

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



GEF Expanded Constituency Workshop  
Douala, Cameroon  
October 2019

# 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

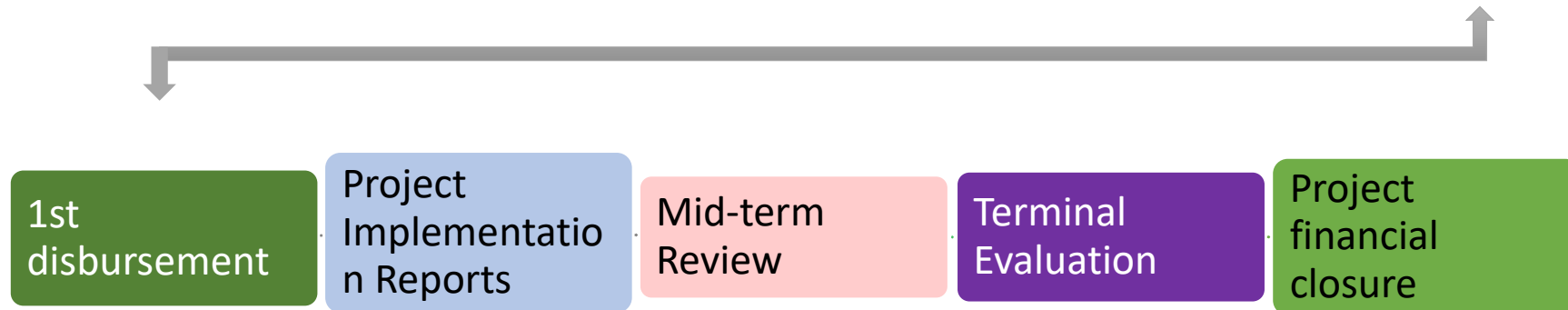
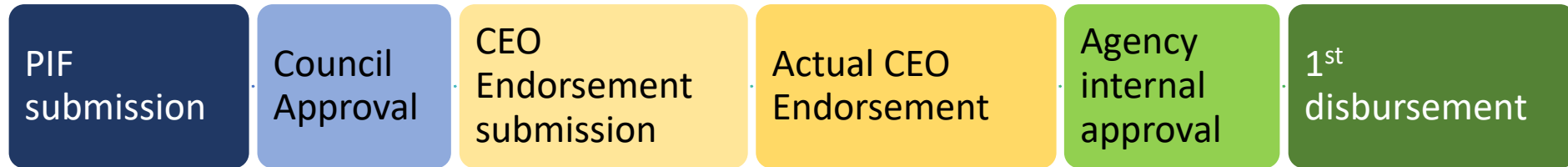
## **Program**

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

# GEF Project Cycle

## Full-sized projects

### Preparation

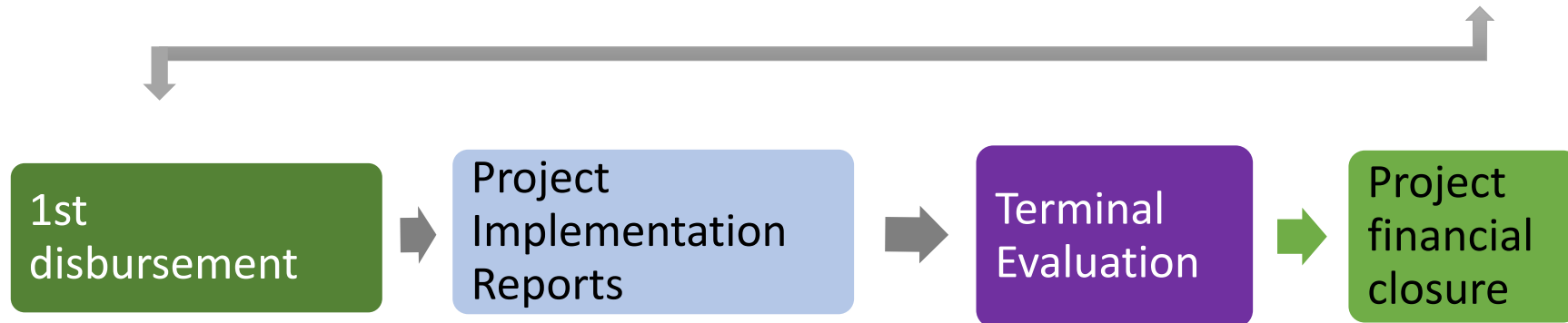
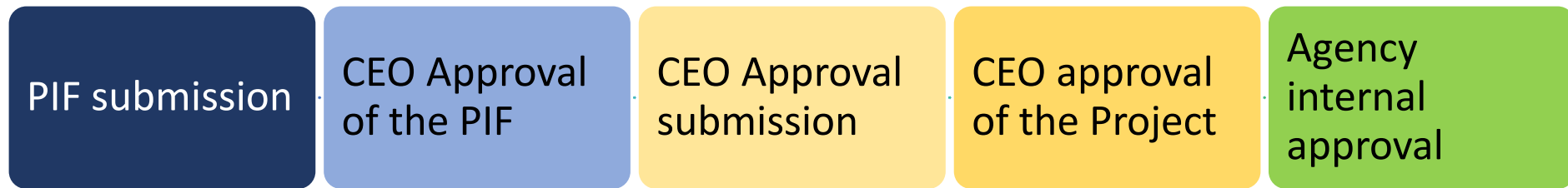


