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INVESTING IN OUR PLANET

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Agenda Item 15

**THE IMPACT OF COVID-19 ON GEF PROJECT PREPARATION AND
IMPLEMENTATION:
OVERVIEW OF RESPONSES FROM ACROSS THE GEF PARTNERSHIP**

Recommended Council Decision

The Council, having reviewed document GEF/C.59/11, *The Impact of COVID-19 on GEF Project Preparation and Implementation: Overview of Responses from Across the GEF Partnership*, takes note of the report, and approves an exceptional authorization for the CEO to grant exceptions to the Project Cancellation Policy, as follows:

- a. The CEO may grant extensions to cancellation deadlines for all project types for a total of up to 24 months, replacing the references to extensions of 12 months and 6 months in paras 5(d) and 6(d) respectively of the Cancellation Policy.
- b. This authorization is effective through the final day of the 60th Council meeting.

The Council further requests that the Secretariat continue to monitor the impacts of the pandemic on GEF operations, report to Council and take necessary actions within its authority.

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INTRODUCTION

1. This note reports on information from GEF partners on the implications of the pandemic on the preparation and implementation of GEF projects and programs and seeks Council approval for an exceptional, time-bound authorisation to the CEO to grant additional exceptions to the Project Cancellation Policy, to avoid the automatic cancellation of projects whose preparation may continue to be delayed due to impacts of the pandemic. It does not suggest potential programming directions to address root causes and outcomes of the pandemic; this is the subject of a dedicated GEF Task Force that will inform future decisions by Council and deliberations among GEF-8 Replenishment Participants, further described in the *White Paper on a GEF COVID-19 Response Strategy, (GEF/C.59/15)*. This note also complements a separate guidance note addressing project design and review considerations, including risk analysis.¹

2. Based on consultations with GEF Agencies and extensive dedicated sessions with country representatives (Operational Focal Points), it is clear that the pandemic has created challenges for preparation and implementation, but the impacts are not uniform across countries. Countries and Agencies have adapted and enabled planning activities to continue to prepare and implement GEF-funded activities. In some countries, however, there may be limits to the extent this can persist for an extended period of time. There are particular challenges for new projects for which no planning activities have commenced. GEF Agencies have adopted specific measures to manage new operational challenges brought about by the pandemic; such measures are generally also applicable to their GEF portfolios and have been deployed as appropriate by the Agencies.

3. In response to these new challenges, the GEF CEO has used the flexibility in the GEF Project Cancellation Policy to extend the deadlines for the preparation of projects prior to cancellation. Agencies report they anticipate that most projects requiring CEO endorsement or approval by June 30, 2021 will meet these extended deadlines, but some will not. Agencies and recipient countries have also sought additional guidance on the scope of repurposing possible within GEF projects. This report also considers additional steps with respect to GEF guidance on project preparation and implementation (including monitoring and supervision) that may be provided.

4. In addition to ongoing dialogue with Agencies and OFPs, the Secretariat submitted a paper to the 58th Council outlining the GEF's response. The extension to the cancellation deadlines communicated previously by the CEO is being continuously monitored and a compilation of Secretariat, Agency and other resources is continuously maintained on the GEF website.

¹ *Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics, September 2020.*

http://www.thegef.org/sites/default/files/documents/GEF_COVID_Project_Design_Review_Considerations_20200925.pdf

INFORMATION GATHERING BY THE SECRETARIAT

5. The Secretariat has consulted with Agencies and OFPs to understand the impacts from their various perspectives. In April 2020 the Secretariat conducted an initial survey of Agencies to determine preliminary impacts and planned responses. The GEF Secretariat invited GEF Agencies to share their initial experiences and anticipated challenges related to implementing GEF-funded projects and programs in the context of the COVID-19 crisis. All 18 GEF Agencies responded to the survey by April 30, 2020.

6. Subsequent inputs were provided by Agencies at the program and project level. Following the decisions to extend cancellation deadlines, the Secretariat also sought inputs from Agencies with respect to expected submission dates for specific projects, to better understand the impact of the pandemic on the pipeline of projects and programs for approval up to mid-2021. At the same time, Agencies were invited to provide project-level details on the impediments to project preparation, and solutions and workarounds being employed to address them.

