The GEF Project and Program Cycle

Agency Fee policy

Project cancellation Policy

Co-financing Policy
GEF Project Modalities

**Full-sized Project**
GEF project financing > 2 million US$

**Medium-sized Project**
GEF project financing ≤ 2 million US$

**Enabling Activity**
GEF financing to fulfill Convention commitments

**Program**
A longer term strategic arrangement of individual but interlinked projects to achieve large-scale impact
GEF Project Cycle

Full-sized projects

Preparation

PIF submission → Council Approval → CEO Endorsement submission → Actual CEO Endorsement → Agency internal approval → 1st disbursement

1st disbursement → Project Implementation Reports → Mid-term Review → Terminal Evaluation → Project financial closure

Implementation/Execution
GEF Project Cycle

Medium-sized projects (2-step approval)

Preparation

- PIF submission
- CEO Approval of the PIF
- CEO Approval submission
- CEO approval of the Project
- Agency internal approval

Implementation/Execution

- 1st disbursement
- Project Implementation Reports
- Terminal Evaluation
- Project financial closure
GEF Project Cycle

Enabling Activities (EA)

- EA submission
- CEO approval of the EA
- Agency internal approval

Preparation

- 1st disbursement
- Final Report
- EA financial closure

Implementation/Execution
GEF Project Cycle

Programs

Preparation

- PFD submission
- Council Approval
- Child Project CEO Endor/Appro submissions
- Child Project actual CEO Endorsement/App
- Agency internal approval

Implementation/Execution

- 1st disbursement
- Child Project Implementation Reports
- Mid-term Reviews for FSP Child Projects
- Terminal Evaluations
- Project financial closure
GEF Agency Fee Policy

What does this policy do?

Establishes the fee structure for all GEF Agencies implementing GEF projects.

Clarifies the type of activities covered by the Agency fee.
GEF Financing

- Project Financing
- Agency Fee
- Project Preparation Grant
- PPG Fee

Total GEF Resources
## Fee structure

<table>
<thead>
<tr>
<th>Type of project</th>
<th>Project Financing</th>
<th>Fee for GEF Agencies</th>
<th>Fee for new Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFD, FSP, MSP, EA</td>
<td>$$\leq 10 \text{ million}$$</td>
<td>9.50%</td>
<td>9.00%</td>
</tr>
<tr>
<td></td>
<td>$$&gt; 10 \text{ million}$$</td>
<td>9.00%</td>
<td>9.00%</td>
</tr>
<tr>
<td>PPG</td>
<td>Follow the same rate applicable for the related project financing</td>
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</tbody>
</table>
Agency Fee schedule for FSPs

- PIF submission
- Council Approval (20%)
- CEO Endorsement submission
- Actual CEO Endorsement
- Agency internal approval
- 1st disbursement (50%)
- 1st disbursement
- Project Implementation Reports
- Mid-term Review (30%)
- Terminal Evaluation (submitted to the GEF IEO)
- Project financial closure
Agency Fee schedule for MSPs

PIF submission → CEO approval of the PIF → Project submission → CEO approval of the Project → Agency internal approval → 1st disbursement

100%
Agency Fee schedule for EAs

PIF submission → CEO PIF Approval → Project submission → CEO approval of the Project → Agency internal approval → 1st disbursement

100%
Agency Fee schedule for Child Projects under Programs

1. PFD submission
2. Council Approval
3. Child Project CEO Endorsement submissions
4. Child Project actual CEO Endorsement
5. Agency internal approval
6. 1st disbursement
7. 20% for FSP child
8. 80% for MSP child
9. 1st disbursement
10. Child Project Implementation Reports
11. Mid-term Reviews for FSP Child Projects
12. Terminal Evaluations (submitted to the GEF IEO)
13. Project financial closure
14. 30% for FSP child
Activities covered by the Agency Fee

GEF Agency Fee covers:

i. project cycle management services;

ii. participation in GEF corporate activities.

For new GEF Agencies fee covers only project cycle management services.
Project cycle management services

- Includes activities such as:
  - project identification
  - preparation of the project concept
  - preparation of the detailed project document
  - internal approval, initiation, and implementation of projects
  - project completion and evaluation
  - financial closure
Corporate Activities

Includes activities such as:
• policy support
• outreach
• knowledge sharing
• support to the GEF IEO, and
• institutional relations
Project Cancellation Policy

What does this policy do?

