

50th GEF Council Meeting
June 07 – 09, 2016
Washington, D.C.

ANALYSIS OF FIRST DISBURSEMENT

EXECUTIVE SUMMARY

1. At the 49th Council Meeting in October 2015, the Council requested that the Secretariat and GEF Agencies provide a breakdown and explanation of the factors behind the significant time taken for first disbursement by some GEF Agencies and present a report at the Council Meeting in June 2016. This information document offers a comprehensive analysis of the first disbursement data and the associated reasons for time taken as reported by the GEF Agencies.
2. This paper provides: (a) definition of first disbursement and explanation of the method for analysis; (b) analysis of first disbursement data as of January 29th, 2016; (c) analysis of associated reasons for time taken from CEO Endorsement/Approval to first disbursement; and (d) summary of Agencies' project cycles as reported by GEF Partner Agencies.
3. The main findings of this exercise are: (a) the differences in time taken for first disbursement among Agencies are mainly due to diverse project cycles; and (b) the three most common reasons for delay across all Agencies are the lengthy government approval process, prolonged recruitment process and Executing Agency capacity issues.

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INTRODUCTION

1. At the 44th Council Meeting in June 2013, following Council’s request¹, the GEF Secretariat (GEFSEC) began to report on the time taken between CEO Endorsement/approval and the first disbursement. The first report on this was presented at the 46th Council Meeting in May 2014². From then on, such reports were included as a regular part of the Annual Monitoring Review (AMR) – Part I.
2. At the 49th Council Meeting in October 2015, the Council further requested that the Secretariat and GEF Agencies provide a breakdown and explanation of the factors behind the significant time taken for first disbursement by some GEF Agencies, and present a report at the next Council Meeting in June 2016. This information document provides a more comprehensive analysis of the first disbursement data and the associated reasons for time taken as reported by the GEF Agencies.
3. This paper provides: (a) a definition of first disbursement and explanation of the method for analysis; (b) analysis of first disbursement data as of January 29th, 2016; (c) analysis of associated reasons for time taken from CEO Endorsement/Approval to first disbursement; and (d) a summary of Agencies’ project cycles, as reported by GEF Agencies.

DEFINITION OF FIRST DISBURSEMENT AND METHOD FOR ANALYSIS

¹ “Joint Summary of the Chairs, 44th GEF Council Meeting, June 18- 20, 2013”, <https://www.thegef.org/council-meeting-documents/joint-summary-chairs-14>

² “Annual Monitoring Review (AMR) FY13: Part II” <https://www.thegef.org/council-meeting-documents/annual-monitoring-review-fy-2013-part-ii>

4. First disbursement is defined as the earliest date on which:
 - (a) the first transfer/disbursement of GEF funds to the project Executing Agency takes place; or
 - (b) the first direct payment that is made with GEF funds to suppliers of goods and/or services for the project.

5. This definition was adopted by all GEF Partner Agencies in the FY13 AMR Part I, in order to initiate the process of responding to the Council's request at its June 2013 meeting.

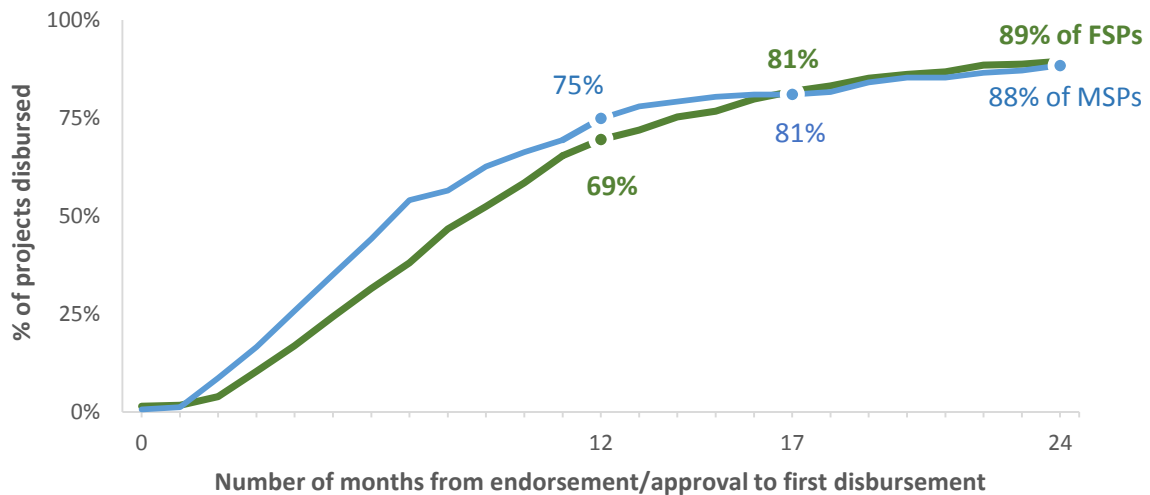
6. The analysis of first disbursement data in this paper was carried out based on a dataset of GEF Trust Fund endorsed/approved projects in GEF-5 (FY11, FY12, FY13 and FY14), so that only projects with a period of at least two full years since the endorsement are included. This method is consistent with the methodology that the GEF IEO adopted in its OPS-5 as well as with the information used to make the calculations on the first disbursement included in the AMR I presented in October 2015.

7. The associated analysis of reasons for time taken from CEO Endorsement/Approval to first disbursement is also based on the same cohort of projects. However, given the fact that some Agencies have a large number of projects, it was agreed that only projects that disbursed more than 1 year after CEO Endorsement/Approval would require comprehensive explanations. For projects disbursed within 1 (such as all UNIDO projects), GEFSEC encouraged Agencies to provide good examples and reasons for early disbursement. Agencies have very different project cycles and, therefore, major differences exist in their processes associated with financial transfers.

ANALYSIS OF FIRST DISBURSEMENT DATA FOR GEF TRUST FUND PROJECTS ENDORSED/APPROVED IN GEF-5

8. The data analysis is based on 579 GEF Trust Fund projects (416 full-sized projects and 163 medium-sized projects), that were CEO Endorsed/Approved in GEF-5 (FY11- FY14). As shown in Figure 1, within one year the first disbursement rates (the percentage of endorsed/approved projects that get disbursed in a certain period of time)³ for medium-sized project (MSPs) are slightly higher than for full-sized projects (FSPs): 75 versus 69 percent. At month 17 the first disbursement rates of MSPs and FSPs are the same: 81 percent. These rates increase to 89 percent for FSPs and 88 percent for MSPs after two years from the endorsement/approval.