### Implementation/Execution

# GEF Project Cycle

## Medium-sized projects (2-step approval)

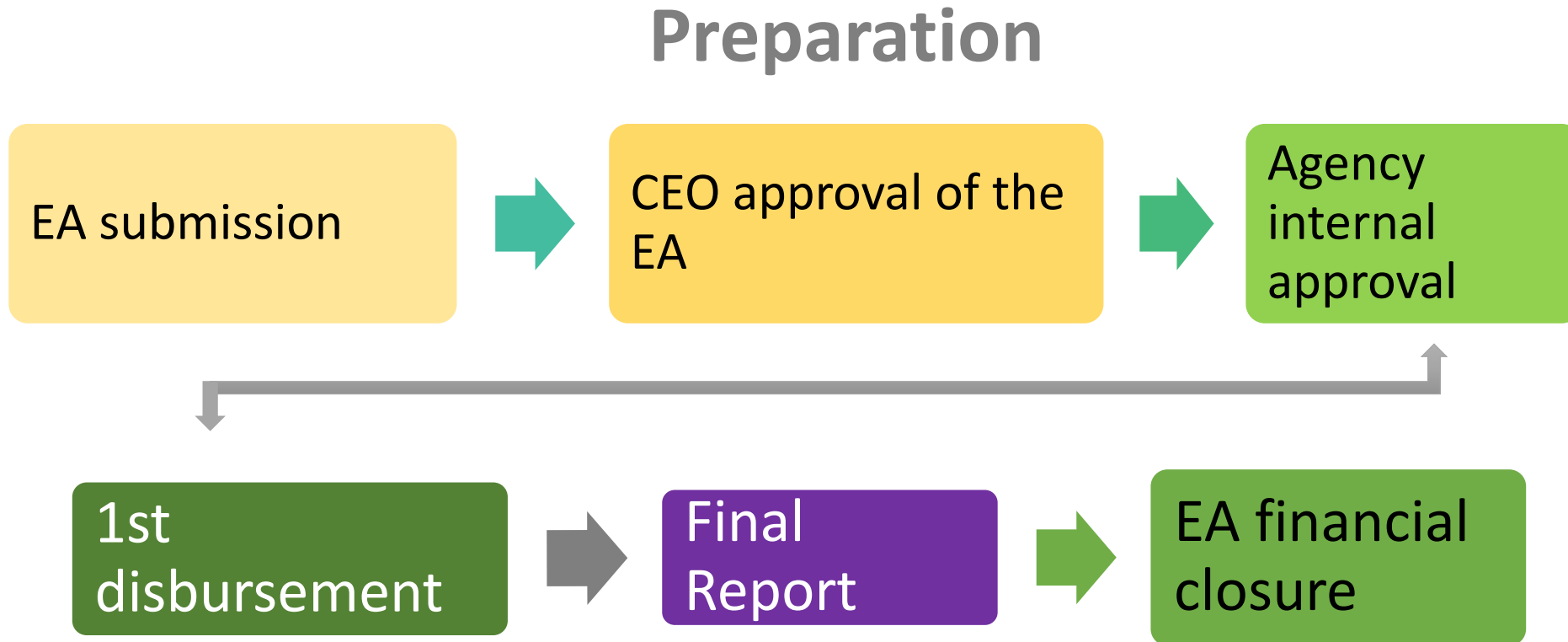
### Preparation



### Implementation/Execution

# GEF Project Cycle

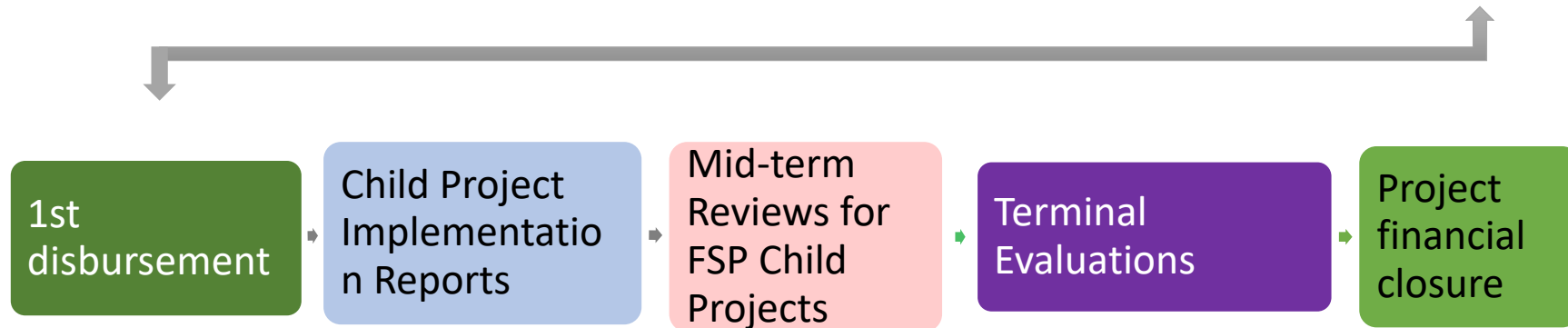
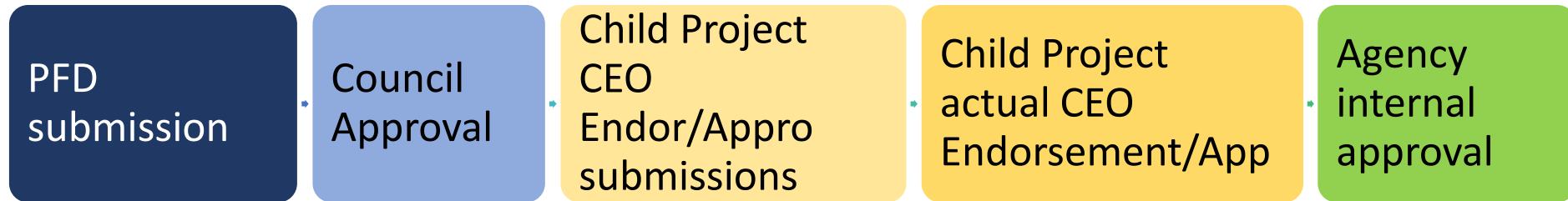
## Enabling Activities (EA)



