

50<sup>th</sup> GEF Council Meeting  
June 07 – 09 2016  
Washington, D.C.

Agenda Item 09

## **GEF PROJECT AND PROGRAM CYCLE POLICY**

**Recommended Council Decision**

The Council, having reviewed Document GEF/C.50/08, *GEF Project and Program Cycle Policy*, approves the Policy, which replaces and supersedes all previous Council-approved Working Documents and decisions concerning the GEF project and programmatic approach cycles. The Council also requests that the Secretariat, in consultation with the GEF Partner Agencies, and STAP and the Trustee as needed, develop and issue Guidelines on the project and program cycle.

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## INTRODUCTION

1. At the 49<sup>th</sup> GEF Council Meeting held in October 2015, the Council requested “the Secretariat to update Document GEF/C.39/Inf.03, *GEF Project and Programmatic Approach Cycles*, to reflect any decisions taken since it was issued.”
2. In response to this request, the Secretariat is presenting the proposed Policy attached in Annex I – *Project and Program Cycle Policy* – for Council approval as the main part of the update of Document GEF/C.39/Inf.03. This proposed Policy consolidates all Council-approved policy-relevant Working Documents and decisions concerning the GEF’s project and programmatic approach cycles into a single document. As such, this proposed Policy does not introduce changes to the Council-approved Working Documents and decisions excepting one that is explained and justified in paragraph 11 below, and included in paragraph 40 of the proposed Policy. The proposed Policy also includes a consolidated set of Council-approved criteria, and mandatory rules (hereafter referred to as the “Policy”) on the GEF project and program cycles.
3. Following Council approval of the Policy, the Secretariat will develop, in consultation with the GEF Agencies (hereafter referred to as “Agencies”), and STAP and the Trustee as needed, guidelines that will include additional instructions, procedural steps, and explanatory information (hereafter referred to as “Guidelines”) to implement the Policy. The Secretariat will post the Guidelines on its website after CEO approval and will notify the Council and other stakeholders.
4. This cover note to the proposed Policy aims to explain the reasons for the above proposed approach, any changes in the proposed Policy to current criteria, and mandatory rules, and the next steps regarding the implementation of the proposed Policy.

## BACKGROUND

5. The attached proposed Policy seeks to provide clarity by addressing a number of challenges with the GEF’s existing policy framework. First, GEF policy and implementation guidance are presented in a series of related Council Working Documents, Joint Summaries of the Chairs, and Information Documents. There are at least 28 such documents on the GEF website, 13 of which have been prepared since the last significant reform of the project cycle in June 2007. (See Annex II for a full list of these and other relevant documents).
6. As a result, it is difficult to present GEF rules and guidance in a clear manner. Working Documents need to be read in conjunction with Joint Summaries of the Chair of the relevant Council meeting, because not all parts of each document were approved by Council. Moreover, because later documents amend parts of earlier documents, often using differing terminology, GEF stakeholders must read several documents together to gain an understanding of an issue. Even then, it is not readily apparent what parts of these documents are still in force. For instance, when the Council reformed the project cycle in 2007, it was not clarified whether all

previous documents, or parts thereof, were replaced or superseded. Some previous rules (for example on Major Amendments to projects) remained in effect (see below paragraph 12 (a)). All of this makes it difficult for GEF stakeholders to understand the actual policy and implementation guidance governing the project cycle.

7. Second, when reviewing the Council Document GEF/C.39/Inf.03, *GEF Project and Programmatic Approach Cycles*, the Secretariat observed that new rules and procedures had been introduced that, in some cases, were not fully consistent with prior Council Documents.<sup>1</sup> Furthermore, that document included both Council-approved policy and Secretariat-issued implementation guidance. Following best practice, the Secretariat is moving towards having clear Policies set at a strategic level, with associated Guidelines developed to drive proper implementation.

8. The Secretariat, therefore, recommends presenting Council-approved criteria, and mandatory rules on the project and programmatic approach cycles in a single GEF Policy, as proposed in Annex I. The Secretariat, in consultation with the GEF Partner Agencies, and STAP and the Trustee as needed, would then prepare relevant Guidelines and maintain up-to-date versions of these on the GEF's dedicated webpage for Policies and Guidelines<sup>2</sup>, which all stakeholders will be able to access. Together, the proposed Policy and associated Guidelines will add clarity to the GEF's project and program cycles. This Policy, as well as the Guidelines, will be updated as necessary.

#### **OVERVIEW OF THE PROPOSED POLICY**

9. In preparing the proposed Policy in Annex I, the Secretariat reviewed all Council-approved policies as set forth in Document GEF/C.31/7, *GEF Project Cycle* (May 14, 2007), in previous and subsequent Documents on the project and program cycles, and associated Joint Summaries of the Chairs, to ensure it accurately reflected what the Council has approved. In the proposed Policy at Annex I, the Secretariat has included those parts of the Council Documents that are considered (1) mandatory and (2) still in effect. Many of these Council Documents included additional details and procedural steps that the Secretariat believes are more appropriate for implementation guidelines. Hence, this Policy replaces and supersedes all previous Council-approved Working Documents and decisions concerning the GEF project and programmatic approach cycles.