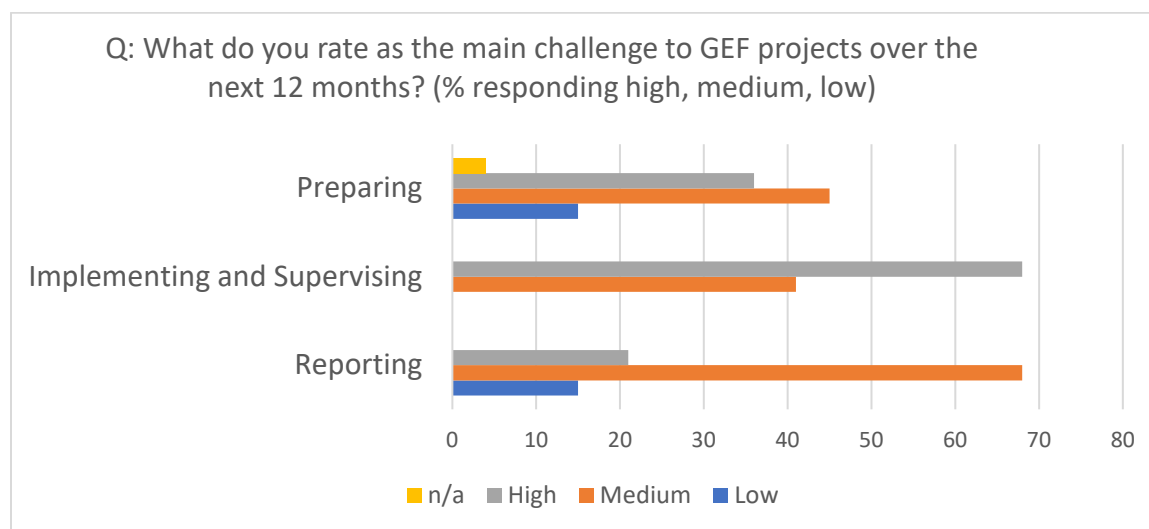
7. A survey of 144 Operational Focal Points was then launched in September 2020 to better understand implications at the country level and the Secretariat received responses from 76 countries (a 53% response rate). This was followed up by a series of virtual meetings among OFPs facilitated by the Secretariat and organised along regional lines, to further explore constraints and potential solutions.

8. Finally, the results of both the Agency and OFP consultations were discussed at the GEF Agency Retreat in October 2020, for the purpose of sharing lessons learned and identifying additional actions. Agencies shared experiences with operational constraints and solutions being employed, noting that the situation in many countries continued to evolve. Overall, Agencies reported that some projects will still require extension to cancellation deadlines, but flexibility in other areas would also be useful. For instance, Agencies noted clarity on the scope for amendments and repurposing GEF projects (within the scope of the GEF programming directions) would assist Agencies in their interaction with countries. The scope and procedures for such amendments (classified as “major” and “minor”) are described in the GEF Project and Program Cycle Policy and related Guidelines. Scope for repurposing approved GEF projects is limited by resource allocations approved under respective Replenishment Resolutions; significant changes to project objectives would constitute major amendments and require approval by Council. If some activities such as site selection and in-person consultation could be deferred to implementation phases, projects may be able to reach CEO endorsement/approval and start disbursing faster. Risks to the full materialization of expected co-financing were also noted. One result of the GEF CEO-approved extensions to submit projects for approval has been a delay in first disbursement and the associated transfer of Agency fees. One Agency reported this had contributed to some Agency administrative budget constraints. Further potential policy and guideline options are discussed in Section VI.

PANDEMIC IMPACTS AND RESPONSES: GEF AGENCY FEEDBACK

9. At the end of FY20, Agencies noted that the COVID-19 pandemic was expected to have a significant impact on their portfolio of GEF-financed activities. Results from the survey conducted by the Secretariat in April 2020 indicated that Agencies anticipated minor amendments in a large proportion of projects and that they were constrained in their implementation support function. Agencies also anticipated challenges in the development of already-approved PIFs, which is necessarily a participatory, consultative process. With a few exceptions, however, most Agencies did not anticipate requiring a large-scale reformulation of their GEF portfolio, estimating that approximately one-third of GEF projects may require some degree of reformulation.

Figure 1: Implementation and supervision activities were deemed most at risk in the first Agency survey.



10. Over time, however, Agencies' responses became more nuanced and differentiated, as they adopted more flexible approaches to project preparation and implementation. It has also become apparent that many projects already under preparation benefitted from work already completed. Other work already started could be completed remotely or via minor modifications. Agencies now report relatively more challenges related to project implementation versus new project preparation. Some expect to receive requests for no-cost extensions for projects under implementation.

