Global Environment Facility Operations


General Considerations

The GEF and the Bank's Role

1. The Global Environment Facility (the GEF) was established to assist in the protection of the global environment and promote environmentally sound and sustainable economic development. The Bank is the Trustee of the GEF Trust Fund, the provider of administrative services, and one of the three Implementing Agencies of the GEF. This policy sets out the operational framework for the provision of GEF financing by the Bank in its capacity as an Implementing Agency.

Types of GEF Operations

2. The GEF provides grants and concessional financing to support the following operations (whether freestanding projects or projects co-financed by the Bank or the International Development Association) and activities that satisfy the eligibility criteria set forth in the GEF Instrument:

(a) full-size projects, for which the amount of GEF funds exceeds $1 million;

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2 For the purposes of this OP, "Bank" means the International Bank for Reconstruction and Development.
3 Throughout the rest of this OP, "grant" includes concessional financing.
5 Paragraph 9 of the GEF Instrument.
(b) medium-size projects, for which the amount of GEF funds does not exceed $1 million;

(c) expedited enabling activities and national capacity self-assessment projects;  and

(d) Project Preparation Grant (PPG) activities.

Currency Denomination

3. GEF grants are denominated in United States dollars.

Exceptions to the Application of Bank Policies

4. Bank operational policies apply to GEF grants, unless their application is expressly excluded, or restricted to full-size projects, in such policies or in this policy. Bank operational policies do not apply to projects carried out by organizations that the GEF Council has identified as being eligible to work with the GEF through expanded opportunities for project preparation and implementation.

Arrangements for Project Preparation and Implementation

5. For GEF-financed projects and activities, the Bank may make arrangements for project preparation and implementation with countries, political subdivisions, national institutions, multilateral development banks, specialized agencies and programs of the United Nations, other international or regional organizations, bilateral development agencies, non-governmental organizations, public or private entities.

Special Considerations

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6 Expedited enabling activities provide financing for the preparation of a plan, strategy, or program to fulfill commitments under a global environmental convention and preparation of a national communication or report to a relevant convention. National capacity self-assessment projects identify country level priorities and needs for capacity building to address global environmental issues.

7 PPG activities are aimed at GEF project preparation.

8 These include the Bank’s framework regarding anti-corruption.

9 A list of such organizations is available at the GEF website: http://thegef.org/Partners/Exe_Agencies/exe_agencies.html. In projects carried out by these organizations, the policies and procedures (including safeguard policies and procedures) that apply are those of the organizations in question, and not those of the Bank.

10 When arrangements are made with entities other than countries, endorsement must be obtained from the authorized representative of the country concerned who, as a rule and unless otherwise requested in consideration of the type of project or for other reasons, is its GEF Operational Focal Point.
Signing/Effectiveness

6. The Bank’s policy on the signing of legal documents and effectiveness\(^1\) does not apply to agreements or arrangements for medium-size projects, expedited enabling activities and national capacity self-assessment projects, and PPG activities. Once the GEF Chief Executive Officer has approved such projects or activities, the agreements and arrangements for these projects and activities are signed by those having authority to sign in the name and on behalf of the Bank under Administrative Manual Statement 1.30.

Suspension

7. When Bank disbursements to a recipient country have been suspended, if the Regional Vice President determines that the objectives of projects or activities proposed for GEF funding can nevertheless be achieved, full-size projects may still be presented to the Board for approval; medium-size projects, expedited enabling activities and national capacity self-assessment projects, and PPG activities, may still be approved; and the legal documents for such projects and activities may still be signed. When a country is under suspension of disbursement for longer than six months, closing dates for GEF grants may be extended if the Regional Vice President determines that the project objectives can be achieved.

Conservation/Guarantee Funds

8. The Bank may disburse GEF funds to capitalize a conservation fund\(^2\) or a guarantee fund, provided that, throughout the duration of the Bank’s supervision of the GEF-financed project for the capitalization of such fund:

(a) the Bank retains the right to request audits of the fund;

(b) the board and/or management of the fund (or comparable organ(s) for the administration of the fund) are composed of professionals with qualifications and experience satisfactory to the Bank and have the capacity to exercise satisfactory control over the use of the fund;

(c) the fund is managed in accordance with operational and financial policies, and on the basis of a constitutive and/or statutory instrument, acceptable to the Bank;

(d) the fund is subject to the Bank’s policies on audits and financial reporting; and

\(^1\) OP 13.00, Signing of Legal Documents and Effectiveness of Loans and Credits.

\(^2\) Conservation funds, whether endowment funds or sinking funds, are financial mechanisms whereby grant funds are retailed into smaller projects over a period of time.
(e) the Bank has the right to require the recipient to repay the grant to the Bank if the recipient breaches any of the foregoing conditions, except for the amount of the grant that would be needed to meet the recipient's obligations under guarantees issued and existing before the recipient's receipt of the Bank's repayment notice.