10. The proposed Policy includes Council-approved rules and criteria governing GEF funding modalities (e.g. Full-sized Projects (FSPs), Medium-sized Projects (MSPs), Enabling Activities (EAs), and Programs), related review and approval criteria, and key processing and approval steps. It also includes rules governing, among other things, major project amendments;

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<sup>1</sup> For instance, in 2010, the Council approved the discontinuation of a two-step approval process for MSPs (e.g. including PIFs.) In contrast, Council Document GEF/C.39/Inf.03 retained the two-step process in addition to the new one-step process.

<sup>2</sup> See the webpage at: <https://www.thegef.org/documents/policies>.

implementation, monitoring, and evaluation; and the set-aside, commitment, and transfer of resources by the GEF Trustee.

11. The proposed Policy restates existing, Council-approved policy and current practice, with one exception where the Secretariat is seeking Council approval of a change to an existing policy.

- (a) The Secretariat identified an inconsistency related to the treatment of Agency fees for Full-sized Child Projects under programs. Under the current practice, Full-sized Child Projects receive the commitment of 100% of their fee at CEO Endorsement, contrasting with the broad Council-approved policy in which Agency fees are committed in two tranches for Full-sized Projects. To remove this anomaly, the Secretariat proposes that the Trustee commits 40% of the Agency Fees for each Full-sized Child Project listed in a PFD at the time of PFD approval. This is subject to the 40% fee commitment being cancelled and/or returned if the Full-sized Child Project is dropped/cancelled or not submitted to CEO endorsement prior to the respective Program Commitment Deadline, with no exceptions. The additional provision of repayment of these fees is recommended because detailed information on Child Projects is not required at the time of PFD approval (see paragraph 40 of the proposed Policy). The Trustee will commit the Project Grant and the remaining 60% of the Agency Fee only after CEO endorsement based on the amount endorsed by the CEO. This policy change will be applied to all new Programs approved by the Council and retroactively to all GEF-6 Programs already approved by Council.

12. The proposed Policy also formalizes current practices that were not included in or differ from language in previous Council-approved Working Documents. These are:

- (a) Rules for Major Amendments<sup>3</sup> of projects and programs. (See Paragraphs 16, 18(a)(vi), 18(b)(x), 20(f), and 21(h) in the Policy). The rule was included in an Information Document<sup>4</sup> that was not Council approved. The language has been updated and simplified in the Policy.
- (b) Rules for MSPs have been updated to include the two-step approval process, which has remained in practice, but varies from what Council approved in June 2010. (See footnote 1 above and paragraph 18(b) of the proposed Policy).
- (c) Rules for PFDs to include GEF Operational Focal Point endorsements for the expected use of STAR and non-STAR funding requests where relevant<sup>5</sup>,

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<sup>3</sup> Major amendment means a change in project design or implementation that has a significant impact on the project's objectives or scope, or an increase of the GEF Project Grant of more than five percent.

<sup>4</sup> The rule is included in the following Council Document, but was never explicitly approved: GEF/C.39/Inf.3.

<sup>5</sup> In the approved Council Document GEF/C.47/07/Rev.01, paragraph 35(c) states that PFDs will include Operational Focal Point endorsements for the expected use of STAR allocations, which omitted the existing practice of endorsing both STAR *and* non-STAR funding requests.

consistent with current practice relating to Full-sized and Medium-sized projects as well as Enabling Activities. (See paragraph 25 of the proposed Policy).

13. The proposed Policy requires that all Child Projects under Programs be circulated to Council for review and comment four weeks in advance of CEO endorsement. As agreed by the Council in the Joint Summary of the Chairs of the 49th Council Meeting (October 2015), the Council will review this arrangement at the June 2017 Council Meeting.

14. The proposed Policy does not cover every aspect of GEF's operational project and program cycle framework. Instead, where necessary it cross-references other key Policies, Guidelines, or Council Working Documents with policy content that is related to the GEF project and program cycle that continues to be applied. Table 1 below lists these. The Policy does not repeat language contained in such policies so as to avoid duplication and possible misalignment in the future if the Council or Secretariat amends these documents.

