustee; and comply with the Trustee's financial rules and procedures regarding the use of GEF funds.

#### *Termination /Suspension of Projects during Implementation (after formal approval by the GEF Agency):*

82. The decision whether to terminate/suspend a project after formal approval by the relevant Agency rests with the Agency. To terminate/suspend a project, the Agency must follow the following procedures: (i) consult with the beneficiary country and send an official

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<sup>43</sup> Annex 9 presents criteria for cancellation or termination/suspension of projects.



termination or suspension notice to the government; (ii) submit an official notification of termination or suspension to the GEF Secretariat and the Trustee; and (iii) follow the Trustee's financial rules and procedures regarding the use of GEF funds, including the return of unused Agency fees.

83. Before taking a final decision on the termination/suspension of a project, the GEF Agency must consult with the beneficiary country and the GEF Secretariat. The Agency should ensure that appropriate consultations are also carried out with all relevant government agencies, and other partners, including cofinanciers that have been involved in the project preparation and/or implementation.

84. The GEF Secretariat may recommend to the Agency to terminate/suspend a project. The recommendation should be followed by a letter to the country's Operational Focal Point explaining the reasons for the recommended termination/suspension. A beneficiary country or the relevant GEF Agency may also recommend termination or suspension of a project.

85. The project cancellation/suspension template has to be completed by the GEF Agency concerned, verified by the GEF Secretariat and then submitted to the GEF Trustee.<sup>44</sup>

### Project Extension

86. Project milestones include elapsed times that are being tracked for a project throughout the project cycle. For example, elapsed time from when a PIF is approved by Council through a work program to the time that the final project document is endorsed by CEO. The target has been set at 18 months for FSPs and 12 months for MSPs if a PIF and PPG are submitted for CEO approval before preparation of the MSP. Additional targets will be established once baseline data is confirmed. If project milestones will not be met, GEF Agency must submit a milestone extension request to the GEF Secretariat at least two months before the milestone dates are due, and provide justification for the extension and the new milestone dates the project will commit to.

### STAP REVIEW OF PIFs AND PFDS

87. STAP's mandate is to provide strategic scientific and technical advice to the GEF and to advise on whether projects or programs meet the standards agreed in advance between STAP and the Agencies. The STAP Secretariat and the Panel screen concepts at an early stage of the project/program cycle to identify whether a proposal could benefit from high-level scientific advice in its further preparation and whether the project/program proponents have the necessary access to and understanding of recent advances in the relevant aspects of science and technology. STAP may recommend that the GEF Agency take action to improve aspects of a project/program design. STAP may additionally recommend that the lead GEF Agency commission and fund an independent review of the project/program design at an agreed point in time well before the submission of the project for CEO endorsement. Details on the role of STAP are provided in Annex 11.

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<sup>44</sup> Annex 10 provides a table on procedures for the cancellation and termination/suspension of projects as well as a reference to fee returns.

## PUBLIC INVOLVEMENT POLICY

88. Effective public involvement is critical to the success of GEF-financed projects. Public involvement consists of three related and often overlapping processes: information dissemination, consultation, and stakeholder participation. Public involvement in the project cycle should strengthen ownership of projects by recipient countries, be fully country-driven and based on national priorities for the implementation of GEF related conventions.

89. The GEF Agencies are to work with governments and project executing entities to ensure that public involvement in GEF-related activities are properly designed and presented clearly in all GEF project documents. Further details of the GEF policy on public involvement are in GEF/C.7/6, *Public Involvement in GEF Projects*, which can be downloaded at <http://www.thegef.org/gef/node/1215>.

## FUNDS MANAGED BY THE GEF OUTSIDE THE GEF TRUST FUND

### LDCF

90. The GEF administers the Least Developed Countries Fund (LDCF), a fund that finances the additional costs of adaptation in the least developed countries, without the requirement to demonstrate Global Environmental Benefits. Because of its mandate, the LDCF/SCCF Council agreed to adopt GEF procedures, as well as some streamlined versions of GEF procedures for this fund. As a result, the LDCF follows the GEF Trust Fund procedures with some exceptions:

- (a) Medium-sized projects are \$2 million or below;
- (b) Project concept are approved by the LDCF/SCCF Council on a rolling basis, rather than as part of a work program.

### SCCF

91. The GEF administers the Special Climate Change Fund (SCCF), a fund that finances the additional costs of adaptation in the developing countries, without the requirement to demonstrate Global Environmental Benefits. As such, conceptually, the SCCF is similar to the LDCF, and different from the GEF Trust Fund (which finances incremental costs and requires the demonstration of GEBs in its projects and programs.) However, process-wise, the SCCF follows the same project cycle as the GEF Trust Fund, although its projects are approved and/or reviewed by the LDCF/SCCF Council.

## **Modalities of GEF Projects**

1. There are two main classes of activities in the context of a country's sustainable development priorities: (i) investments geared toward generating global environmental benefits; and (ii) technical assistance to strengthen the country's enabling environment. Following are different modalities of projects that fall under these two groupings.

### **Full-sized Projects (FSPs)**

2. All FSPs must satisfy the requirements of the focal area strategic objectives. These projects go through each step of the GEF Project Cycle, subject to the applicable project review criteria, and the concepts are approved by the Council either during Council meetings or intersessionally.<sup>45</sup> All FSPs request more than \$1 million in GEF resources, except for Enabling Activities (EA) that are above the focal area EA threshold amounts approved by Council. These EAs are processed like regular FSPs.

### **Medium-sized Projects (MSPs)**

3. MSPs, which were introduced in 1996, are limited to a maximum of \$1 million in GEF funds and are processed in an expedited manner. The Council has delegated to the GEF CEO the authority to approve MSPs. MSPs are subject to project review criteria that are similar to the criteria applicable to the FSPs. MSPs should also satisfy the requirements of the focal area strategic objectives. MSPs may be submitted to the Secretariat on a rolling basis throughout the year, and the final MSP project document undergoes a one-step approval by the CEO. The CEO-approved project document is posted on the GEF website for information.

### **Enabling Activities (EAs)**

4. Enabling Activity projects provide financing for the preparation of a plan, strategy, program or national communication or report to fulfill commitments under one of the conventions that the GEF serves. The GEF currently finances enabling activities related to the conventions on biodiversity, climate change, desertification, and persistent organic pollutants.

5. Enabling activities are submitted to the Secretariat on a rolling basis throughout the year, and if the total cost of GEF financing is within the ceiling that was approved by the Council, these projects may be processed in accordance with GEF expedited procedures and must be approved by the CEO. Under expedited procedures, there are operational guidelines that are to be followed in preparing a project for each type of enabling activity. Operational guidelines are prepared by the GEF Secretariat taking into account the relevant guidance from the Convention. Projects requiring more financing than the Council-approved ceiling may be processed through the regular GEF project cycle as full-sized projects.

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<sup>45</sup> A work program may be submitted to the Council at its meetings, which are held twice a year, or intersessionally, following the rules for the constitution of an intersessional work program.

### Programmatic Approaches

6. The *definition* of a GEF program is a strategic combination of projects and activities with a common focus that build upon or complement one another to produce results (outcomes and/or impacts) that would not be possible to achieve through a project-by-project approach. A GEF program can be national, regional or global. The global environmental objectives specified in the results frameworks of GEF programs and their underlying projects must be consistent with the GEF focal area strategies. The GEF programmatic approach is to be undertaken in partnership with the country/-ies, and other partners (including NGOs, scientific community and the private sector) based on their comparative advantages. To ensure the effective achievement of the overall objective set out above, GEF programmatic approaches must observe the following *overarching strategic principles*:

- (a) be country-owned, and build on national and regional priorities designed to support sustainable development, as identified within the context of national and/or regional planning frameworks;
- (b) encourage a more strategic interaction between recipient countries and the GEF partnership, leading to a more strategic use of GEF resources;
- (c) aim to achieve large-scale results (outcomes and/or impacts)s, such as influencing national economic sectors that are negatively affecting the global environment to a more sustainable path;
- (d) provide enhanced opportunities to generate synergies across the GEF focal areas within the framework of national and/or regional sustainable development strategies and/or plans;
- (e) enhance the scope for catalytic action, replication and innovation;
- (f) allow for capacity building activities that are strategically positioned to achieve higher-order, cumulative impacts;
- (g) provide opportunities to address the enabling environment, local investments and cross-cutting elements in a more comprehensive way than is currently possible through individual projects;
- (h) improve opportunities for maximizing and scaling-up global environmental benefits;
- (i) disburse large-scale GEF resources effectively and efficiently to countries and regions with enhanced accountability and oversight; and
- (j) provide an opportunity for interested donors or other partners (including the private sector) to invest additional, focused funding that seeks to achieve the same impacts.

### Small Grants Program (SGPs)

7. The GEF Small Grants Program (SGP), a particularly noteworthy programmatic approach, was launched in 1992 to provide support for community-level initiatives that contribute to the conservation of global biodiversity, the mitigation of climate change and/or the protection of international waters, including through capacity development. The SGP operates under a decentralized and demand-driven structure; UNDP manages the program in each country through a National Coordinator and a National Steering Committee, which is a broad-based group composed of representatives of civil society organizations (CSOs) and community based organizations (CBOs), academic and research institutions, government agencies, other donors, the private sector and UNDP. At the global level, the SGP has a small Central Program Management Team (CPMT) that provides overall guidance to the country programs to ensure coherence with GEF policies, criteria and objectives, that enables effective and efficient implementation of the project, and that creates a learning environment to incorporate lessons learned in project implementation. Since the beginning, the SGP has been operating under a programmatic approach which consists of yearly work plans, country program strategies with specific deliverables and benchmarks and an annual “rolling” replenishment of its funds. To date the SGP is operational in 122 countries, and the SGP Steering Committee has recommended that the program in GEF-5 will be expanded to 13 new participating countries.