Figure1. Cumulative distribution of disbursed projects by project size




































³ The concept of first disbursement rate has been widely accepted and used in previous disbursement analysis, since FY14 AMR Part I.

BREAKDOWN BY AGENCY

9. **The first disbursement rate varies among GEF Partner Agencies.** Within 1 year after endorsement, the disbursement rate diverges from IFAD at 22 percent to UNIDO at 100 percent (Table 1). The percentage of projects that are disbursed within 2 years after endorsement/approval increases rapidly for some Agencies, such as World Bank (WB), IADB, IFAD, EBRD and ADB. Within 3 years, all UN Agencies and two multilateral development banks (MDBs)/ international financial institutions (IFIs) reach around or above 90 percent disbursement rate.

Table 1. Breakdown of disbursement by Agency for endorsed/approved projects in GEF-5

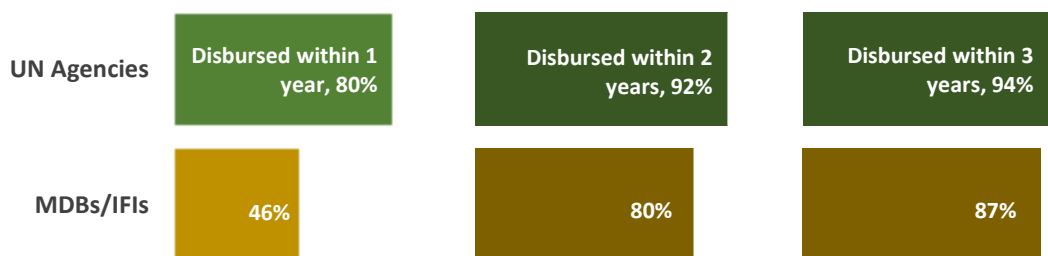
Type	Agency	Total no. of projects endorsed/ approved	Months from endorsement to disbursement			Cumulative projects disbursed within x years after endorsement								
			Min	Max	Average	Within 1 year		Within 2 years		Within 3 years				
						#	%	#	%	#	%			
UN Agencies	UNIDO	61	2	9	5	61	100%		61	100%		61	100%	
	UNEP	111	0	41	7	95	86%		102	92%		105	95%	
	UNDP	210	0	31	9	153	73%		191	91%		194	92%	
	FAO	31	3	21	10	22	71%		28	90%		28	90%	
MDBs/IFIs	EBRD	8	1	19	9	6	75%		8	100%		8	100%	
	WB	106	0	33	12	58	55%		94	89%		99	93%	
	AfDB	2	4	4	4	1	50%		1	50%		1	50%	
	ADB	21	3	41	17	7	33%		11	52%		13	62%	
	IADB	19	8	44	17	5	26%		15	79%		15	79%	
	IFAD	9	8	43	23	2	22%		4	44%		7	78%	
New-Accredited Agency	WWF-US	1	1	1	1	1	100%		1	100%		1	100%	

Note: In this analysis, there is no joint agency as the Lead Agency representing multi-agency projects. For projects that are implemented before receiving the first disbursement, time taken from endorsement to disbursement is counted as “0 month” in this table.

10. **Notably, there is a significant difference between UN Agencies and MDBs/IFIs (Figure 2).** In general, UN Agencies tend to have faster first disbursement rates in comparison with MDBs/IFIs (except for EBRD). Within one year after endorsement/approval, 80 percent of UN Agencies' projects made disbursement, while only 46 percent of MDBs'/IFIs' projects had received the first disbursement. After two years from endorsement/approval, the UN Agencies first disbursement rate was 92 percent, 12 percentage points higher than that of MDBs/IFIs. After three years from endorsement, the disbursement rates between two groups of Agencies became 94 percent for UN Agencies and 87 percent for MDBs/IFIs.

Figure 2. UN Agencies recorded higher first disbursement rate

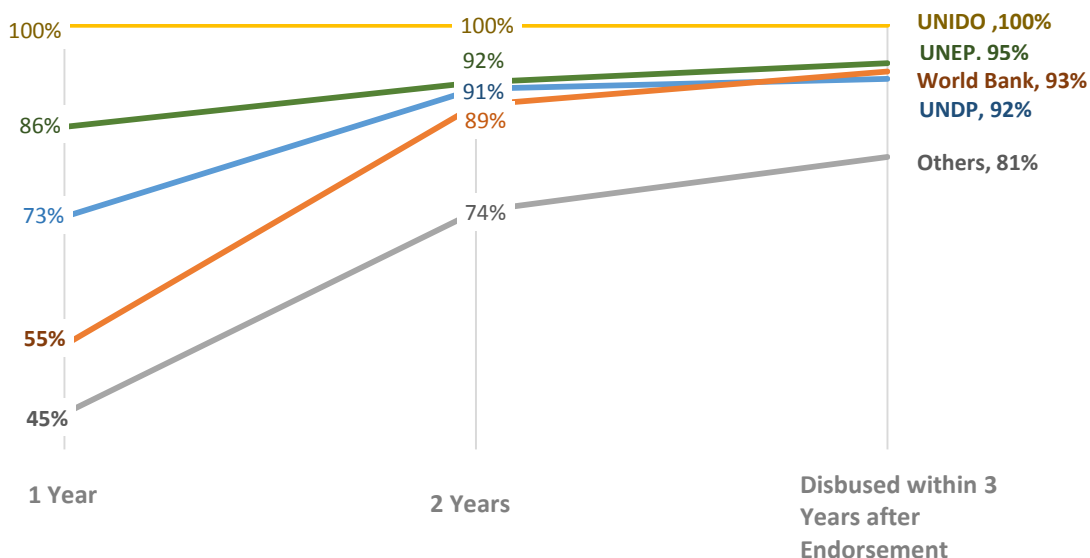
Over the course of 3 years, UN agencies have significant disbursement rate than MDBs/IFIs



Note: UN Agencies include UNIDO, UNEP, UNDP, FAO; MDBs/IFIs include EBRD, WB, AFDB, ADB, IFAD and IADB.