Implementation/Execution

# GEF Project Cycle Programs

## Preparation



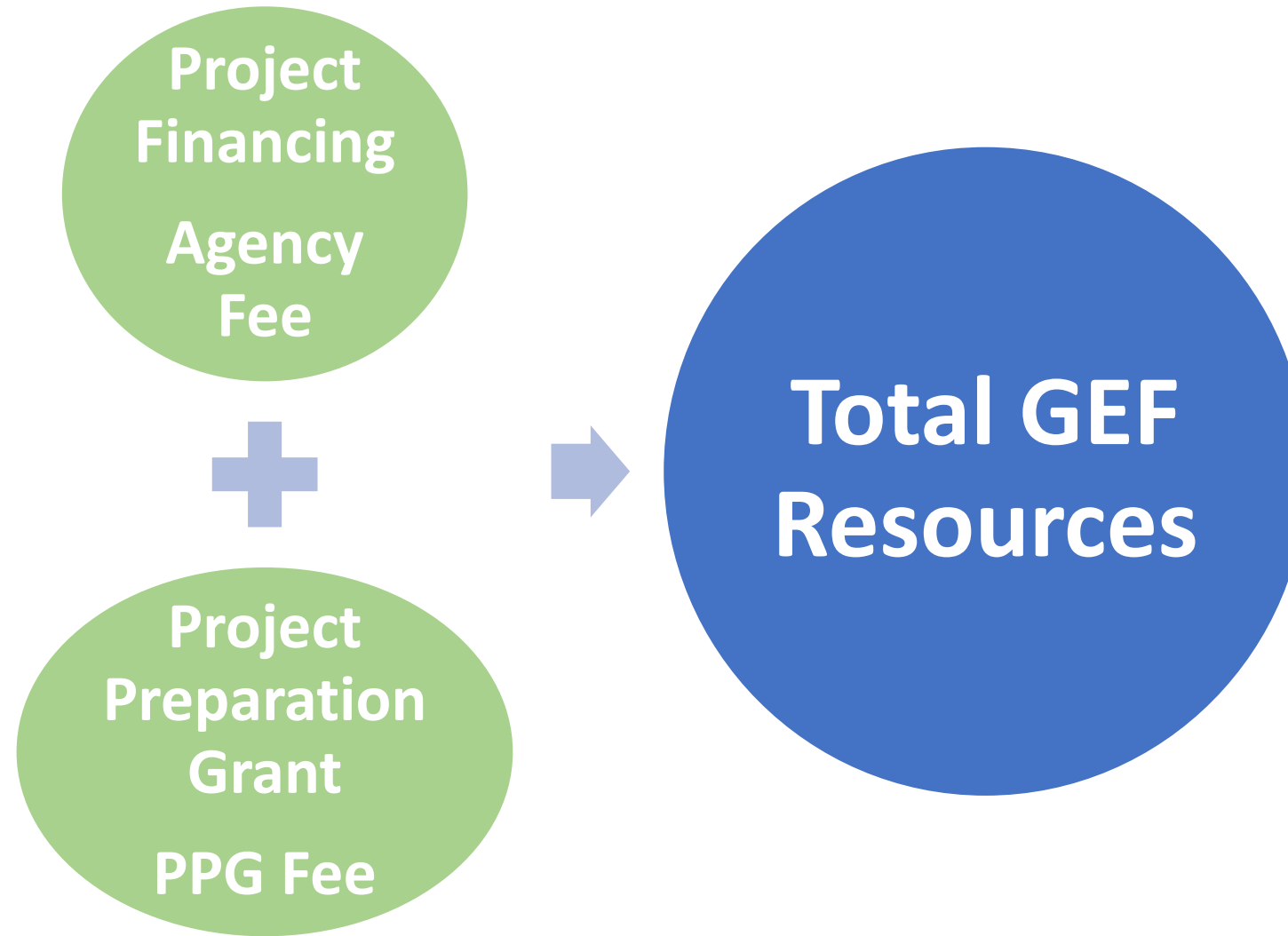
## Implementation/Execution

# 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



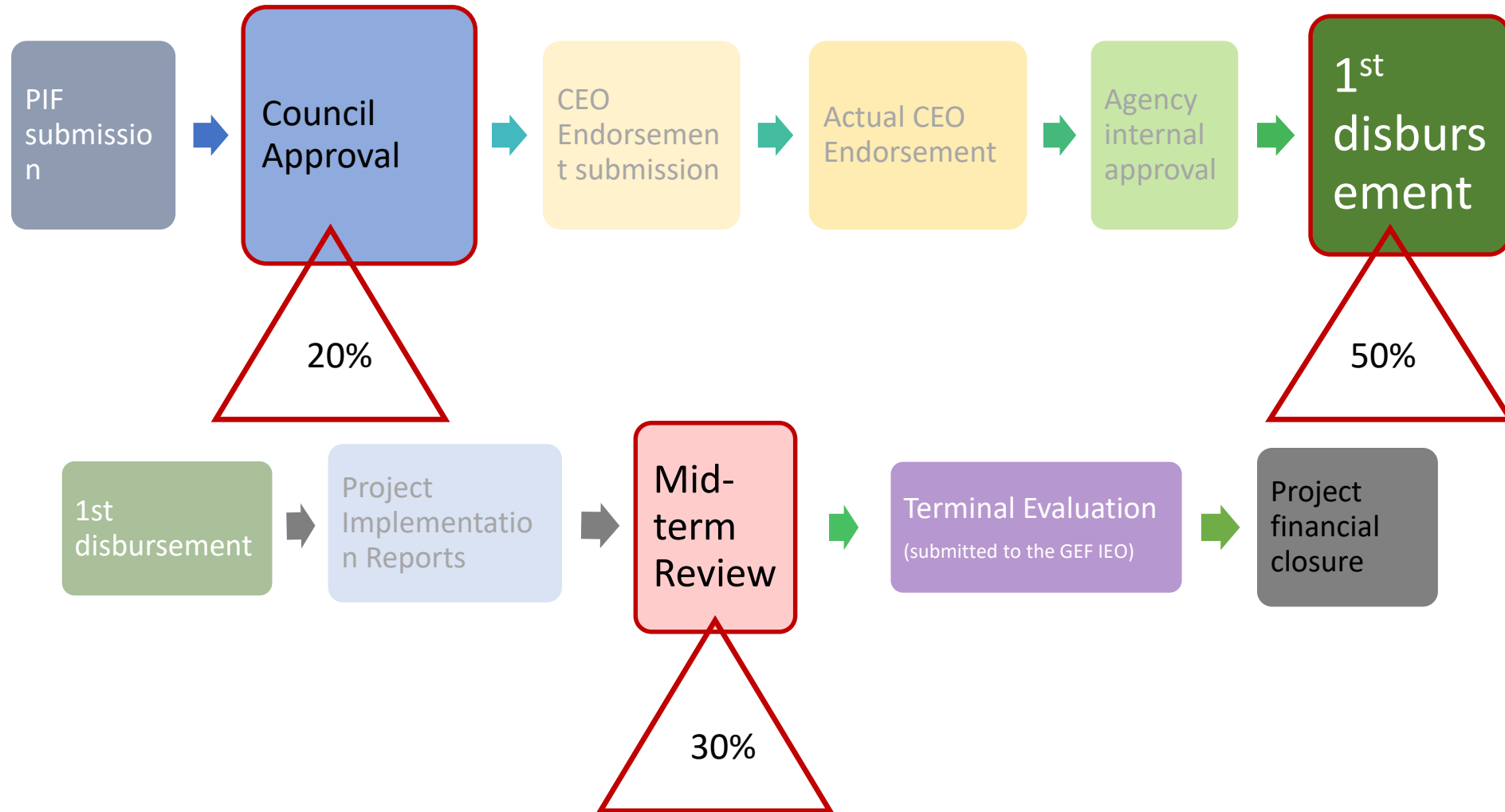


