A GEF Operational Focal Point’s Guide to the GEF Project Cycle

What is a project cycle and why is it important?

A project cycle describes the various phases, and the sequencing of these phases, that a project must go through from beginning to end in order to realize its objectives. The precise formulation of the cycle varies from one GEF Agency to another, but the basic components are shown in Figure 1.

It enables an Agency to track a sequence of actions to develop, implement and evaluate projects that leads in turn into new projects. The aim is to improve the management of projects by ensuring that all relevant issues and conditions are taken into account during design and implementation.

Box 1: Important Terms

The Chief Executive Officer (CEO)/ Chairperson of the GEF heads the GEF Secretariat, which coordinates the implementation of GEF projects and programs, as well as the formulation of policies and operational strategies.

The international Conventions for which the GEF serves as a financial mechanism are: The Convention on Biological Diversity; The United Nations Framework Convention on Climate Change; The United Nations Convention to Combat Desertification; The Stockholm Convention on Persistent Organic Pollutants.

GEF Agencies are 10 multilateral development agencies responsible for identifying projects and managing their implementation. These are: UNDP; UNEP; World Bank; The African Development Bank (AfDB); The Asian Development Bank (ADB); The European Bank for Reconstruction and Development (EBRD); The Inter-American Development Bank (IDB); The International Fund for Agricultural Development (IFAD); The UN Food and Agriculture Organization (FAO); The UN Industrial Development Organization (UNIDO).

The GEF Council is the main governing body of the GEF. It functions as an independent board of directors, with primary responsibility for developing, adopting, and evaluating GEF programs. It is comprised of 32 members who represent GEF member countries.

A GEF Operational Focal Point (OFP) is designated by each country that receives GEF funding, and is responsible for operational aspects of GEF activities such as, endorsing project proposals to affirm that they are consistent with national plans and priorities and facilitating GEF coordination, integration, and consultation at the country level.

A Project Identification Form (PIF) is a short (maximum 4 pages) description of a project concept that is used by the GEF to determine whether or not the project meets certain basic criteria. If these criteria are met, the project is included in the GEF pipeline i.e., funds are allocated to the project to cover total project costs (funds are not committed until CEO endorsement).

A Project Preparation Grant (PPG) is a small amount of funds that can be utilized to cover partial project preparation costs incurred by the project proponent. PPG consolidates previous practice of separately requesting for PDFs A, B, or C.

The Scientific and Technical Advisory Panel (STAP) provides objective scientific and technical advice to the GEF.

A Work Program is a collection of PIFs for individual projects and/ or programmatic approaches that are reviewed for overall portfolio coherence and approved by the GEF Council (i.e., PIFs for full scale projects, umbrella programs, and enabling activities over US$ 0.5 million).
What is the GEF Project Cycle?

The GEF project approval cycle defines the stages that a project must go through in order to be approved by the GEF and to receive allocation and/or commitment of funding (Figure 2). There are 4 points in the project cycle where the GEF Secretariat and/or GEF Council play a role in reviewing and making decisions on providing funding for projects (referred to as Step 1, Step 2, Step 3 and Step 4 in the GEF Project Cycle Paper). These 4 decision points are depicted as gray boxes in the figure. Olive coloured boxes signify stages in the project cycle where the recipient country, together with its partner GEF Agency, takes the lead.

**Box 2: GEF Project Types**

Full Size Projects (FSPs) are projects receiving over US$ 1 million from the GEF Trust Fund. Projects must respond to national priorities and must satisfy eligibility requirements under the Conventions, a GEF strategic priority, and either a GEF operational program or a GEF short term response measure. Project proponents work closely with national GEF Operational Focal Points (who formally endorse project concepts) and GEF Agencies to develop concepts and move through the project cycle. FSPs are approved by the GEF Council.

Umbrella Programs are also FSPs in that they receive GEF funding over US$1 million. However, they are comprised of several individual projects. The project approval cycle for Umbrella Programs will differ slightly from that for FSPs and will be described in a forthcoming Council Paper on programmatic approaches which will be considered by the April 2008 GEF Council.

