



GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET

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# Project and Program Cycle Policy

## Agency Fee Policy

## Project Cancellation Policy

GEF Introduction Seminar 2020 | Washington DC



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# GEF Project Modalities

## **Full-sized Project**

GEF project financing > 2 million US\$

## **Medium-sized Project**

GEF project financing  $\leq$  2 million US\$

## **Enabling Activity**

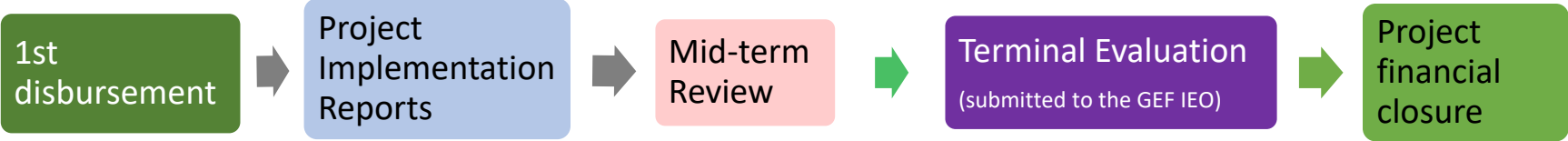
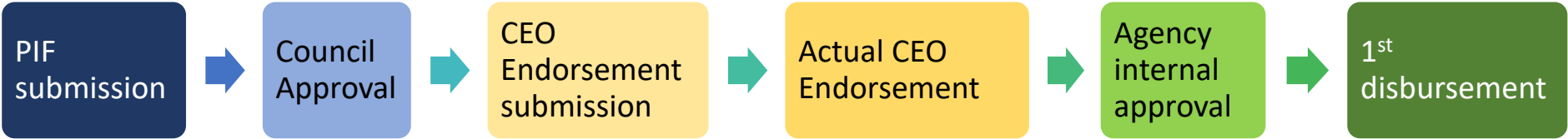
GEF financing for the preparation of a plan, strategy or report to fulfill commitments under a Convention

## **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

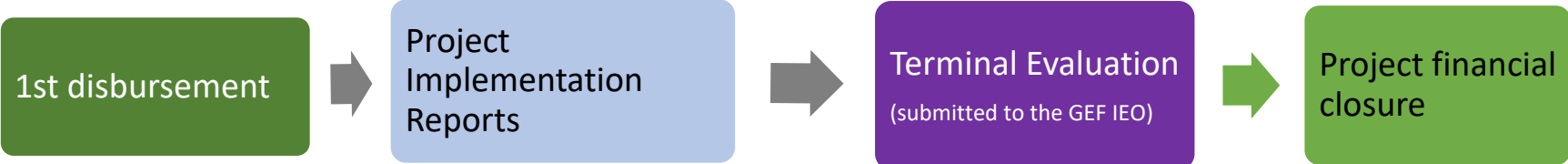
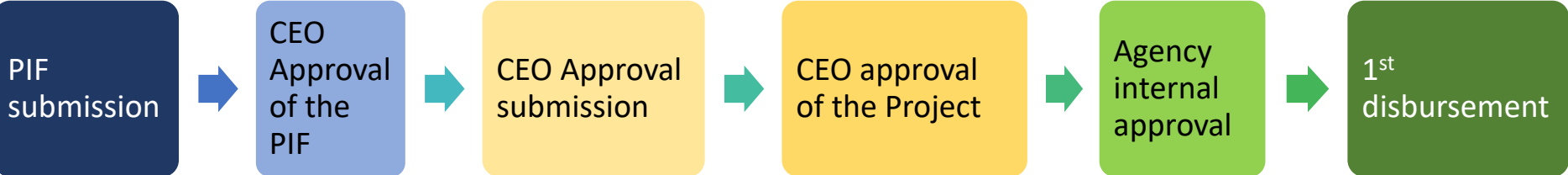