11. **The main reason for this difference seems to be the diverse project cycles.** In general, disbursements at MDBs occur following a series of steps after GEF CEO Endorsement/Approval: Board approval, negotiation, grant signing, grant effectiveness, and compliance with conditions prior to the first disbursement, all involving steps on the Government side as well as on the Agencies' side. By contrast, UN Agencies normally have internal approval and signing of grant agreement/project document after CEO Endorsement/Approval, and then first disbursement can be triggered. Thus MDBs/IFIs have more procedural steps to be completed after CEO Endorsement/Approval than UN Agencies before the first disbursement. Furthermore, disbursements at MDBs generally follow a projected schedule established at project appraisal, using different mechanisms tailored to the specific investment. Results based investments and larger contracts will generally backlog or phase disbursements after achievement of milestones for delivery of key goods and services. A more detailed analysis of the reasons for delay is conducted in the next chapter. In order to provide more clarification on the analysis of the first disbursement, summaries of Agencies' specific steps between CEO Endorsement/Approval to first disbursement are included in Table 5. In addition, the Annex presents summaries of Agencies' complete project cycles from project inception to closure.

Figure 3. Agencies with the largest number of projects have significant higher disbursement rates over the course of 3 years



12. Agencies with the largest number of projects during the period of time when the analysis was conducted (UNDP, UNEP, World Bank and UNIDO) have higher first disbursement rates than other Agencies. Among GEF-5 endorsed/approved projects, UNDP, UNEP, World Bank and UNIDO are the top four Agencies with largest number of endorsed projects. As shown in Figure 3, these Agencies have higher disbursement rates than other Agencies over the course of three years. Especially after two years from endorsement, there is a major difference between these Agencies and the others. All Agencies with the largest number of projects achieve around 90 percent or above disbursement rate, while the average disbursement rate for other Agencies is at 74 percent. Among Agencies with smaller number of projects, FAO and EBRD are the top performers – the disbursement rate reach 71 and 75 percent respectively within 1 year, and then increase to 90 and 100 percent within 2 and 3 years. Among Agencies with the largest number of projects, UNIDO successfully disburse all projects within one year. World Bank reaches 55 percent within the first year, while its rate increased to 89 percent in the second year. World Bank had the greatest increase from year 1 to year 2 among all Agencies. However, it is important to point out that statistically, an outlier in an Agency with fewer projects affects the first disbursement rate much more than in an Agency with many projects.

BREAKDOWN BY REGION

13. Further breakdown by region shows that the variation of disbursement rates among regions is not as significant as that among Agencies. Within 3 years, almost all regions reach 90% disbursement rate, except Middle East and North Africa region (77%) and South Asia region (89%). Europe and Central Asia region has the highest percentage of projects whose first disbursement over three years was 99%. Middle East and North Africa (MENA) region had the lowest percentage of projects over the same period of time. Only 86% projects in MENA received the first disbursement within 3 years.

Table 2. Breakdown of disbursement by region for endorsed/approved projects in GEF-5

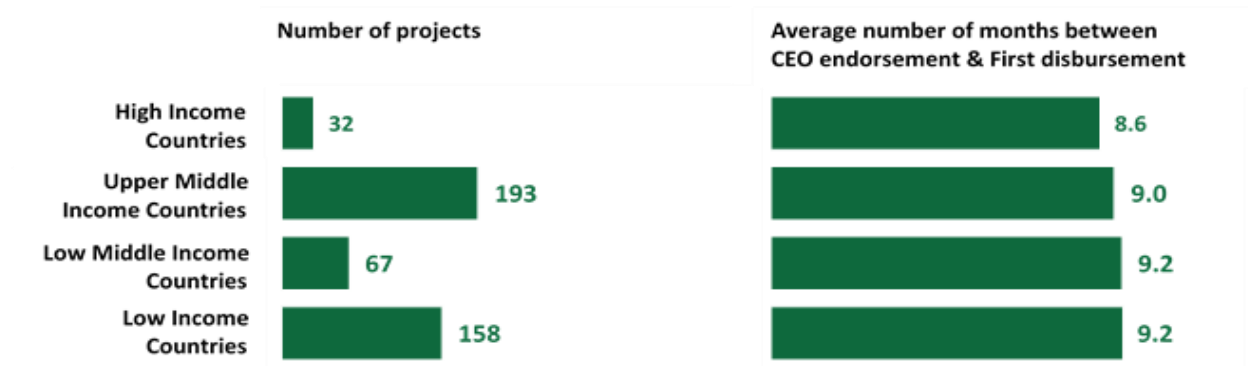
Region	Total no. of projects endorsed/ approved	Months from endorsement to disbursement			Cumulative projects disbursed within x years after endorsement					
		Min	Max	Average	Within 1 year		Within 2 years		Within 3 years	
					#	%	#	%	#	%
Europe and Central Asia	67	1	33	8	54	81	65	97	66	99
Global	61	0	23	7	47	77	57	93	57	93
South Asia	38	1	28	8	29	76	33	87	34	89
East Asia and Pacific	119	1	41	10	83	70	104	87	107	90
Africa	144	0	33	10	100	69	129	90	136	94
Latin America and the Caribbean	115	1	22	9	77	67	101	88	102	89
Middle East and North Africa	35	1	41	12	21	60	27	77	30	86
Overall	560	0	43	9	406	73	501	89	517	92

Note: Region in this table follows the World Bank region categories. For projects that are implemented before receiving the first disbursement, time taken from endorsement to disbursement is counted as “0 month” in this table.

BREAKDOWN BY DIFFERENT COUNTRY CATEGORIES

14. As for the **breakdown among country categories defined by per capita income**, the differences are notable in number of projects but negligible in terms of average time taken. Figures 4, 5, and 6 show the average time taken from endorsement to disbursement. Considering country income group, in terms of income per capita(Figure 4), High Income Countries (HICs) have the least time of 8.6 months for the first disbursement, while the first disbursement in Upper Middle-Income Countries (UMICs), Lower Middle Income Countries (LMICs) and Lower Income Countries (LICs) have similar average times (9.0, 9.2 and 9.2 months, respectively).

Figure 4. Average months taken from endorsement to disbursement by country income



Note: Regional and global projects are not included in this analysis.