Medium Size Projects (MSPs) are projects receiving funding up to US$ 1 million from the GEF Trust Fund. The project cycle for MSPs is expedited so as to allow for more diverse participation by NGOs and other civil society organizations in project development and implementation. Approval of MSPs has been delegated by the GEF Council to the GEF CEO.

Enabling Activities (EAs) provide financing for the preparation of a plan, strategy, or program to fulfill commitments under a global environmental convention or for a national communication or report to a relevant convention. The project cycle for EAs over US$ 1 million is the same as for FSPs. The project cycle for EAs requesting resources less than US$ 1 million is the same expedited cycle that is in place for MSPs.

Small Grant Projects are projects of up to US$ 50,000 given to non-governmental and community organizations for community-based projects through the GEF’s Small Grants Programme. While aligned with the GEF focal area strategies, the project cycle for these small grants is very different from other GEF project types as review and selection is carried out at the national level (more information available at GEF/SGP website).
How does the GEF project approval cycle relate to the project cycle of the GEF Agencies?

The GEF Agency that has been selected by the country as a partner for the project may have additional requirements for programming, appraisal, and implementation. OFPs should consult with the appropriate GEF Agency on these requirements. The Programming stage is particularly important for ensuring the integration of global environmental issues with national sustainable development priorities. The Project Implementation stage is carried out according to the rules and regulations of the GEF Agency, while respecting GEF requirements for monitoring and evaluation.

Who are the main actors in the project cycle?

The GEF Secretariat, the CEO, the GEF Council, the GEF Agencies, the GEF Focal Points, and project proponents; STAP and the Convention Secretariats provide comments on project concepts when PIFs are submitted to the GEF.

How long does the project approval cycle take?

From the time a PIF is approved by the GEF Council as part of a Work Programme up to the point when the final project document is endorsed by the CEO, the project approval cycle should take no more than 22 months.

Why has the project cycle been changed?

A 2006 evaluation of the GEF project cycle noted that the cycle was ineffective and inefficient. Therefore, the GEF Council requested that a new cycle be put in place that takes no more that 22 months to go from identification to start of implementation, without compromising project quality or undermining financial accountability.

What are the key differences with the old project cycle?

Besides reducing the number of steps in the project cycle, the revised cycle aims to reduce documentation requirements by focusing GEF Secretariat reviews of the PIF and the project document on those criteria that are critical to achieving the objectives for which a GEF grant is provided.
What are the main steps in the GEF Project Cycle?

The GEF has several different project types depending on the scale of GEF resources the project needs (see Box 2 for an explanation of the different project types). While most project types need to go through all 4 steps of the project cycle (FSPs, umbrella programs, EAs requiring more than US$ 0.5 million in GEF resources), for some projects the cycle is expedited (MSPs, EAs requiring less than US$ 0.5 million in GEF resources).

The GEF Project Cycle is described in detail in a paper prepared for the GEF Council Meeting held in June 2007. The steps in the GEF Project Cycle vary according to the following project types:

**Regular Cycle**
- Full Size Projects
- Enabling Activities requesting more than US$ 0.5 million in GEF funding

**Expedited Cycle**
- Medium Size Projects
- Enabling Activities requesting less than US$ 0.5 million in GEF funding

Is the project cycle the same whether one is applying for funding from the GEF Trust Fund, the Special Climate Change Fund, or the Least Developed Countries Fund?