11. Early in the pandemic, Agencies identified the following GEF activities likely to be at higher risk: i) Project Preparation Grants, ii) projects in SIDS, LDCs, landlocked developing countries, iii) conservation-based activities, particularly those relying on financing derived from tourism revenues, iv) projects requiring consultations with Indigenous or other stakeholders and v) projects in countries with travel restrictions and where "providing methods of remote communication to stakeholders in rural areas that lack technological capacity is not feasible."

12. Agencies continue to cite challenges resulting from stalled mission activity, inability to conduct stakeholder consultations, and counterparts' preoccupation with immediate health sector needs and crisis response. Specific challenges remain related to preparation work that requires studies, missions to countries and physical consultations with stakeholders. Some Agencies have noted that underlying Agency loans, grants or other operations accompanying GEF funding may be re-purposed or cancelled; this would impact GEF-financed portion of these projects and programs. Nevertheless, Agencies reported that countries were generally prioritizing the preparation and implementation of GEF projects, as they were providing increasingly important grant funding at a time when many countries' budgets are coming under pressure.

13. Agencies now report increased use of web-based and other tools for remote supervision, to provide implementation support, engage with stakeholders and ensure the verification of project outputs. This includes geo-monitoring of activities and use of third-party monitoring. It was reported that, in some cases, the new modalities have resulted in more accurate data than was achievable with traditional means and have facilitated more efficient engagement with local communities. In the first Agency survey, Agencies reported receiving various requests to undertake project activities remotely, and for information and clarification on both GEF and Agency policy and procedures. Subsequent feedback from OFPs suggests GEF Agencies were responsive to Agency requests; for instance, project preparation and other activities have been able to proceed using remote methods and adjustments to project budgets have been possible within the scope of existing GEF and Agency policy and guidelines.

Box 1: Examples of requests Agencies received from recipient countries and executing entities early in the pandemic:

- undertake project preparatory work remotely
- delay provision of inputs to PIR reporting and evaluations.
- extend project implementation timelines, activities (mid-term reviews, financial audits, reporting)
- delay project launches;
- include costs of practical COVID response steps in project budgets (sanitization tools, internet connectivity, etc.)
- conduct online training sessions
- clarify opportunities and restrictions for reprogramming funds in ongoing projects.

14. When asked about the most prominent risks, Agencies identified issues predominately related to stakeholder consultations, restrictions on use of international consultants, monitoring and evaluation challenges, and risks to co-financing.

15. ***Co-financing:*** Many noted that prospective partner obligations – whether national government, private sector or other sourced - may be at risk. The risk was also not seen as

uniform across projects and countries, with some projects having already secured domestic budget approval, some at risk of re-allocation exercises, and new projects not yet included in future year budgets deemed most at risk. It was also anticipated that delays would be experienced on administrative aspects such as the securing of commitment letters.

16. **Specific national responses:** Measures introduced by government counterparts in general led to a general slowdown in the implementation of activities. For instance, restrictions on movement imposed by many countries, banning international travel and new requirements for sanitation and maintenance of social distance added complications to project preparation. Some Agencies reported difficulties securing counterpart agreement to negotiated project components such as budgets, and difficulties obtaining required Letters of Endorsement (LOEs) from country counterparts. There was also particular concern regarding the variability of the challenges; project preparation delays depend heavily on the country specific country lockdown, travel bans, accessibility of project sites, potential for recruitment/contracting of national capacity, and shifting government priorities in favour of immediate health sector responses.

17. **GEF processing deadlines:** Finally, Agencies identified risks associated with meeting timelines for CEO endorsement preparation (procuring services of consultants and conducting the work, stakeholder consultation, etc.). Maintaining the 18 and 12-month deadlines for CEO endorsement/approval was seen as potentially impacting project quality as many project preparation activities had been stalled.

EVOLUTION OF AGENCY PREPARATION AND IMPLEMENTATION (MARCH-NOVEMBER 2020)

18. In a follow-up to the earlier Agency survey the GEF Secretariat conducted a targeted survey of those Agencies with projects at risk of cancellation (per the GEF Project Cancellation Policy) if they were not CEO endorsed or approved by end-June 2021. Agencies were asked to report the expected dates of submission to the Secretariat and provide insights into any continued constraints and work-around measures. The responses confirmed that Agencies expected all but 5 of 114 such projects (i.e. 96%) to be submitted before the (now-extended) cancellation deadlines.² These responses are summarized in Table 1 below. Since this survey, Agencies have noted that the situation continues to evolve and that more projects may require extensions to the preparation period prior to cancellation.

² AfDB response is pending. If it is assumed that all 3 AfDB projects are not able to meet the deadline, the figure rises to 8 projects out of 114.