## Fee structure

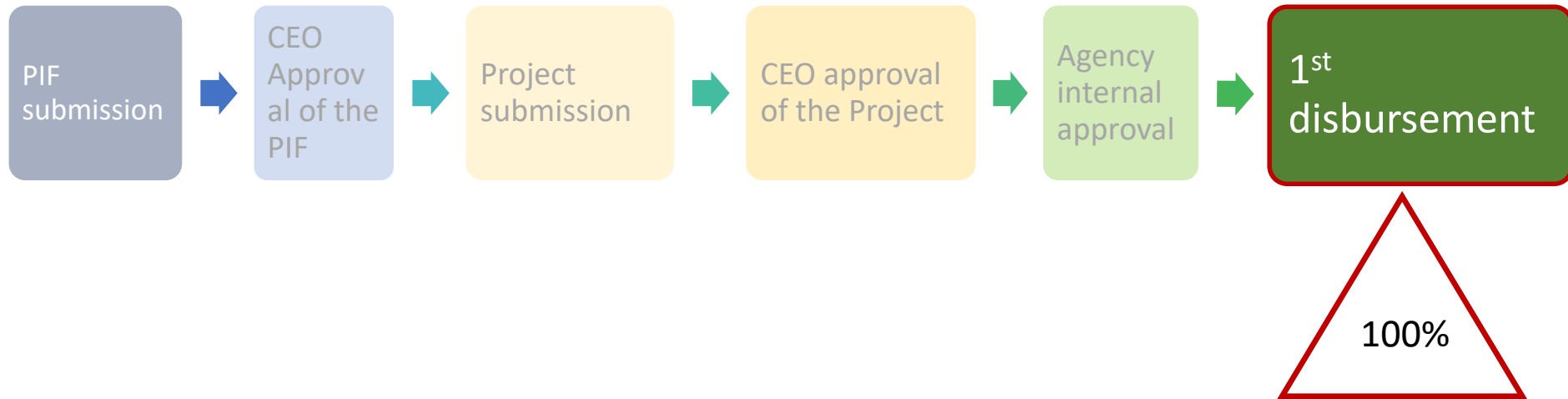
Type of project	Project Financing	Fee for GEF Agencies	Fee for new Agencies
PFD, FSP, MSP, EA	=/< \$ 10 million	9.50%	9.00%
	> \$ 10 million	9.00%	9.00%
PPG	Follow the same rate applicable for the related project financing		