### Country's Operational Focal Point Endorsement:

8. Every GEF projects should have an OFP endorsement at the time the proposal request is submitted to the GEF Secretariat. To avoid confusion, the timing of the OFP endorsement for different modalities is explained below:

- (a) For an **FSP**, the OFP endorsement letter should be included in the PIF submission package. The endorsed amount should be inclusive of the grant amount requested, the PPG amount, if any, and the GEF Agency fee.
- (b) For an **MSP** that does not include a PPG request, the OFP endorsement letter should be submitted together with the MSP final project document when it is submitted for CEO approval; however, if a PPG is requested, a PIF must be submitted for the MSP, so the OFP endorsement letter must be included in the PIF submission package. The amount of the endorsement should be inclusive of the MSP amount, PPG, if any, and the GEF Agency fee.
- (c) For **EAs** that are expedited and submitted through a GEF Agency, the OFP endorsement letter should accompany the EA template submitted for CEO approval. The amount of the endorsement should include the GEF Agency fee. For EAs that are submitted under the direct access option, the endorsed amount should include the EA amount only and no Agency fee. For EAs that are processed like FSPs, the OFP endorsement letter should be included in the PIF submission package and otherwise follow FSP procedures.

- (d) For **Programmatic Approaches (PAs)**, that are **submitted by a Program Coordination Agency (PCA)**, the OFP endorsement letter endorse the program's concept and objective; the OFP letter does not endorse an amount since the Council does not approve an amount for these programmatic approaches. Instead, any PIFs for FSPs under the program should include an OFP endorsement letter, following the same procedures as for a regular FSP, and OFP endorsement letters for MSPs under the program should follow the rules above for OFP endorsement letters of MSPs.
- (e) For **PAs that are submitted by Qualifying GEF Agencies (QGAs)**, the OFP endorsement letter should be included in the PFD that is submitted for work program inclusion. The OFP endorsement letter should have endorsed the amount for the entire program, inclusive of GEF the Agency fee for the program. PIFs under the program do not need an additional OFP endorsement letter, since these PIFs are part of the program, the amount of which has been endorsed by the OFP and approved by the Council.

## **Enabling Activity Projects**

1. Enabling Activity projects provide financing for the preparation of a plan, strategy, program or national communication or report to fulfill commitments under one of the conventions that the GEF serves. The GEF currently finances enabling activities related to the conventions on biodiversity, climate change, desertification, and persistent organic pollutants.

### **Biodiversity**

2. Proposals from eligible countries not exceeding \$500,000 for the preparation of biodiversity national reports can be processed through expedited procedures. If the needs of a country exceed this amount, normal GEF processing rules for FSPs apply.<sup>46</sup>

### **Climate Change**

3. Proposals from eligible countries not exceeding \$500,000 for the preparation of national communications can be processed through expedited procedures. If the need of a country exceeds this amount, normal GEF processing rules for FSPs apply.

### **Desertification<sup>47</sup>**

4. The GEF will provide up to \$150,000 per eligible country, under the GEF's expedited approval and disbursement procedures to affected countries for the preparation of enabling activities in the land degradation focal area.

### **Persistent Organic Pollutants**

5. The GEF will provide up to \$500,000 per eligible country, under the GEF's expedited approval and disbursement procedures for the preparation of National Implementation Plans (NIPs). If the needs of a country for the preparation of its NIP exceed this amount, normal GEF processing rules for FSPs will apply.

### **Other Expedited Processing**

6. Proposals for assistance to undertake National Capacity Self Assessments are to be reviewed by the GEF Secretariat in accordance with expedited approval procedures for EAs.<sup>48</sup> Proposals can also request resources for a PPG of up to \$25,000. Individual country proposals that exceed \$200,000 are processed as FSPs.

7. Project proposals that are processed under expedited procedures, i.e. for GEF funding request not exceeding \$200,000, are approved by the CEO under the delegated authority. The

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<sup>46</sup> Council paper in June 2010, "*System of Transparent Allocation of Resources – STAR*", GEF/P.3

<sup>47</sup> The Fourth GEF Assembly decided that the GEF shall be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification in countries experiencing serious drought and/or desertification, particularly in Africa (UNCCD). See, *Chair's Summary of the Fourth GEF Assembly* which took place in Punta del Este, Uruguay, May 25-26, 2010

<sup>48</sup> GEF Council paper, "*Note on the Follow-Up to the Capacity Development Initiative*," GEF/C.18/11, December 2001.

attached table provides information about the expedited processing of enabling activity proposals by focal area.

	<b>Expedited</b>		<b>Non-Expedited</b>	
		Approval		Approval
Biodiversity	≤ \$500,000	CEO	>\$500,000	Council
Climate Change	≤ \$500,000	CEO	>\$500,000	Council
Desertification	≤ \$150,000	CEO	>\$150,000	Council
POPs	≤ \$500,000	CEO	>\$500,000	Council
NCSAs	≤ \$200,000	CEO	>\$200,000	Council

## **OPERATIONAL GUIDANCE TO FOCAL AREA ENABLING ACTIVITIES**

### **Biodiversity**

- [GEF/C.7/Inf.11, June 30, 1997, Revised Operational Criteria for Enabling Activities](#)
- [GEF/C.14/11, December 1999, An Interim Assessment of Biodiversity Enabling Activities](#)
- [October 2000, Revised Guidelines for Additional Funding of Biodiversity Enabling Activities \(Expedited Procedures\)](#)

### **Climate Change**

- [GEF/C.9/Inf.5, February 1997, Operational Guidelines for Expedited Financing of Initial Communications from Non-Annex 1 Parties](#)
- [October 1999, Guidelines for Expedited Financing of Climate Change Enabling Activities – Part II, Expedited Financing for \(Interim\) Measures for Capacity Building in Priority Areas](#)
- [GEF/C.15/Inf.12, April 7, 2000, Information Note on the Financing of Second National Communications to the UN Framework Convention on Climate Change](#)
- [GEF/C.22/Inf.15/Rev.1, November 30, 2007, Updated Operational Procedures for the Expedited Financing of National Communications from Non-Annex 1 Parties](#)

### **Persistent Organic Pollutants**

- [GEF/C.17/4, April 6, 2001, Initial Guidelines for Enabling Activities for the Stockholm Convention on Persistent Organic Pollutants](#)
- [GEF/C.39/Inf.5, October 19, 2010, Guidelines for Reviewing and Updating the NIP under the Stockholm Convention on POPs](#)

### **Land Degradation**

- [\(ICCD/CRIC\(5\)/Inf.3, December 23, 2005, National Reporting Process of Affected Country Parties: Explanatory Note and Help Guide](#)



**Clarification of Differences between Programmatic Approaches Led by Qualifying GEF Agencies (QGAs) and Program Coordination Agencies (PCAs)**

*Operational Differences between a Qualifying GEF Agency (QGA) and a Program Coordination Agency (PCA).*

	<b>Qualifying GEF Agencies (QGAs)*</b> (only a single qualifying Agency for each Program)	<b>Program Coordination Agencies (PCAs)</b> (each GEF Program is designed and led by a designated PCA, in close consultation with the GEF Secretariat, but other GEF Agencies can participate in the Program)
Program Framework Document (PFD)	<ul style="list-style-type: none"> <li>• QGA submits PFD for work program inclusion;</li> <li>• Council approves the program concept and objective, as well as the entire Program amount;</li> <li>• QGA advances resources from its own account for the preparation of the PFD but can be reimbursed as part of its Agency fee once program is approved.</li> </ul>	<ul style="list-style-type: none"> <li>• PCA submits PFD for work program inclusion;</li> <li>• PCA submits detailed proposal for coordination as part of PFD;</li> <li>• Council approves the program concept and objective.</li> </ul>
Endorsement letter from Operational Focal Point	<ul style="list-style-type: none"> <li>• Endorsement letter includes endorsement for program concept and objectives, as well as entire program amount.</li> </ul>	<ul style="list-style-type: none"> <li>• Endorsement letter includes endorsement for program concept and objectives but not for entire indicative program amount.</li> </ul>
<b>PIFs under the Program</b>		
FSP PIFs	<ul style="list-style-type: none"> <li>• QGA approves all PIFs under the program, which was approved by Council, following its own individual procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Submitted together with PFD or in subsequent work programs for approval by Council;</li> <li>• All PIFs should be submitted for the review and approval of the Council no later than <b>6 months</b> after the endorsement of the PFD by the Council.</li> </ul>
MSP PIFs	Not required	Not required
<b>Final Project Documents under the Program</b>		
FSP final project document	<ul style="list-style-type: none"> <li>• Fully-prepared project document is submitted for CEO endorsement;</li> <li>• Upon CEO endorsement, QGA approves project following its own internal procedures;</li> </ul>	<ul style="list-style-type: none"> <li>• Fully prepared project document is submitted for CEO endorsement following a 4-week Council circulation;</li> <li>• Upon CEO endorsement, relevant Agency approves</li> </ul>

	<ul style="list-style-type: none"> <li>• All approved project documents to be posted on GEF website for information;</li> <li>• All projects must start implementation no later than <b>18 months</b> after the approval of the PFD by Council.</li> </ul>	<p>project following its own internal approval process;</p> <ul style="list-style-type: none"> <li>• All projects must start implementation no later than <b>18 months</b> after the endorsement of the PFD by Council.</li> </ul>
MSP final project document	<ul style="list-style-type: none"> <li>• Fully prepared project document is submitted for CEO approval;</li> <li>• Upon CEO approval, QGA approves the project following its own internal approval process;</li> <li>• All approved project documents to be posted on the GEF website for information;</li> <li>• All projects must start implementation no later than <b>18 months</b> after the approval of the PFD by Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Fully prepared project document is submitted for CEO approval without Council circulation;</li> <li>• Upon CEO approval, relevant Agency approves project following its own internal approval process;</li> <li>• All approved project documents to be posted on the GEF website for information;</li> <li>• All projects must start implementation no later than <b>18 months</b> after the endorsement of the PFD by Council.</li> </ul>
<b>Resources Set-aside and Committed</b>		
Resource commitment by Trustee	<ul style="list-style-type: none"> <li>• Trustee sets aside entire amount of program approved by Council;</li> <li>• Trustee commits resources on a project-by-project basis upon CEO endorsement/approval of final project documents.</li> <li>• Trustee transfers funds to QGA based on existing agreed financial procedures between the Trustee and the Agency after the Agency confirms to the Trustee that the relevant project has been approved by the Agency.</li> </ul>	<ul style="list-style-type: none"> <li>• Trustee sets aside resources on a project-by-project basis when PIFs for FSPs are approved by Council;</li> <li>• Trustee commits resources after final project documents are approved/endorsed by CEO.</li> <li>• Trustee transfers funds to relevant Agency based on existing agreed financial procedures between the Trustee and the Agency after the Agency confirms to the Trustee that the relevant project has been approved by the Agency.</li> </ul>
Agency Fee	<ul style="list-style-type: none"> <li>• The QGA submitting the PFD eligible for an Agency fee of 8% of the total program amount.</li> <li>• The CEO may approve up to 30% of the total fee associated with the program as an advance to QGA for the cost of preparation of PFD.</li> </ul>	<ul style="list-style-type: none"> <li>• Agency fees to be approved by CEO after PFD endorsement by Council and on a project-by-project basis upon CEO endorsement;</li> <li>• Each participating Agency receives Agency fees calculated at 9% of the amount of the projects under the program.</li> </ul>

\*See Annex 4, “Criteria for Delegation of Authority for Project Approval,” for reference to qualifying criteria for Agencies.