15. **In terms of Small Island Developing States (SIDS) and non-SIDS, the divergence is small (Figure 5).** For the average time taken to first disbursement, SIDS countries get the first disbursement in 9.6 months, while non-SIDS get it in 9.0 months. However, the difference in number of projects is evident.

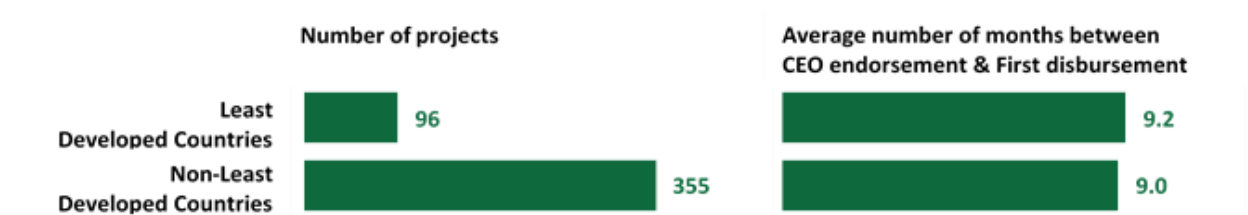
Figure 5. Average months taken from endorsement to disbursement by SIDS or non-SIDS



Note: Regional and global projects are not included in this analysis.

16. **As for the Least Development Countries (LDCs) category (Figure 6), the difference with non-LDCs is negligible.** The average time from endorsement to first disbursement for LDCs is slightly higher (9.2 months) than the non-LDCs (9.0 months), although the number of projects is higher for the non-LDCs.

Figure 6. Average months taken from endorsement to disbursement by LDCs



Note: Regional and global projects are not included in this analysis.

BREAKDOWN BY FOCAL AREA

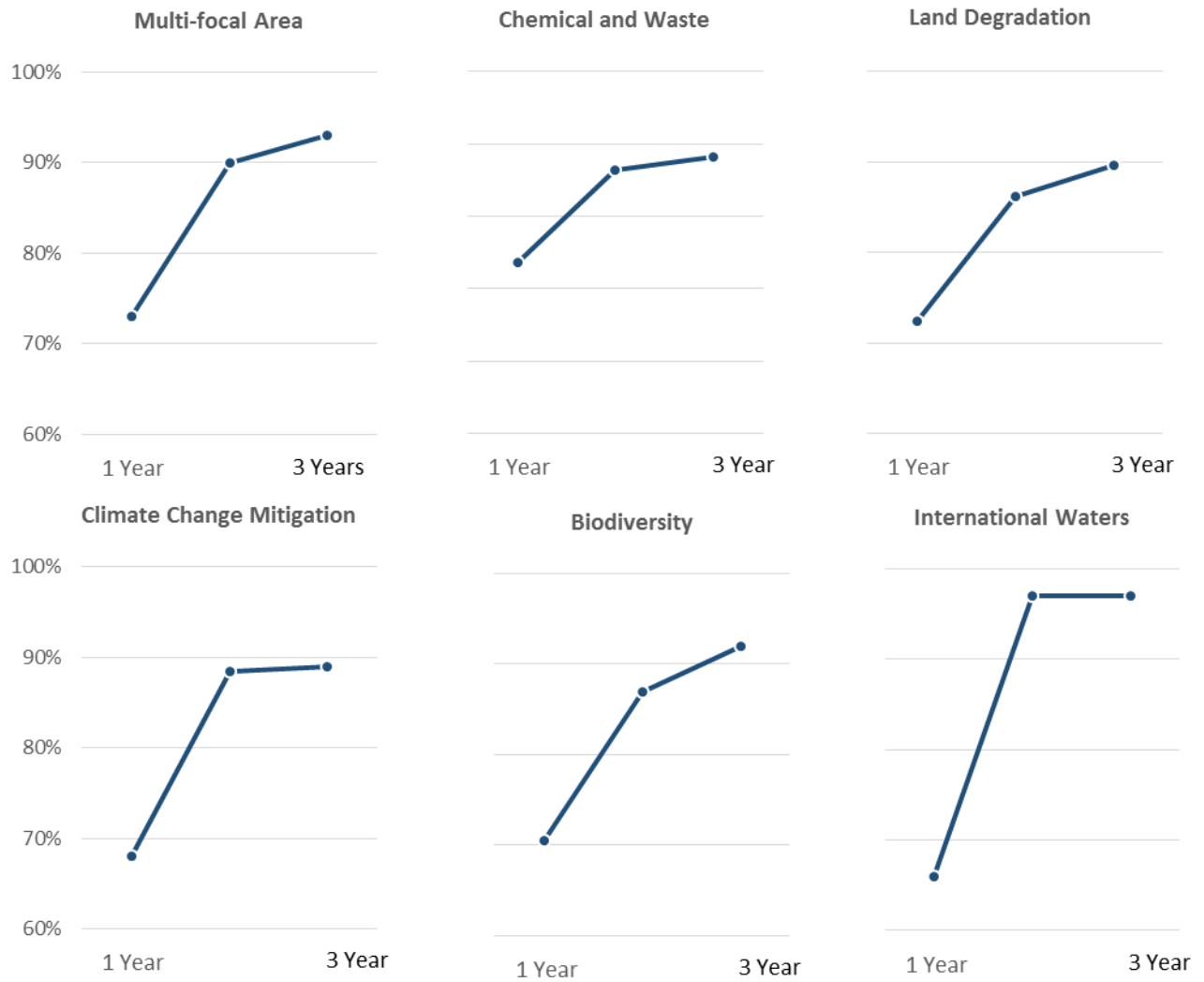
17. The breakdown by focal area indicates that within one year, the Chemicals and Waste focal area (ozone depleting substances and POPs) has the highest percentage of project disbursements (84 percent), while within 3 years, all other focal areas (including multi-focal area projects) reach the same level: more than 90 percent of projects get their first disbursement. The International Waters (IW) focal area records the greatest increase within 2 years, from 66 percent in the first year to 97 percent in the second year.