**Table 1: Policies and Guidelines related to GEF Projects and Programs**

<b>GEF Policies</b>	<b>Date of Approval/Update</b>
<a href="#">Co-financing (GEF Policy FI/PL/01)</a>	May 2014
<a href="#">Fee Policy for GEF Partner Agencies (GEF Policy FI/PL/03)</a>	June 2012
<a href="#">The GEF Monitoring and Evaluation Policy (Evaluation Document No. 4)</a>	November 2010
<a href="#">Non-Grant Instruments (GEF Policy FI/PL/02)</a>	October 2014
<a href="#">Operational Guidelines for the Application of the Incremental Cost Principle (Council Document GEF/C.31/12)</a> <sup>6</sup>	June 2007
<a href="#">Policy on Public Involvement in GEF Projects (GEF Policy SD/PL/01)</a>	April 1996. Updated and posted as a GEF Policy August 2012.
<a href="#">Project Cancellation (GEF Policy OP/PL/02)</a>	June 2015.
<a href="#">Communication and Visibility Policy (GEF/C.40/08)</a> <sup>7</sup>	April 2011
<b>Guidelines</b>	<b>Date of Approval/Update</b>
<a href="#">Results-Based Management: GEF Trust Fund and LDCF/SCCF Reporting Guidelines</a> <sup>8</sup>	July 2012
<a href="#">Guidelines on the Implementation of the Public Involvement Policy (GEF Guideline SD/GN/01)</a>	December 2014

<sup>6</sup> This Council Document includes a policy and guidelines. The Secretariat plans to retrofit the document into a GEF Policy and a GEF Guideline, as appropriate, using its templates for such documents and will post them on the GEF's website.

<sup>7</sup> This Council Document also includes a policy and guidelines. The Secretariat plans to retrofit the document into a GEF Policy and a GEF Guideline, as appropriate, and post it on the GEF's website.

<sup>8</sup> Following consultation with the Agencies, the Secretariat plans to update this document and post it as a GEF Guideline.

**RECOMMENDATION**

15. It is recommended that the Council review the Document GEF/C.50/08, *GEF Project and Program Cycle Policy* - focusing on the change noted in paragraph 11 above and the formalization of current practices noted in paragraph 12 above - and approve the Policy set out in Annex I. The Council notes that this Policy replaces and supersedes all previous Council-approved Working Documents and decisions concerning the GEF project and programmatic approach cycles. The Council also requests that the Secretariat, in consultation with the GEF Partner Agencies, and the STAP and Trustee as needed, to develop and issue Guidelines on the project and program cycle.





GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET

Policy: OP/PL/01  
September 16, 2016

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## **ANNEX I: PROPOSED PROJECT AND PROGRAM CYCLE POLICY**

## PURPOSE AND APPLICATION

1. This Policy sets out the rules governing the cycles for GEF-financed Projects and Programs.

## DEFINITIONS AND ACRONYMS

**Agency Fee:** means the financial resources provided to the Agency in connection with the implementation of a GEF project.

**Convention:** means an international environmental agreement as defined in the Instrument.

**CEO Endorsement Request:** means the applicable document that sets forth a fully developed Full-sized Project that is requesting endorsement for GEF financing.

**Child Project:** means an individual project under a Program.

**Enabling Activity (EA):** means a project for the preparation of a plan, strategy or report to fulfill commitments under a Convention.

**EA Approval Request:** means the applicable document that sets forth a fully developed Enabling Activity that is requesting approval for GEF financing.

**Full-sized Project (FSP):** means a GEF Project Grant of more than two million US dollars.

**GEF Agency:** means an institution eligible to request and receive GEF resources directly from the GEF Trustee on behalf of an eligible recipient for the design and implementation of GEF-financed projects.

**GEF Operational Focal Point (OFP):** means a government official nominated by a GEF Participant (as defined by the Instrument) who acts as the principal contact point for GEF activities in the country.

**GEF Project:** means an activity or set of activities that promote the achievement of the purposes of the GEF for which resources from any of the Trust Funds operated by the GEF has been requested by the Agency on behalf of an eligible recipient and/or approved by the GEF Council or the CEO.

**Global Environmental Benefits:** means positive outcomes of global reach derived from financial investments in environmental sustainability at the local, national, regional and global levels.

**Guidelines:** means additional instructions, procedural steps, and explanatory information to assist partners in the implementation of this Policy.

**Intersessional Work Program:** means a group of individual FSP PIFs that is proposed by the Secretariat and presented to the GEF Council in between Council meetings for its approval by mail.

**Lead Agency:** means an Agency that coordinates all activities under a Program.

**Major Amendment:** means a change in project design or implementation that has a significant impact on the project's objectives or scope, or an increase of the GEF Project Grant of more than five percent.

**Medium-sized Project (MSP):** means a GEF Project Grant of less than or equivalent to two million US dollars.

**MSP Approval Request:** means the applicable document that sets forth a fully developed Medium-sized Project that is requesting approval for GEF financing.

**Project Document:** means the applicable GEF Agency document containing final plans for a project, including rationale, budgets, and implementation arrangements submitted for CEO endorsement or approval.

**Project Executing Entity:** means an organization that executes a GEF Project, or portions of it, under the supervision of an Agency, including national or sub-national government agencies, civil society organizations (CSOs), private sector entities, or academic institutions, among others.

**Project Grant:** means the resources provided to a GEF Project to support its implementation. It does not include Project Preparation Grants or Agency Fees.

**Project Identification Form (PIF):** means the applicable document that sets forth the concept of a FSP or MSP that is requesting GEF financing.