*Criteria for determining the appropriateness of a GEF Agency to lead a program (applicable to both the PCA and the QGA):<sup>49</sup>*

- (a) Comparative advantage of the Agency;
- (b) Cost effectiveness, including economies of scale;
- (c) Track record and involvement in program scope in terms of policy dialogue, technical assistance and/or investment projects;
- (d) Strong pipeline of planned ‘business-as-usual’ activities of relevance to the program;
- (e) Resources and capacity to assist in the coordination of activities of other GEF and non-GEF agencies in the country/region; and
- (f) Country/regional presence (for national or regional programs), and
- (g) Capacities to raise appropriate cofinancing.

*Functions to be fulfilled by both the PCA and the QGA, at the programmatic level:*

- (a) Assist governments in convening country/regional-level consultation meetings to agree on the main policy, capacity building and investment elements to be addressed by the program;
- (b) Assist country/-ies to articulate a programmatic framework, in cooperation with all relevant partners;
- (c) Attract and facilitate a coordinated response of multilateral and bilateral agencies as well as other stakeholders in support of the program;
- (d) Assist in the mobilization of additional resources within the agreed programmatic framework;
- (e) Coordinate the national or regional institution(s) regarding the monitoring and reporting on the progress towards achieving the agreed program results;
- (f) Report back to the GEF through the Annual Monitoring Review (AMR) process on progress towards achieving results and, for programs with delegated authority, on the allocation and disbursement of resources;
- (g) In close collaboration with the GEF Secretariat and the GEF Evaluation Office, assist in the final evaluation of the program; and
- (h) Oversee submission of required documentation of program activities to the GEF in accordance with the GEF project cycle and M&E policy.

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<sup>49</sup> For QGA, this is in addition to meeting the qualifying criteria outlined in Annex 5.

**Criteria for the Delegation of Authority for Project Approval**

1. The GEF criteria that an Agency must meet to be eligible for a delegation of authority to approve projects include:

- (a) reliance for project approval on a Board:
  - (i) that is established as part of the institution's foundational charter;
  - (ii) that represents constituencies, not individual countries, comprising all member countries of the Agency;
  - (iii) whose approval process operates within and is subordinate to a set of appraisal and quality of entry requirements that include at a minimum:
    - a. environmental and social safeguard mechanisms;
    - b. formal appraisal procedures and documentation;
    - c. project concept review meetings;
    - d. quality enhancement review systems;
    - e. project-at-risk management mechanisms assessments; and
    - f. disclosure before going to Board.
  - (iv) Whose approval process is transparent, with the relevant Board decisions and documents publicly available.
- (b) The practice of negotiating and concluding signed agreements between the Agency and the recipient government on specific conditions for implementation of the project, including:
  - (i) obligations of the government;
  - (ii) Financial aspects of project implementation; and
  - (iii) Legal aspects of project implementation.

**Criteria for the Preparation of a Program Framework Document**

1. The overarching objective of the PFD is to clearly explain the rationale for the program, define and quantify the impacts to be achieved, and provide sufficient information for the GEF Council to judge whether they can be achieved in a cost-effective manner. To meet this objective, the PFD, inter-alia, will:
  - (a) Indicate what the baseline is of the program; who is financing the baseline project;
  - (b) present the background and rationale for, and the priorities of, the proposed program, its strategic mid-term and long-term vision for the targeted sector/country(ies)/region to mainstream global environmental concerns,<sup>50</sup> and its value-added;
  - (c) identify the program objective and expected results and show alignment with GEF focal area strategies and expected achievement of global environmental benefits;
  - (d) set forth the project implementation timeline, and articulate how implementation of the program will be sequenced to foster increased integration of global environmental issues into the country/-ies development agenda;
  - (e) describe the consultation process during the preparation of the program and envisaged in the future for project development;
  - (f) provide full details on the proposed total program amount requested, broken down by country and GEF focal area (to include all project grants, PPGs and Agency fees) for the Trustee to set aside, as well as an analysis of the cost-effectiveness of the program;
  - (g) provide information on the expected co-financing, including sources, and the degree of confirm from the cofinanciers;
  - (h) specify partnerships that would be needed to successfully implement the program;
  - (i) articulate how the program will provide opportunities to address the enabling environment, local investments and cross-cutting elements in a more comprehensive way than is currently possible through individual projects;
  - (j) describe a results management framework, consistent with GEF policy, and spell out program coordination, monitoring and evaluation activities;
  - (k) provide a detailed knowledge management mechanism(s) at the programmatic level (either in place or to be designed);
  - (l) identify the comparative advantage of the Program Agency, as well as the roles and responsibilities of the relevant GEF and non-GEF agencies, in case of

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<sup>50</sup> Demonstrating global environmental benefits is not a requirement for funding under the LDCF and SCCF.

Programs submitted by the Program Coordination Agency; or the comparative advantage of Qualifying GEF Agencies, its role and responsibilities; capacity of the GEF Agencies in implementing the Program, and the financial contribution from the GEF Agencies and all other participating agencies to the program;

- (m) include a results-based management strategy for the program;
- (n) demonstrate the consistency of the program with national/regional priorities/plans/policies; and
- (o) Provide a brief description of the projects intended to be financed under the program.

2. Finally, PFDs will need to define the monitoring and evaluation and reporting requirements of the PCA and the QGA, consistent with the GEF M&E policy,<sup>51</sup> to reflect program performance and results. The PFD may also identify flexibility mechanisms in terms of modifications to the implementation of various components within the larger program. In this way, programs can embrace adaptive management and respond to experience gained from implementation and from monitoring and evaluation activities.

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<sup>51</sup> The revision of the GEF monitoring and evaluation policy for GEF-5, which will be undertaken by the Evaluation Office together with the Secretariat in consultation with the GEF Agencies and STAP, will include the elements on the planning, budgeting and implementation of program-level M&E discussed in this note, but may contain further guidelines.

**Criteria for Review of GEF Projects<sup>52</sup>**

<b>Review Criteria</b>	<b>Remarks</b>
1. Country Eligibility and Ownership	Relevant questions related to country eligibility and ownership, including, <ul style="list-style-type: none"> <li>• Are all participating countries eligible?</li> <li>• Have all operational focal points endorsed project?</li> <li>• Is proposal consistent with country priorities and strategies?</li> <li>• Does proposal fit within a GEF Strategic Objective/ Strategic Program?</li> <li>• Does proposal (including amount) reflect GEF dialogue with country?</li> <li>• Is estimated cost of project, including expected cofinancing reasonable?</li> </ul>
2. Comparative Advantage of Agency	<ul style="list-style-type: none"> <li>• Does Agency submitting proposal have comparative advantage for project?</li> <li>• Is cofinancing amount that Agency is bringing to project in line with its role?</li> <li>• Does project fit into Agency's program and staff capacity in country?</li> </ul>
3. Resources Availability	Is proposed GEF grant within resources available for: <ul style="list-style-type: none"> <li>• focal areas/LDCF/SCCF</li> <li>• Strategic program</li> <li>• STAR allocations</li> </ul>
4. Project Consistency	<ul style="list-style-type: none"> <li>• Is project aligned with focal area/LDCF-SCCF results framework?</li> <li>• Is project consistent with recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA and NCSA?</li> </ul> <p><u>Updated Project Information at CEO endorsement:</u> Explain any significant changes in</p> <ul style="list-style-type: none"> <li>• Expected global environment benefits</li> <li>• Incremental cost reasoning</li> <li>• GEF grant</li> <li>• Co-financing</li> </ul>
5. Project Design	Does project document adequately respond to questions regarding baseline project (who is paying the cost), structure of the project, incremental reasoning, cost effectiveness, potential risk, and stakeholder consultation, etc.
6. Project Financing	Does project document adequately discuss budget, cofinancing, project management cost, etc.
7. Monitoring & Evaluation	Is a budgeted M&E Plan included?
8. Agency Responses	Has Agency responded adequately to all comments ?

<sup>52</sup> Only key questions associated with the criteria are listed here. More detailed questions can be found in the GEF project review sheet.

## **Cofinancing Policies and Operational Guidelines**

1. The GEF Policy on co-financing was approved by the GEF Council at its May 2003 meeting, based on a discussion of the paper on [Co-financing \(GEF/C.20/6/Rev.1\)](#). The Council approved the policies and associated procedures described in the document, and directed the Secretariat and the GEF Agencies to: (i) implement the policy in work programs and projects approved by the CEO under expedited procedures; and (ii) report to the Council through business plans on the overall progress in implementing the policy.

2. The importance and additional sources and types of cofinancing in the GEF project cycle have increased significantly since 2003, and the GEF CEO has decided that a revised paper on cofinancing is in order. However, for the purposes of the project cycle paper, the existing cofinancing definitions will be used.

### **Definitions of GEF Project Funding**

3. GEF Project Grant: This is the GEF funding approved by the GEF Council (in the case of full-sized projects) or by the GEF CEO (in the case of medium-sized projects and enabling activities); it excludes both the cost of project preparation (if any) as well as the GEF Agency fee.

4. GEF Project Preparation Grant: This comprises the money made available by the GEF to cover the costs of preparing a project. PPG funding requests are approved on the basis of the estimated incremental costs of project preparation.

5. GEF Grant: This is the sum of the GEF Project Grant + any GEF Project Preparation Grant.

6. GEF Agency Fee: This is the fee provided to the GEF Agencies for project monitoring, supervision and evaluation. This fee is currently set at a maximum of 10% of the GEF Grant.

7. Total GEF Resources for a Project: This is defined as the GEF Grant + the GEF Agency Fee.

8. Total GEF Resources Requested at Work Program: This is defined as the GEF Project Grant + the GEF Agency Fee, only. It excludes any GEF project preparation grants which would have been approved earlier.

