



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 \leq 2 million US\$

Enabling Activity

GEF financing to fulfill Convention commitments

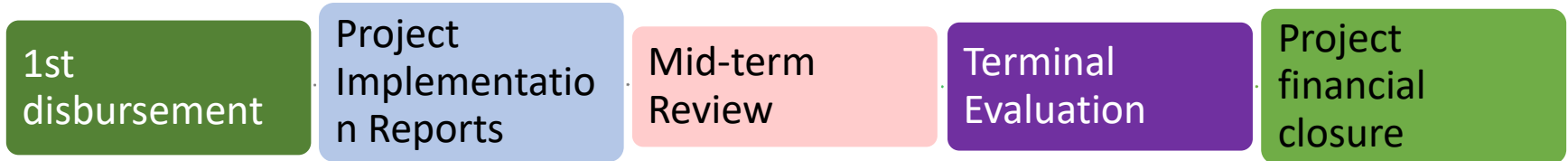
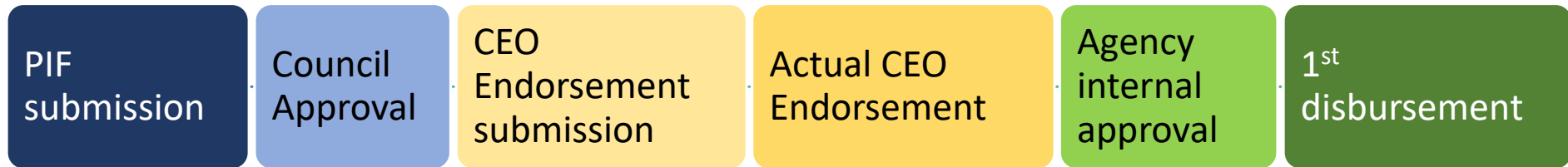
Program

A longer term strategic arrangement of individual but interlinked projects to achieve large-scale impact

GEF Project Cycle

Full-sized projects

Preparation

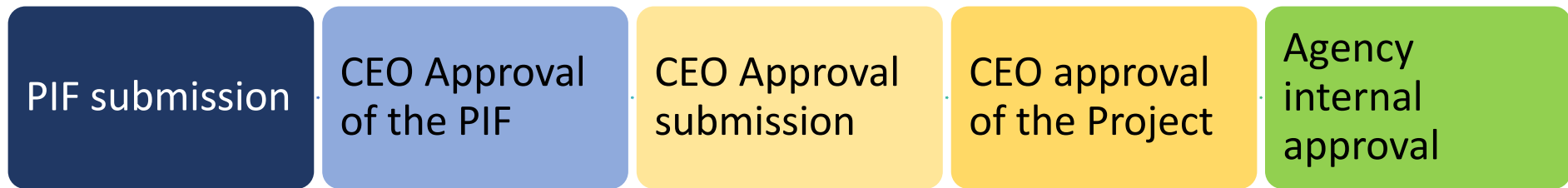


Implementation/Execution

GEF Project Cycle

Medium-sized projects (2-step approval)

Preparation



Implementation/Execution

GEF Project Cycle

Enabling Activities (EA)

