Policies on
Project & Program Cycle
Agency Fee
Project Cancellation
Co-financing

Asia ECW
April 23-26, 2019
Ulaanbaatar, Mongolia
GEF Project Types

• **Full-Sized Project** (FSP): Over US$2M
  Approval authority: **Council** (meets twice a year in person & intersessional by mail)

• **Medium-Sized Project** (MSP): US$2M or less
  Approval authority: **GEF CEO** (on a rolling basis)

• **Program & Child Projects**
  Approval authority: **Council**
### Agency Fee Policy

<table>
<thead>
<tr>
<th>ALL Projects (Programs, FSPs, MSPs, EAs)</th>
<th>$10M &amp; less</th>
<th>Over $10M</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Existing Agencies</td>
<td>9.5%</td>
<td>9.0%</td>
</tr>
<tr>
<td>8 Accredited Agencies*</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Fees for PPGs</td>
<td>Same rate as the baseline project</td>
<td></td>
</tr>
</tbody>
</table>

* BOAD, CAF, CI, DBSA, FECO, FUNBIO, IUCN, WWF-US

- **Full-Sized** Project Agency Fee: 20/50/30% tranche payment after Council approval / 1st disbursement / Mid-term evaluation
- **Medium-Sized** Project Agency Fee: full payment after 1st disbursement
- **PPG** Agency Fee: full payment after CEO approval
Full-Sized Project Cycle

**Step 1**
GEF SEC Clearance of Concept

**Step 2**
Council Approval of Concept

**Step 3**
GEF CEO Endorsement
18 mon from step 2

**Step 4**
Terminal Evaluation

**Step 5**
Financial Closure
12 mon from step 4

- **START**
  - OFP project concept consultation & development
- **Agency**
  - project concept submission
  - fully developed project submission
  - annual project implementation report
  - mid-term evaluation
- **Trustee**
  - sets aside GEF financing; commits 20% Agency fee
  - commits 50% Agency fee
  - commits GEF financing

**Agency**
- internal project approval & implementation begins
- 1st disbursement to country
- trustee commits 30% Agency fee

**www.theGEF.org**
Medium-Sized 2 Step Project Cycle

**START**

- **OFP** project concept consultation & development

**Step 1**
- GEF SEC Clearance of Concept
- Agency project concept submission

**Step 2**
- GEF CEO Approval
- 12 mon from step 1

**Step 3**
- Agency fully developed project submission
- 8 mon from step 1

**Step 4**
- Financial Closure
- 12 mon from step 3

**Terminal Evaluation**

**Trustee**
- sets aside GEF financing

**Agency**
- project appraisal
- internal project approval & implementation begins
- commits GEF financing & 100% Agency fee

**Agency**
- 1st disbursement to country
- Trustee commits 100% Agency fee

**Annual project implementation report**
- Mid-term evaluation

---

**GLOBAL ENVIRONMENT FACILITY**

**INVESTING IN OUR PLANET**

www.theGEF.org
Medium-Sized 1 Step Project Cycle

START

OFP
project concept consultation & development

Agency
Fully developed project submission

Step 1 GEF CEO Approval

Trustee commits GEF financing

Agency project appraisal

Agency: 1st disbursement to country
Trustee commits 100% Agency fee

Step 2 Terminal Evaluation

Agency
Annual project implementation report
Mid-term evaluation

Step 3 Financial Closure
12 mon from step 4
Program Cycle

START

1. **Step 1**: GEF SEC Clearance of Program & Child Project Concept
   - Lead Agency Project Concept & Child Project Concept Submission
   - STAP Advisory

2. **Step 2**: Council Approval of Program & Child Project Concept
   - Agency Project Appraisal
   - Lead Agency Fully Developed Child Projects Submission (max. 18 months from step 2)
   - Trustee Sets Aside GEF Financing; Committed 20% Agency Fee

3. **Step 3**: GEF CEO Endorsement of Child Projects
   - Lead Agency Fully Developed Child Projects Submission 6 months prior step 3
   - Trustee Commits GEF Financing
   - Agency Internal Project Approval & Implementation Begins
   - Trustee Commits 50% (FSP) / 80% (MSP) Agency Fee

4. **Step 4**: Terminal Evaluation
   - Agency
   - Annual Project Implementation Report (PIR)
   - Mid-term Evaluation - Trustee Commits 30% Agency Fee (FSP)

5. **Step 5**: Financial Closure
   - 12 months from step 4

GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

www.theGEF.org
Project Cancellation Policy

FSP Concept Council Approval

12 month CEO Endorsement Submission

18 month CEO Endorsement

MSP (2 step) Concept CEO Approval

8 month CEO Approval Submission

12 month CEO Approval

Program Concept (w/Commitment Deadline) Council Approval

6 mon before Commitment Deadline Child Project CEO Endorsement Submission

Commitment Deadline (max. 18 mon) Child Project CEO Approval
Project Cancellation Policy (cont’d)

• If **CEO Endorsement/Approval request submission** can’t be done within the time, **OFP** or Agency (in case of Global or Regional project) notifies the GEF CEO prior to the submission deadline.

• If **CEO Endorsement or Approval** has not been obtained within the time, **OFP** or Agency (in case of Global or Regional project) may request an extension, prior to the endorsement/approval deadline, on the ground of extraordinary events (war, large scale natural disaster, epidemic, etc). GEF CEO may grant **one-time extension** of max. 12 months (for FSP) and max. 6 months (for MSP), and report to the Council.

• Cancelled FSP: within a year CEO Endorsement request may be re-submitted, if resources are available.
Co-financing Policy

- Co-financing contributes to effectiveness, impacts & sustainability of GEF projects and ownership of involved partners.
- Definition of ‘co-financing’: financing that is additional to GEF project financing, and that supports the implementation of a GEF-financed project or program and the achievement of its objectives.
  - Sources: Agency, Donor, Gov’t, Private sector, CSO, Beneficiary, Other
  - Types: Grant, Loan, Equity, Guarantee, In-kind, Other
- Co-financing is **required** for **FSPs, MSPs** and **Programs**.
  - On an exceptional basis, in an emergency or other unforeseen circumstance, Agencies may propose FSP/MSPs without co-financing.
- Co-financing is **encouraged** in **Enabling Activities**.
Co-financing Policy (cont’d)

• NO minimum co-financing ratio requirement for a project

• GEF-7 emphasis on investment financing
  ➢ ‘investment mobilized’ term introduced

• Level of ambition for GEF-7 entire portfolio
  ➢ 7:1 (Co-financing : GEF financing)
  ➢ For Upper-Middle Income & High-Income countries that are not SIDS or LDCs
    ✓ 5:1 (Investment Mobilized : GEF financing)