Table 3. Breakdown of disbursement by focal area for endorsed/approved projects in GEF-5

Focal Area	Total no. of projects endorsed/ approved	Months from endorsement to disbursement			Cumulative projects disbursed within x years after endorsement					
					Within 1 year		Within 2 years		Within 3 years	
		Min	Max	Average	#	%	#	%	#	%
Chemical and Waste	55	0	29	8	46	84	53	96	54	98
Multi-focal Area	112	0	41	9	82	73	101	90	104	93
Land Degradation	29	1	26	8	21	72	25	86	26	90
Biodiversity	178	0	44	9	124	70	154	87	163	92
Climate Change Mitigation	176	0	43	9	119	68	155	88	157	89
International Waters	29	0	24	11	19	66	28	97	28	97
Overall	579	0	44	9	411	71	516	89	532	92

Note: For projects that start implementation before receiving the first disbursement, time taken from endorsement to disbursement is counted as “0 month” in this table.

Figure 7. Breakdown of disbursement by focal area



ANALYSIS OF ASSOCIATED REASONS FOR TIME TAKEN FROM CEO ENDORSEMENT/APPROVAL TO FIRST DISBURSEMENT

18. In addition to the analysis on the time spent from CEO Endorsement/Approval to first disbursement as per the categories shown above, the GEFSEC also consulted with GEF Partner Agencies on the reasons for delays in disbursement of more than 1 year after CEO Endorsement/Approval. Table 4 below presents the main reasons reported by all Agencies and associated frequencies. A detailed narrative for each reason is presented below the table⁴.

Table 4. Reasons for late disbursement and frequencies of occurrence

Reasons	Frequencies	Proportion	Agencies reporting this reason most frequently
Lengthy government approval process	30	16%	All Agencies
Prolonged recruitment process	24	13%	All Agencies
Executing Agency issues	24	13%	All Agencies
Procurement processes	16	8%	WB
Change in Government	16	8%	All Agencies
New or special accounting processes created internally, by the Government or by other entities	16	8%	ADB and IADB
Delay in signing the Project Agreement	14	7%	FAO
Political or social turmoil or natural disasters in the country	13	7%	All Agencies
GEF Partner Agency issues	8	4%	WB, IADB and ADB
Delay in providing co-financing funds	7	4%	WB
Project design problems	7	4%	WB and ADB
Safeguard issues	5	3%	WB
Late disbursement by design	4	2%	WB
Others	6	3%	
Overall	190	100%	

⁴ As mentioned in paragraph 15, in order to provide more clarification on the analysis of the first disbursement, summaries of Agencies' specific steps between CEO Endorsement/Approval to first disbursement are included in Table 5. Furthermore, Annex presents a summary of Agencies' complete project cycles since project inception to closure.

Note: Reasons for delay are not reported by all projects. Some projects have more than one reason for delay. Thus this table presents the total frequencies of reported reasons, but not total number of relevant projects.

- (a) **Lengthy government approval process** was the most common reason for delay across all Agencies. Disbursements generally require approval in several steps and by multiple ministries or government hierarchies. Especially loan projects, which need approval by parliament, usually require even more time to process. Thus, it is mainly those Agencies with a larger portion of loan projects (such as IFAD and World Bank), that are affected by this reason. Many UNDP projects reported that it is also their main reason for delay. This is due to UNDP's national implementation modality, in which national government entity, not UNDP, implements a project. Around 90 percent of UNDP-supported GEF-financed projects are implemented using this modality, although civil society organizations (CSOs), other UN Agencies, and UNDP itself can also implement projects.
- (b) **Prolonged recruitment process** was one of the most predominate reasons for delay among all Agencies. Prolonged recruitment usually happens in recruitment of the Executing Agency's Project Management Unit (PMU) or technical team, including consultants, technical assistants, and advisors. Since in some cases setting up the PMU is a condition for the first disbursement, the delay in selecting staff for the PMU directly impacts when the project is eligible for its first disbursement.
- (c) **Executing Agency issues** are often correlated with the Agency's capacity constraints, lack of engagement, a change in Executing Agency, or the training of new Executing Agencies' staff. In other cases, the Executing Agency is a CSO and it takes time to finalize a legally binding agreement. For some GEF Partner Agencies such as World Bank, the PMU, which is often embedded in a line ministry, is the equivalent of the Executing Agency, so some delays related to PMU are also included in this category.
- (d) **Procurement process** issues were mostly related to the slow start of procurement at early stages, given the complexity and scale of contracts. The process of contracting the PMU and the technical teams requires early contracting actions. In some situations, procurement is delayed after the establishment of the PMU. Inadequate procurement capacity in the PMU team (given staffing retention challenges) sometimes causes the delay. In one FAO case, the delay was due to disagreement with the standard text in a Government Cooperative Programme Agreement on taxation matters related to procurement. In this analysis, procurement issues were found to affect mainly the World Bank, reflecting in part the greater complexity, scale and dominance of the World Bank in the sample size as compared to other MDBs.

- (e) **Change in Government**, government restructuring, or changes in staffing, led to re-negotiation of some implementation arrangements, including the selection of executing partners. Such changes also caused complications in the approval procedures at the relevant Ministries and other participating governmental institutions. UNDP has the highest number of projects affected by these changes, although all agencies were affected by it to some degree.
- (f) **New or special accounting processes created internally, by the Government or by other entities** refers to the fresh or unusual accounting or financial requirements by the Ministry of Finance or equivalent in the country, as well as other standards demanded either internally or by international accounting systems. For example, this has happened when a new financial system has been launched that requires an imprest account for each Executing Agency, or when the Government has adopted new foreign aid acceptance rules. ADB, IADB, WB, UNDP, UNEP and EBRD have all been affected by new accounting processes. In addition, the UN system is being aligned to international accounting standards which the MDB's already follow, so it has taken some time for the UN agencies to adjust their systems to the new requirements.
- (g) **Delay in signing the Project Agreement** was mostly related to lengthy government approval processes and changes in Government, as mentioned above. This reason particularly affects FAO, because FAO must sign a separate Government Cooperative Programme (GCP) Agreement for every new project. Several FAO projects have the first disbursement only after one year due to delayed signature of the GCP. Signature of the GCP Agreement by Governments is a crucial step in the FAO project cycle, between project approval and implementation. It directly links to the speed of disbursement. To address this issue, FAO now initiates upstream consultation with Government partners on GCP Agreements during the project preparation phase.
- (h) **Political or social turmoil or natural disasters in the country** also contributed year or more delays in the release of the first disbursement. Either political turmoil such as the Arab Spring or Government elections, or natural disasters such as the like Nepal earthquake, were cited as reported reasons for delays by all Agencies.
- (i) **GEF Partner Agency issues**, such as internal delays in project approval or review processes, were also cited as a reason for the delays in releasing the first disbursement. Institutional restructuring or system changes within Agencies were also cited. In some situations, staffing shortages or administrative problems led to delays. One Agency mentioned the lack of a specific capacity of a GEF Partner Agency.

