Co-Financing
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)”
why co-financing?

cofinancing contributes to effectiveness, **impacts and sustainability**, particularly by enabling the GEF to achieve longer-lasting and larger-scale global environmental benefits, and by strengthening partnerships
co-financing is required in...

- full-sized projects
- medium-sized projects
- programs

co-financing is encouraged in enabling activities

**NB:** 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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<th>Sources</th>
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in GEF-7, focus on investment financing
co-financing in the project cycle

- **indicative** co-financing by source, type, and investment/recurrent

PIF/PFD

- **confirmed** co-financing by source, type, and investment/recurrent
  - supporting evidence (e.g. letter from entity that provides co-financing)

CEO Endorsement/Approval

- **materialized** co-financing by source, type, and investment/recurrent at mid-term and completion
  - post-approval
the co-financing 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 for the GEF to reach a co-financing ratio of at least 7:1, and 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-6 reached a co-financing ratio of 8:1
references

Policy on Co-Financing

Guidelines on Co-Financing