## implementation

- 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

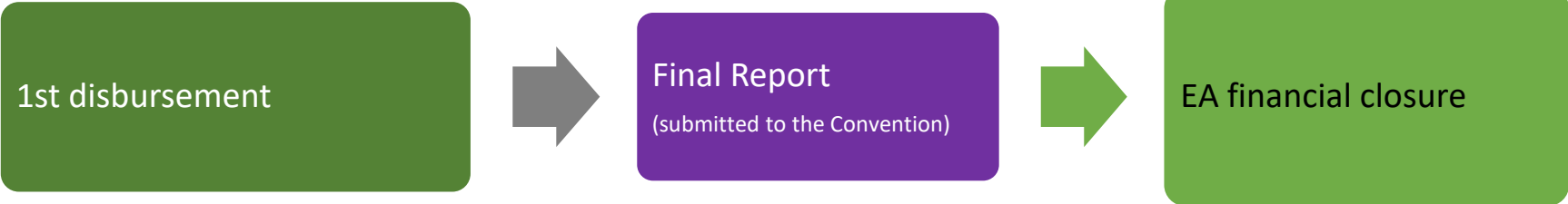
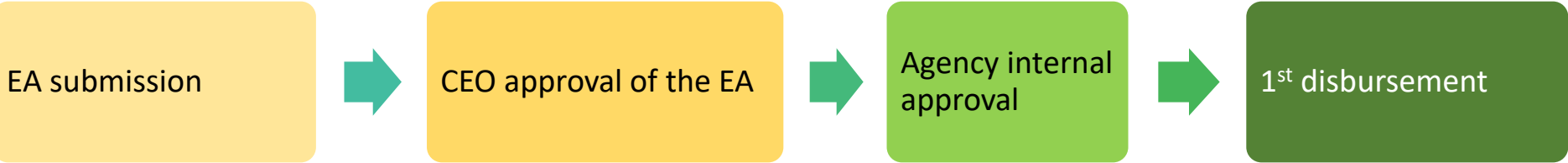


## implementation

- 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



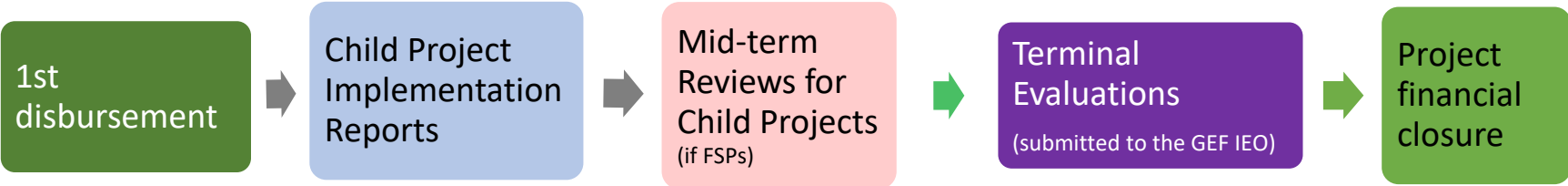
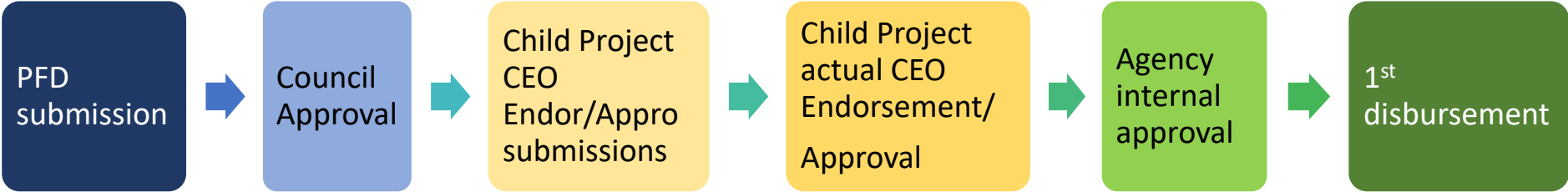
## implementation