- (j) **Delay in providing co-financing funds at the same time when the Agency is ready to disburse**, so it happens when being a requirement, other non-GEF donor funds have not been materialized as expected or it is difficult to obtain the co-finance on time.
- (k) **Project design problems are more case specific.** A few delays are related to restructuring of the design. Some are associated with due-diligence during the project design phase. Others are related to greater complexities in the design of civil works.
- (l) **Safeguard- related delays are specific to the World Bank.** For WB projects, delays were partially due the presence of complex issues in the safeguard process which required further analysis and time to implement agreed actions (e.g., resettlements, territorial issues). Many World Bank projects require that the capacity to address environment and social safeguards is put in place throughout a project's life so that issues that emerge at any stage can be effectively addressed.
- (m) **Late disbursement by design** was due to prioritization of disbursement of other donor funds. In some cases, the GEF grant is supposed to kick in at the later stage of a project and the delay is built into the project design.
- (n) **Others reasons** refer to explanations that are difficult to categorize. Some examples include changes to the baseline project during project execution; cancellation of loan, which triggers the cancellation of the GEF project; and delays in project commencement when no Government representative is available to start negotiations with the Agency after the project is CEO endorsed. Delays can also occur when a global project (such as a programmatic approaches in a child projects) requires separate negotiations with each country to kick off the project.

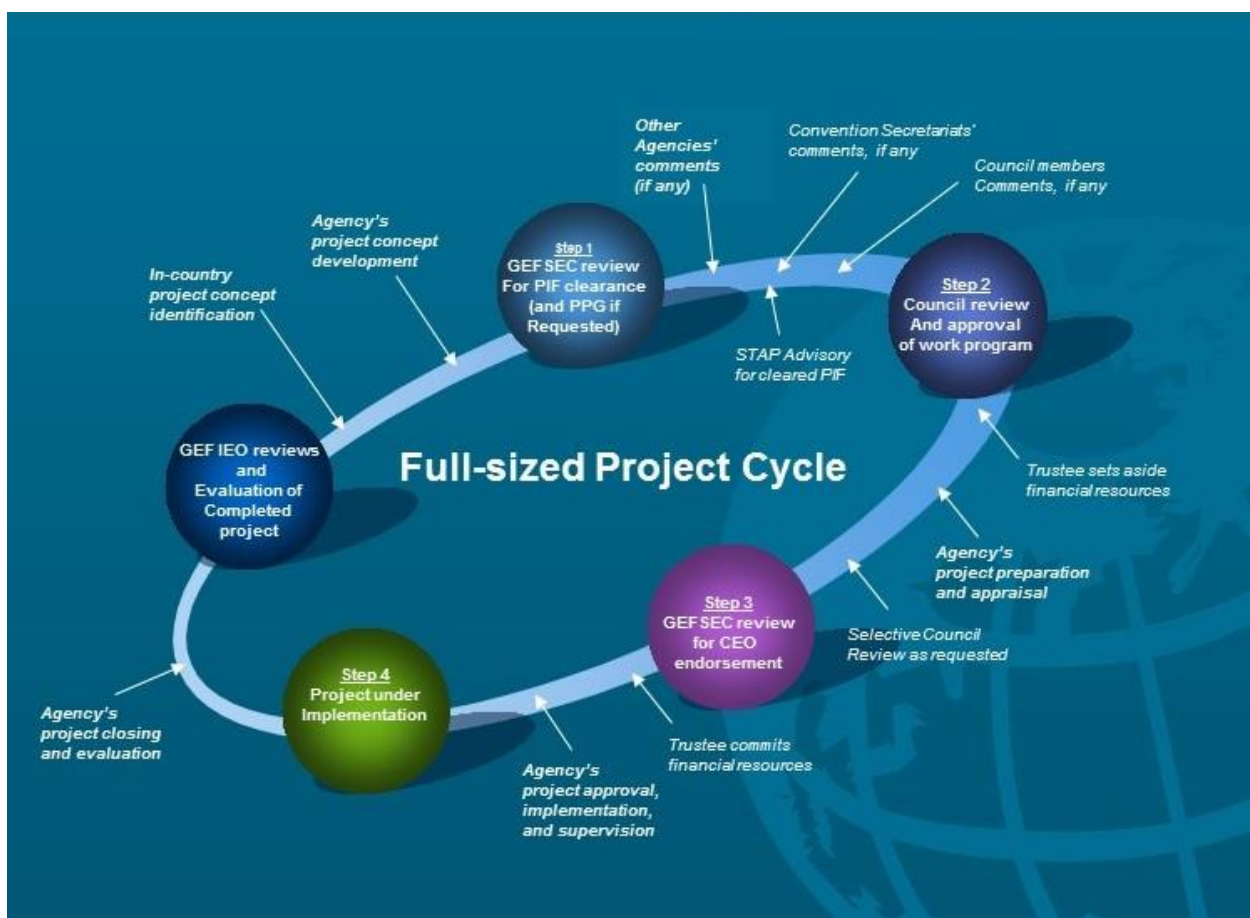
19. In addition to reasons behind the disbursement after one year, the GEFSEC also requested that Agencies report on good examples of early disbursement. One Agency, UNIDO, has all projects disbursed within one year. UNIDO's project cycle allows the Agency to engage with Government in concrete negotiations for project arrangements as early as PPG phase so the related contractual documentation is ready by the time of CEO Endorsement. Assistance to set up the PMU also contributes to early start-up of projects.

20. FAO provides an example of a project in Angola, where the time taken to first disbursement was less than five months after CEO endorsement. The main reason for this was that key operational issues were addressed when the PPG phase started, including selection of project personnel and negotiation of the GCP Agreement for signature soon after CEO endorsement. FAO's project cycle allows for these efficiency enhancing steps.