BOAD  
CAF  
CI  
DBSA  
FECO  
FUNBIO  
IUCN  
WWF-  
US

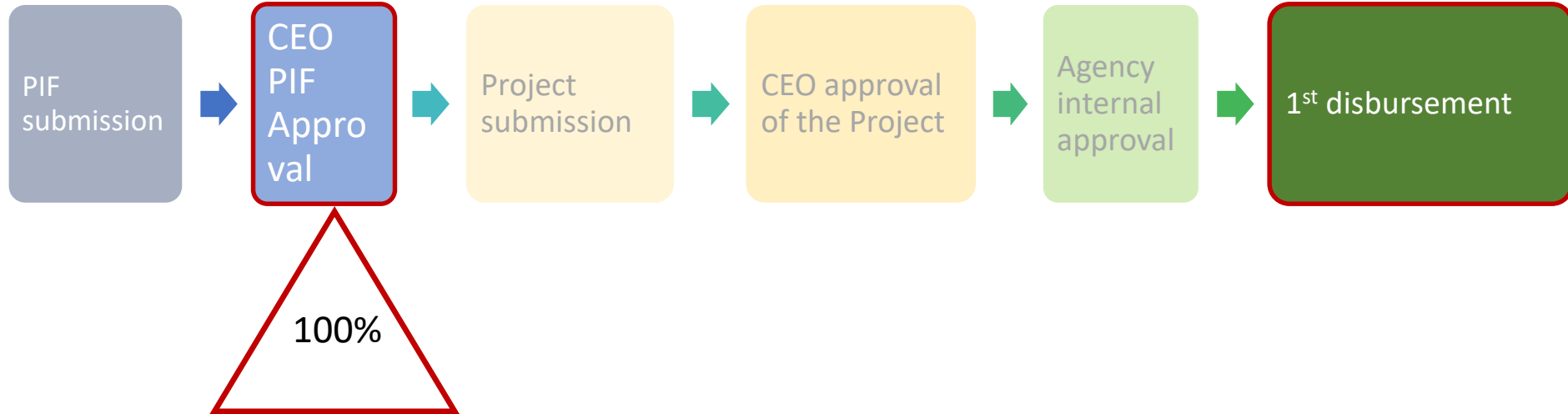
# Agency Fee schedule for FSPs



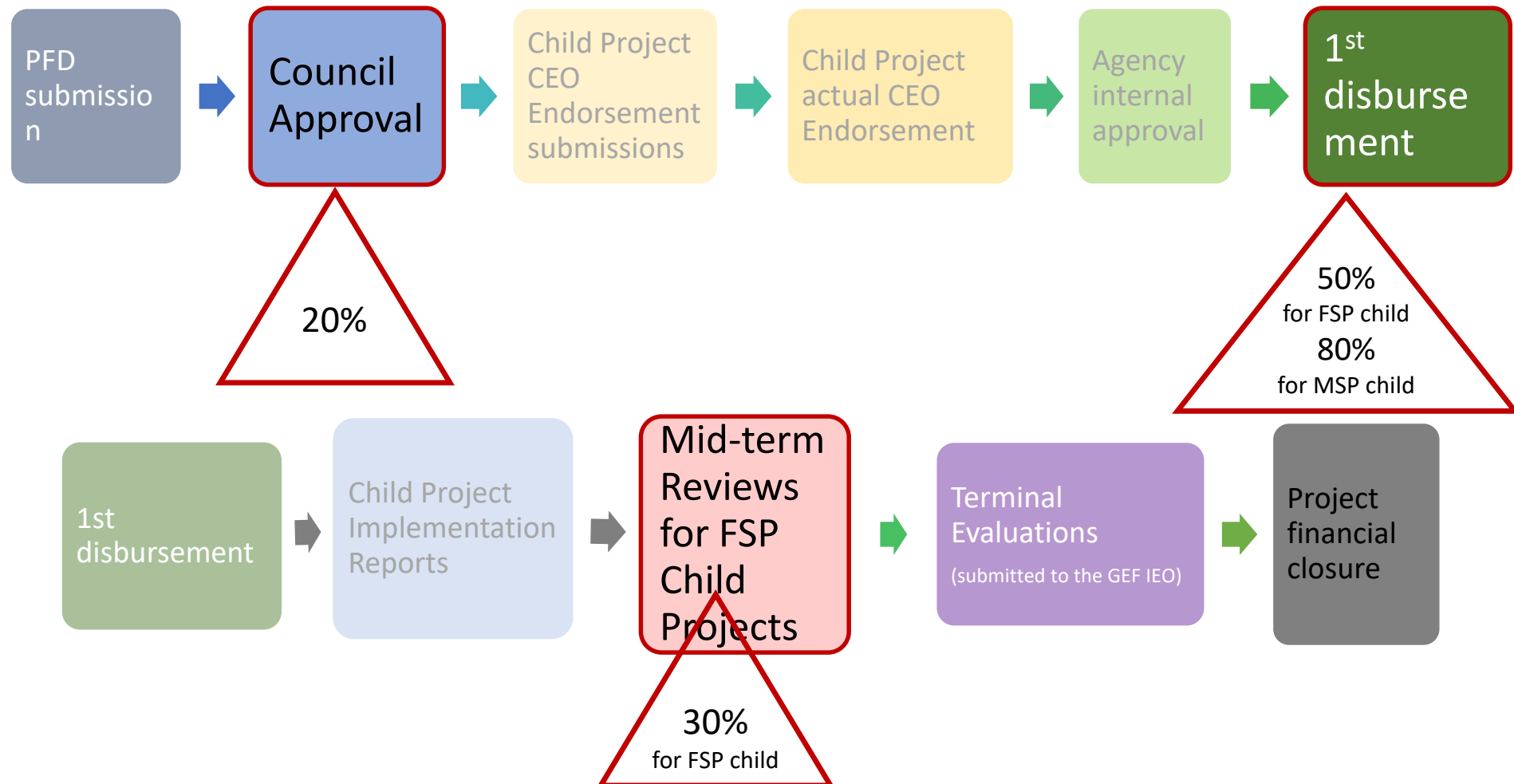
# Agency Fee schedule for MSPs



# 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



Examples of Execution Functions eligible for funding by the GEF portion of Project Management Costs	
Staffing Costs	Project-Relates activities
Project manager	Preparation of procurement plans;
Project assistant technical specialist (s)	Terms of reference and procurement packages;
Procurement specialist; and/or	Management of consultant activities;
Financial specialist	Management of output deliverables;
	Maintenance of records of all project-related documentation;
	Knowledge management;
	Preparation of progress reports and financial reports for the project;
	Consultation with project stakeholder
	Financial auditing
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)	