**Project Preparation Grant (PPG):** means the funding provided to support the preparation of a FSP or MSP.

**Program:** means a longer-term and strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.

**Program Commitment Deadline:** means the date included in a Program Framework Document before which GEF Agencies participating in a Program are required to submit Child Project documents for Secretariat review for CEO endorsement (in the case of FSPs) or approval (in the case of MSPs).

**Program Framework Document (PFD):** means the document that sets forth the concept of a Program that is proposed for GEF financing.

**Total GEF Resources:** means the total amount of funding requested by or provided to a single GEF Project or Program. This amount includes the PPG, the Project Grant, and associated Agency Fees.

**Trust Fund:** means any trust fund that serves the objectives of the GEF, including the GEF Trust Fund, the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Nagoya Protocol Implementation Fund, or any future trust funds established under the authority of the GEF Council.

**Work Program:** means a group of individual FSP PIFs and PFDs that is presented for Council approval in a Council meeting.

**Work Program Cover Note:** means a document that summarizes and analyzes the Work Program, highlighting how the individual projects contribute to the achievement of GEF goals.

## **INTRODUCTION**

2. The GEF finances Full-sized Projects, Medium-sized Projects, Enabling Activities, and Programs. GEF Agencies (hereafter referred to as “Agency” or “Agencies”) utilize any of these modalities.
3. This Policy provides a description of the mandatory rules and criteria to be followed by GEF stakeholders in the process of designing and implementing GEF-financed projects and programs.

## **MODALITIES**

### **A. Full-sized Projects**

4. The Agency prepares a project concept at the request of and in consultation with relevant country institutions and other relevant partners, and submits it to the Secretariat through the Project Identification Form (PIF). The respective GEF Operational Focal Point endorses the PIF. The Agency submits PIFs to the Secretariat on a rolling basis, copying other Agencies, STAP, and the relevant Convention Secretariats.
5. The Agency may request a Project Preparation Grant (PPG) at the time of PIF submission or at any time before CEO Endorsement submission. The CEO decides whether to approve such PPG.
6. The Secretariat reviews each eligible PIF taking into consideration relevant GEF strategies, policies and guidelines, including provisions set forth in a review sheet, and provides comments to the Agency. Other Agencies and Convention Secretariats submit any comments to the Secretariat and the Agency. If a PIF does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.
7. Following receipt of the Secretariat’s comments, the Agency responds to any comments and submits a revised PIF, if necessary. The Secretariat provides further comments if in its view the Agency’s response to the set of issues is not adequate, or if in the revised PIF introduces new design elements that require clarification or further improvement.
8. Once the Secretariat determines that the project proposal meets the conditions for approval, the CEO decides whether to include it in a Work Program. The CEO constitutes a Work Program subject to, among other things, resource availability. STAP screens PIFs prior to the posting of the Work Program on the GEF website for Council review.
9. A cover note is issued for every Work Program. The individual PIFs, with the requested Project Grant amounts, any PPG amounts and Agency Fees, are annexed to the Work Program Cover Note. The individual PIFs and the Cover Note are posted on the GEF website and circulated to Council members four weeks in advance of a Council meeting for a Work Program to be discussed at a Council meeting, or four weeks in advance prior to a decision date for an Intersessional Work Program.

10. The Council reviews and provides written comments on the Work Program prior to and during each Council meeting, and intersessionally between Council meetings for decision by mail on a no-objection basis. The Council decides during its meeting whether to approve the entire Work Program or to exclude any PIF from the proposed Work Program, which may be considered in a future Council meeting.

11. For an Intersessional Work Program, if any Council Member objects to the Work Program, it is deferred to the next regular meeting of the Council. If any Council Member objects to an individual PIF, this PIF is removed from the Intersessional Work Program and will be deferred for consideration at the next regular meeting of the Council.

12. After PIF approval and before the deadline for submission of a complete endorsement request, the Agency submits to the Secretariat a CEO Endorsement Request and associated Project Document that is in a form as submitted to the Agency's internal approving authorities. The Agency, in consultation with the country concerned, and with the CEO's concurrence, may also cancel a project before CEO Endorsement submission. The Secretariat reviews the CEO Endorsement Request and the Project Document for consistency with the approved PIF, taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet; and to ensure that any comments provided by the Council, STAP, Convention secretariats and other Agencies have been adequately addressed.

13. The Secretariat asks the Agency to revise proposals that it deems not to be in compliance with the specified conditions for endorsement. Following receipt of the Secretariat's comments, the Agency responds to any questions and submits a revised CEO Endorsement Request and Project Document, if needed. The Secretariat provides further comments only if, in its view, the Agency's response to the set of issues identified by the Secretariat is not adequate or if the revised CEO Endorsement Request introduces new design elements that require clarification or further improvement. The CEO, in consultation with the country and the Agency concerned, may also cancel the project. The final Project Grant amount is confirmed by the CEO at endorsement.