Preparation

EA submission



CEO approval of the EA



Agency internal approval



1st disbursement



Final Report



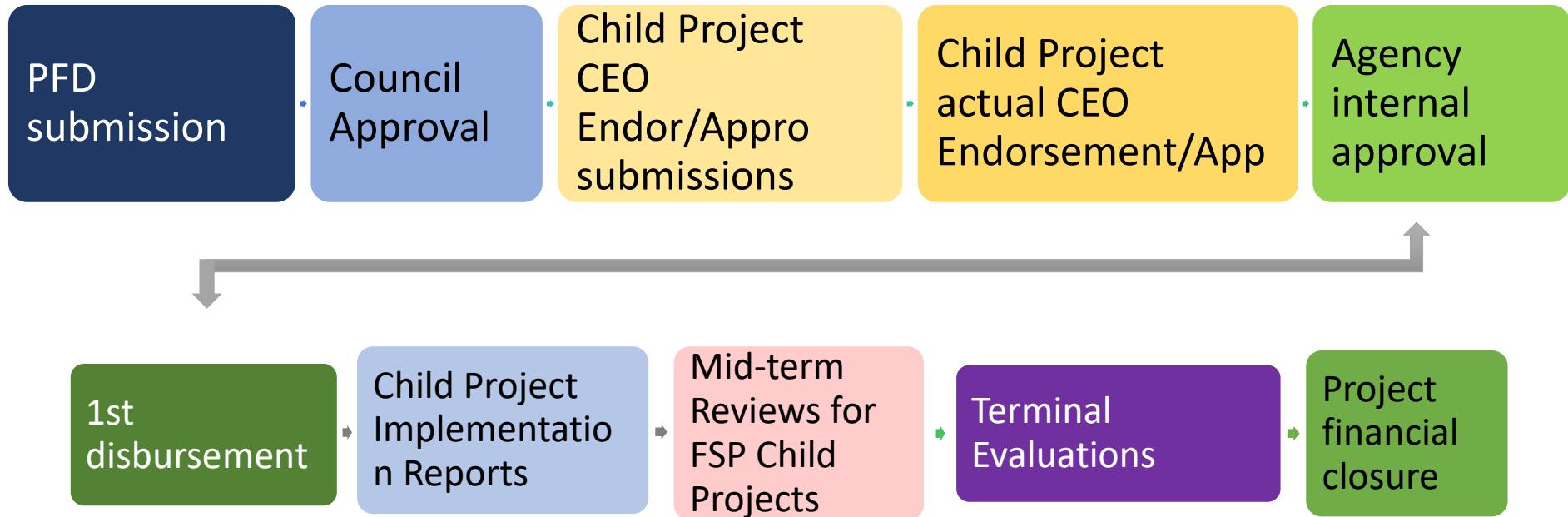
EA financial closure

Implementation/Execution

GEF Project Cycle

Programs