Table 1: Agency reporting of expected delays for projects to be CEO endorsed/approved by June 30, 2021 (results of September 2020 survey)

Extended CEO Endorsement/ Approval Submission Date	Nov-20	Dec-20	Grand Total # of projects	Will be submitted by 6-month extended submission deadline	Will be late for submission	Not yet reported	Grand Total	Note
ADB		3	3		3		3	three child projects under a LDCF PFD, two (Solomon Islands and Vanuatu) need another 6 months, one (Tuvalu) need 12 more months until submission
AfDB		3	3			3	3	
CAF		1	1	1			1	
CI		3	3	3			3	
FAO	1	22	23	23			23	1 child project in Cote d'Ivoire is tentatively to be submitted by end of November, in due time, but It may require a further extension to end of 2020 or beginning of 2021.
IADB		1	1	1			1	
IUCN		4	4	4			4	
UNDP		39	39	38	1		39	Child project in Gabon transferred from WB to UNDP in September 2020 make it impossible for UNDP to meet the deadline of submission
UNEP	1	22	23	22	1		23	
World Bank		10	10	10			10	
WWF-US		4	4	4			4	
Grand Total	2	112	114	106	5	3	114	
				93%	4%	3%	100%	

19. Of the 5 projects for which Agencies expected more time would be required, 3 were in Small Island Pacific States that had experienced lockdowns and restrictions on international travel, coupled with difficulties in substituting local capacity in these cases. Of these, one project was in country had experienced a force majeure event unrelated to the pandemic (tropical cyclone). A fourth project experienced delays related to the transferring of responsibility from one lead Agency to another – largely unrelated to the pandemic. Finally, a fifth project was included in the list due to lack of information, while the Agency³ still expected it to be submitted on time.

20. The Agencies also provided information related to the project-specific issues they were facing with respect to project preparation and the responses and workarounds they were employing to continue to prepare GEF projects. The information provided suggests that in general, Agencies are able to continue to prepare projects and have adopted a number of workarounds. Where challenges remain tend to be in the areas of conducting stakeholder consultation and securing co-financing commitments. As noted above, in some cases, constraints reported were not necessarily attributable to the pandemic (e.g. natural disasters, elections, securing co-financing letters, project design issues, national capacity to execute), but these had been exacerbated to some extent by the conditions during the pandemic.

³ UNEP

21. **Agencies reported that they were deploying the following responses and work-arounds to continue to prepare, implement, and supervise projects:**

- (i) *Stakeholder Consultations:* These are being completed virtually using surveys and reliance on e-mail exchanges, combined with a closer logging and recording of communications. In some cases, these are being postponed to the inception or later stages in the project cycle and Agencies are conducting validation or other workshops in recipient country Capitals instead of in the field or conducting them virtually. Some Agencies responded that COVID-19 has delayed project development but not prevented work from proceeding. With increased clarity on pandemic protocols for distancing and safeguards, field consultations are now being undertaken where possible following these protocols and guidelines. Constraints reportedly remain with respect to consultations with Indigenous groups.
- (ii) *Recipient Country Capacity and priorities:* Agencies are relying more heavily on their local and field offices. There is a general increase in the use of local consultants and local outsourcing for project supervision and identified follow-up on-site tasks. Local supply chains are being promoted, with capacity development for local qualified professionals taking place so that they are better able to perform required social and environmental follow-up activities. This includes improving internet connectivity where possible and using international consultants working in tandem with a local expert per country in-order to ensure adequate stakeholder consultation is undertaken. Some Agencies are sharing local consulting resources among themselves. Finally, there have been some isolated requests for Agency Execution (i.e. dual role of Agencies for both implementation and execution), but this has not been widespread.
- (iii) *Co-financing and budget issues:* Some Agencies report difficulties in securing confirmation letters from co-financing sources and that economic and fiscal impacts have rendered co-financing commitments more uncertain and/or difficult to obtain. In general, where negotiation has traditionally been undertaken face-to-face (e.g. for project budgets), Agencies have reported that it has in some cases been more challenging to reach agreement virtually.