14. Once the Secretariat determines that a project proposal meets the conditions for endorsement, the CEO endorses the project, except under the circumstances where (i) a Council Member requested, at the time of PIF approval, that the Secretariat circulates the CEO Endorsement Request and the Final Project Document to the Council for review; or (ii) the CEO, upon review, decides that there have been major changes to the project's scope and/or objectives since PIF approval. In these two instances, the Secretariat circulates the CEO Endorsement Request and the Project Document to the Council for a four-week review period prior to CEO endorsement in a manner that protects information received in confidence. In these two instances:

- (a) Council Members transmit any comments or concerns to the CEO within four weeks. If at least four Council Members request that a project be reviewed at a Council meeting because in their view the project is not consistent with the GEF Instrument or GEF policies and procedures, the CEO submits the project

document to the next Council meeting and only endorses the project for final approval by the Agency if the Council finds that the project is consistent with the Instrument and GEF policies and procedures.

- (b) The Agency responds to any comments received from Council Members and revises the documents. The CEO endorses the project once comments have been adequately addressed and informs Council accordingly.

15. After CEO Endorsement, the Agency approves the project following its own internal procedures and begins project implementation. The Secretariat posts the endorsed project documents on the GEF website in a manner that protects information received in confidence.

16. For any Major Amendments, whether before or after CEO Endorsement, the Secretariat circulates the amended CEO Endorsement Request and the Project Document to the Council for four weeks for its approval before CEO endorsement or re-endorsement.

## **B. Medium-sized Projects**

17. The CEO has delegated authority to approve projects requesting less than or equivalent to two million US dollars in Project Grant. The CEO decides whether to approve such MSPs.

18. For MSPs, the Agency chooses one of the two procedures below.

### **(a) A one-step approval process, wherein no PIF is required**

- i. The Agency prepares a MSP Approval Request at the request of and in consultation with relevant country institutions and other relevant partners. The respective GEF Operational Focal Point endorses the MSP Approval Request. The Agency submits the MSP Approval Request to the Secretariat for review on a rolling basis. The Agency may request a Project Preparation Grant (PPG) at the time of MSP Approval Request submission. The CEO decides whether to approve such PPG.
- ii. The Secretariat reviews the MSP Approval Request taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet. If a MSP Approval Request does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.
- iii. Following receipt of the Secretariat's comments, the Agency responds to any comments and submits a revised MSP Approval Request, if necessary. The Secretariat provides further comments if in its view the Agency's response to the set of issues identified by the Secretariat is not adequate.
- iv. Once the Secretariat determines that the project proposal meets the conditions for approval, the CEO decides whether to approve the MSP.
- v. After CEO Approval, the Agency approves the project following its own internal procedures and begins project implementation. The Secretariat

posts the approved project documents on the GEF website in a manner that protects information received in confidence.

- vi. For any Major Amendments after CEO Approval of the MSP, the Agency re-submits an amended MSP Approval Request for CEO re-approval.

**(b) Two-step approval process**

- i. The Agency prepares a PIF at the request of and in consultation with relevant country institutions, and other relevant partners. The respective GEF Operational Focal Point endorses the PIF, and the Agency submits the PIF to the Secretariat for review on a rolling basis. The Agency may request a Project Preparation Grant (PPG) at the time of PIF submission or at any time before CEO Approval submission. The CEO decides whether to approve such PPG.
- ii. The Secretariat reviews each eligible PIF taking into consideration relevant GEF strategies, policies and guidelines, including provisions set forth in a review sheet, and provides comments to the Agency. If a PIF does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.
- iii. Following receipt of the Secretariat's comments, the Agency responds to any comments and submits a revised PIF, if necessary. The Secretariat provides further comments if in its view the Agency's response to the set of issues identified by the Secretariat is not adequate.
- iv. Once the Secretariat determines that the project proposal meets the conditions for approval, the CEO decides whether to approve the PIF.
- v. After PIF approval, and before the deadline for submission of a complete approval request, the Agency prepares and submits to the Secretariat a MSP Approval Request and a Project Document that is in a form as submitted to the Agency's internal approving authorities. The Agency, in consultation with the country concerned, and with the CEO's concurrence, may also cancel a project before CEO Approval submission.
- vi. The Secretariat reviews the MSP Approval Request for consistency with the approved PIF, taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet. The Secretariat asks the Agency to revise proposals that it deems not to be in compliance with the specified conditions for approval.
- vii. Following receipt of the Secretariat's comments, the Agency responds to any questions and submits a revised MSP Approval Request and Project Document, if needed. The Secretariat provides further comments only if, in its view, the Agency's response to the set of issues identified by the Secretariat is not adequate or if the revised MSP Approval Request introduces new design elements that require clarification or further



improvement. The CEO, in consultation with the country and the Agency concerned, may also cancel the project.

- viii. Once the Secretariat determines that the project proposal meets the conditions for approval, the CEO approves the MSP. The final Project Grant amount is confirmed by the CEO at approval.
- ix. After CEO Approval, the Agency approves the project following its own internal procedures and begins project implementation. The Secretariat posts the approved project documents on the GEF website in a manner that protects information received in confidence.
- x. For Major Amendments after CEO approval of the MSP, the Agency reflects them in an amended MSP Approval Request and re-submits it for CEO re-approval.