The project cycle is essentially the same whether a proponent is requesting funding from the GEF Trust Fund, the Special Climate Change Fund (SCCF) or the Least Developed Countries Fund (LDCF). However, for SCCF and LDCF projects there are some differences:

- PIF and PPG templates are different and these are distinguished as a separate category on the GEF web site.
- PIFs are submitted for CEO clearance on a rolling basis (i.e., there is no specific time frame within which these can be submitted) and are also circulated to Council on a rolling basis.
- For LDCF projects, the distinction between medium-size and full-size is different — an MSP is a project receiving funding up to US$ 2 million; an FSP is a project receiving funding above US$ 2 million.
GEF Project Cycle for Full Size Projects

**Step 1**
Review of project concepts by GEF CEO

**What happens in this step?**
In consultation with stakeholders, project proponents prepare a 4-8 page project concept (presented in the format of a Project Identification Form or PIF). PIF is endorsed by the OFP. PIF is submitted by the relevant GEF Agency to the GEF Secretariat for review (review provided within 10 business days after receipt of PIF). Note: PIFs may be submitted on a rolling basis. PIF is circulated for comments among all GEF agencies, and relevant Convention Secretariats (comments provided within 5 business days after receipt of PIF).

Note: All PIFs that are cleared by the CEO are sent to the Scientific and Technical Advisory Panel (STAP) for screening. STAP comments are published on the GEF website together with the PIFs in the work program.

**What is the purpose?**
The main purpose is to ensure that the project concept:

a. is in a country that is eligible to receive GEF funding
b. is consistent with GEF strategic objectives and strategic programs
c. is being submitted through a GEF Agency that has a comparative advantage to support the project concept
d. provides an estimated cost of the project, including expected co-financing
e. requests a GEF grant amount that is consistent with resources available in the focal area and with allocations available to the country under the Resource Allocation Framework
f. indicates clear milestones for further project preparation

**What is the expected outcome?**
PIF is cleared (or not) for inclusion in the next GEF work program (which is a bundle of PIFs) that is to be reviewed by the GEF Council. The proponents can begin project preparation; however, they should be aware that Council Members may raise policy or strategic concerns (under Step 2 below).

The proponents can request a project preparation grant (PPG) at the time of PIF submission for CEO clearance or later for developing the project. If a PPG request is submitted with the PIF it may be approved along with PIF clearance.
### Step 2
Approval of work program by the GEF Council

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| The GEF Council reviews a bundle of PIFs (called a work program). The review takes place several times a year (at the 2 Council meetings per year, as well as inter-sessionally by mail). The work program is submitted either (a) 4 weeks before a Council meeting; or (b) 4 weeks before a decision date for an inter-sessional work program. The work program consists of all PIFs that have been cleared by the GEF Secretariat since the last work program. Individual PIFs with estimated GEF grant amounts are included. | The main purpose is to ensure overall programmatic coherence of the PIFs in the following terms:  
  a. collective contributions to GEF strategic objectives and programs  
  b. focal area and geographic balance, including a cumulative assessment of previous work programs  
  c. innovative elements, as well as replication potential  
  d. key assumptions and risks in the further development of the portfolio  
  e. resource programming implications | The Council provides guidance on strategic directions and programming framework for the GEF. Council may also raise significant policy or strategic concerns regarding individual PIFs, or may even decide to remove specific concepts from the work program. The Secretariat will consult with the beneficiary country and the Agency on revising the concept to address concerns, or on removing the concept from the GEF pipeline and recommending that the associated PPG (if any) be cancelled. For an inter-sessional work program, if one or more Council Members object to the work program or a particular concept, the work program or the concept will be deferred to the next regular meeting of the Council. On Council approval of the work program, the Trustee sets aside funds towards concepts (the grants requested) listed in the work program.  
  Note: The time taken to get from this point to CEO endorsement of the project (end of Step 3) should be no more than 22 months. If agreed time milestone stated in the PIF and PPG approval letters are not achieved, the CEO will consult with the recipient country and concerned Agency, and may agree to revised milestones or decide to cancel the project concept from the GEF pipeline and recommend to the Agency that the associated PPG be cancelled. |
### Step 3
Endorsement of the full project proposal by the GEF CEO (commitment of funds)