SUMMARIES OF AGENCIES' PROJECT CYCLES AS REPORTED BY GEF AGENCIES

21. The time taken from CEO Endorsement/Approval to first disbursement is highly correlated to each Agency's project cycle. In order to fully understand reasons for late disbursement, the GEFSEC has also requested that all Agencies provide an overview of their project cycles with mark-ups or indications of decision points that generally fits with the GEF's project cycle. Figure 8 shows the GEF project cycle with embedded Agencies' project cycle. It aims to give an overview of how key stakeholders involves in the identification, preparation, development, implementation and closure of a project.

Figure 8. GEF project cycle with embedded Agencies' project cycles



22. Table 5 below provides a more detailed comparison of the GEF project cycle and GEF Agencies' corresponding project cycle, concentrating on period from CEO Endorsement to first disbursement. The whole project cycle comparison (steps from inception to closure and terminal evaluation) is presented in Annex.

Table 5. Project cycle comparison – from CEO Endorsement/Approval to first disbursement

Agencies	GEF Project Cycle	Time (in months) from CEO Endorsement to 1st Disbursement
UN Agencies	FAO Discussion of GCP agreement with Government => GEF CEO Endorsement => FAO internal approval => Signature of GCP with Government=>Operational Partnership Agreement => Operational responsibility designation => 1st disbursement	<p>10 months (mean) 9 months (median)</p>
	UNDP GEF CEO Endorsement => Final project appraisal in-country => Project document to be signed by all parties => Project starts => Inception Workshop => National Implementing Partner convene 1st Project Board Meeting to approve 1st annual work plan => UNDP Country Office disburses funds based on approved 1st annual work plan	<p>9 months (mean) 8 months (median)</p>
	UNEP GEF CEO Endorsement => Inception Workshop => Redislosure => Report PIR/ESERN => Implementation and 1st disbursement	<p>7 months (mean) 5 months (median)</p>
	UNIDO GEF CEO Endorsement => Executive Board Review and Approval => Trustee's Letter of Commitment received => Grant creation => Implementation starts => 1st disbursement to either (i) a project Executing Agency (EA) governed by a contractual arrangement between UNIDO and the EA; or (ii) suppliers of goods and/or services for the project, governed by UNIDO procurement and consultant recruitment guidelines	<p>5 months (mean) 5 months (median)</p>
MDBs and IFIs	ADB Loan negotiation => GEF CEO Endorsement => ADB Board approval => Loan Signing => Loan effectiveness => Implementation and 1st disbursement	<p>18 months (mean) 13 months (median)</p>
	AfDB GEF CEO Endorsement => Negotiation and Board approval => Signature and Effectiveness => Conditions for 1st disbursement and other conditions => Authorized signatories for disbursement requests => 1st disbursement	<p>4 months (mean) 4 months (median)</p>
	EBRD GEF CEO Endorsement => Final review => Board approval => Signing => 1st disbursement	<p>9 months (mean) 8 months (median)</p>
	IADB GEF CEO Endorsement => Operational Policy Committee => Negotiation => Board approval => Signing of grant contract =>conditions for disbursement => 1st disbursement	<p>17 months (mean) 15 months (median)</p>
	IFAD GEF CEO Endorsement => Grant agreement finalization including annual implementation plan, budget and 18-month procurement plan => Negotiation => Grant agreement signing => Grant effectiveness => 1st disbursement	<p>23 months (mean) 25 months (median)</p>
	WB GEF CEO Endorsement => Project Appraisal=> Negotiation => Board approval => Project effectiveness => 1st disbursement	<p>12 months (mean) 11 months (median)</p>

Additional clarifications by some GEF Partner Agencies on the First Disbursement

23. FAO has taken steps to address some GEF specific aspects to enable faster start-up of projects. For example, FAO is now able to secure internal clearances for projects concurrent with the CEO endorsement process so formal FAO approval can happen soon after CEO endorsement. In addition, upstream consultations with the Government partner on the GCP Agreement are initiated during the PPG process so that the agreement can be signed quickly after CEO endorsement and FAO approval.

24. For UNDP, when a UN Agency or National Implementing Partner or NGO executes a project (and becomes an Implementing Partner in UNDP language), UNDP policies allow the UN Agency or the National Implementing Partner to spend project funds before receiving the cash advance from UNDP. As Implementing Partners submit financial expenditure reports to UNDP on a quarterly basis, this means that the actual first disbursement dates of project funds could be earlier than the dates shown in the UNDP submission.

25. The MDBs have similar procedures. The World Bank, for example, has a procedure called Retroactive Financing to help accelerate project implementation before the first disbursement date. Under this procedure, governments can use their own funds for early expenditures with reimbursement after the project is approved. Therefore, payments for certain contractors or delivery of goods can occur before the first disbursement date.

ANNEX

A detailed comparison of the GEF project cycle and GEF Agencies' corresponding project cycle, from inception to project closure.

GEF Project cycle	UN Agencies				MDBs and IFIs					
	FAO	UNDP	UNEP	UNIDO	ADB	AfDB	EBRD	IADB	IFAD	WB
GEFSEC review for PIF clearance and PPG approval	Country request for assistance => Identification (Assessment of alignment with FAO Strategic Framework, Country Programming Framework and GEF Strategies) => FAO Project Task Force => FAO Concept Note and Environmental and Social risk screening => PIF preparation, FAO clearance and submission to GEF.	Country request for assistance in project identification to UNDP country Office; Identification of project idea with country aligned to UNDP country programme and UNDAF => draft PIF and initial safeguards screening => UNDP technical and financial clearance => submission of PIF to GEF	Matrix of initial project ideas => PIF developed (+ Letter of Endorsement, ESES checklist) => UNEP Concept Review Committee (CRC) issues comments, Task Manager addresses CRC comments => GEF Coordination Office clears and submits project => PPG legal instrument	Country requests assistance either through UNIDO field network or directly to HQ, Concept and project development including both technical and operational oversight reviews (Field Offices, Technical Branches, Procurement, Financial Management), as well as ESS related screening templates => UNIDO GEF Coordination Unit clears and submits project to the GEF SEC	Country Partnership Strategy & Country Environment Note preparation => ADB concept paper prepared and approved by ADB Management	Country Strategy Paper preparation and project identification	Initiation => Concept Review => Structure Review	Registration in OPUS => PP => ERM => Eligibility => POD	Identification & concept note => Government endorsement => PIF and PPG submission	Project identification => Project concept meeting
Council review and approval of PIF										