### C. Enabling Activities

19. There are two ways to process Enabling Activities (EAs): (i) through a GEF Agency, or (ii) through direct access. An EA above one million US dollars follows the project cycle procedures described above for either FSPs or MSPs, depending on its size.

20. An EA up to one million US dollars **submitted through a GEF Agency** follows the process below:

- (a) The Agency prepares an EA Approval Request at the request of and in consultation with relevant country institutions and other relevant partners. The respective GEF Operational Focal Point endorses the EA Approval Request. The Agency submits the EA Approval Request and any related EA documents to the Secretariat on a rolling basis.
- (b) The Secretariat reviews the EA Approval Request taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet. If the EA Approval Request does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.
- (c) Following receipt of the Secretariat's comments, the Agency responds to any comments and submits a revised EA Approval Request, if necessary. The Secretariat provides further comments if in its view the Agency's response to the set of issues identified by the Secretariat is not adequate.
- (d) Once the Secretariat determines that the proposal meets the conditions for approval, the CEO decides whether to approve the EA.
- (e) After CEO Approval, the Agency approves the EA following its own internal procedures and begins its implementation. The Secretariat posts the approved project documents on the GEF website in a manner that protects information received in confidence.

- (f) For any Major Amendments after CEO approval of the EA, the Agency re-submits an amended EA Approval Request for CEO re-approval.

21. An EA up to 500,000 US dollars **submitted through direct access** follows the procedures below:

- (a) The Country (the Recipient) submits an EA Approval Request and any related EA documents to the Secretariat. The EA Approval Request complies with the Operational Policies and Procedures (OP/BPs) and Anti-corruption guidelines that apply to the World Bank (IBRD) and International Development Association (IDA) financing.
- (b) The Secretariat reviews the EA Approval Request for consistency with Operational Policies and Procedures (OP/BPs) and Anti-corruption guidelines that apply to the World Bank (IBRD) and International Development Association (IDA) financing, and taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet. If the EA Approval Request does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.
- (c) Once the Secretariat determines that the proposal meets the conditions for approval, the CEO decides whether to clear the EA.
- (d) The Recipient and the CEO, with delegated signature authority, signs a World Bank grant agreement.
- (e) The Bank has no liability to the GEF under such grants or for the actions of staff assigned to the GEF with respect to such grants, and the Bank is indemnified out of the GEF trust fund for any liability toward third parties, and costs and expenses related to any such liability or claims of liability with respect to such grants.
- (f) The Secretariat posts the project documents on the GEF website in a manner that protects information received in confidence.
- (g) The Recipient begins project implementation.
- (h) For any Major Amendments after CEO approval of the EA, the country re-submits an amended EA Request for CEO approval. Upon approval, the CEO, with delegated signature authority, signs an amendment to the grant agreement.

22. The Secretariat issues guidelines related to EAs in conformance with policies, program priorities, and eligibility criteria established by the Conference of the Parties of each of the relevant Conventions.

#### **D. Programs**

23. The approval process for Programs and related Child Projects consists of two main steps: (i) Council Approval of a Work Program that includes a Program Framework Document

(PFD) together with any Child Project titles or concepts; and (ii) CEO endorsement/approval of Child Projects under the Program.

24. The Lead Agency, along with other participating Agencies and in consultation with relevant country institutions and other relevant partners, prepares a PFD. The Lead Agency submits the PFD to the Secretariat for review on a rolling basis, copying all Agencies, STAP and Convention Secretariats for comments. The Lead Agency also implements the associated global / regional child project and/or the coordination mechanism that monitors and ensures coherence among all child projects included in the program, while also being responsible for Program-level reporting. The other participant Agencies implement the Child Projects they are responsible for.

25. The respective GEF Operational Focal Point endorses the relevant Child Projects anticipated under the PFD. The Secretariat reviews each eligible PFD taking into consideration relevant GEF strategies, policies and guidelines, including provisions set forth in a review sheet, and provides comments to the Agency. Other Agencies, STAP and Convention Secretariats submit any comments to the Secretariat and the Lead Agency. If a PFD does not meet the conditions for approval, the Secretariat either rejects it or requests additional information.

26. Following receipt of the Secretariat's comments, the Lead Agency responds to any comments and submits a revised PFD, if necessary. The Secretariat provides further comments if in its view the Lead Agency's response to the set of issues identified by the Secretariat is not adequate, or if the revised PFD introduces new design elements that require clarification or further improvement.

27. Once the Secretariat determines that the PFD meets the conditions for approval, the CEO decides whether to include a PFD in a Work Program at a Council meeting subject to, among other things, resource availability. STAP screens PFDs prior to the posting of the Work Program on the GEF website for Council review. The Council reviews and approves the Work Program constituted by the CEO at each Council meeting. The Council provides written comments on PFDs included in the Work Program prior to or at the Council meeting. The Council decides during its meeting whether to remove any PFD from the proposed Work Program, which may be considered in a future Council meeting.