### **Definitions of Cofinancing**

9. Cofinancing Resources comprise the project resources that are committed by the GEF Agency, governments, other multilateral and bilateral sources, the private sector, CSOs and the beneficiaries themselves and which are essential for meeting the GEF project objectives. It excludes any direct GEF funding. Only those cofinancing resources that are committed as part of the initial financing package are termed “Cofinancing Resources.” Government cofinancing in this context is defined as commitments for baseline activities upon which the project would be built and without which the project could not be implemented successfully. This financing is normally shown in the project document’s logical framework. Cofinancing



can include any or all of the following categories: grants, loans (at market or concessional rates), guarantees, cash and specific in-kind support.

10. Project Cost: This is defined as the GEF Grant + Cofinancing Resources. It excludes the Agency fee.

11. Associated financing: This normally refers to finances for activities which are not essential for achieving the GEF objectives but which are processed for transactional convenience in the same loan or technical assistance package by the GEF agency. Information on associated financing is welcomed but commitments are not required and financing is not monitored. This is not considered GEF project cofinancing.

12. Leveraged resources: These are additional resources – over and above what is documented in the approved project – that are mobilized while the project is under implementation. Examples would include further replication of project activities and additional direct bilateral donor support to the project. While these additional funds may be important to the long-run sustainability of the project or its replicability, they do not form part of the initial approved GEF financing package, so they are termed “leveraged resources” and are excluded from the definition of GEF project cofinancing.

13. Project Review Criteria for Cofinancing at different stages of the Project Cycle:

- (a) At PIF/Work Program Inclusion: distinguish “initial” cofinancing critical to project success from “subsequent” cofinancing that would be mobilized during implementation. Indicate potential sources of cofinancing and identify the financing instrument that would be proposed. The Agency is to identify specific sources covering all the initial cofinancing needs, and document the corresponding expressions of interest from those sources. The Agency is also to estimate the cofinancing by sources that would be mobilized subsequently. The plan for disbursing GEF resources should ensure that disbursements be commensurate with the cofinancing actually mobilized; and
- (b) By CEO endorsement: The Agency is to provide to the Secretariat documentation from the cofinanciers confirming their commitments in relation to the initial cofinancing projections, and to update the financing plan with respect to the status of any cofinancing that would be mobilized during implementation.

14. The proposed cofinancing figures by source are reviewed as part of the Project Identification Form (PIF) review. Confirmed cofinancing is reviewed as part of the CEO endorsement/approval process, when the GEF Agency is required to provide evidence of commitment from the co-financiers.

15. Actual cofinancing realized is reviewed during project implementation as part of the annual project implementation review, project mid-term reviews and in terminal evaluation reviews undertaken by the GEF Evaluation Office.

## **Reporting Requirements**

1. To ensure that the GEF Project Management Information System (PMIS) is reliable, the GEF Secretariat, the GEF Agencies, the GEF Evaluation Office and the GEF Trustee, have to fulfill specific reporting requirements in accordance with their roles in the project cycle. A summary of these periodic reporting requirements is presented in the attached Table.

### **Consequence of Non-compliance on Reporting Requirement.**




2. As agreed by the Council in May 2004,<sup>53</sup> the Trustee may suspend the commitment and transfer of GEF funds for projects that have been approved by the Council and/or the CEO to any Agency if that Agency has been out of compliance with its reporting obligations to the Trustee under the *Financial Procedures Agreement* the Agency entered into with the Trustee, when non-compliance has continued for a period of not less than thirty days after written notification from the Trustee. Such suspension of disbursement may continue until such time as the non-compliance is resolved to the satisfaction of the Trustee.







3. The periodic reporting requirements by GEF Secretariat, GEF Agencies, Trustee and Evaluation Office are listed in the table below:







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





<sup>53</sup> *Joint Summary of the Chairs*, GEF Council Meeting, May 19-21, 2004



**Periodic Reporting Requirements****By the GEF Secretariat, GEF Agencies, Trustee, and Evaluation Office**



GEFSEC	Name of Report	Submitted to				Frequency	Purpose of Report	Remarks
		Trustee	Agency	GEFEO	Council			
1	Monthly Report on Council Approvals, CEO approvals and Endorsements		copied			Monthly	GEFSEC report becomes the basis for Trustee's decision to commit and transfer funds to the Agencies	due 5 work days after the end of the month
2	Annual Report on Projects cancelled/ Terminated					Annual	As requested by Council in November 2003	
3	GEF Annual Monitoring Review (AMR)					Annual	The report provides Council and other stakeholders with information about the overall health of the GEF portfolio currently under implementation. The review examines several key indicators to monitor how GEF projects under implementation are delivering outcomes that contribute to the GEF's overall goal	

Agency	Name of Report	Submitted to				Frequency	Purpose of Report	Remarks
		Trustee	GEFSEC	GEFEO	Council			
1	Report on Cancellation of amounts on Ongoing Activities (projects, including project preparation activities, and fees)					For the periods ending: March 31, June 30, September 30, December 31. To GEFSEC: project cancellation notification on event basis.	To reflect current status of GEF projects in the general ledger for the GEF Trust Fund, thereby allowing the Trustee to adjust the liability to agencies and corresponding commitment authority.	Form required.  <u>Deadline:</u> Due within 30 days after the reporting period.
2	Report on Financial Closure of Approvals		copied			For the periods ending: March 31, June 30, September 30, December 31.	To notify Trustee on the dates in which projects have finally been financially ended signifying the closure of books.	Form required.  <u>Deadline:</u> Due within 30 days after the reporting period.
3	Report on Reflows (pertaining to non-grant instruments)					For the periods ending: March 31, June 30, September 30, December 31.	To notify Trustee on the dates and amounts of reflows of funds received by Agency from GEF projects, broken down by each GEF project.	Form required.  <u>Deadline:</u> Due within 30 days after the reporting period.
4	Annual Financial Statements and Audit Report					At the end of the Agency's fiscal year	As part of the Trustee's fiduciary duty to ensure that the GEF funds are being used in accordance with the Instrument and the Council decisions.	Form not required.  <u>Deadline:</u> Due within 6 months after the end of the Agency's fiscal year.
5	Statement of Investment Income Earned on GEF					Semi-Annual: For the periods ending June 30	To comply with Trustee's fiduciary responsibility. Investment income remitted to	Form required.  <u>Deadline:</u> Due within 45








	Funds					and December 31	any of the Trust Funds (GEF Trust Fund, SCCF, LDCF) is available for allocation by the Council.	days after the reporting period.
6	Annual report of Agency Commitments made against projects and project preparation activities					For the period ending June 30	Trustee needs this for the annual audit of the GEF Trust Fund. <i>To be implemented only after electronic data sharing is implemented. It is an informal "control" report.</i>	Form required.  <u>Deadline:</u> Due within 45 days after the reporting period.
7	Annual Report of Agency (actual not accrued) made against Agency commitments to projects and preparation activities					For the period ending June 30	Trustee needs this for the annual audit of the GEF Trust Fund. <i>To be implemented only after electronic data sharing is implemented. It is an informal "control" report.</i>	Form required.  <u>Deadline:</u> Due within 45 days after the reporting period.
8	Cash Transfer Request for GEF Projects and Project Preparation activities					Every 6 months or as agreed by the Trustee	To request Trustee for cash transfer for project grants	Use Form as attached to the Financial Procedures Agreement
9	Cash Transfer Request for Fees					Every 3 months or as agreed by the Trustee	To request Trustee for cash transfer of Agency fee	Use Form as attached to the Financial Procedures Agreement
10	Cash Transfer Request for Special Initiatives					After Council decision and Trustee commitment	To request Trustee for cash transfer for GEF special initiatives.	Use Form as attached to the Financial Procedures Agreement
11	Cash Transfer Request for Administrative Budget					After Council decision and Trustee	To request Trustee for cash transfer of administrative budget	Use Form as attached to the Financial Procedures Agreement

						commitment		
12	Project/Program Implementation Report (PIR)					Annually	A PIR is submitted for each project after CEO approval/endorsement and for each Program after Council endorsement/approval. Each Agency reports on the general performance of each of their GEF projects and programs, implementation progress and outcome achievements.	
13	Project/Program Completion/Terminal Evaluation Report		copied			1 year after closing date of project*	Terminal evaluations are completed according to GEF Evaluation Office guidelines.	
14	Report on Agency's Approval of GEF Projects					Quarterly, ending March 31, June 30, Sept 30 and Dec 31.	To reflect current status of GEF projects on Agency approvals for the purpose of fund commitment by Trustee and to comply with reporting requirements to GEF Secretariat.	Due 30 days after the end of the quarter.
15	Status of GEF Projects/Programs					Annually, for fiscal year ending June 30	For annual ORGP reporting.	Due by September 1
16	Evaluation Report on Enabling Activities					Annual	Stocktaking report on the status of enabling activities in all focal areas.	

Evaluation Office	Name of Report	Submitted to				Frequency	Purpose of Report	Remarks
		GEFSEC	Trustee	Agency	Council			
1	Annual Portfolio Performance Report					Annually on June Council meeting, for FY ending June 30	To report on results of GEF projects, processes that affect the accomplishment of results, and the Evaluation Office's assessment of the quality of project monitoring and evaluation activities across the portfolio.	
2	Overall Performance Studies					Before every replenishment negotiation period	to assess the extent to which GEF has achieved, or is on its way toward achieving, its main objectives, as laid down in the GEF instrument and subsequent decisions by the GEF Council and the Assembly.	