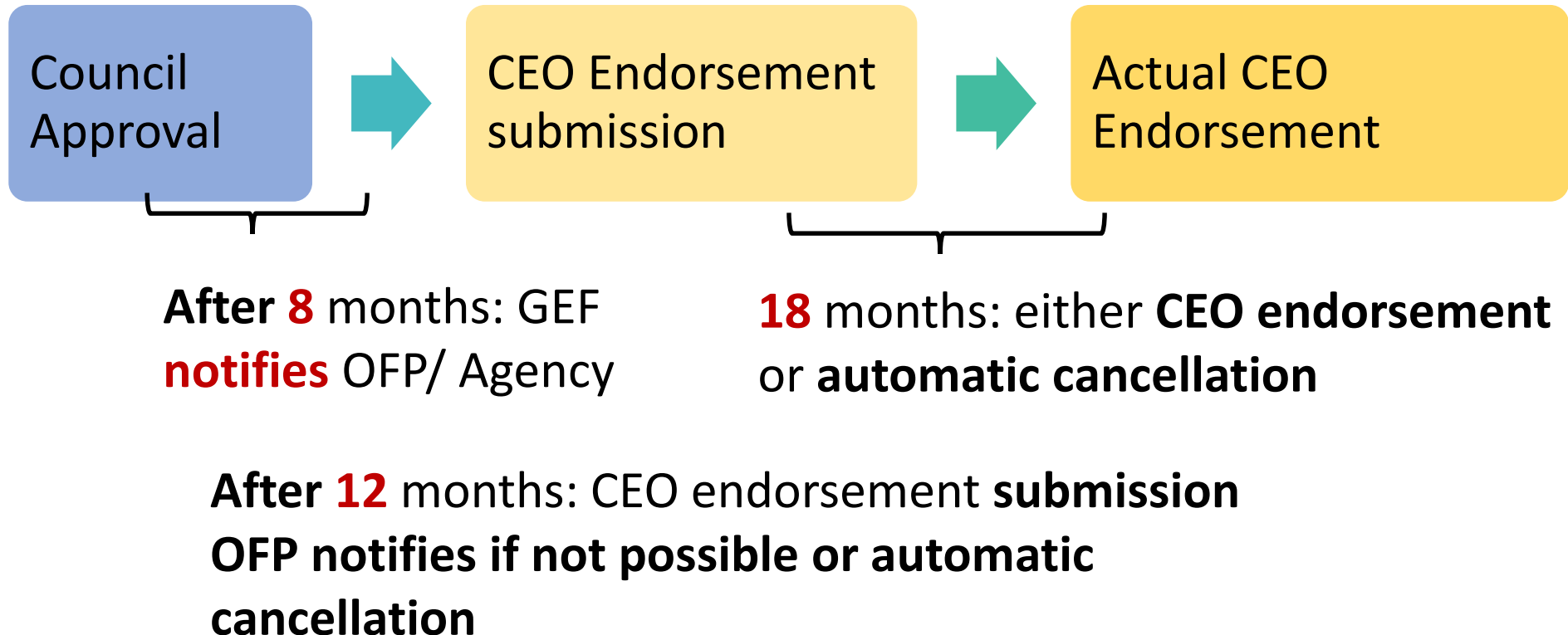
# Project Cancellation Policy

## *What does this policy do?*

- Incentivizes faster project preparation.
- Sets principles, rules, procedures