28. The participant Agencies may request a Project Preparation Grant (PPG) for Child Projects at the time of PFD approval or at any time before CEO Endorsement / Approval submission of Child Projects. The CEO decides whether to approve such PPG.

29. After PFD approval, the participant Agencies submit to the Secretariat CEO Endorsement Requests for Full-sized Child Projects or MSP Approval Requests for Medium-sized Child Projects with Project Documents that are in a form as submitted to the Agency's internal approving authorities. The submission must be made before the respective Program Commitment Deadline. The Agency, in consultation with the countries concerned, and with the CEO's concurrence, may also cancel a Child Project before CEO Endorsement / Approval submission.

30. The Secretariat reviews the CEO Endorsement / Approval Request for consistency with the approved PFD, taking into consideration the relevant GEF strategies, policies, and guidelines, including provisions set forth in a review sheet; and to ensure that any comments on the PFD provided by the Council, STAP, Convention Secretariats and other Agencies have been adequately addressed. The Secretariat circulates such project documents to the Council for a four-week review period before CEO endorsement / approval in a manner that protects information received in confidence.

31. Council Members transmit any comments or concerns on a Child Project document to the Secretariat within four weeks. If at least four Council Members request that a Child Project be reviewed at a Council meeting because in their view the Child Project is not consistent with the GEF Instrument or GEF policies and procedures, the CEO submits the project document to the next Council meeting and only endorses / approves it for final approval by the Agency if the Council finds that the project is consistent with the Instrument and GEF policies and procedures.

32. The Agency responds to comments received from the Council Members and the Secretariat and resubmits, if necessary, a revised project document for CEO endorsement / approval. The CEO endorses / approves the Child Project once comments are adequately addressed. The CEO, in consultation with the country and the Agency concerned, may also cancel the Child Project.

33. After CEO Endorsement / Approval, the Agency approves the Child Project following its own internal procedures and begins project implementation. The Secretariat posts the endorsed / approved Child Project documents on the GEF website in a manner that protects information received in confidence.

34. The Lead Agency re-submits a revised PFD for Council approval prior to the PFD Commitment Deadline if the following are requested: (a) an increase in proposed utilization of country STAR allocations for Child Projects; and / or (b) an increase in GEF resources for the Program.

### **Implementation, Monitoring, and Evaluation**

35. Implementation begins following CEO endorsement and Agency approval. Each Agency is responsible for the projects implementation and is directly accountable to the Council. Agencies conduct project-level monitoring and evaluation activities in accordance with the Agency systems and consistent with the GEF Monitoring and Evaluation Policy. Agencies undertake mid-term reviews for FSPs under implementation and submit them to the Secretariat. Agencies submit FSPs and MSPs terminal evaluation reports to the GEF Independent Evaluation Office.

36. GEF corporate and focal area results frameworks guide Secretariat monitoring and learning activities at the portfolio level. The Secretariat monitors and reports to Council on overall GEF project cycle efficiency and other relevant elements. The Secretariat, in

consultation with the Agencies, and STAP as needed, develops Guidelines on GEF Results-Based Management.

### **Set-aside, Commitment, and Transfer of Funds**

#### *Set-aside and Commitment*

37. Set-aside for FSPs and two-step MSPs: for FSPs, the Trustee sets-aside funds towards the project identified by PIFs (all project costs) listed in the approved Work Program, subject to the availability of resources. For MSPs following a two-step approval process, the Trustee sets aside funds towards the project identified by PIFs (all project costs) as approved by the CEO, subject to the availability of resources.

38. Commitment for FSPs and two-step MSPs: for FSPs the Trustee commits funds for the Project Grant to the Agency only after CEO endorsement, based on the amount endorsed by the CEO. Fees for FSPs are committed in tranches: 40% at PIF approval by Council and 60% upon endorsement by the CEO. For MSPs following a two-step approval process, the Trustee commits funds for both –Project Grant and Agency Fees— in full after CEO approval of the final MSP.

39. Set-aside and commitment for one-step MSPs, EAs and PPGs: for MSPs following the one-step approval process and for EAs submitted through an Agency, and for PPGs, the Trustee sets aside and commits the Project Grants, Project Preparation Grants for MSPs and associated Fees in full after CEO approval of the MSP, EA or PPG.

40. Set-aside and commitment for Programs: the Trustee sets aside the amount of Total GEF Resources requested under a PFD once the Work Program is approved by the Council, subject to the availability of resources. The Trustee commits 40% of the Agency Fees for each Full-sized Child Project listed in a PFD at the time of PFD approval. This is subject to the 40% fee commitment being returned if the Full-sized Child Project is dropped / cancelled prior to the respective Program Commitment Deadline, with no exceptions. If the Full-sized Child Project is not submitted for CEO endorsement by the time of the respective Program Commitment Deadline, the 40% fee commitment will be cancelled and returned, with no exceptions. The Project Grant and the remaining 60% of the Agency Fee are committed in full to the Agency only after CEO endorsement of Full-sized Child Projects, based on the amount endorsed by the CEO. For Medium-sized Child Projects and for PPGs, the Trustee commits the Project Grant and Agency Fee in full after CEO approval.