Trustee	Name of Report	Submitted to				Frequency	Purpose of Report	Remarks
		GEFSEC	GEFEO	Agency	Council			
	List of projects, project preparation activities, and fees for which the Agency may not include in its Cash Transfer Request.					Monthly	Agency response to this status report will determine whether the Agency may include this item in its Cash Transfer Request	Agency should notify the Trustee of the following: (1) if the Agency Execution Status has changed to Operational/ Effective/ Active/ Approved; (2) if the Council/CEO Approval Status has changed and the Trustee does not have the same information; and (3) if the Trustee is missing new approvals.  No form required.
	Annual report for reconciliation between the Trustee and an Agency – all allocations (projects and fees)					Annually, for fiscal year ending June 30	To ensure data reconciliation between Trustee and Agencies prior to Trustee's production of the GEF Trust Fund Annual Financial Statements	<u>Deadline:</u> Due 45 days after the date of receipt by the Trustee.  Trustee will submit a report to Agency on all recorded approvals by Council and CEO. Agency will confirm and sign off on specified data in an agreed format. In addition, Agencies will sign off on all Cash Transfers made and amounts due. Agency should notify of missing



								data as well. This report is in the FPA.
1	Notification of Fund transfer to GEF Agencies, GEFSEC, STAP, GEFEO					bi-annual or as necessary	Notification to the requesting Agencies on the transfer of funds made by the Trustee	
2	GEF Trust Fund Annual Report					annually	For annual Council discussion of financial statements and audits to ensure adequacy of public financial reports	
3	Trustee Report					bi-annual; coincides with Council meetings	The report provides an update to the GEF Council on the financial status and management of the GEF Trust Fund. It presents the payment status of contributions as well as funding status of the Trust fund. It also provides an update on relevant issues of fi	
4	GEF Funding Status Report					monthly	To advise the Secretariat on GEF funds available in the GEF Trust Fund, LDC Fund and SCCFund	
5	Six-month projection model					monthly	To provide GEFSEC with a constantly updated tool to manage the approval of resources for projects in the GEF pipeline and other initiatives.	due within a week after end of each month

**Criteria for the Cancellation or Termination/Suspension of Projects<sup>54</sup>**

<b>During Project Preparation</b>	<b>During Project Implementation</b>
<p>1. Not meeting the agreed project cycle elapsed time benchmarks, i.e., milestones at the time of PIF/PFD clearance, unless revised milestone dates agreed to at a later stage. Milestones include the following:</p> <ul style="list-style-type: none"> <li>• Project submission for CEO endorsement for FSPs (no later than 18 months after Council approval of work program);</li> <li>• Submission of PIFs under a program (PCA coordinated) for Council review (no later than 6 months after PFD is endorsed by Council).</li> </ul>	<p>1. Not meeting the agreed milestones at the time of CEO endorsement, unless agreed to a revised milestone date at a later stage. The milestones during the implementation include the following:</p> <ul style="list-style-type: none"> <li>• Mid-term implementation status report, if a mid-term review is planned (no later than six months of the mid-term evaluation mission);</li> <li>• Time between PFD approval and start of implementation of the entire program cannot exceed 18 months;</li> <li>• Project completion date/project closing date.</li> </ul>
<p>2. Not meeting the agreed project review criteria for GEF projects during a proposal review.</p>	<p>2. Poor implementation performance leading to a conclusion that the project can no longer meet its objectives. Poor implementation performance may be interpreted from, inter alia:</p> <ul style="list-style-type: none"> <li>• Project Implementation Report (PIR);</li> <li>• Mid-term Evaluation Report (MER);</li> <li>• Record on the disbursement of funds;</li> <li>• Other monitoring reports and activities by the GEF Secretariat, Agencies, and others.</li> </ul>
<p>3. Not meeting the following criteria during the implementation of the PPG:</p> <ul style="list-style-type: none"> <li>• Consistent with GEF focal area strategic priorities (e.g., because priority changes);</li> <li>• Consistent with country national priorities (e.g., because priority changes);</li> <li>• Addresses the issues articulated in the project document (e.g., the issue, threats, barriers removal, etc.) is removed or no longer relevant); and</li> </ul>	<p>3. Not meeting the following criteria during project implementation:</p> <ul style="list-style-type: none"> <li>• Consistent with country national priorities (e.g., because priority changes);</li> <li>• Addresses the issues articulated in the project document (e.g., the issue (e.g. threats, barriers removal, etc.) is removed or no longer relevant); and</li> </ul>
<p>4. Detection of Corruption or fraudulent practices during the procurement of a contract, where the grantee/borrower has failed to take action acceptable to the GEF to remedy the situation.</p>	<p>4. Detection of Corruption or fraudulent practices during the procurement of a contract, where the grantee/borrower has failed to take action acceptable to the GEF to remedy the situation.</p>
	<p>4. Any other criteria established under the policies and/or rules on project cancellation or suspension of the relevant GEF Agency.</p>

<sup>54</sup> *Policies and Procedures for the GEG Project Cycle* (A GEF Policy Paper updated in November 2008)

**Procedures for the Cancellation or Termination/Suspension of Projects**

**Cancellation of Project Proposals During Preparation (i.e., before Agency approval)**

(The CEO takes the decision based on established criteria and after written consultation with the beneficiary country and the GEF Agency)

<b>Prior to Council/CEO Endorsement or Approval</b>	<b>After Council/CEO Endorsement or Approval</b>
<ol style="list-style-type: none"> <li>1. <b>The Secretariat</b> sends notification to the country, the GEF Agency, and the GEF Trustee on the cancellation of the project indicating the reasons for cancellation; if a PPG was given to the country, notification on the cancellation of the PPG required, as well.</li> <li>2. If a PPG was approved, the Trustee cancels the PPG upon notification by the Secretariat.</li> </ol>	<p>The <b>Agency</b> will:</p> <ol style="list-style-type: none"> <li>1. inform the country concerned;</li> <li>2. submit an official cancellation notification to the GEF Trustee, copied to Secretariat;</li> <li>3. follow the Trustee's rules and procedures for cancellation (which may include, among others, the refunding of any undisbursed PPG funds and/or unused fees).</li> </ol>
<p><b>Termination/Suspension of Projects During Implementation (i.e., after Agency approval):</b> (The GEF Agency takes the decision based on established criteria and has the responsibility to carry out the procedures for termination/suspension.</p>	
<ol style="list-style-type: none"> <li>1. The Agency ensures that appropriate consultations are carried out with all the relevant government agencies, and other partners, including cofinanciers that have been involved in the project preparation and/or implementation;</li> <li>2. The Agency takes the final decision on termination/suspension, and:               <ol style="list-style-type: none"> <li>a) sends an official notification of termination/suspension to the government;</li> <li>b) submits an official notification of termination/suspension to the Trustee; and</li> <li>c) follows the Trustee's rules and procedures for termination/suspension.</li> </ol> </li> </ol>	
<p><b>Reporting of Cancelled/Terminated/Suspended Projects</b></p>	
<ol style="list-style-type: none"> <li>1. The Trustee, on an annual basis, reports to the Council at its second meeting for each calendar year on all Council/CEO approved projects that were cancelled/terminated/suspended during the preceding fiscal year.</li> <li>2. The GEF Secretariat also reports to the Council on cancelled projects twice annually through an information document on programming.</li> </ol>	
<p><b>Agency Fee Return for Cancelled Projects<sup>55</sup></b></p>	
<ol style="list-style-type: none"> <li>1. In cases where projects are cancelled or terminated before completion, unutilized fees are to be returned to the Trust Fund as follows:               <ol style="list-style-type: none"> <li>a) For any Council or CEO-approved project that is cancelled before approval by the GEF Agency, 60% of the fee is to be returned.</li> <li>b) For any project terminated after approval by the GEF Agency, fee returns are prorated based on the project's duration, as stated in the project document approved or endorsed by the CEO.</li> </ol> </li> <li>2. The above arrangement applies only to projects approved by the Council/CEO after July 1, 2005.</li> </ol>	

<sup>55</sup> See Council document, GEF/C.23/8/Rev. 1, "Proposal for Revising the Fee System", June 2005.

## **Role and Responsibilities of STAP in the GEF Project Cycle**

### **Introduction**

1. The Scientific and Technical Advisory Panel's (STAP) mandate is to provide strategic scientific and technical advice to the GEF, and its role is defined in the revised Terms of Reference (TOR) approved by the GEF Council in June 2007 (see GEF/C.31/4: *Proposal of the Executive Director of UNEP on Enhancing the Impact of the Scientific and Technical Advisory Panel*). STAP's role is different from any other GEF body, being to assist in assuring the scientific and technical quality of GEF investments and enhancing innovation. The Operational Advice section of STAP's TOR (paragraphs 14-21) details STAP's role and responsibilities in the GEF project cycle, which can be summarized as follows:

- (a) providing tools for screening project concepts, enabling independent reviews and the provision of objective scientific and technical advice to enhance the quality of projects at any stage during project development;
- (b) after identifying a scientific need, proposing courses of action by GEF and its agencies to address the need;
- (c) convening a Research Committee to advise the GEF CEO on each Targeted Research proposal received;
- (d) maintaining a database of expert institutions and scientific networks available for conducting reviews; and
- (e) providing advice on project development on a selective basis.

2. The STAP Secretariat and Panel members screen project concepts (submitted to the GEF on Project Identification Forms (PIFs)) at an early stage of the project cycle to identify, at an early opportunity, whether a project proposal could benefit from high-level scientific advice in its further preparation and whether the project proponents have the necessary access to and understanding of recent advances in the relevant aspects of science and technology. As discussed below, the STAP may provide advice on project development between the points of Council work program approval (for FSP PIFs) and CEO endorsement if it has identified through its PIF screen that a project includes (i) major components of scientific and technical innovation, (ii) experimental designs or approaches (iii) or significant implementation and methodological barriers. 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 the scientific and technical concerns are properly addressed. STAP's PIF screening reports form part of the official public record of GEF project reviews, are provided to the GEF Council, Agencies, and Secretariat and are maintained by the STAP Secretariat and the GEF Project Management Information System (PMIS).

### ***STAP Screening of PIFs and PFDs***

3. GEF Agencies are required to submit PIFs and PFDs to the STAP Secretariat at the same time that they send them to the GEF Secretariat. STAP is able to provide advice on PIFs and PFDs at stages in the project cycle:

- (a) **At Submittal to GEF Secretariat:** STAP can observe all PIFs and PFDs as they are submitted to the GEF Secretariat and has the opportunity to flag for Secretariat program management staff and the CEO those projects where it has major concerns. In such instances, STAP will advise the GEF Secretariat on its concerns, so that they may be taking into account in decisions on the PIF or PFD. STAP will also copy the advice to the submitting GEF Agency. This pre-screening will normally only apply to a limited number of strategic, innovative, or controversial projects, and will be completed within the five day window allocated.
- (b) **Post CEO PIF/PFD Clearance:** STAP will screen all PIFs for full-sized projects and PFDs after GEF CEO clearance with the intention of advising the GEF Agency and Council of STAP's concerns and suggested improvements, if any. The STAP will report its findings in a PIF or PFD screening report, which will be provided to the Secretariat, GEF Agency, and Council, and maintained in GEF's PMIS. This stage of screening is completed by STAP within ten days of CEO clearance for work program inclusion, comprising up to five days for the STAP Secretariat's primary screening and an additional five days for peer review by STAP members or their designated expert representatives.
- (c) Peer review by STAP members or their designated expert representatives.