9. Activities financed by conservation funds are subject to the Bank's procurement guidelines as specified in the agreement to finance such activities, whereas guarantee funds are not subject to such guidelines (except for broad considerations of economy and efficiency). Supplemental GEF grants to capitalize conservation or guarantee funds are approved by the Board on an absence-of-objection basis, and are not subject to Bank requirements on additional financing.13

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13 Board approval of supplemental GEF grants is subject to simplified procedures.
BP 10.20

Global Environment Facility Operations


General Considerations

Exceptions to the Application of Bank Procedures

1. Bank2 procedures apply to the processing of Global Environment Facility (GEF) grants,3 unless their application is expressly excluded, or restricted to full-size projects, in such procedures or in this procedure.

Additional Processing Steps/Clearances

2. GEF operations are subject to the following additional processing steps and clearances in accordance with procedures that have been approved by the GEF Council:

(a) Prior to project preparation and pre-appraisal, GEF grants require approval by the GEF Secretariat for entry into the GEF pipeline.

(b) The GEF Regional Coordinator concerned clears requests for project identification and preparation, and for appraisal missions, and receives the aide-memoires regarding such missions.

(c) If Project Preparation Grant (PPG) resources are utilized to develop a project, a completion report on the utilization of that project’s grant is a condition for the activation of the grant’s trust fund account.

(d) An extension of the deadline for signing or effectiveness requires clearance by the GEF Regional Coordinator concerned, after consultation with the GEF Executive Coordinator (ENVGC).

2 For the purposes of this BP, “Bank” means the International Bank for Reconstruction and Development.
3 Throughout these procedures “grant” includes concessional financing.
Regarding GEF grants, the Country Director and the Task Team Leader (the TTL) concerned, after consultation with the GEF Regional Coordinator, determine whether a project change is significant or minor. Significant changes require approval by the GEF Council or GEF Secretariat, as the case may be, depending on whether the project had been approved by the GEF Council or the GEF Secretariat. Project restructuring and amendments to GEF grant agreements require clearance by the GEF Regional Coordinator.

An initial extension of the closing date of a GEF grant is cleared by the GEF Regional Coordinator concerned. Any subsequent extension is cleared by the GEF Executive Coordinator (ENVGC). Once the extension notification has been signed by the Country Director or other appropriate Bank official, the TTL sends a copy of it to the GEF Regional Coordinator concerned and the Trust Funds Accounting Clearance Team.

A notice of suspension of disbursement, of threatened suspension, or of the lifting of suspension, for a GEF grant is cleared by the GEF Regional Coordinator concerned. The GEF CEO is notified of decisions to suspend GEF grants and lift suspensions.

Internal memoranda proposing cancellations of GEF grant amounts, as well as cancellation notices to a GEF grant recipient, are cleared by the GEF Executive Coordinator (ENVGC), after consultation with the GEF Secretariat.

The TTL sends a copy of the notification of project closing, upon signature by the Country Director or other appropriate Bank official, to the GEF Regional Coordinator concerned and the Trust Funds Accounting Clearance Team.

**Special Considerations**

**Full-Size Projects**

**Pre-Appraisal and Appraisal**

3. The GEF Regional Coordinator concerned is invited to the decision meeting and receives the relevant documentation. The pre-appraisal package is cleared by the GEF Regional Coordinator concerned.

4. The GEF Council’s approval of a GEF grant for its work program is a condition for project appraisal. The GEF Regional Coordinator concerned clears the negotiations package and requests the establishment of a trust fund account for the GEF grant.

**Board Presentation**

5. Endorsement of a GEF grant by the GEF Chief Executive Officer (CEO) is a condition for Board presentation. GEF grants are presented to the Board under streamlined procedures, unless an associated operation is presented under regular procedures. In such a case, the processing of the GEF grant follows the same procedures as those applicable to the associated operation.

**Statutory Committee Report and Legal Opinion**
6. A Statutory Committee Report is not required for a GEF grant. An opinion satisfactory to the Bank of counsel acceptable to the Bank is, as a rule, not required, unless the process of approval of the GEF grant in the country concerned, or other reasons, require otherwise.

*Letter on Financial and Economic Data*

7. A Letter on Financial and Economic Data is not required for a GEF grant.

*Implementation Completion Report*

8. The TTL transmits a draft Implementation Completion Report (ICR) to the GEF Executive Coordinator (ENVGC) and the GEF Regional Coordinator concerned for comment. A copy of the final ICR is sent to the GEF Executive Coordinator (ENVGC), the GEF Regional Coordinator concerned and the GEF Evaluation Office. For each ICR, the Independent Evaluation Group distributes its evaluative note to the GEF Executive Coordinator (ENVGC), the GEF Regional Coordinator concerned, and the GEF Evaluation Office, for information and comment.