to cancel or suspend projects or return uncommitted funds.

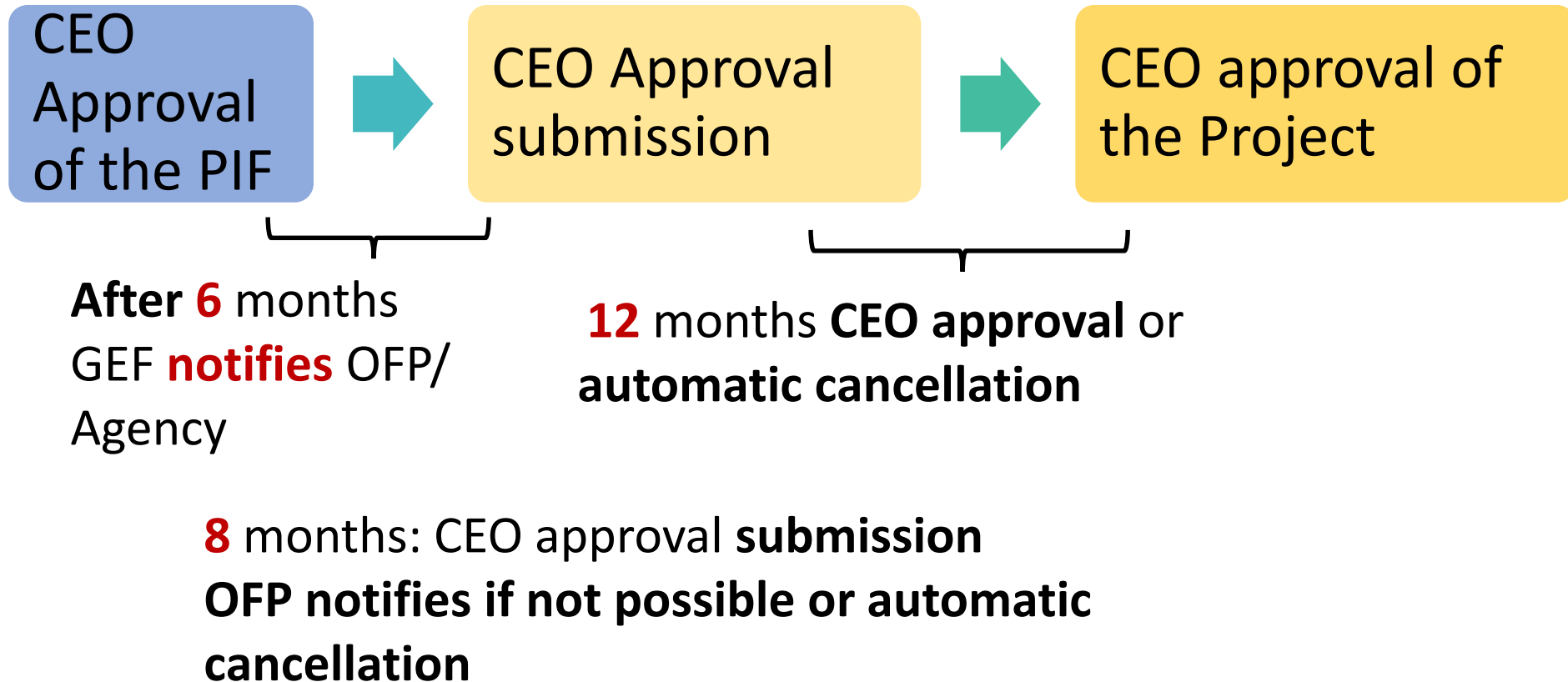
# Project Cancellation – time standards for preparation of FSPs