GEF Project cycle	UN Agencies				MDBs and IFIs						
	FAO	UNDP	UNEP	UNIDO	ADB	AfDB	EBRD	IADB	IFAD	WB	
GEFSEC review for CEO endorsement	<p>Preparation and approval of PPG work plan and budget by FAO and executing partner(s) => PPG implementation and implementation modality assessment, including safeguard assessments, leading to full draft project documents =></p> <p>Appraisal and Approval (quality review and internal clearances) => government clearance => CEO endorsement request submitted to GEFSEC</p>	<p>When PPG approved, preparation of an UNDP Initiation Plan outlining the key steps and budget for full project document development. Extensive in-country consultations; and safeguard and gender assessments as needed. => in-country pre-appraisal as appropriate => UNDP technical and financial clearances at three levels: country, regional and headquarters => submission to GEF</p>	<p>Development of full project documentation, ESERN Updated (including ESERN Plan) and ESERN Disclosure => UNEP Project Review Committee (PRC) reviews documentation and issues, Task Manager addresses PRC comments=> GEF Coordination Office clears and submits project documentation to GEF Sec => Legal Instruments drafted</p>	<p>Project Preparation (PPG workplan, stakeholder consultations, baseline assessments, technical studies, project document development) => environmental, social and gender safeguard assessments and resulting ESMP / ESIA => After internal clearance, Technical Branches submit to UNIDO GEF Coordination Unit, which organizes quality review meetings (technical/ formal/ operational issues and contractual modalities), finally clears and officially submits project to the GEF SEC via the UNIDO-GEF Focal Point (Managing Director PTC)</p>	<p>Project/ Program Preparatory Technical Assistance implemented & project documents prepared => ADB Project Board or Management approval</p>	<p>Project preparation and appraisal</p>			<p>Project preparation => Quality and Risk Review => Submission of CEO Endorsement</p>	<p>Project development team meeting & quality enhancement review</p>	<p>Project preparation => Project quality enhancement review => Decision meeting</p>

GEF Project cycle	UN Agencies				MDBs and IFIs					
	FAO	UNDP	UNEP	UNIDO	ADB	AfDB	EBRD	IADB	IFAD	WB
<p>GEF CEO endorsement to 1st disbursement</p>	<p>Initial Discussion of GCP Agreement with Government => GEF CEO endorsement => Trustee's Commitment Letter => => FAO internal approval => GCP Agreement => Operational Partner Agreement => Operational responsibility designation=> 1st disbursement</p>	<p>GEF CEO Endorsement => Final project appraisal and approval in-country with government, stakeholders, UNDP => Project document signed by all parties => Project document signature date is date of project start => Inception Workshop => National Implementing Partner convene 1st Project Board Meeting to approve 1st annual work plan => UNDP Country Office disburses funds based on approved 1st annual work plan. Implementing Partner can disburse co-financing before UNDP disburses GEF grant.</p>	<p>GEF CEO endorsement => Trustee Commitment Letter issued => Legal Instrument signed, within 2 weeks of 2nd signature => 1st disbursement</p>	<p>GEF CEO endorsement => Submission to UNIDO Executive Board for final review and clearance => Trustee's Letter of Commitment received => Grant creation => Implementation starts => 1st disbursement to either (i) a project Executing Agency (EA) governed by a contractual arrangement between UNIDO and the EA; or (ii) suppliers of goods and/or services for the project, governed by UNIDO procurement and consultant recruitment guidelines.</p>	<p>Loan negotiation => GEF CEO endorsement => ADB Board approval => Loan Signing => Loan effectiveness => Implementation and 1st disbursement</p>	<p>GEF CEO endorsement => Negotiation and Board approval => Signature and Effectiveness => Conditions for 1st disbursement and other conditions => Authorized signatories for disbursement requests => 1st disbursement</p>	<p>GEF CEO endorsement => Final review => Board approval => Signing => 1st disbursement</p>	<p>GEF CEO endorsement => Operational Policy Committee => Negotiation => Board approval => Signing of grant contract=> conditions for disbursement => 1st disbursement</p>	<p>GEF CEO endorsement => Grant agreement finalization including annual implementation plan, budget and 18-month procurement plan => Negotiation => Grant agreement signing => Grant effectiveness => 1st disbursement</p>	<p>GEF CEO endorsement => Project Appraisal=>Negotiation => Board approval => Project effectiveness => 1st disbursement</p>

GEF Project cycle	UN Agencies				MDBs and IFIs					
	FAO	UNDP	UNEP	UNIDO	ADB	AfDB	EBRD	IADB	IFAD	WB
GEFSEC review during project implementation	Implementation, monitoring and supervision; mid-term review or evaluation; reporting (PIR, MTR, Project Progress Report, financial reports, GEF Tracking Tools).	Implementation and supervision; annual disbursement of funds; PIRs and MTRs)	Implementation and Monitoring (Project Inception Workshop, Steering Committee Meetings, PIR, technical and financial reports, MTR, MTR management response, Tracking Tools	Implementation and Monitoring (Project Inception Workshops, Project Steering Committee Meetings, PIRs, MTRs, Tracking Tools	Project monitoring mission & midterm review mission	Implementation and supervision	Disbursement => Repayments => Sales of equity	Implementation and supervision	Start-up workshop to launch project implementation => Annual work program and budget => Bi-annual disbursement of funds => PIR and MTR	Implementation and supervision
GEF IEO review and evaluation of completed projects	Terminal report, Terminal Evaluation and Project Closure	Final evaluation, project closure	Terminal report/TE and responses => Audit=> project operational closure and financial closure processes	Terminal Evaluation Report and management responses, Tracking Tools => operational and financial project closure	Project completion report prepared	Project completion	Final maturity => Final repayment	Project completion	Final evaluation	Project completion
Average time from CEO endorsement to 1st disbursement (Month)	9.6	8.8	7.1	4.7	17.5	4.1	8.9	17.0	23.1	12.2
Median time from CEO endorsement to 1st disbursement (Month)	8.4	7.7	5.1	4.5	12.8	4.1	8.1	15.3	25	11.0