*Medium-Size Projects, Expedited Enabling Activities, National Capacity Self-Assessment Projects, and Project Preparation Grant Activities*

*Identification and Preparation (MSPs only)*

9. The project proponent prepares the project concept with the assistance of the TTL. The GEF Regional Coordinator concerned reviews the project concept for GEF eligibility. The TTL prepares the concept stage Integrated Safeguard Data Sheet (ISDS) following regional standard practice. Upon confirmation of GEF eligibility, the TTL requests the proponent to prepare the project brief.

10. The TTL reviews the project brief and, if necessary, conducts a field visit to determine the technical merits of the proposal. If the Bank requires an environmental assessment, a resettlement instrument or an indigenous peoples’ development plan (IPDP), the TTL sends such document to InfoShop at least 21 days before approval.

*Approval*

11. The TTL submits the project brief to the GEF Regional Coordinator concerned for transmission to the GEF Secretariat. Upon GEF CEO approval of the project or activity, the TTL prepares the documentation package for Bank approval.

12. Prior to the submission of the package to the Country Director, clearances are required from the procurement officer, the lawyer, the GEF Regional Coordinator concerned and the Sector Manager/Leader. The GEF Regional Coordinator concerned requests the Trust Funds Accounting Clearance Team to issue a trust fund (TF) number for the cleared package. Once a TF number has been assigned and the package has been finalized and cleared, the TTL submits two execution copies of the grant agreement (GA), prepared by the lawyer, to the Country Director for approval and signature, together with the accompanying project brief. The TTL then
sends the two execution copies of the GA, signed by the Country Director, to the grant recipient for counter-signature, together with the accompanying project brief.

**Effectiveness**

13. Upon receipt of one countersigned execution copy of the GA (the other execution copy remaining with the grant recipient), the TTL sends such countersigned execution copy to the lawyer and a copy of it to the Trust Funds Accounting Clearance team with the request that a TF account be activated.4

**Supervision (MSPs and Expedited Enabling Activities only)**

14. The TTL reports project progress on MSPs and Expedited Enabling Activities through the Bank’s institutional Grant Reporting and Monitoring (GRM). The GRM is a web-based tool for the TTL to provide qualitative reports on the progress and results of grant-financed activities. Guidelines and detailed information about the use of the GRM are available at the GRM page of the consolidated TF website.5

**Closing**

15. The TTL prepares a completion report within six months from the closing date of the project or activity. For MSPs, National Capacity Assessment Projects, and Expedited Enabling Activities, the TTL uses the Implementation Completion Memorandum (ICM) template available on the Bank’s intranet TF website.6 The TTL prepares the completed form in accordance with the MSPs guidelines. A draft completion report is submitted for review to the GEF Regional Coordinator concerned and cleared in accordance with applicable regional practices. After all regional clearances have been obtained, the TTL submits the completion report to the GEF Executive Coordinator (ENVGC), with a copy to the GEF Evaluation Office. The detailed guidelines on completion reports for MSPs are available at the GEF web site.7

16. For PPGs, the TTL uses the Completion Memorandum provided by ENVGC and available at the Bank GEF operations portal page.8 The TTL submits the PPG Completion

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4 Activation of a TF account is subject to certain conditions established by the GEF Executive Coordinator (ENVGC), as outlined in the processing guidelines available on the Bank’s GEF Operations intranet web site: 


Memorandum to the GEF Executive Coordinator (ENVGC) through the GEF Regional Coordinator.
### General Considerations

**The GEF and the Bank's Role**

1. The Global Environment Facility (the GEF) was established to assist in the protection of the global environment and promote environmentally sound and sustainable economic development. The International Bank for Reconstruction and Development (the Bank) is the Trustee of the GEF Trust Fund, the provider of administrative services, and one of the three Implementing Agencies of the GEF. This policy sets out the operational framework for the provision of GEF financing by the Bank in its capacity as an Implementing Agency.

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### Currency Denomination

- Proposal to Re-Denominate GEF Grants from SDRs to U.S. Dollars and to Denominate Future GEF Grants in U.S. Dollars (R2003-0020, ...
3. GEF grants are denominated in United States dollars.

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(b) the board and/or management of the fund (or comparable organ(s) for the administration of the fund) are composed of professionals with qualifications and experience satisfactory to the Bank and have the capacity to exercise satisfactory control over the use of the fund;

(c) the fund is managed in accordance with operational and financial policies, and on the basis of a constitutive and/or statutory instrument, acceptable to the Bank;

(d) the fund is subject to the Bank’s policies on audits and financial reporting; and

(e) the Bank has the right to require the recipient to repay the grant to the Bank if the recipient breaches any of the foregoing.

OP12.00.

Supplemental GEF Grants to Capitalize Conservation Funds (R2002-0046, Mar. 21, 2002).

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