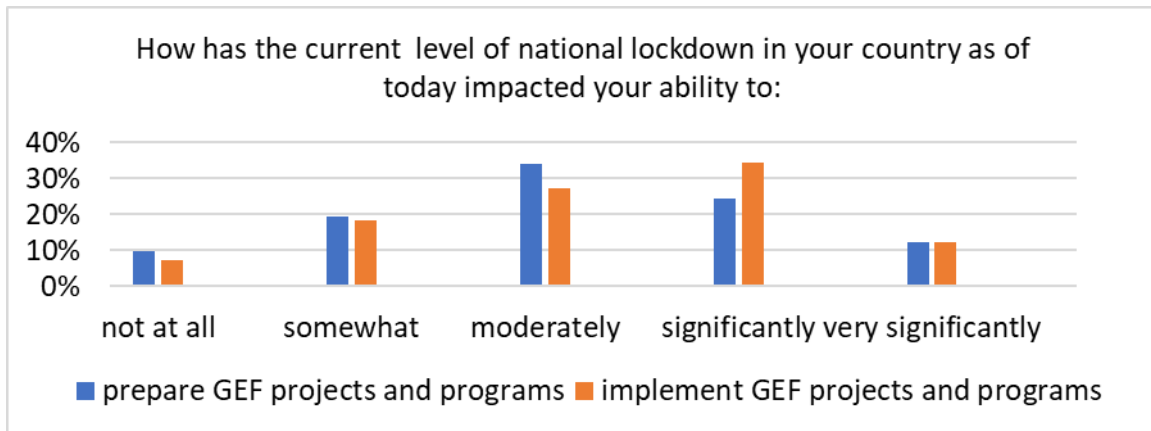
22. Finally, many GEF Agencies have also reported to OECD/DAC on strategies to continue project preparation and implementation, including of GEF projects (see Annex 2).

PANDEMIC IMPACTS AND RESPONSES: FEEDBACK FROM OPERATIONAL FOCAL POINTS (OFPs)

23. In October 2020, the GEF Secretariat conducted survey of OFPs, followed by a series of dedicated virtual consultations, to gain insights into pandemic-related factors impacting GEF project preparation and implementation and identify measures being used to maintain activity. Of the 144 countries invited to participate in the survey, 76 provided responses (a 53% response rate). Selected survey results are presented below. Of the respondents, over 80% reported working in an office or hybrid environment; only 18% reporting working 'from home'.

Only 16% of respondents reported that any GEF projects had been put on hold due to a shift in national priorities or government measures as a result of the pandemic; the majority of respondents reported that preparation and implementation was proceeding. ⁴

Figure 2: Overall results of OFP Survey:



24. **General Impacts on the GEF Portfolio:** OFP reporting indicated that impacts varied predictably depending on a country’s pandemic response and whether an early lockdown, early lifting of restrictions, or no lockdown was put in place. Impacts also varied depending on access to online tools to conduct virtual meetings. In addition, many OFPs reported that GEF Agencies had been very flexible in meeting project needs by adapting their working arrangements (e.g. moving to remote meetings), procurement process, budget targets, and meeting project deliverables. For instance, during Asia consultations, OFPs expressed great satisfaction with the responsiveness of GEF Agencies, due largely to reported proactivity, frequency of virtual interactions, proposed adaptive management plans and alternative implementation scenarios, etc. In a majority of countries surveyed the following was observed:

- Activities requiring visits and travel (locally and internationally) were most affected: capacity building, field visits and stakeholder consultations were being postponed. Some activities, such as awareness raising, capacity building and training workshops, are now implemented virtually, however it was noted that attendance sometimes suffers due to limited internet access or lack of facilities. Field work in some cases is being done through the efforts of local coordinators. In general, these workarounds are reported to be working, but require much more time to execute and usually entail higher costs.⁵

⁴ In response to the question: “Has any GEF project (either new or ongoing) been put on hold due to shift in national priorities or any government measures due to the pandemic”, 16% responded “yes”; 76% responded “no”; 8% were not aware. When asked the same question whether a project had been redesigned to contribute to pandemic response while maintaining the same objectives, 30% responded “yes”; 54% responded “no”.

⁵ For instance, Asia consultations reported that in-person community engagement is taking place with safety protocols where possible/necessary. However, there is a need to organize multiple small group events, provide additional resources for physical distancing, etc.

- Activities requiring international consultants were facing delays or required alternative approaches. While local consultants may be substituted in some cases, OFPs noted they are now in high demand, so availability is an issue.
- Supply chains were disrupted at different stages (e.g. provision/imports of goods and services). An additional concern stemming from the economic crisis was that governments are increasingly cautious when working with the private sector entities whose credit risks may be increasing.
- Project extensions were being considered by many countries, with early expectations that such extensions could be implemented at no additional cost. This may be challenging in practice, as staff costs still accrue and project staff may move on or be unavailable for extended periods of time. In several countries, additional resources had to be allocated to extend contracts for consultants or find project staff available to work for longer periods.
- In Asia Pacific, projects focussed on tourism and community livelihood support in rural and indigenous communities were significantly affected. Many OFPs have been directly involved in the national pandemic response efforts by reaching out to the rural communities, establishing communication channels, building a support network with existing GEF partners, project beneficiaries, local CSOs, private sector and local governments to address urgent needs (i.e., food security, loss of income). In this context, some OFPs reported a high level of satisfaction with GEF leadership in advancing policies in the communities, women and youth, and nature-based solutions, noting they have leveraged on-going GEF project activities and outcomes such as robust systems on community benefit sharing, community engagement protocols and local traditional systems in the pandemic response efforts.