4. In providing advice through PIF screening reports, STAP will concentrate upon projects with (a) a major component of science and technical innovation, (b) an experimental design or approach, and (c) significant implementation and methodological barriers. Following STAP screening, the GEF Secretariat will include STAP's recommendations in the project review sheet for CEO endorsement and ensure that the relevant GEF Agency undertakes necessary steps to address the issue prior to CEO endorsement..

### ***PIF Screening Report Advisory Responses and Follow-up Actions***

5. The intent of the STAP screening report of PIFs is to add value to programs and projects and provide quality assurance to the GEF Council. The PIF screening report will include one of three possible advisory responses, which are explained in Table 1 below together with proposed follow on actions.

6. In cases where the STAP has identified that a project (a) includes a major component of science and technical innovation, (b) makes use of an experimental design or approach, or (c) confronts significant implementation and methodological barriers, the STAP may recommend that further improvements are needed to the project design. Projects in these cases will receive either a STAP advisory response of 2 or 3, as discussed below. Two types of follow-up action are envisaged:

- (a) STAP may recommend that the GEF Agency take action to improve aspects of the project design, based on STAP's advice. This advice will originate directly from a Panel member or a designated expert selected and funded by STAP and will be provided as soon as possible following the screening. The lead GEF Agency will be expected to incorporate STAP's advice in its project documentation and provide a report on the actions taken in response to STAP advice, at the time of submission of the final project document for CEO endorsement.
- (b) STAP may additionally recommend that the lead 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 will also enable the Agency to take further corrective action if necessary well in advance of the submission date. 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. STAP Screening Report Advisory Response**

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
<b>1. No Significant Concerns</b>	<p>STAP acknowledges that on scientific or technical grounds the concept has merit. However, STAP may state its views on the concept emphasizing any issues where the project could be improved.</p> <p><u>Follow up:</u> The GEF Agency is invited to approach STAP for advice during the development of the project prior to submission of the final document for CEO endorsement.</p>
<b>2. Minor Revision Recommended</b>	<p>STAP has identified specific scientific or technical challenges, omissions or opportunities that should be addressed by the project proponents during project development.</p> <p><u>Follow up:</u> One or more options are open to STAP and the GEF Agency:</p> <ul style="list-style-type: none"> <li>(i) GEF Agency should discuss the issues with STAP to clarify them and possible solutions.</li> <li>(ii) In its request for CEO endorsement, the GEF Agency will report on actions taken in response to STAP's recommended actions.</li> </ul>
<b>3. Major Revision Recommended</b>	<p>STAP has identified significant scientific or technical challenges or omissions in the PIF and recommends significant improvements to project design.</p> <p><u>Follow-up:</u></p> <ul style="list-style-type: none"> <li>(i) The Agency should request that the project undergo a STAP review prior to CEO endorsement, at a point in time when the particular</li> </ul>

	<p>scientific or technical issue is sufficiently developed to be reviewed, or as agreed between the Agency and STAP.</p> <p>(ii) In its request for CEO endorsement, the Agency will report on actions taken in response to STAP concerns.</p>
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### ***Programmatic Approaches***

7. GEF Agencies will copy the STAP on all submittals of PFD when they are submitted to the GEF Secretariat. The STAP may provide comments to the GEF Secretariat so they can be considered by the Secretariat and CEO as they consider whether to include the PFD in a GEF Work Program. The intent of the STAP review of programs will be to add value and provide quality assurance. STAP will devise a screening form for this purpose. STAP comments will be provided to the GEF Council together with the PFD as part of a work program for Council approval.

### ***Targeted Research***

8. Definition. 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”. The processes that govern targeted research are set out in GEF Council document (See 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*). Specifically, after CEO clearance of the PIF, the STAP will convene a research committee to review the proposal. STAP may also propose TR projects and, working with the Secretariat and GEF Agencies, assist with the development, execution and monitoring of a project proposal. GEF Agencies are encouraged to contact STAP at an early stage to seek informal advice as it develops TR ideas.

### ***Provision of Expert Advice***

9. STAP will continue to make available a database of experts selected to provide in-depth advice across all focal areas of the GEF, intended to be drawn upon for early stage project development advice. In addition STAP also maintains contact with a wide network of scientific and technical organizations through which additional expertise may be sourced. GEF Agencies are encouraged to make use of this expertise.

**Roles and Responsibilities of GEF Entities**

Excerpted from “*Summary of Negotiations, Fifth Replenishment of the GEF Trust Fund*”,  
GEF/C.37/3, May 15, 2010 Uruguay

<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
<b><i>General Responsibilities</i></b>		
Review the general policies of the GEF  Review and evaluate the operation of the GEF on the basis of reports submitted by the Council  Keep under review the membership of the GEF.  Consider, for approval by consensus, amendments to the GEF Instrument on the basis of recommendations by Council.	Assembly	Council
Serve as Trustee for the GEF Trust Fund  Prepare periodic financial reports on GEF Trust Fund to the Council.  On request by the CEO, provide financial reporting necessary to support GEF programming.	World Bank	
Approve amendments to the GEF Instrument	Assembly, UNDP, UNEP, World Bank	
Ensure implementation of Council and Assembly decisions	Secretariat  Evaluation Office (for matters related to M&E policies)	GEF Agencies and other GEF entities, as appropriate
Provide administrative support for the Secretariat	World Bank	
Provide scientific and technical advice	STAP	GEF Agencies
Provide Secretariat support for STAP	UNEP	
Organize mediation, and conflict and dispute resolution for issues brought to the attention of the GEF Secretariat	Secretariat	GEF Agencies



<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
Organize consultations with Civil Society Organization (CSOs)  Organize inter-agency consultations  Organize GEF Council meetings  Organize GEF Assemblies  Prepare summaries of GEF Council meetings and reports of GEF Assemblies	Secretariat, Evaluation Office for matters related to M&E policies.	
Prepare documents for Council meeting and Assembly	Secretariat, Trustee, GEF Evaluation Office, STAP, GEF Agencies, as appropriate.	
Implement GEF operations at country-level	GEF Agencies	Recipient countries
<b><i>Relations with Conventions on GEF Related Activities</i></b>		
Prepare GEF reports to the conventions	Secretariat	GEF Agencies, Evaluation Office, STAP
Approve GEF reports to conventions and MOUs with conventions	Council	
Ensure that GEF-financed activities related to conventions conform to the guidance of the conventions	Council	Secretariat, GEF Agencies, recipient countries
Coordinate with convention secretariats	Secretariat	
Represent GEF at meetings of convention bodies (COPs and subsidiary)	Secretariat	STAP (liaise with scientific bodies of conventions) Evaluation Office (on evaluations)
Promote dialogue with stakeholders (including CSOs) participating in Conventions	Secretariat	GEF Agencies, Evaluation Office (on evaluations)
Operationalize convention guidance	Secretariat	GEF Agencies, STAP
<b>RESOURCE MOBILIZATION</b>		
Mobilize resources for the GEF Trust Fund and prepare studies and arrangements as may be required for this purpose	Trustee	
Mobilize project and program co-financing	GEF Agencies/Countries	

ROLE	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)
<b>COUNTRY COORDINATION &amp; PROGRAMMING</b>		
<p>Identify national priorities, utilizing a multi-stakeholder process that includes civil society organizations</p> <p>Ensure consistency with national priorities for conventions through coordination with national focal points for conventions</p> <p>Ensure that projects proposed for GEF financing conform to national priorities and country strategies</p>	Operational Focal Point in consultation with the GEF National Steering Committee	Secretariat
Undertake <i>National GEF Portfolio Exercise</i>	Operational Focal Point in consultation with the GEF National Steering Committee/ GEF Secretariat	GEF Agencies
Coordinate strategic dialogue with countries on overarching GEF issues	Secretariat	GEF Agencies, Political Focal Point, Operational Focal Point, Evaluation Office (on M&E issues)
Dialogue with countries on GEF program and project-related issues and on sector policies	GEF Agencies	Secretariat, Political Focal Point, Operational Focal Point
Act as Country contact for Council matters and constituency coordination	Political Focal Point	
Act as Country contact for national policy and project coordination and endorse programs and projects to be submitted for GEF approval	Operational Focal Point	
<p>Prepare and implement GEF support programs for national focal points and constituencies, including their representation and coordination</p> <p>Prepare and implement the program of national, subregional and regional dialogue workshops,<sup>56</sup> including chairing of an interagency Steering Committee for these workshops</p>	Secretariat	GEF Agencies, Evaluation Office (on M&E issues)

<sup>56</sup> National, subregional, and regional workshops will promote, among other things:

- a) national coordination;
- b) dialogue on national strategies and priorities;
- c) exchange of information on GEF strategic priorities and business plan as well as GEF policies and procedures; and
- d) dissemination of lessons learned.