Preparation



Implementation/Execution

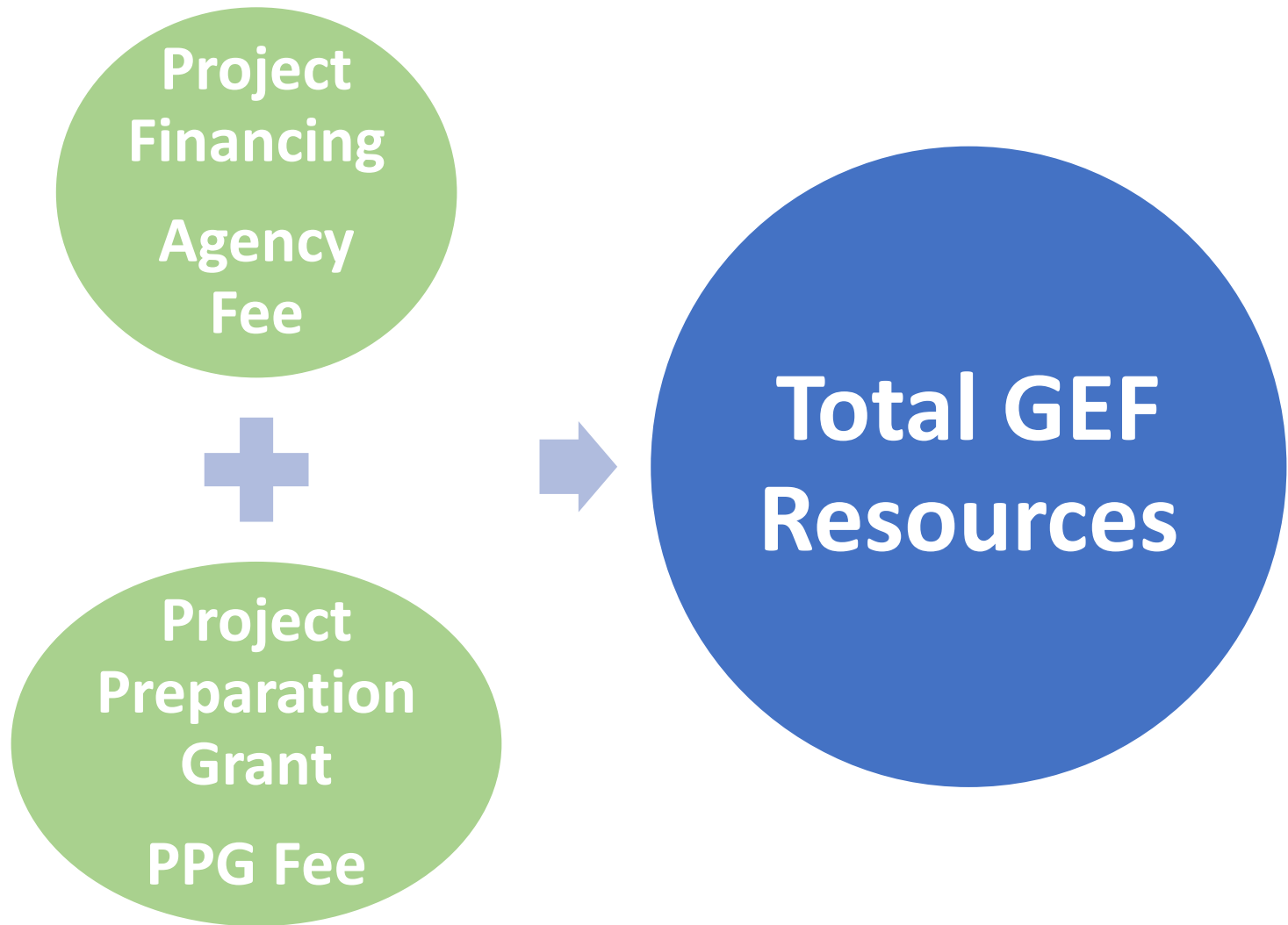
GEF Agency Fee Policy

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

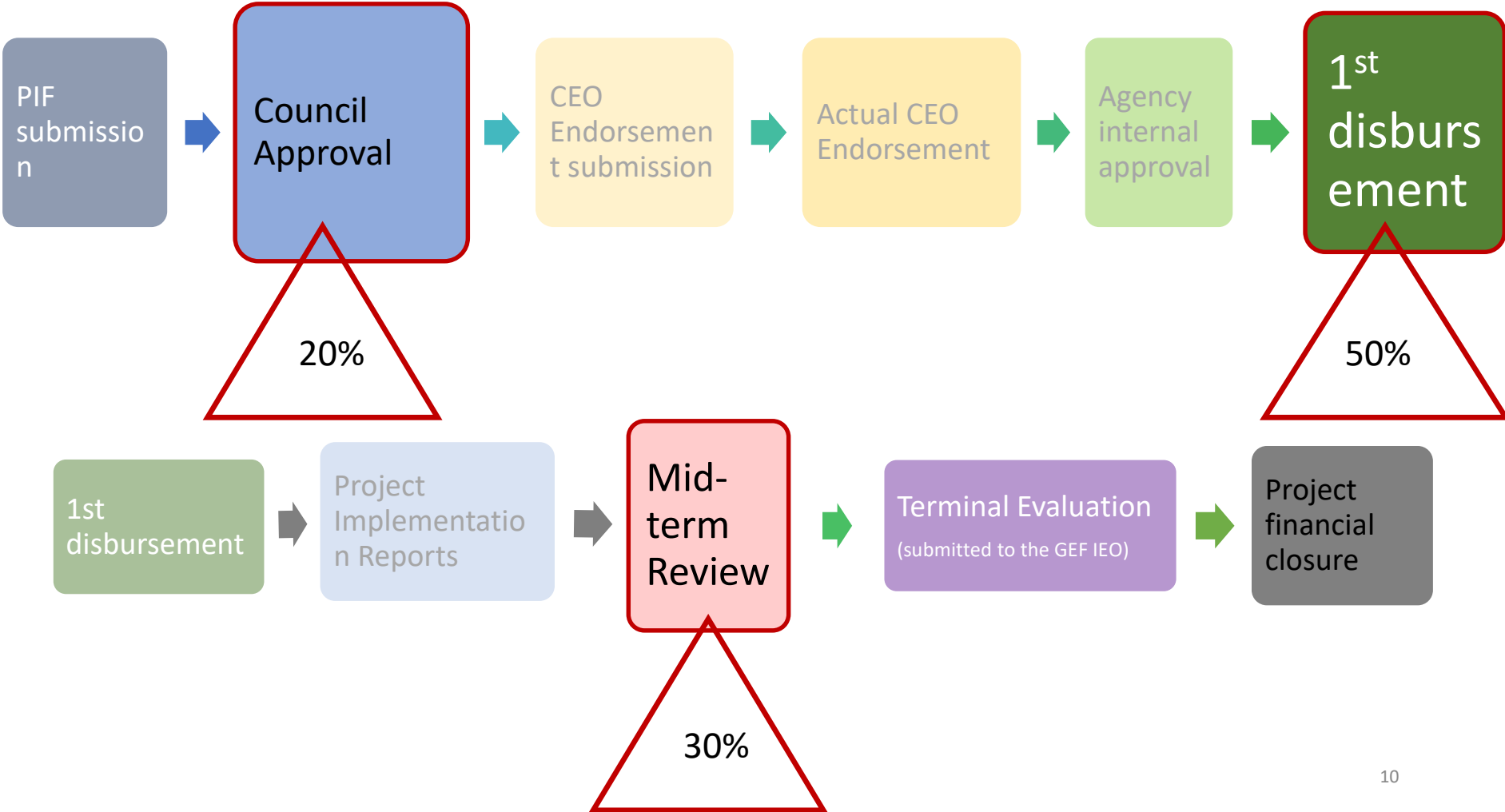


Fee structure

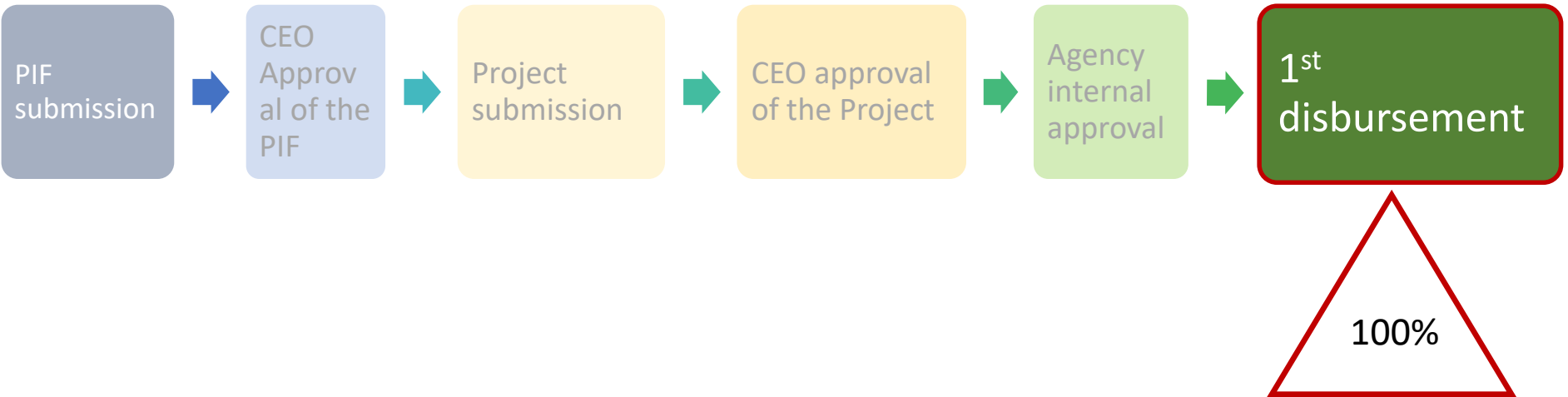
Type of project	Project Financing	Fee for GEF Agencies	Fee for new Agencies
PFD, FSP, MSP, EA	=/ < \$ 10 million	9.50%	9.00%
	> \$ 10 million	9.00%	9.00%
PPG	Follow the same rate applicable for the related project financing		