25. **Availability of co-financing:** The situation with respect to co-financing appears to vary across different countries. Only 20% of OFP respondents reported that any government financing for GEF projects had been delayed, cancelled or reduced (51% responded that there was no impact; 29% were not aware). In some countries existing co-financing was not impacted by the national or local Government during the pandemic. However, many countries expressed concern over uncertainty of future national and sub-national budgets, including in several cases the negative impacts of local currency depreciation. Several OFPs noted a shift to explore more in-kind co-financing as government ministries sought to preserve cash budgets and requested that GEF permit the maximum possible level of co-financing in-kind.

26. **Impact on Safeguards standards, Stakeholder Consultations:** This was the area of most concern from the majority of OFPs consulted. Activities requiring travel to remote areas or field visits was being postponed, while stakeholder consultations are being organized using virtual methods where possible. However, not all stakeholders were reported to have adequate connectivity (internet connection or phone signal) or facilities for online meetings, making community engagement in remote/indigenous areas very challenging. Some OFPs reported

leveraging their local office staff, GEF Small Grants Program contacts and NGOs to engage communities.

27. **Project Execution impacts:** There were different impacts reported on ongoing versus planned projects. Some countries are experiencing more negative impacts on implementation (especially activities involving field work, community engagement in remote areas) than on other projects under preparation. Some countries reported the opposite; i.e. projects under preparation faced more difficulties than projects under execution. Many countries nevertheless cited a need to introduce changes to projects under implementation: redesign activities, restructure results frameworks and reallocate resources within approved budgets.

Box 2. Examples of OFP suggestions for additional country support

The following were suggestions received from OFPs to address constraints on GEF projects:

- Facilitate more events on COVID-19 and inform OFPs about the plans to mitigate its effects.
- Co-financing in-kind should be allowed at a maximum level due to impacts on local budgets; maximum flexibility should be applied for co-financing.
- For projects in difficulty but otherwise almost fully disbursed or near the end of their execution period, consideration could be given to closing them early instead of extending and re-structuring.
- Incorporate pandemic-related components in the GEF-8 programming cycle. Several OFPs noted priority should be given to communities, food security & supply chain issues, economy stimulus packages, job/income generation for communities, post-COVID recovery efforts, adaptive management and livelihood support.
- Support countries in creating a pool of regional/national consultants to work alongside OFPs to build national capacity. Countries could assign a national expert to work alongside international consultants and learn by doing.

28. **Some positive impacts were also observed by OFPs:** For instance, in response to the pandemic, some Environment ministries were increasing focus on local communities' urgent needs, with potential positive environmental benefits (e.g. food security, supply chains, livelihood restoration, communication and information dissemination, post-COVID recovery efforts). Governments were also acknowledging the value of equipping their offices with virtual meeting facilities and reducing carbon footprints.

GEF SECRETARIAT RESPONSES

Actions to date:

29. The GEF Secretariat took early measures to continue supporting the preparation of high-quality projects. It has invoked provisions in the GEF cancellation policy that were included to permit flexibility in the event of epidemics or other force majeure events. Through these provisions, the CEO has provided a universal extension of 6 months to the current 8- and 12-month deadline for submission (of medium-sized and full-sized projects, respectively), as well as the 12- and 18-month deadline to receive actual CEO endorsement/approval.

In addition to ongoing dialogue with Agencies and OFPs, the Secretariat submitted a paper to the 58th Council outlining the GEF's response, supplemented with a guidance note on project design and review considerations. The extension to the cancellation deadlines communicated previously by the CEO is being continuously monitored and a compilation of Secretariat, Agency and other resources is continuously maintained on the GEF website.

30. The GEF has also contributed to OECD DAC and other reporting on pandemic responses, noting that GEF financing is not available for reallocation to purposes other than those agreed by Council, based on priorities identified in replenishment processes. Nevertheless, GEF reporting has also noted that all submitted projects have undergone extensive risk and opportunity analysis with respect to COVID-19. In some cases, opportunities to alleviate some of the negative impacts on local communities have been identified. As noted earlier, separate efforts are being made to explore future programming options to address not only the impacts of the COVID-19 pandemic but to avoid future pandemics.