Incentivizes faster project preparation.

Sets principles, rules, procedures to cancel or suspend projects or return uncommitted funds.
**Policy:** Full-sized projects will be cancelled if they have not been CEO endorsed within 18 months of Council Approval.

- **Council Approval**
- **CEO Endorsement submission**
- **Actual CEO Endorsement**

**After 8 months:** GEF notifies OFP/Agency

**18 months:** either CEO endorsement or automatic cancellation

**After 12 months:** CEO endorsement submission submission

OFP notifies if not possible or automatic cancellation
**Project Cancellation – time standards for preparation of MSPs**

**Policy:** Medium-sized projects will be cancelled if they have not been CEO approved within 12 months of CEO Approval of the PIF.

1. **CEO Approval of the PIF**
   - After 6 months, GEF notifies OFP/Agency.

2. **CEO Approval submission**
   - 12 months CEO approval or automatic cancellation.

3. **CEO approval of the Project**
   - 8 months: CEO approval submission. OFP notifies if not possible or automatic cancellation.
**Policy:** child projects under a Program will be cancelled if they have not been CEO endorsed/approved within Program Commitment Deadline (PCD) not exceeding 18 months.

10 months **before** PCD: GEF notifies OFP/Agency

6 months **before** PCD: CEO endorsement/approval **submission**
OFP notifies if not possible or automatic cancellation

After PCD (≤ 18 months): either CEO endorsement/approval or cancellation of the remaining PFD balance.
Project Cancellation Policy – other reasons

- The **recipient country** and / or the **GEF Agency** may cancel or suspend a project for other reasons – and the GEF CEO may authorize such cancellation or suspension

**Prior** to CEO endorsement/approval, a project can be **cancelled**.

**After** CEO endorsement/approval, a project may be **terminated** or **suspended**
Procedures for other reasons cancellation

• GEF Agency **consults recipient country**, all relevant **government agencies**, and **other partners**, including co-financiers, prior to such cancellation or suspension.

• Required actions by Agency:
  i. consultation with the recipient country;
  ii. written notification to the GEF Secretariat/Trustee; and
  iii. returns any un-used GEF funds
co-financing?

Co-financing contributes to effectiveness, impacts and sustainability, particularly by enabling the GEF to achieve longer-lasting and larger-scale global environmental benefits,
CO-FINANCING POLICY

• Co-Financing: additional to GEF financing
• Investment excludes recurrent expenditures
• Overall GEF portfolio: at least 7:1

• Upper-Middle Income Countries and High-Income Countries - that are not Small Island Developing States - at least 5:1
## Co-financing: Diverse Sources and Types

<table>
<thead>
<tr>
<th>Sources</th>
<th>Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEF Agencies</td>
<td>grant</td>
</tr>
<tr>
<td>Donor agencies</td>
<td>loan</td>
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<tr>
<td>Governments</td>
<td>equity</td>
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<tr>
<td>Private sector</td>
<td>guarantee</td>
</tr>
<tr>
<td>CSOs</td>
<td>in-kind</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td></td>
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Policy on Monitoring

What does this policy do?

Enhances the effectiveness of GEF projects and programs
Via systematical collection and analysis of data and lesson learned on GEF results and performance
Policy on Monitoring - application

• applies to projects and programs submitted on/after July 1, 2019

• sets out requirements for Monitoring

• Agencies engage OFPs in Monitoring and Evaluation planning and reporting during implementation and at project completion
Policy on Monitoring - requirements

Agencies provide:

**During PIF stage** - indicative expected results

**At CEO Endorsement/Approval:** expected results; Project Results Framework; Monitoring and Evaluation (M&E) Plan

**During implementation:** oversee the implementation of M&E plan; Submit Mid-Term review tracking tools or achieved results

**At project completion:** submit Terminal Evaluation to the IEO, with achieved results
Policy on Monitoring - reporting

Project coordinators

Agencies, OFP

Secretariat

GEF Council (1\textsuperscript{st} meeting each year)
Thank you!