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

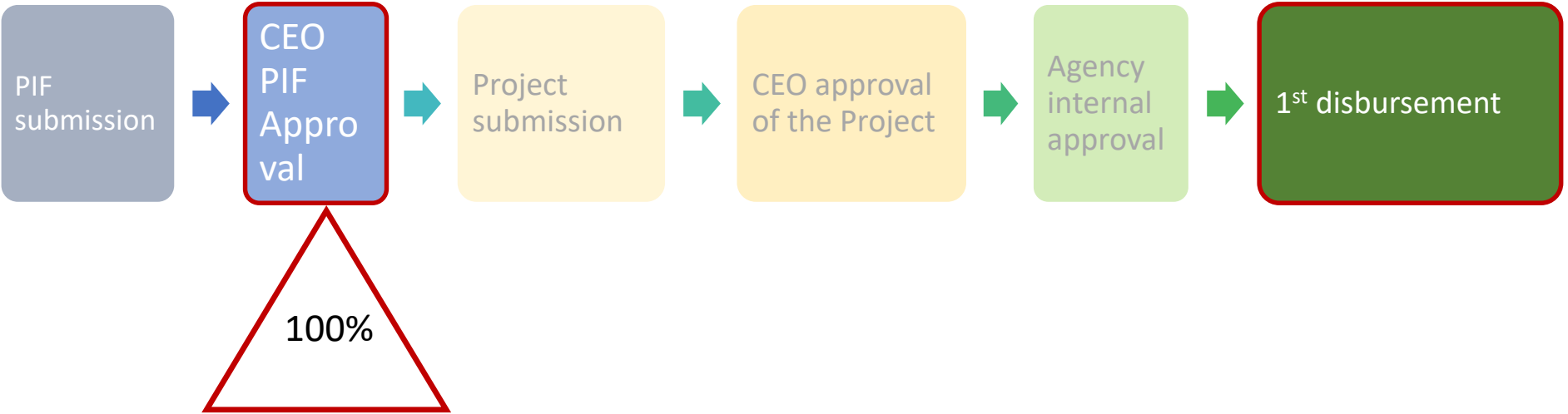
Agency Fee schedule for FSPs



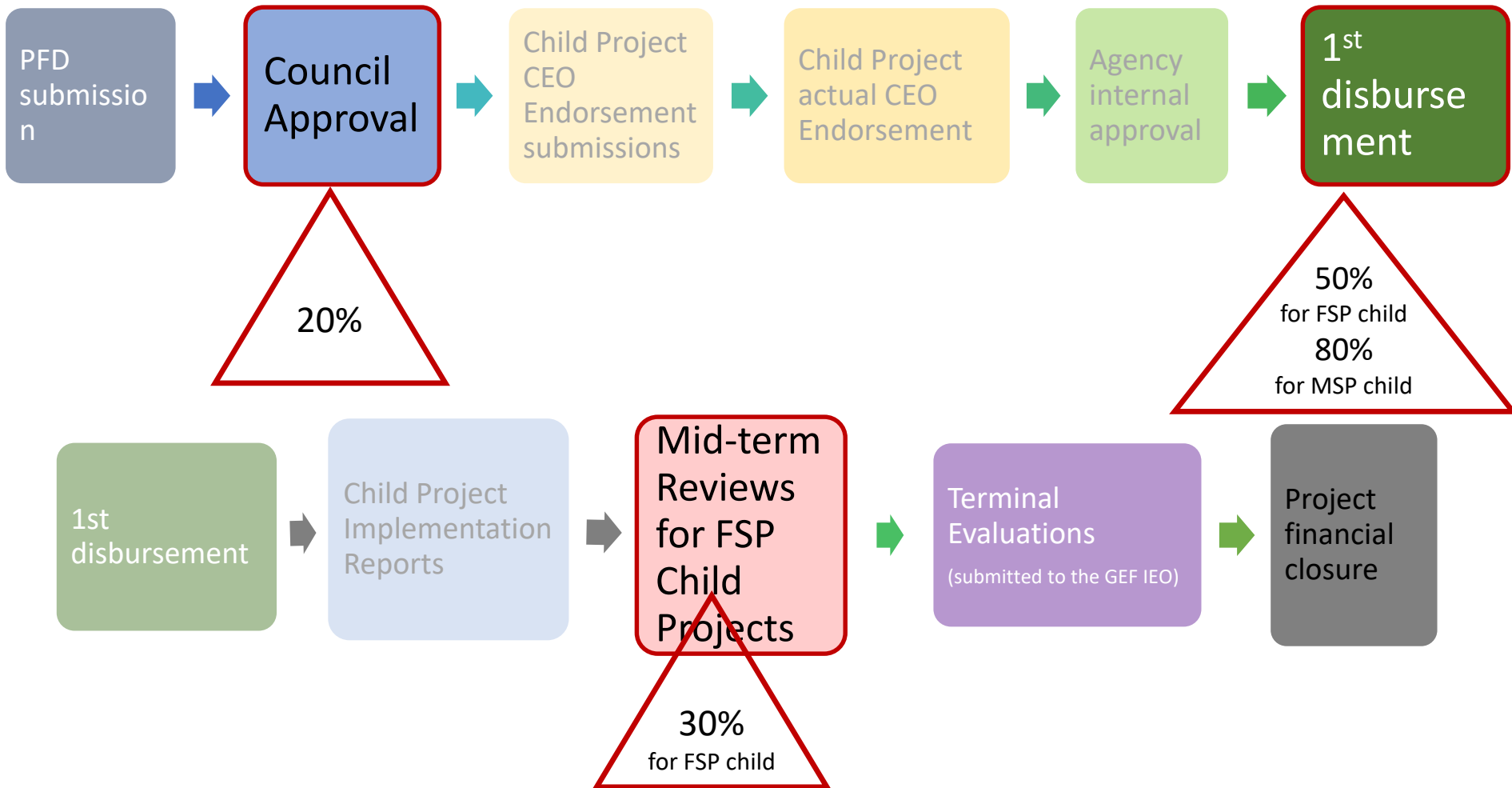
Agency Fee schedule for MSPs



Agency Fee schedule for EAs



Agency Fee schedule for Child Projects under Programs



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

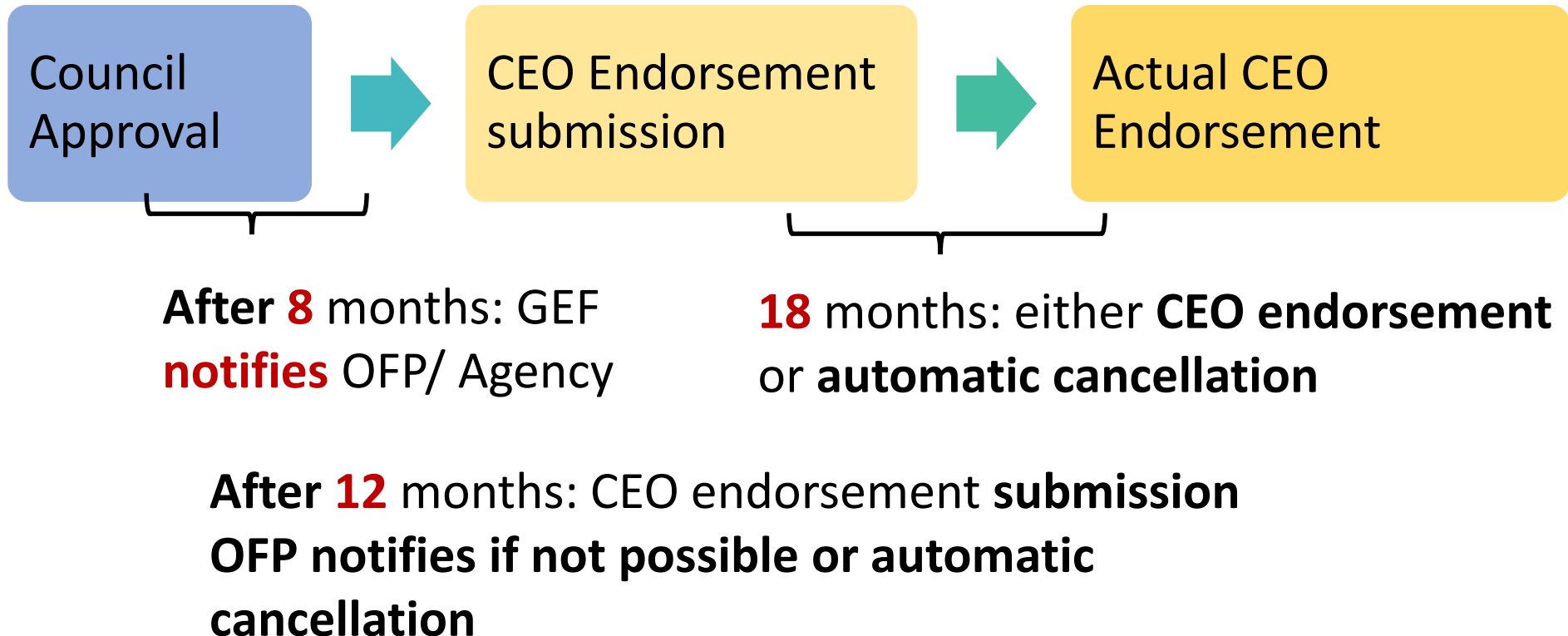
What does this policy do?

Incentivizes faster project preparation.

Sets principles, rules, procedures to cancel or suspend projects or return uncommitted funds.

Project Cancellation – time standards for preparation of FSPs

Policy: Full-sized projects will be cancelled if they have not been CEO endorsed within 18 months of Council Approval



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

CEO Approval of the PIF



CEO Approval submission



CEO approval of the Project

After **6** months
GEF **notifies** OFP/
Agency

12 months **CEO approval** or
automatic cancellation

8 months: CEO approval **submission**
OFP notifies if not possible or automatic cancellation

Project Cancellation – time standards for preparation of Programs

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

Council Approval



Child Project CEO Endorsement submissions



Child Project actual CEO Endorsement

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

After PCD (≤ 18 months): either **CEO endorsement/approval** or **cancellation of the remaining PFD balance**

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

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

Sources

Types

GEF
Agencies

grant

Donor
agencies

loan

Governments

equity

Private
sector

guarantee

CSOs

in-kind

Beneficiaries

Thank you!