Additional Actions

31. ***Extension to Project Cancellation Deadlines:*** In light of the potential for continued delays in project preparation, it is proposed that the current authorisation under the Project Cancellation Policy for the CEO to provide extensions be expanded, for a limited time. This would provide additional flexibility to respond to the evolving impacts of the pandemic by providing additional extensions on either a case-by-basis or across the board, based on the scope and nature of requests from OFPs observed over the next six months. It would permit project preparation to continue with a focus on quality, while avoiding automatic cancellation of projects that would otherwise be ready for CEO endorsement or approval with additional time. To date, the CEO has provided an extension of six months to the business standard deadlines applicable to the submission of CEO endorsement or approval requests, as well as the actual CEO endorsement and approval deadlines. This extension applies to all projects and child projects under Programs approved to date and was granted in accordance with the provisions for exceptions anticipated by the Policy on Project Cancellation (OP/PL/02 – December 20, 2018) in cases of extraordinary events or circumstances beyond the control of parties, including epidemics, which may prevent the business standards from being met. To facilitate continued project preparation, it is proposed that this authority of the CEO to grant exceptions under this Policy be expanded on a temporary basis, as follows:

- extensions to project cancellation deadlines may be granted by the CEO for up to a total of 24 months, instead of the 12 and 6 months referenced in paras 5(d) and 6(d) respectively of the Cancellation Policy.
- this authority would be effective through the final day of the 60th Council meeting in 2021, at which time additional information on the impacts of the pandemic on project preparation would be available to inform any additional action required.

32. In addition to an extension to cancellation deadlines, based on the input received to date and depending upon the evolution of the pandemic and its related constraints in the coming months, the following additional measures could be considered:

- (i) **Clarify limits of repurposing GEF Projects:** In all cases, GEF-funded activities must be within the scope of respective replenishment-approved objectives and resource allocations. In this respect repurposing of GEF-funded activities to other sectors (e.g. health services, education, IT infrastructure) is not possible. This can be communicated by the Secretariat.
- (ii) **Clarify scope for Project Amendments:** Current GEF policy provides that Agencies can proceed with *minor amendments* that do not increase budget by more than 5% or significantly alter project objectives and scope, without requiring Council or GEF Secretariat approval. *Major amendments* that significantly change project objectives or entail budget increases over 5% require Council approval. The process to seek amendments within the scope of GEF programming is clearly articulated in the Project Cycle Policy and Guidelines and can be further communicated.
- (iii) **Project Monitoring and Supervision:** The GEF monitoring and reporting policy and guidelines facilitate and enable the application of new tools and virtual approaches. Insofar as details on the methods used to gather information are not prescribed in these documents (determined instead by policy and practice of the Agencies), they do not prevent adoption of innovative and alternate approaches by Agencies. The recently approved GEF Monitoring Policy specifies deadlines for the submission of various reports (e.g. PIRs no later than 75 days after the end of the fiscal year) and minimum project reporting requirements, with the guidelines providing additional reporting required during implementation as set in, for example, the gender or stakeholder engagement policies. This can be communicated to Agencies and recipient countries.
- (iv) **Stakeholder consultations:** GEF Stakeholder Engagement policy and guidelines facilitate the application of new ways of engaging with stakeholders without explicit requirement for physical meetings (virtual consultations, surveys, social media, web-based communication platforms etc.). If there is a requirement to amend project-level Stakeholder Engagement Plans, this is possible under the discretion of Agencies and project stakeholders.
- (v) **Project management:** Guidelines posted by the Secretariat have committed to paying greater attention to: i) crisis and emergency prevention, planning and management, ii) occupational health and safety concerns, iii) environment and social safeguards, iv) creating and internalizing new ways of working in order to adapt to circumstances (e.g. work from home, social distancing, etc.), and v) explore new tools and methods (e.g. distance and on-line learning, tele-commuting etc.).

- (vi) **Agency Fees:** The Agency Fee Policy and recent amendments approved by Council set out the milestones upon which Agencies may request fees. The policy is designed in part to incentivise progress in the project cycle and better match the timing of Agency fee payment with costs incurred by Agencies. The Secretariat will continue to monitor this over the coming year.
- (vii) **Risk management changes:** The Secretariat has issued guidance on enhanced risk management considerations.⁶ These can be continuously monitored and adjusted based on experience with project development to date and over the coming months.