<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
Approve support programs for national focal points and constituencies, including their representation and coordination  Approve program of national, sub-regional and regional dialogue workshops	Council	
<b>GEF STRATEGY &amp; POLICY DEVELOPMENT</b>		
Prepare GEF strategies (including focal area strategies), policies, GEF Corporate Business Plan, with the exception of M&E issues (see below).  Develop GEF program and project cycle and review criteria for programs and projects	Secretariat	GEF Agencies, STAP
Prepare GEF Corporate Budget	Secretariat	Evaluation Office for GEFE budget
Prepare GEF Monitoring and Evaluation Policy	Evaluation office	Secretariat, STAP, GEF Agencies
Approve GEF strategies (including focal area strategies), policies, GEF Corporate Business Plan, GEF Corporate Budget  Approve GEF program and project cycle and review criteria for programs and projects	Council	
Promote multi-stakeholder consultations and access to information	Secretariat	GEF Agencies, GEF NGO Network Evaluation Office (on evaluations)
<b>GEF PROJECT CYCLE MANAGEMENT</b>		
With the Support of the GEF Agencies prepare project concept (Project Identification Form) in line with the <i>National GEF Portfolio Identification</i> .	National Project Executing Agencies, Other national entities, as appropriate	GEF Agencies
Help the project executing agency develop detailed project design and prepare final project document	GEF Agencies	
Review project concepts and project documents for consistency with GEF review criteria	Secretariat	STAP
Approve project concepts and project documents at appropriate stages in the project cycle	Council and CEO, as appropriate, at different stages of the project cycle	
Supervise the implementation of projects.	GEF Agencies	Countries
Project development for voluntary national portfolio identification exercise, and national communications/reports to conventions	Recipient countries	Secretariat, STAP, Evaluation Office

<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
<b><i>Programmatic Approaches</i></b>		
Identify opportunities for programmatic approaches	Recipient Countries, GEF Agencies	Secretariat STAP
Help participating country/countries prepare the Program Framework Document	GEF Agencies	
Review Program Framework Document for consistency with GEF program review criteria	Secretariat	STAP
Approve Program Framework Document	Council	
Help program executing agency develop individual project proposals within the approved program framework	GEF Agencies	
Review and approve individual project proposals within the framework of the agreed program	GEF Secretariat or GEF Agencies (depending upon the degree of delegation agreed by the Council)	GEF Agencies, STAP
Monitor implementation progress of program as agreed under the program framework	Secretariat	GEF Agencies
<b>MONITORING</b>		
Undertake project monitoring, mid-term reviews, including for projects under programmatic approaches	GEF Agencies	
Review of GEF M&E requirements in project proposals  GEF portfolio monitoring and reporting. Undertake activities associated with implementation of GEF Results-based Management Framework	Secretariat	GEF Agencies
Prepare Annual Monitoring Report for Council review (based on reviews of project and program implementation reports prepared by GEF implementing and executing agencies, and other monitoring activities)	Secretariat	GEF Agencies
Gather lessons learned, undertake generation and dissemination of knowledge products	Secretariat & GEF Agencies, STAP as appropriate.	
<b><i>Evaluation</i></b>  (based on GEF M&E Policy approved by Council, Feb 2006) <sup>57</sup>		
Accountability and Oversight of GEF performance: develop and approve policy-making on M&E, oversight of M&E functions, enabling	Council	

<sup>57</sup> The GEF Council has requested the Evaluation Office to undertake a consultative process with all GEF partners to prepare a revision of the GEF Monitoring and Evaluation Policy to be presented to the Council in November 2010.

<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
environments for M&E in GEF through adequate resources and due independence.		
Approval of GEFEO evaluation work program and budget	Council	Evaluation Office
Independent evaluations, including the Overall Performance Evaluation of the GEF every replenishment period	Evaluation Office	GEF Agencies' evaluation offices
Oversight of M&E	Evaluation Office	Secretariat, GEF Agencies, participating countries
Setting minimum requirements for M&E	Evaluation Office	Secretariat (for monitoring)
Corporate Agency evaluations Project and program evaluations	GEF Agencies	
Advice on scientific and technical matters Support on scientific and technical matters	STAP	Secretariat and Evaluation Office
<b>COMMUNICATIONS AND INFORMATION DISSEMINATION</b>		
Approve strategy for communication and information dissemination	Council	
Promote GEF awareness and visibility  Undertake outreach for countries, convention meetings, CSOs, private sector	Secretariat	GEF Agencies
Manage GEF-wide relationships with CSOs, private sector, bilateral development cooperation agencies and others	Secretariat	GEF Agencies
Disseminate project level information	GEF Agencies	Secretariat
Disseminate GEF policy and project information to multi-stakeholders including CSOs	Secretariat	GEF Agencies, GEF NGO Network
<b>REPLENISHMENT</b>		
Request the Trustee and Secretariat to initiate replenishment negotiations	Council	
Chair replenishment meetings	Trustee & Secretariat	
Preparation of documents for replenishment meeting	Trustee, Secretariat and other GEF entities as appropriate	
Preparation of Overall Performance Study	Evaluation Office	
Preparation of Summary of Replenishment Negotiations	Trustee & Secretariat	

<b>ROLE</b>	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>
Endorsement of the Summary of Negotiations, including programming document and resource allocations, policy recommendations , and draft Replenishment Resolution of the GEF Trust Fund	Council	
Approval of the Replenishment Resolution for the GEF Trust Fund	World Bank (Executive Directors)	

Note:

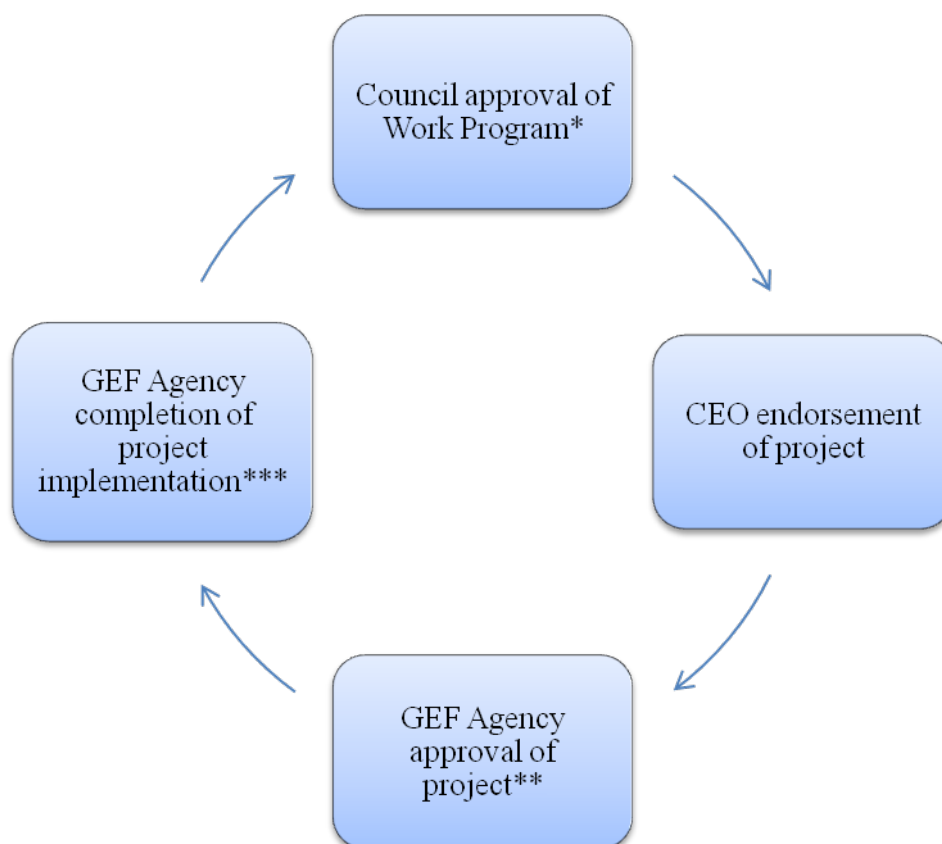
The 10 GEF Agencies are as follows:

ADB	Asian Development Bank
AfDB	African Development Bank
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organization
IDB	Inter-American Development Bank
IFAD	International Fund for Agriculture and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WB	World Bank

**GEF Project Cycle Charts by Modalities**

**Full-Sized Projects**

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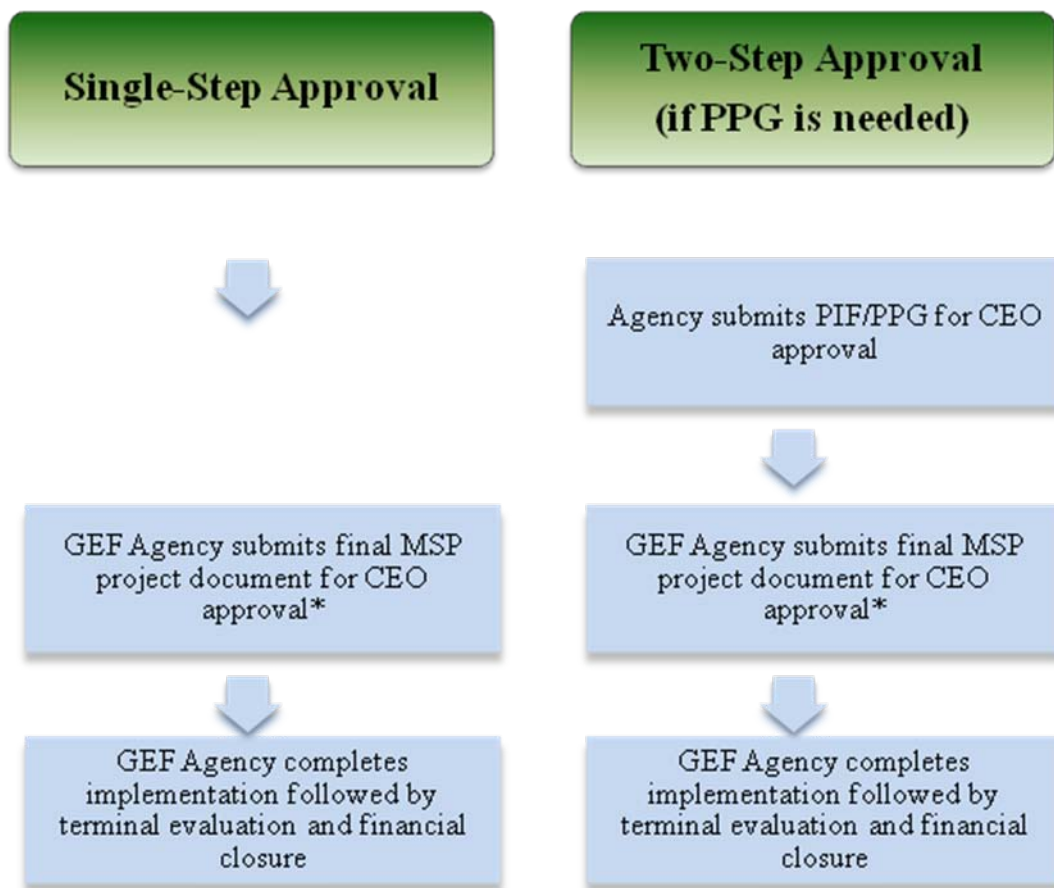


- \* Work Program consists of PIFs cleared by the CEO
- \*\* GEF Agency approval of project signifies start of project implementation
- \*\*\* Project completion follows terminal evaluation and financial closure