- 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



## implementation

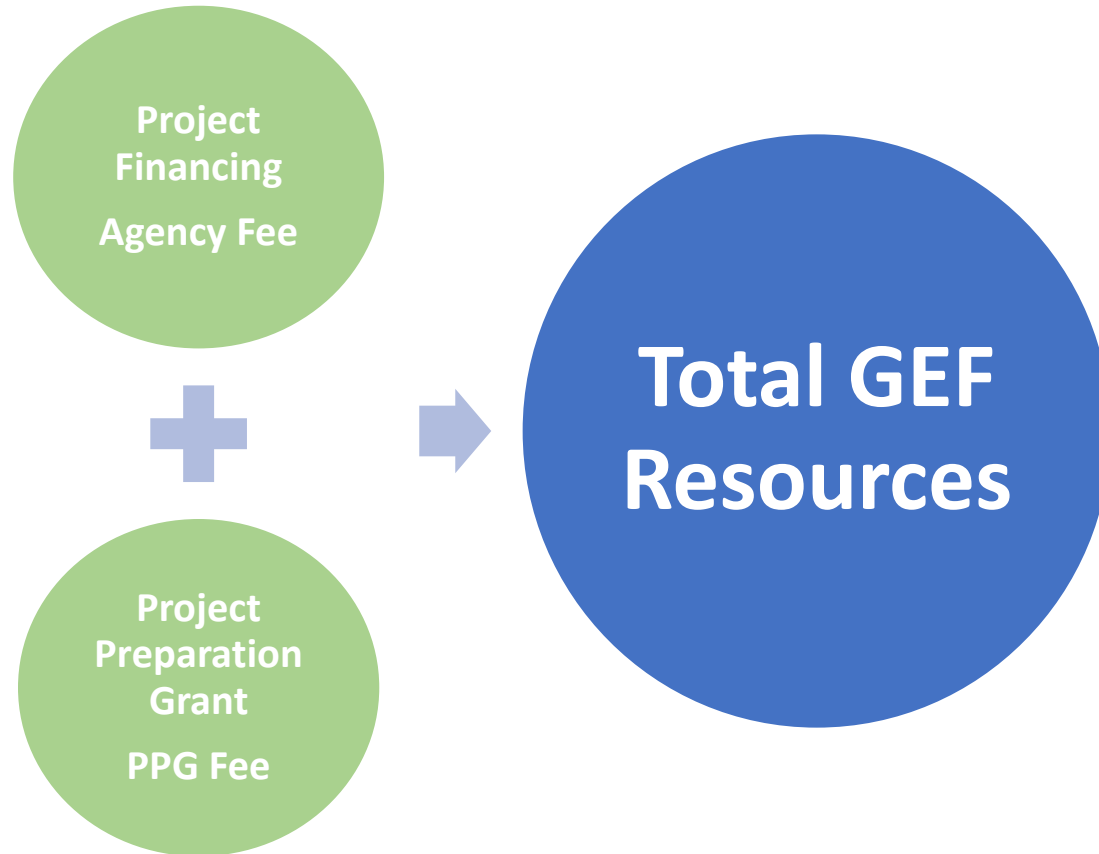
- No PIF but PFD
- A Program is made of several child projects (FSPs - MSPs).
- Program Commitment Deadline – in any case, PCD can not go beyond 18 months.
- All child projects need to be circulated 4 weeks prior to CEO Endorsement/Approval
- Addendum to the PFD can be submitted if done before the end 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