#### *Transfer of Funds*

41. The Agency requests transfer of funds for a project after (i) the Trustee commits the funds for the project pursuant to paragraphs 37 to 40 above, depending on the type of project, and (ii) the Agency approves the FSP, MSP, and EA projects in accordance with its policies and procedures.

42. The Trustee may suspend commitment and disbursement of GEF funds that have been allocated by the Council and/or the CEO, as appropriate, to any Agency which is not in 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 more than thirty days after written notification from the Trustee. Such suspension may continue until such time as the noncompliance is resolved to the satisfaction of the Trustee. The Trustee may also suspend commitment and disbursement of GEF funds as instructed by the Council if the Council determines, after consulting an Agency, that failure to comply with their obligation with regard to misuse of funds as specified in the Financial Procedures Agreement continues.

#### **RELATED DOCUMENTS**

##### **GEF Policies**

[Co-financing \(FI/PL/01\)](#)

[Comparative Advantages of the GEF Agencies \(Council Document GEF/C.31/5\)](#)

[Fee Policy for GEF Partner Agencies \(FI/PL/03\)](#)

[The GEF Monitoring and Evaluation Policy \(Evaluation Document No. 4\)](#)

[Non-Grant Instruments \(FI/PL/02\)](#)

[Operational Guidelines for the Application of the Incremental Cost Principle \(Council Document GEF/C.31/12\)](#)

[Policy on Public Involvement in GEF Projects \(SD/PL/01\)](#)

[Project Cancellation \(OP/PL/02\)](#)

##### **Guidelines**

[Guidelines on the Implementation of the Public Involvement Policy \(SD/GN/01\)](#)

## ANNEX II: LIST OF RELEVANT COUNCIL DOCUMENTS

1. GEF/C.47/07/Rev.01, **Improving the GEF Project Cycle** (December 2015 amendment of October 2014 Document)
2. GEF/C.47/07, **Improving the GEF Project Cycle** (October 2014)
3. GEF/C.46/Inf.13, **Progress Report on the GEF Project Cycle Streamlining and Harmonization Process** (May 2014)
4. GEF/C.45/04, **Progress Report on GEF Project Cycle Streamlining Measures** (November 2013)
5. GEF/C.43/06, **Streamlining of Project Cycle** (November 2012)
6. GEF/C.39/Inf.03, **GEF Project and Programmatic Approach Cycles** (November 2010)
7. GEF/C.38/05/Rev/1, **Streamlining the Project Cycle & Refining the Programmatic Approach** (July 2010)
8. GEF/C.38/06/Rev.1, **Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Convention Reports – with Direct Access by Recipient Countries** (July 2010)
9. GEF/C.34/Inf.4, **Management of the GEF Project Cycle Operation: A Review** (November 2008 )
10. GEF/C.33/6, **From Projects to Programs: Clarifying the Programmatic Approach in the GEF Portfolio** (April 2008)
11. **Policies and Procedures for the GEF Project Cycle** (updated in November 2008)?
12. GEF/C.32/CRP.2, **Proposed Revision of Paragraph 11 of the Project Cycle,**
13. GEF/C.31/7rev.1 **GEF Project Cycle** (June 2007) (superseded by **Policies and Procedure for the GEF Project Cycle**, November 2008)
14. GEF/C.31/7, **GEF Project Cycle** (June 2007)
15. GEF.C.31/7/Corr.1, **GEF Project Cycle Corrigendum** (June 2007)
16. GEF/C.31/CRP.2 through GEF/C.31/CRP.5. These documents updated paragraph 13 of GEF.C.31/7.
17. GEF/C.30/3, **Rules, Procedures and Objective Criteria for Project Selection, Pipeline Management, Approval of Sub-Projects, and Cancellation Policy** (December 2006)
18. GEF/C.30/CRP.4, **Evaluation of GEF Project Cycle and Modalities** (December 2006)
19. GEF/C.24/13 **Proposals for Enhancing GEF Medium-sized Projects** (November 2004)
20. GEF/C.24/Inf.5, **Project Cycle Update: Clarification of Policies and Procedures for Project Amendments and Drops/Cancellations** (November 2004)
21. GEFC.22/Inf.9 **GEF Project Cycle: An Update** (November 2003)

22. GEF/C.16/5 Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management (November 2000)
23. GEF/C.16/Inf.7 GEF Project Cycle (November 2000)
24. GEF/C12/9 Streamlining the Project Cycle (October 1998)
25. GEF/C.5/7 Staff Recommendations for Selective Review of Projects (May 1995)
26. GEF/C.4/7 GEF Project Cycle (May 1995)
27. GEF/C.3/6 The Project Development and Preparation Facility (February 1995)
28. GEF/C.2/3 Proposed GEF Project Cycle (November 1994)