



# Co-Financing

**GEF Introduction Seminar 2020  
Washington DC**

# Co-financing is integral to how the GEF works

“the GEF shall operate [...] for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits”

(Instrument for the Establishment of the Restructured Global Environment Facility, paragraph 2)



# Co-financing is defined as ...

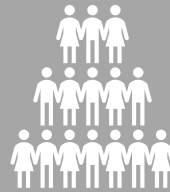
...”financing that is additional to GEF Project Financing, and that **supports the implementation** of a GEF-financed project or program and the achievement of its objective(s)”



# Co-financing matters



Contributes to effectiveness, impacts and sustainability, by enabling the GEF to achieve longer-lasting and larger-scale global environmental benefits



Plays a critical role in ensuring country ownership by supporting the translation of national priorities into action



Maximizes the opportunities for partnerships by bringing more resources alongside GEF financing

# Co-financing is required for

- Full-sized projects
- Medium-sized projects
- Programs
- Co-financing is encouraged in enabling activities

Note: on an exceptional basis, in response to an emergency or other unforeseen circumstance, Agencies may propose FSPs/MSPs without co-financing

Co-financing  
can come in a  
variety of  
sources and  
types

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## Sources

GEF Agencies

donor agencies

Governments

private sector

CSOs

beneficiaries

other

## Types

grant

loan

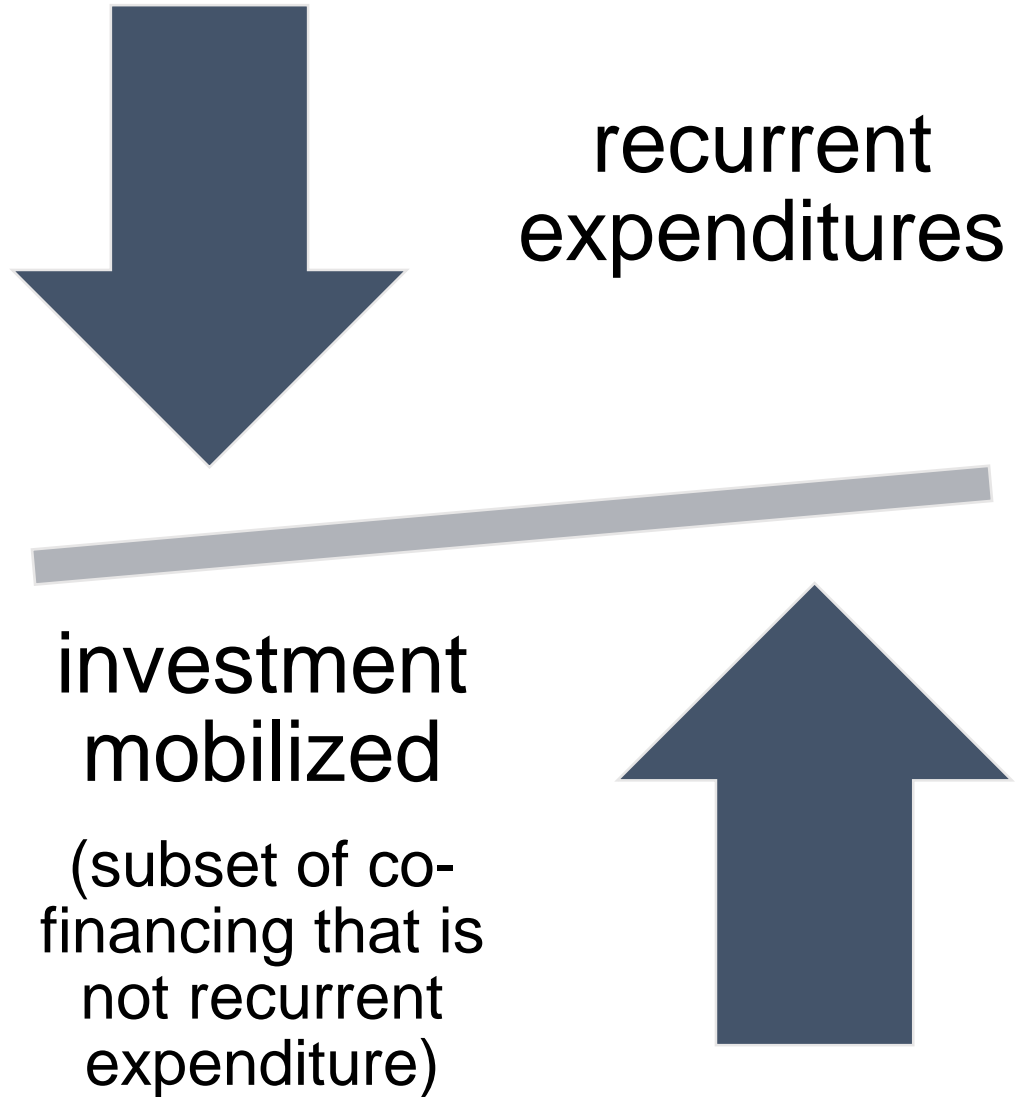
equity

guarantee

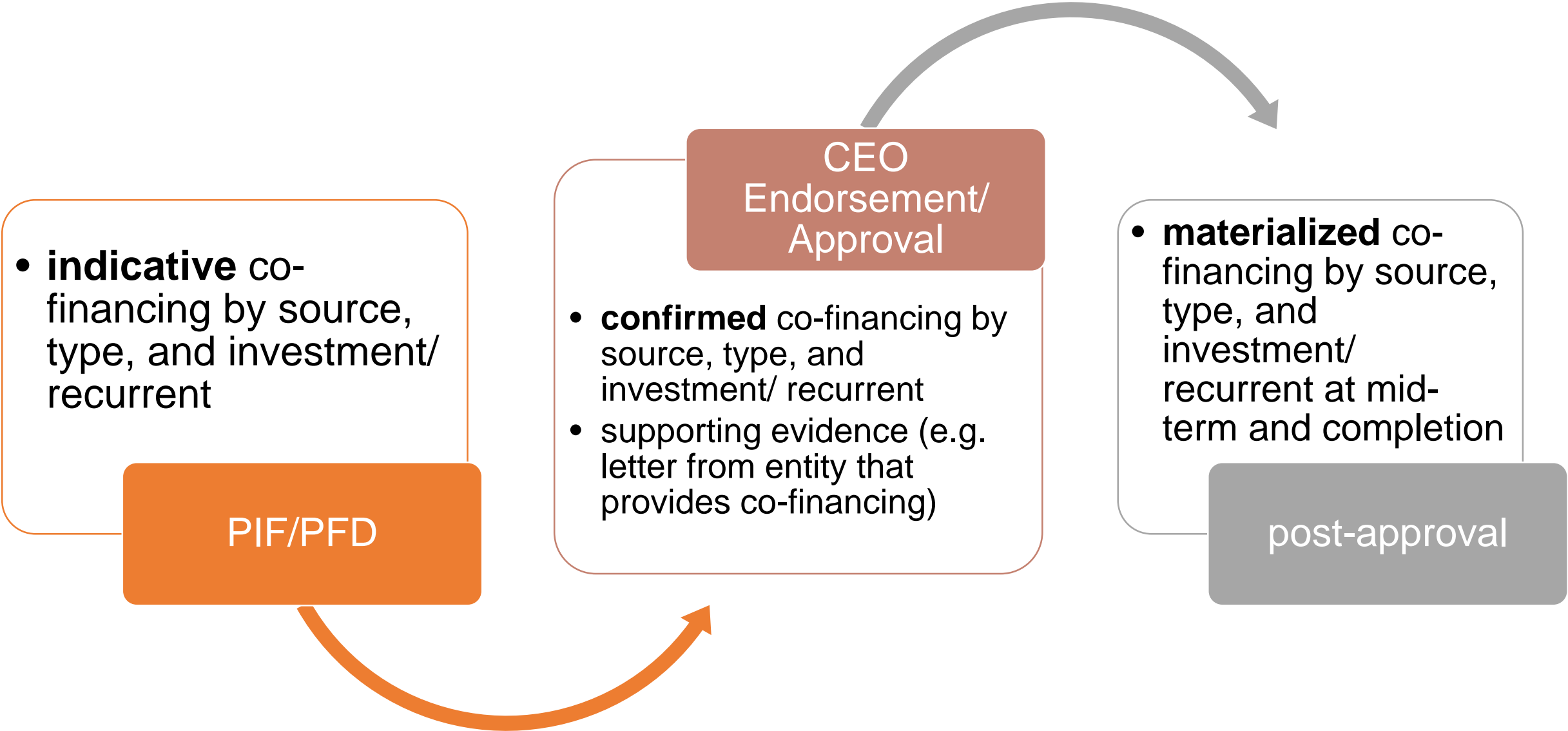
in-kind

other

In GEF-7, focus  
on investment  
financing



# Co-financing in the project cycle





# Level of ambition

The policy does not prescribe minimum thresholds and/or specific types or sources of co-financing for individual projects or countries

Across the portfolio at large, the policy sets out an ambition to reach a co-financing ratio of at least 7:1

For the portfolio in Upper-Middle Income Countries and High-Income Countries that are not Small Island Developing States or Least Developed Countries to reach a ratio of Investment Mobilized to GEF financing of at least 5:1



projects approved in GEF-7 (as of December 2019) has reached a co-financing ratio of **7.9:1**

# References

## **Policy on Co-Financing**

[http://www.thegef.org/sites/default/files/documents/Cofinancing\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Cofinancing_Policy.pdf)

## **Guidelines on Co-Financing**

[http://www.thegef.org/sites/default/files/documents/Cofinancing\\_Guidelines.pdf](http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)



# For more information

Quynh Xuan Thi Phan  
Senior Financial Officer  
[qphan1@worldbank.org](mailto:qphan1@worldbank.org)