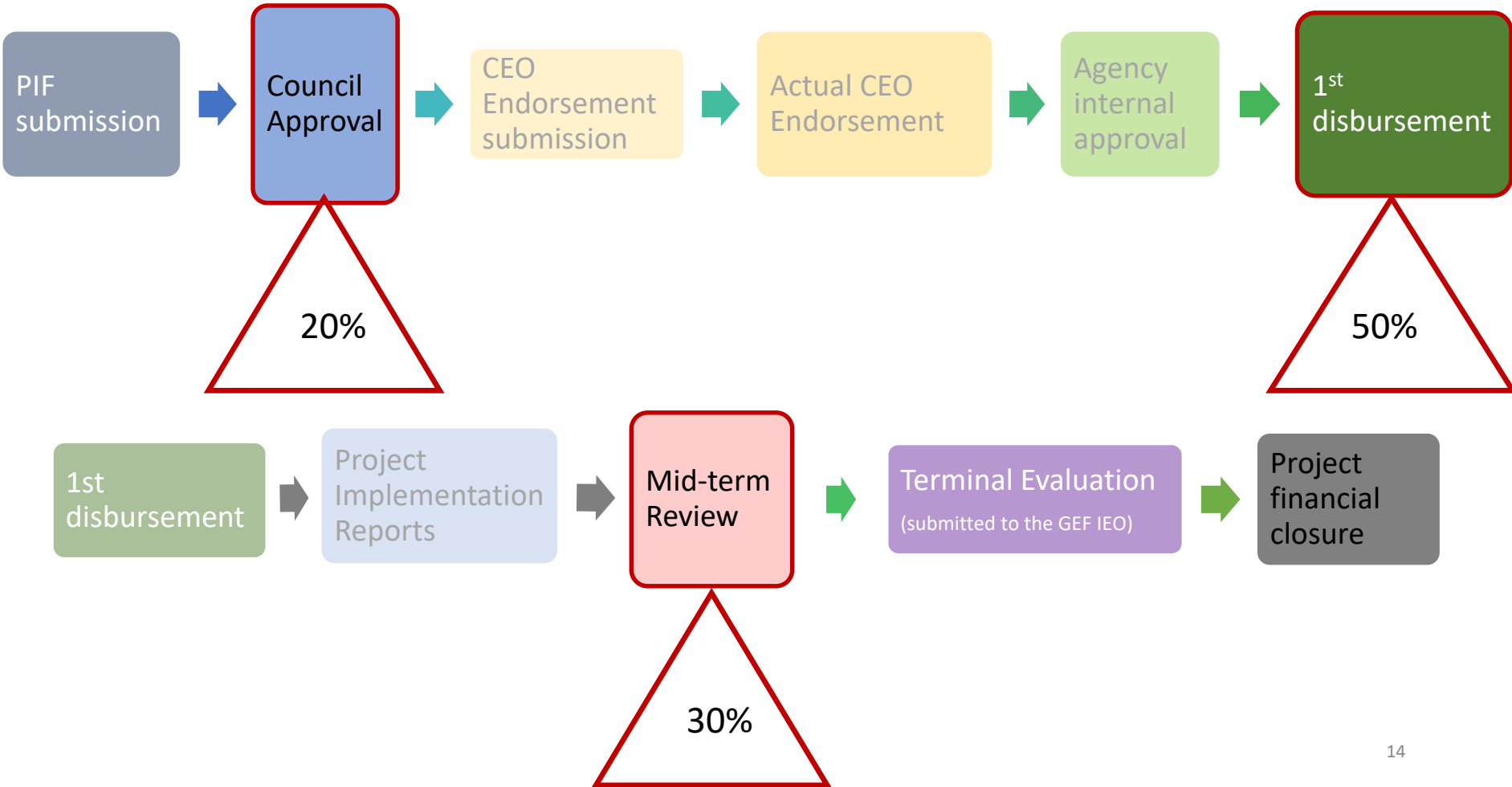
# Fee structure

Type of project	Project Financing	Fee level GEF Agencies	Fee level for Agencies accredited in 2015
PFD, FSP, MSP, EA	Less than \$ 10 million	9.50%	9.00%
	More than 10 million	9.00%	9.00%
PPG	Follow the same rate applicable for the related project financing		

