Project and Program Cycle Policy
Agency Fee Policy
Project Cancellation Policy

GEF Introduction Seminar 2020 | Washington DC
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 for the preparation of a plan, strategy or report to fulfill commitments under a Convention

**Program**
A longer term and strategic arrangement of individual but interlinked projects that aim at achieving large-scale impacts on the global environment
Full-sized projects

preparation

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

implementation

1st disbursement → Project Implementation Reports → Mid-term Review → Terminal Evaluation (submitted to the GEF IEO) → Project financial closure
- LoE signed by the official OFP by the time of PIF submission.

- PIF / PFD CEO constitutes the Work Program, but Council approves (2 per year)

- Regional / Agency distribution - $ availability

- Web posting comments (STAP, Conventions, Agencies)

- Discussion, approval, 4 weeks circulation selected PIFs

- 18 months CEO Endorsement
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
- 1st disbursement

**Implementation**

- 1st disbursement
- Project Implementation Reports
- Terminal Evaluation (submitted to the GEF IEO)
- Project financial closure
The CEO has a delegated authority to approve PIFs – Council doesn’t intervene

PIFs can be submitted on a rolling basis - not subject to a deadline for PIF submission

STAP and Council Members do not provide comments to MSPs

No MSP is requested to be circulated 4 weeks prior to CEO Approval – 12 months

MSPs don’t have the requirement to carry-out a Mid-Term Review
Enabling Activities (EA)

**preparation**

- EA submission
- CEO approval of the EA
- Agency internal approval
- 1st disbursement

**implementation**

- 1st disbursement
- Final Report (submitted to the Convention)
- EA financial closure
- EAs do not have a PIF – EA template submitted on a rolling basis seeking CEO Approval

- EAs don’t require PIRs submission neither Terminal Evaluation – instead, the final report is submitted to the respective Convention copying the Secretariat

- If the EA funds request goes beyond 2 million dollars, it is processed as a non-expedited enabling activity following the FSP project cycle up to its CEO Approval (then it will follow the EA project cycle), meaning that it requires to be included as part of a Work Program
**Programs**

**Preparation**
- PFD submission
- Council Approval
- Child Project CEO Endor/Appro submissions
- Child Project actual CEO Endorsement/Approval
- Agency internal approval
- 1st disbursement

**Implementation**
- 1st disbursement
- Child Project Implementation Reports
- Mid-term Reviews for Child Projects (if FSPs)
- Terminal Evaluations (submitted to the GEF IEO)
- Project financial closure
- No PIF but PFD

- A Program is made of several child projects (FSPs - MSPs).

- Program Commitment Deadline – in any case, PCD can not go beyond 18 months.

- All child projects need to be circulated 4 weeks prior to CEO Endorsement/Approval

- Addendum to the PFD can be submitted if done before the end of the Replenishment period.
Agency Fee Policy

Lay out the **fee structure** for all GEF Agencies implementing GEF projects.

Clarify 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 level GEF Agencies</th>
<th>Fee level for Agencies accredited in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFD, FSP, MSP, EA</td>
<td>Less than $ 10 million</td>
<td>9.50%</td>
<td>9.00%</td>
</tr>
<tr>
<td></td>
<td>More than 10 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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<td></td>
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Agency Fee schedule for FSPs

<table>
<thead>
<tr>
<th>Event</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIF submission</td>
<td></td>
<td>Council Approval</td>
</tr>
<tr>
<td>Council Approval</td>
<td>20%</td>
<td>CEF Endorsement submission</td>
</tr>
<tr>
<td>CEF Endorsement submission</td>
<td></td>
<td>Actual CEF Endorsement</td>
</tr>
<tr>
<td>Actual CEF Endorsement</td>
<td></td>
<td>Agency internal approval</td>
</tr>
<tr>
<td>Agency internal approval</td>
<td></td>
<td>1st disbursement</td>
</tr>
<tr>
<td>1st disbursement</td>
<td>50%</td>
<td>Project Implementation Reports</td>
</tr>
<tr>
<td>Project Implementation Reports</td>
<td></td>
<td>Mid-term Review</td>
</tr>
<tr>
<td>Mid-term Review</td>
<td>30%</td>
<td>Terminal Evaluation</td>
</tr>
<tr>
<td>Terminal Evaluation</td>
<td></td>
<td>(submitted to the GEF IEO)</td>
</tr>
<tr>
<td>Project financial closure</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 Approval of the EA → Agency internal approval → 1st disbursement

100%
Agency Fee schedule for Child Projects under Programs

- **PFD submission**
- **Council Approval**
- **Child Project CEO Endorsement submissions**
- **Child Project actual CEO Endorsement**
- **Agency internal approval**
- **1st disbursement**
  - 20% for FSP child
  - 80% for MSP child

1st disbursement

- **Child Project Implementation Reports**
- **Mid-term Reviews for Child Projects (if FSPs)**
- **Terminal Evaluations (submitted to the GEF IEO)**

30% for FSP child

Project financial closure
Activities covered by the Agency Fee

The fees provided to GEF Agencies cover:

i. project cycle management services; and

ii. participation in GEF corporate activities.

For the GEF Agencies accredited in 2015 the GEF Agency fee covers only project cycle management services (not obligated --but encouraged-- to participate in GEF corporate activities)
Project cycle management services

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

Corporate Activities

- Includes activities that help promote the efficiency of the GEF, such as:
  - policy support
  - outreach
  - knowledge sharing
  - support to the GEF Independent Evaluation Office, and
  - institutional relations
Project Cancellation Policy

What does this policy do?

Incentivizes faster project preparation

Sets out the principles, rules, and procedures to cancel or suspend projects
**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

12 months after PIF approval: **Submission** CEO Endorsement /approval request – with complete documentation

18 months after PIF approval: either CEO endorsement or cancellation

12 months after PIF approval: CEO endorsement **submission** (OFP/Agency notifies if not possible)
If OFP/Agency doesn’t notify within 12 months, 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

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

8 months after PIF approval: **Submission**

CEO Endorsement /approval request – with complete documentation

12 months after PIF approval: either **CEO approval** or **cancellation**

8 months after PIF approval: CEO approval submission

(OFP/Agency notifies if not possible)

If OFP/Agency doesn’t notify within 8 months, 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

10 months before PCD: GEF notification to country OFP and Agency

6 months before PCD: CEO endorsement/approval submission (OFP/Agency notifies if not possible)

If OFP/Agency doesn’t notify 6 months before PCD, cancellation

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

• The **recipient country** and / or the **GEF Agency** may also request to cancel or suspend a project for reasons not linked to the project preparation time standards – 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 **suspended** or **cancelled**
Project Cancellation Policy – Procedures for other circumstances

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

• Required actions by Agency:
  
i. written notification to the GEF Secretariat
  
ii. return any un-used GEF funds, as appropriate, consistent with the provisions of FPA with the Trustee regarding the return of funds.
For more information

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