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| The GEF Agency submits to the GEF Secretariat full project documentation that meets Agencies’ internal requirements for approving projects. The Agency also submits a request for CEO endorsement. The Secretariat has 10 business days to review a draft final project proposal submitted for endorsement. The Secretariat will ask Agencies to revise proposals that it deems not to be in compliance with the specified conditions for endorsement and resubmit them for review, with another 10-day review period being applicable. The CEO may also determine, in consultation with the country and the Agency concerned, to stop further project preparation and cancel the project from the GEF pipeline. If the Secretariat feels the project meets conditions for endorsement, it will be circulated among Council Members, for a four-week review period. | The purpose is to ensure that the project complies with the following conditions for endorsement:  
  a. High likelihood that the project as designed will deliver its outcomes and will generate appropriate global environmental benefits that are consistent with focal area strategies, with an adequate explanation for any changes in expected global benefits since PIF approval  
  b. GEF funds are used cost-effectively through the review of project budgets, including project cost tables for project components, project management, and consultants  
  c. Compliance with GEF’s M&E policy  
  d. Project preparation grant has been used in a cost effective way, as explained in the project preparation grant status report | The GEF CEO will endorse the project proposal, taking into account any comments received from Council Members (endorsed proposals posted on website). However, if a Council Member requests that a project proposal be reviewed at a Council meeting because the project is not consistent with the Instrument or GEF policies and procedures, the CEO will submit the project proposal to the next Council meeting, and will only endorse the project proposal for final approval by the GEF Agency if the Council finds that the project proposal is consistent with the Instrument and GEF policies and procedures. The final GEF grant amount is confirmed by the CEO; funds will now be committed to the respective Agency by the Trustee, based on the amount endorsed by the CEO. The GEF Agency fee is allocated and committed (net of any fees approved at the time of PPG approval by the CEO). Transfer of funds to Agencies will be made after commitment by the Trustee and necessary Agency approvals, and follow the procedures agreed between the Agencies and the Trustee. Once the project is endorsed by the CEO the Agency seeks final approval from its governing body to begin implementation. |
Step 4
Implementation supervision, monitoring and final evaluation

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<td>Implementation is carried out in line with the rules and regulations of the respective GEF Agency. As part of its monitoring responsibilities, the GEF Secretariat will conduct an Annual Monitoring Review, which will be based on the submission of Project Implementation Reports by the Agencies. The Agencies will be required to submit the final evaluation reports to the GEF Evaluation Office (EO).</td>
<td>The GEF Secretariat and Agency is interested in monitoring the following: a. implementation progress b. focal area strategic objectives’ performance indicators c. projects at risk d. actions to achieve sustainability and replicability e. stakeholder involvement f. co-financing status</td>
<td>The successful implementation of the project to achieve its envisaged objective. The final evaluation helps assess project impacts; EO assesses compliance with the GEF M&amp;E Policy.</td>
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**Step 1**

**Review of project concepts by GEF CEO**

**What happens in this step?**
In consultation with stakeholders, project proponents prepare a 4-8 page project concept (presented in the format of a Project Identification Form or PIF). PIF is endorsed by the OFP. PIF is submitted by the relevant GEF Agency to the GEF Secretariat for review (review provided within 10 business days after receipt of PIF). *Note:* PIFs may be submitted on a rolling basis. PIF is circulated for comments among all GEF Agencies, and relevant Convention Secretariats (comments provided within 5 business days after receipt of PIF).

**What is the purpose?**
The main purpose is to ensure that the project concept:
- is in a country that is eligible to receive GEF funding
- is consistent with GEF strategic objectives and strategic programs
- is being submitted through a GEF Agency that has a comparative advantage to support the project concept
- provides an estimated cost of the project, including expected co-financing
- requests a GEF grant amount that is consistent with resources available in the focal area and with allocations available to the country under the Resource Allocation Framework
- indicates clear milestones for further project preparation

**What is the expected outcome?**
PIF is approved (or not) by the GEF CEO (unlike FSPs these do not have to be reviewed by the GEF Council as part of a work program and can skip Step 2 below). The proponents can begin project preparation.

The proponents can request a project preparation grant (PPG) for developing the project. If a PPG request is submitted with the PIF then funds may be approved along with PIF clearance or separately.