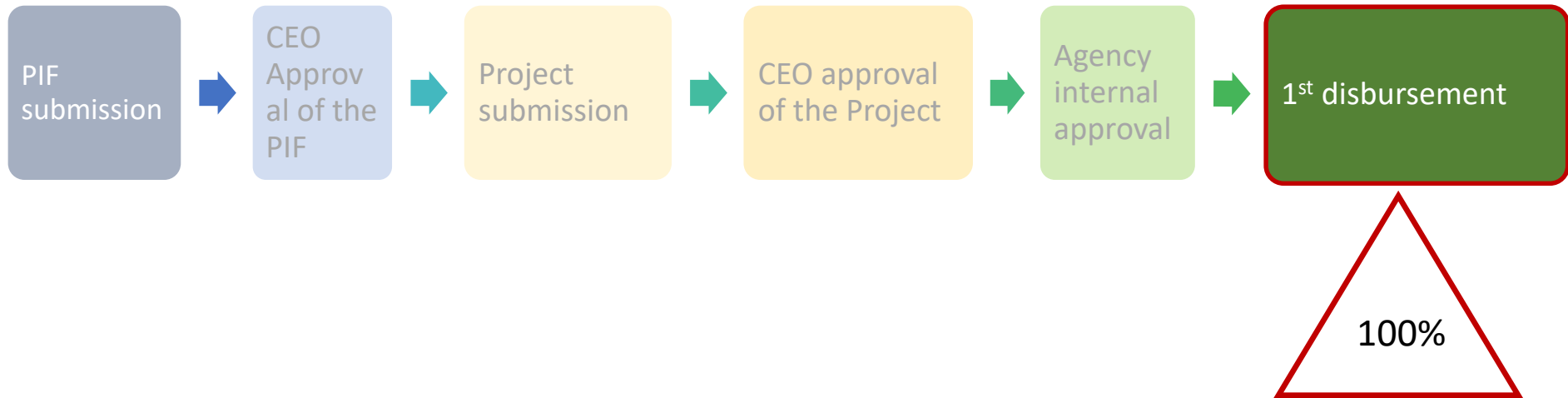


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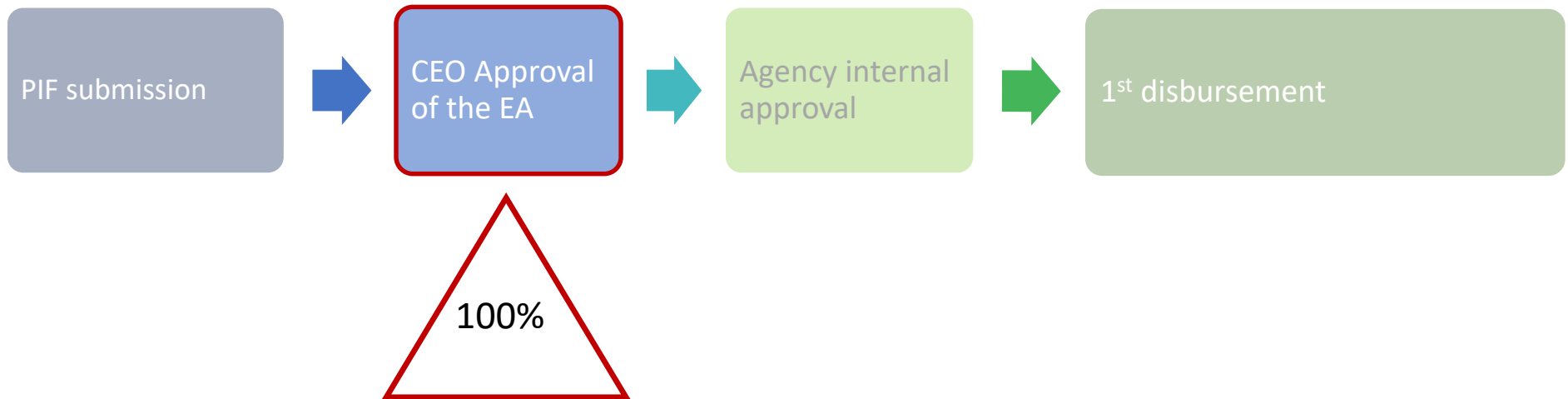
# Agency Fee schedule for FSPs