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



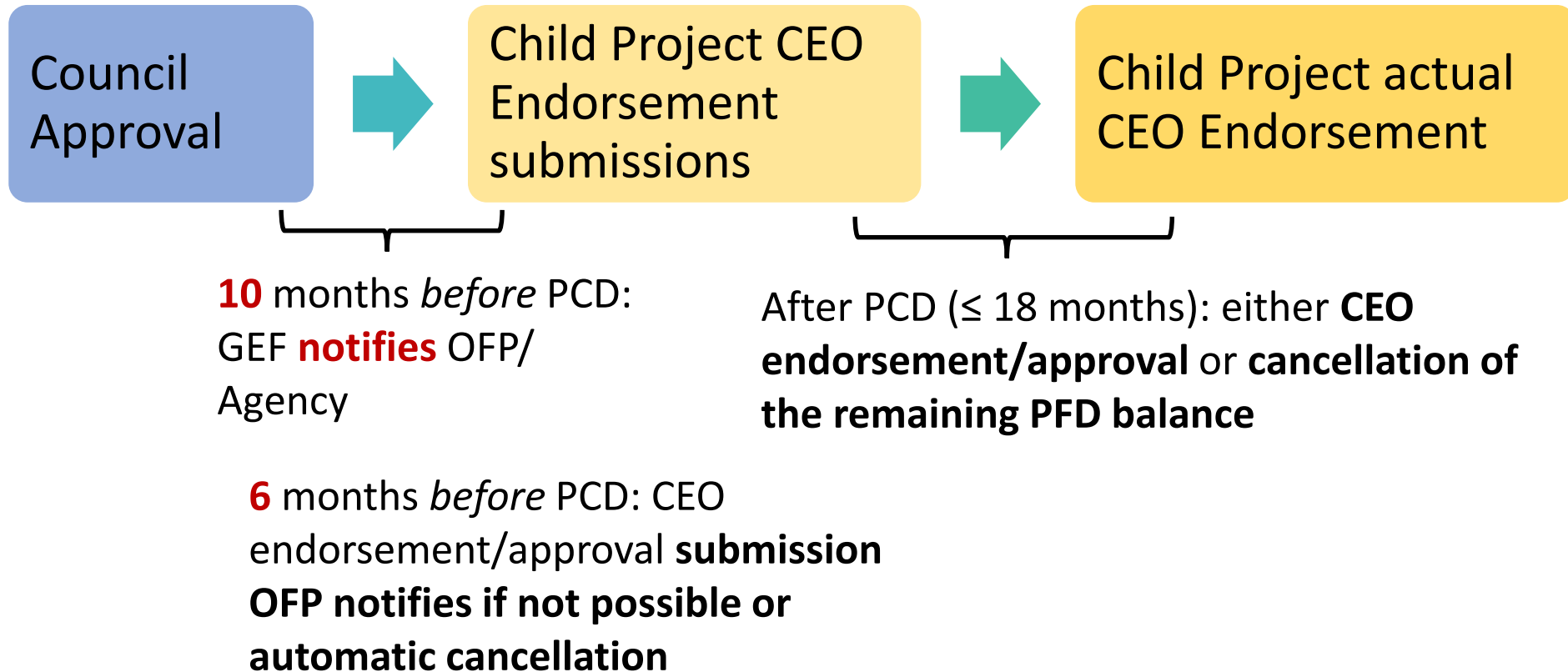
# Project Cancellation – time standards for preparation of MSPs

**Policy:** Medium-sized projects will be cancelled if they have not been CEO approved within 12 months of CEO Approval of the PIF



# 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



## 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!**