**GEF Project Cycle Charts by Modalities**

**Medium-Sized Projects**

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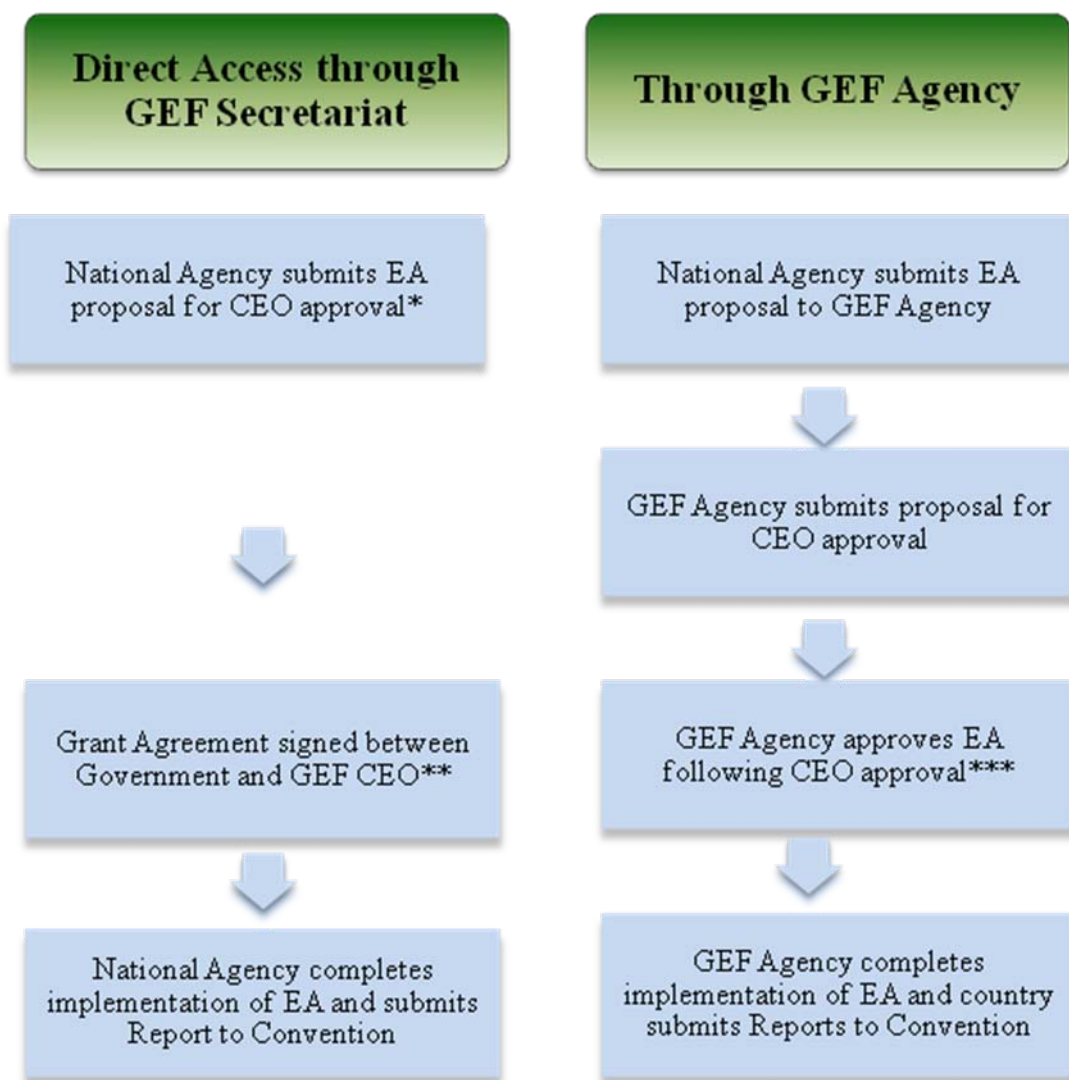


\*Agency approves MSP after CEO approval of the project and starts implementation.



**GEF Project Cycle Charts by Modalities**

**Expedited Enabling Activities**



\* GEF Secretariat will follow the World Bank procedures in approving the proposal with final target of sending a Grant Agreement to the recipient country and to be signed between CEO and the country.

\*\* After Grant Agreement Signing, country/national agency starts implementation.

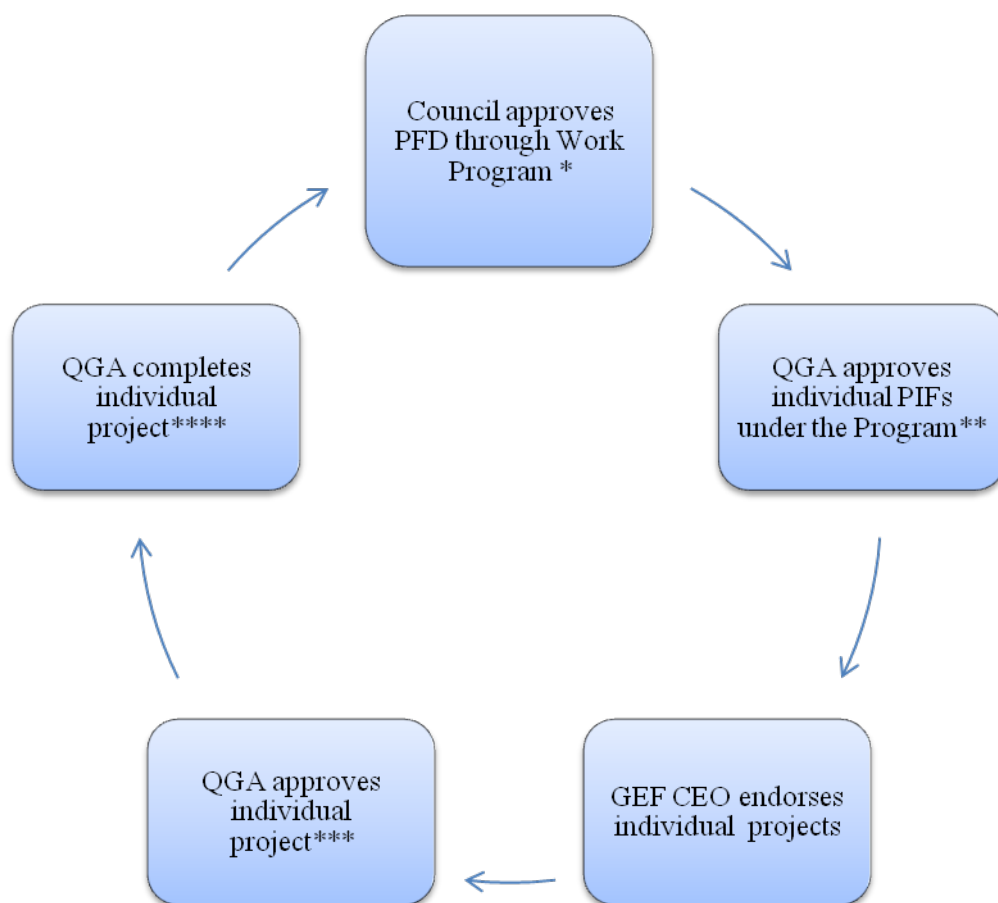
\*\*\* Agency approval signifies start of project implementation.

**GEF Project Cycle Charts by Modalities**

**Programmatic Approaches**

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**a) The GEF Program Cycle submitted by Qualifying GEF Agencies (QGA)**



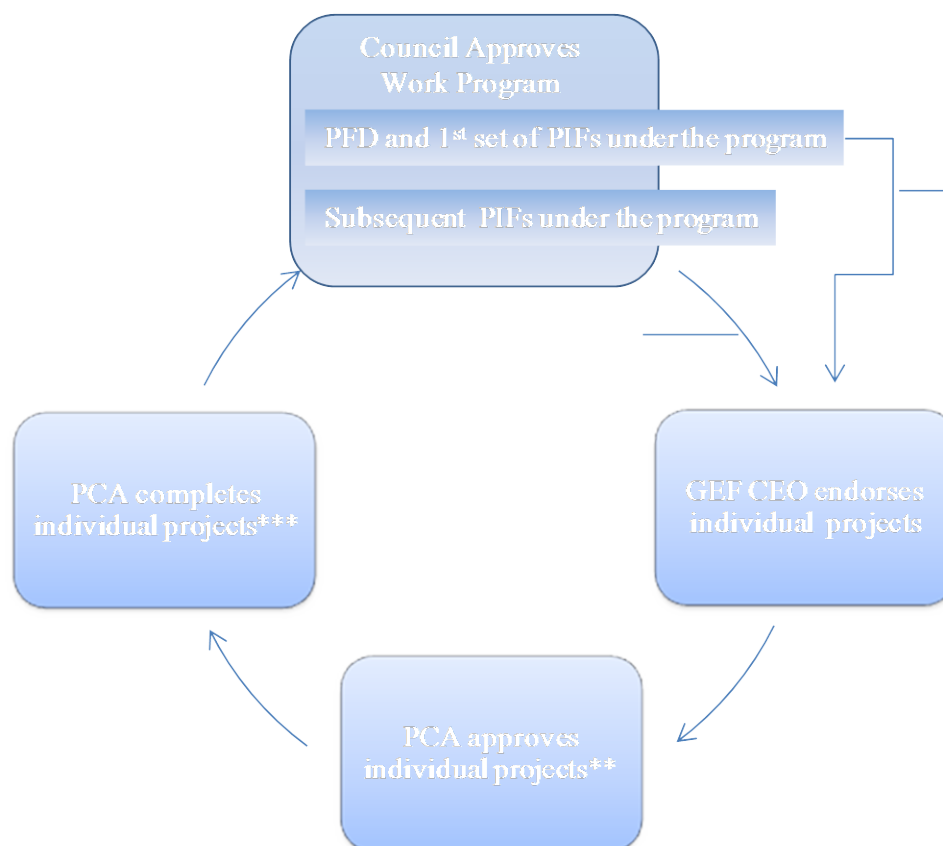
- \* In work program, PFD is endorsed and entire program amount is approved by Council
- \*\* Only one Qualifying GEF Agency (QGA) allowed for each Program
- \*\*\* QGA approval of project signifies start of project implementation
- \*\*\*\* QGA completion of project is followed by terminal evaluation and financial closure

**GEF Project Cycle Charts by Modalities**

**Programmatic Approaches**

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**b) The GEF Program Cycle submitted by Program Coordination Agencies (PCA)**



- \* In work program, PFD is endorsed, completed PIFs under program approved; future PIFs go through same process of CEO clearance for Council approval in the work program.
- \*\* PCA approval of project signifies start of project implementation.
- \*\*\* PCA completion of project is followed by terminal evaluation and financial closure.