• The GEF Project and Program Cycle
• Agency Fee policy
• Project Cancellation Policy
• Co-financing Policy

GEF Expanded Constituency Workshop
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 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

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

1st disbursement → Project Implementation Reports → Mid-term Review → Terminal Evaluation → Project financial closure

Implementation/Execution
GEF Project Cycle
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    Project Implementation Reports    Terminal Evaluation    Project financial closure

Implementation/Execution
GEF Project Cycle
Enabling Activities (EA)

Preparation

- EA submission
- CEO approval of the EA
- Agency internal approval

Implementation/Execution

- 1st disbursement
- Final Report
- EA financial closure
GEF Project Cycle Programs

**Preparation**

- PFD submission
- Council Approval
- Child Project CEO Endorsement/Approval Submissions
- Child Project actual CEO Endorsement/App
- Agency internal approval

**Implementation/Execution**

- 1st disbursement
- Child Project Implementation Reports
- Mid-term Reviews for FSP Child Projects
- Terminal Evaluations
- Project financial closure
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.
# Fee structure

<table>
<thead>
<tr>
<th>Type of project</th>
<th>Project Financing</th>
<th>Fee for GEF Agencies</th>
<th>Fee for new Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFD, FSP, MSP, EA</td>
<td>$10 million</td>
<td>9.50%</td>
<td>9.00%</td>
</tr>
<tr>
<td></td>
<td>&gt; $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>
<td></td>
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</tr>
</tbody>
</table>
Agency Fee schedule for FSPs

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

- 20%  
- Project Implementation Reports

- Mid-term Review → Terminal Evaluation (submitted to the GEF IEO)

- 30%

- Project financial closure

- 50%
Agency Fee schedule for MSPs

1. PIF submission
2. CEO approval of the PIF
3. Project submission
4. CEO approval of the Project
5. Agency internal approval
6. 1st disbursement

100%
Agency Fee schedule for EAs

1. PIF submission
2. CEO PIF Approval
3. Project submission
4. CEO approval of the Project
5. Agency internal approval
6. 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%
  - 50% for FSP child
  - 80% for MSP child
- 1st disbursement
- Child Project Implementation Reports
- Mid-term Reviews for FSP Child Projects
  - 30% for FSP child
- Terminal Evaluations (submitted to the GEF IEO)
- Project financial closure
- Terminal Evaluations (submitted to the GEF IEO)
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
### Examples of Execution Functions eligible for funding by the GEF portion of Project Management Costs

<table>
<thead>
<tr>
<th>Staffing Costs</th>
<th>Project-Relates activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project manager</td>
<td>Preparation of procurement plans;</td>
</tr>
<tr>
<td>Project assistant technical specialist(s)</td>
<td>Terms of reference and procurement packages;</td>
</tr>
<tr>
<td>Procurement specialist; and/or</td>
<td>Management of consultant activities;</td>
</tr>
<tr>
<td>Financial specialist</td>
<td>Management of output deliverables;</td>
</tr>
<tr>
<td></td>
<td>Maintenance of records of all project-related documentation;</td>
</tr>
<tr>
<td></td>
<td>Knowledge management;</td>
</tr>
<tr>
<td></td>
<td>Preparation of progress reports and financial reports for the</td>
</tr>
<tr>
<td></td>
<td>project;</td>
</tr>
<tr>
<td></td>
<td>Consultation with project stakeholder</td>
</tr>
<tr>
<td></td>
<td>Financial auditing</td>
</tr>
</tbody>
</table>

**Project Activities not covered by GEF Funding under PMCs.**

- Government staff salaries
- Salaries and fees for GEF Agency staff or consultants
- Purchase of vehicles
- Monitoring of project indicators and periodic monitoring report (budgeted under M&E Budget and is a separate component of the project cost);
- Independent terminal evaluation for the project (this should be a part of the M&E budget); and
- Mid-term review evaluation (this should be a part of the M&E budget)
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.

**Council Approval** → **CEO Endorsement submission** → **Actual CEO Endorsement**

- **After 8 months:** GEF notifies OFP/ Agency
- **18 months:** either CEO endorsement or automatic cancellation
- **After 12 months:** CEO endorsement submission
  OFP notifies if not possible or automatic cancellation
Policy: Medium-sized projects will be cancelled if they have not been CEO approved within 12 months of CEO Approval of the PIF.
**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.

1. **Council Approval**
   - **10 months before PCD:** GEF notifies OFP/Agency
2. **Child Project CEO Endorsement submissions**
   - **6 months before PCD:** CEO endorsement/approval submission
     - OFP notifies if not possible or automatic cancellation
3. **Child Project actual CEO Endorsement**
   - After PCD (≤ 18 months): either CEO endorsement/approval or cancellation of the remaining PFD balance
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
<table>
<thead>
<tr>
<th>Sources</th>
<th>Types</th>
</tr>
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<tbody>
<tr>
<td>GEF Agencies</td>
<td>grant</td>
</tr>
<tr>
<td>Donor agencies</td>
<td>loan</td>
</tr>
<tr>
<td>Governments</td>
<td>equity</td>
</tr>
<tr>
<td>Private sector</td>
<td>guarantee</td>
</tr>
<tr>
<td>CSOs</td>
<td>in-kind</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td></td>
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</tbody>
</table>

**Co-financing: diverse sources and types**
Thank you!