*Note:* The time taken to get from this point to CEO approval of the project (end of Step 3) should be no more than 12 months. If the agreed milestones stated in the PIF and PPG approval letters are not achieved, the CEO will consult with the recipient country and concerned Agency, and may agree to revised milestones and understandings or decide to cancel the project concept from the GEF pipeline and recommend to the Agency that the associated PPG be cancelled.
### Step 2
**Approval of project concepts (PIFs) by the GEF Council**

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### Step 3
**Approval of the final MSP project proposal by the GEF CEO (commitment of funds)**

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<td>The GEF Agency submits to the GEF Secretariat final MSP project documentation that meets Agencies’ internal requirements for approving projects. The Agency also submits a request for CEO approval. The Secretariat has 10 business days to review a draft final project proposal submitted for approval. The Secretariat will ask Agencies to revise proposals that it deems not to be in compliance with the specified conditions for approval and resubmit them for review, with another 10-day review period being applicable. The CEO may also determine, in consultation with the country and the Agency concerned, to stop further project preparation and cancel the project from the GEF pipeline. If the Secretariat feels the project meets conditions for approval, it will circulate among Council Members, for a two-week review period.</td>
<td>The purpose is to ensure that the project complies with the following conditions for endorsement: a. High likelihood that the project as designed will deliver its outcomes and will generate appropriate global environmental benefits that are consistent with focal area strategies, with an adequate explanation for any changes in expected global benefits since PIF approval b. GEF funds are used cost-effectively, including through the review of project budgets, including project cost tables for project components, project management, and consultants c. Compliance with GEF’s M&amp;E policy d. Project preparation grant has been used in a cost effective way, as explained in the project preparation grant status report</td>
<td>The GEF CEO will approve the project proposal, taking into account any comments received from Council Members (approved proposals posted on website). The final GEF grant amount is confirmed by the CEO; funds will now be committed to the respective Agency by the Trustee, based on the amount approved by the CEO. The GEF Agency fee is allocated and committed (net of any fees approved at the time of PPG approval by the CEO). Transfer of funds to Agencies will be made after commitment by the Trustee and necessary Agency approvals, and follow the procedures agreed between the Agencies and the Trustee. Once the project is approved by the CEO the Agency seeks final approval from its governing body to begin implementation.</td>
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## Step 4
### Implementation supervision, monitoring and final evaluation

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| Implementation is carried out in line with the rules and regulations of the respective GEF Agency. As part of its monitoring responsibilities, the GEF Secretariat will conduct an Annual Monitoring Review, which will be based on the submission of Project Implementation Reports by the Agencies. The Agencies will be required to submit the final evaluation reports to the GEF Evaluation Office (EO). | The GEF Secretariat and Agency is interested in monitoring the following:  
  a. implementation progress  
  b. focal area strategic objectives’ performance indicators  
  c. projects at risk  
  d. actions to achieve sustainability and replicability  
  e. stakeholder involvement  
  f. co-financing status  
  The final evaluation helps assess project impacts; EO assesses compliance with the GEF M&E Policy. | The successful implementation of the project to achieve its envisaged objective. |
GEF Project Cycle for Enabling Activities

Requesting more than $0.5 million in GEF Funding

Such projects are considered full-size projects and follow the cycle for FSPs.

However, the templates and guidelines for preparing the Project Identification Form (PIF) and full documentation for the Enabling Activity project are different. Latest templates and guidelines specifically for enabling activities (different for Biodiversity, Climate Change, Persistent Organic Pollutants, and Multi-focal Area) are available at the GEF website.

Requesting up to $0.5 million in GEF Funding

The project cycle for these projects is the same as for MSPs. Such Enabling Activities are processed under expedited procedures with delegated authority for CEO approval.

These Enabling Activities do not require the submission of a Project Identification Form (PIF). Final project documents for such Enabling Activity projects can be submitted to GEFSec for CEO approval. Latest templates and guidelines specifically for enabling activities (different for Biodiversity, Climate Change, Persistent Organic Pollutants, and Multi-focal Area) are available at the GEF website.