# Agency Fee schedule for MSPs

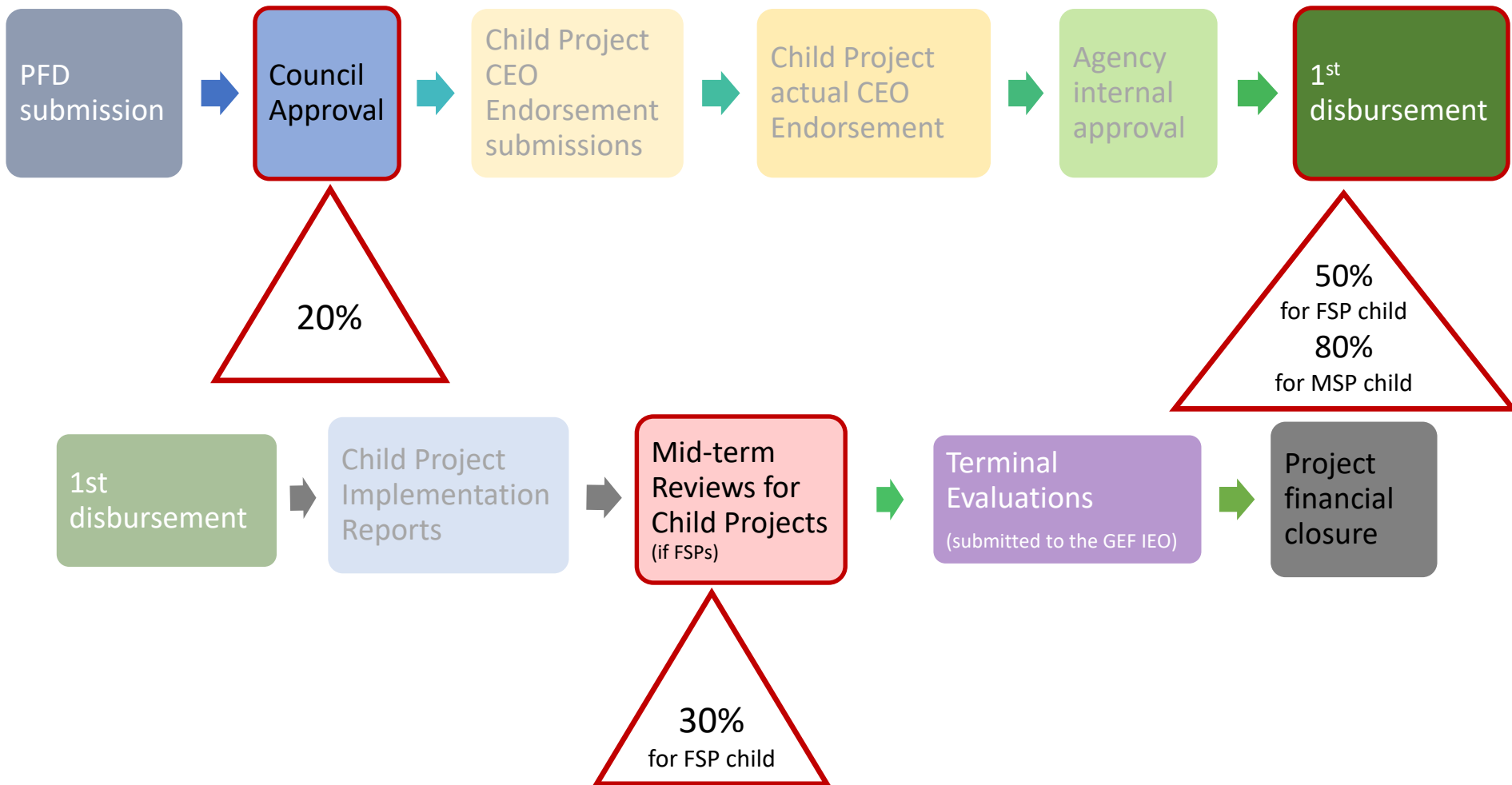


# Agency Fee schedule for EAs





# Agency Fee schedule for Child Projects under Programs



# Activities covered by the Agency Fee

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

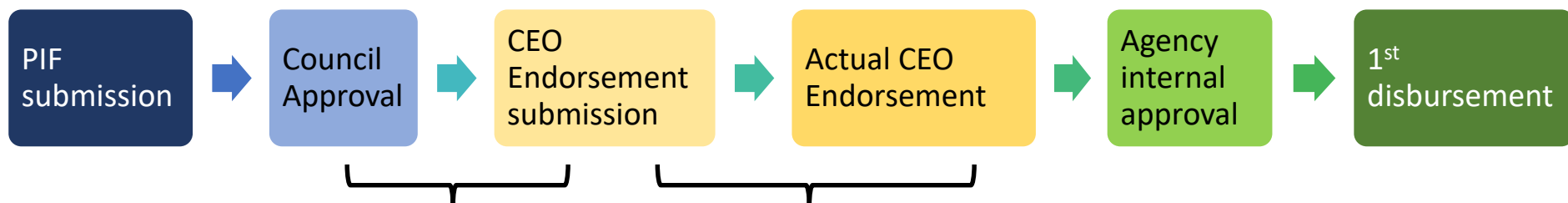
*What does this policy do?*

**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



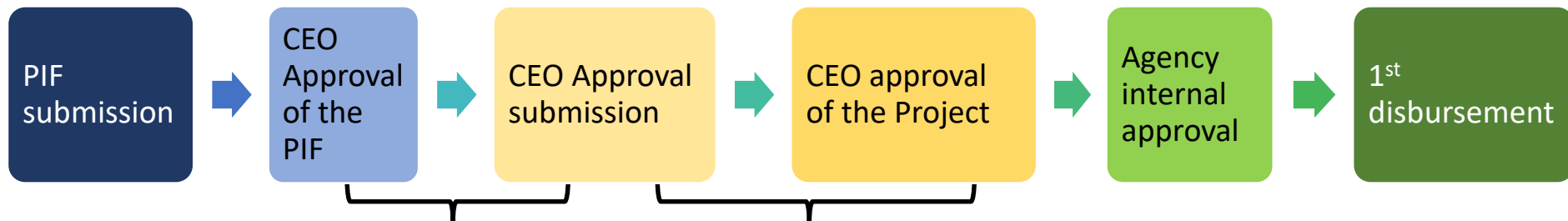
**12 months** after PIF approval:  
**Submission** CEO Endorsement /approval request –with complete documentation

**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



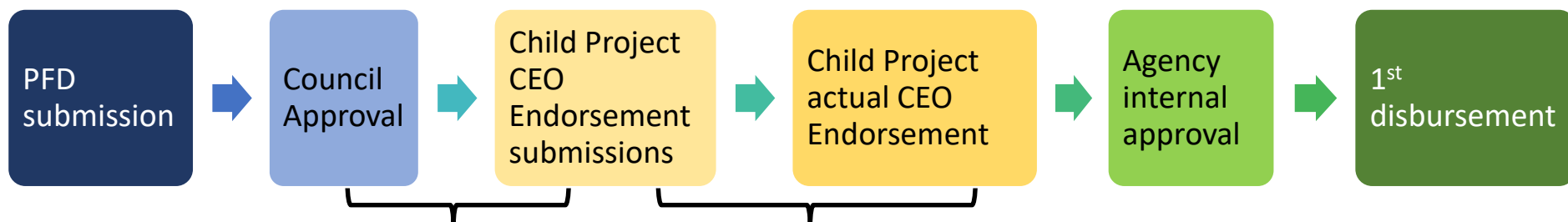
**8 months** after PIF approval: **Submission**  
CEO Endorsement /approval request –  
with complete documentation

**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

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

**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

# 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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