⁶ Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics, September 2020, GEF Secretariat.
http://www.thegef.org/sites/default/files/documents/GEF_COVID_Project_Design_Review_Considerations_2020_925.pdf

ANNEX I: RISK ANALYSIS ELEMENTS (FROM GEF DOCUMENT: PROJECT DESIGN AND REVIEW CONSIDERATIONS IN RESPONSE TO THE COVID-19 CRISIS AND THE MITIGATION OF FUTURE PANDEMICS, SEPT 25, 2020)⁷

1. **A. Risk Analysis:** Ample consideration should be given to the risks that COVID-19 poses for all aspects of PIF concept and CEO endorsement packages. These include risks related to:
 - Availability of Technical Expertise and Capacity and Changes in Timelines
 - Does the intervention have a plan in place to manage a possible re-instatement of COVID-19 containment measures?
 - Government capacity as human resources are mobilized elsewhere;
 - Change in capacity of other executing entities and the effectiveness of the overall project implementation arrangement;
 - Limited capacity and experience for remote work and online interactions as well as limited remote data and information access and processing capacities that projects will need to strengthen
 - Changes in project implementation timelines;
 - Changes in baseline (both ongoing and forthcoming projects);
 - Change in conditions of beneficiaries;
 - Stakeholder Engagement Process
 - Mobility and stakeholder engagement, including where necessary risk mitigation measures for both project staff and stakeholders (with respect to stakeholders, agencies would need to pay special attention to groups who are typically marginalized such as women and indigenous peoples and local communities and how the advent of the pandemic has maybe made it even more difficult for them to be involved in project design and implementation. Look at how the stakeholder engagement plans are factoring this in to ensure that these groups can continue to be included);
 - Enabling Environment
 - Government focus on environment during crisis;
 - Government priorities during COVID-19 response (e.g. lockdowns to mitigate and contain spread; resources and personnel shifts, etc.)

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http://www.thegef.org/sites/default/files/documents/GEF_COVID_Project_Design_Review_Considerations_20200925.pdf

- Financing
 - National debt/fiscal crises and impacts on GEF projects
 - Co-financing availability (co-financing from the private sector and governments, loan-based projects with MDBs)
 - Price increase in procurement

- Future Risks of Similar Crises
 - Agencies should consider more closely their ESS screenings and the potential for GEF projects to have adverse impacts that may lead to future pandemics. GEF Secretariat can scrutinize these more closely as well;
 - Agencies should consider if there are differences between LDCs/SIDS and other recipient countries in their capacity to deal with COVID-19 and should we have any differential risk assessment; and
 - Livelihood declines and population migration to rural areas increasing pressure on natural ecosystems and the risk of more contacts between human and wildlife

ANNEX II: OECD DAC SURVEY OF MULTILATERAL INSTITUTIONS’ RESPONSE TO PROJECT PREPARATION AND MANAGEMENT: EXAMPLE STRATEGIES MULTILATERAL ORGANISATIONS ARE EMPLOYING TO CONTINUE FIELDWORK⁸

Approach	Examples
Flexibility in grant and loan management	<ul style="list-style-type: none"> • Extending project timelines (e.g. the GCF has provided a 6-month blanket no cost extension to grants) • Reallocating travel budgets and using the contingency budget to cover unforeseen project management costs (GCF) • Adapting standard approaches to increase flexibility (EBRD and GCF).
Digital approaches	<ul style="list-style-type: none"> • Teleworking arrangements at headquarters and country offices (AsDB, GGGI and IDB Invest) • Leveraging remote design and supervision (IFAD) and project implementation (CEF and UNWTO)
Co-ordination	<ul style="list-style-type: none"> • Sharing guidance on relevant areas and on adjusting programming across headquarters, country offices and clients (FAO, EBRD and UNFPA) • Co-ordinating plans and sharing information with beneficiary communities, different levels of recipient country governments, other multilateral organisations and other bilateral providers (UNFPA, UNPBF and UNWTO)
Local partners	<ul style="list-style-type: none"> • Increasing work with local consultants, NGOs and government counterparts to complement existing field staff, in the absence field staff or with reduced international staff in the field (AfDB, CEB, IFAD, IsDB, UNICEF) • Supporting key government partners in SIDS and LDCs for effective remote working (GGGI)
Innovation	<ul style="list-style-type: none"> • Launching initiatives to identify and promote promising technologies to make travel possible (UNWTO/WTO Healing Solutions for Tourism Challenge)

⁸ DAC Working Party on Development Finance Statistics, COVID-19 Survey – Main Findings. 11 September, 2020. Page 24. DCD/DAC/STAT(2020)35