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**Guidance and procedures for GEF project revisions during project implementation**

**Effective 31 January 2021**

**Background:**

After a GEF/LDCF/SCCF-financed project has begun implementation (i.e. after the Project Document is signed), various project stakeholders might seek to revise elements of the project. This often coincides with the project Inception Workshop, the annual reporting process (GEF PIR), and the mid-term review (MTR).

This guidance outlines the types of GEF project revisions that must be quality assured by the BPPS Nature, Climate and Energy (NCE) team to ensure compliance with [GEF policy and guidance](https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf) and is comprised of the following sections:

A. Overarching considerations for GEF project revisions.

B. Types of revisions that require BPPS quality assurance.

C. Procedure for GEF project revisions.

1. **Overarching considerations for GEF project revisions:**

When GEF project revisions are discussed with the project Implementing Partner, Project Board and other project stakeholders, the following overarching considerations should be reviewed:

1. Balancing adaptive management and GEF oversight: Adaptive management necessary during project implementation must be balanced with the integrity of the due diligence and oversight commitments UNDP is mandated to provide to the GEF and which are the basis upon which the GEF resources have been entrusted to UNDP. The project resources allocated by the GEF Council were provided to achieve specific project results, not less of these results or different results. Adaptive management should not be used to hide poor/inadequate project design and/or project management, poor project progress or performance, or to ‘lower the bar’ in such a way as to artificially inflate project results. At the same time, circumstances on the ground may change and there may be more efficient and effective ways (through different outputs and activities) to achieve a given project objective and outcomes.
2. Country ownership: the results to be achieved by the project must be country-owned. All project revisions must therefore be supported by the Implementing Partner and the Project Board with the full recognition that revisions of the nature outlined in this guidance note require the approval of BPPS NCE before onward transmission to the GEF for final approval.
3. Results focus: The results reported to the GEF should be fully supported by evidence, and be accurate, credible, and reliable. It is accepted that across the global portfolio, some GEF projects will not deliver on their expected results, while other GEF projects may in fact exceed their expected results.
4. Mid Term Review (MTR) recommendations: the Project Board is not obligated to agree to every recommendation provided by the independent evaluator in the MTR report, including recommendations to change/alter the project results framework/logframe and/or to extend the duration of the project. The mandatory management response to the MTR must include a statement that the recommendations have been acknowledged and reviewed by the Project Board (date/place), and outline which recommendations are fully accepted, partially accepted or rejected, and the justification for these decisions.
5. **Types of GEF project revisions that require BPPS quality assurance:**
6. Cancellation or suspension of a GEF project: a project can be cancelled or suspended as warranted by special circumstances. Some criteria for cancelling or suspending a project include, but are not limited to, the following: non-compliance with GEF policies; poor implementation performance leading to a conclusion that the project can no longer meet its objectives, and where restructuring is not likely or appropriate to address the issues; changes in country national priorities; the problem/situation (e.g. threats, barriers removal etc.) is removed or no longer relevant or expected to be fully addressed through another intervention; no baseline project supports the GEF-funded project; serious allegations of misuse of funds; social and environmental safeguards risks; HACT audit of an Implementing Partner; poor OAI audit of a Country Office.
7. Material reduction in the expected [GEF Core indicators](https://www.thegef.org/sites/default/files/documents/Results_Guidelines.pdf) (Global Environmental Benefit indicators) to be achieved by the project as outlined in the UNDP GEF Project Document: the expected GEB results agreed with the GEF at CEO endorsement are unlikely to be revised during project implementation. If the baseline and corresponding targets for the core indicators agreed at CEO endorsement were incorrectly calculated, these values can be corrected early in the project implementation phase (i.e. ideally during the Inception Workshop) with the approval of the BPPS RTA. However, if this correction leads to a material reduction in the expected GEBs this is considered a major project revision. Material is defined as more than a 10% reduction in the expected GEBs as approved at CEO endorsement.
8. Change in the project objective as defined in the UNDP GEF Project Document: the highest-level result to be achieved by the project is unlikely to ever require revision during project implementation. However, should it be necessary to revise the project objective this requires reformulation of the GEF project.
9. Change in the project outcomes as defined in the UNDP GEF Project Document: the outcomes to be achieved by the project are unlikely to ever require revision during project implementation. However, should it be necessary to revise the project outcomes this requires reformulation of the project.
10. Change in the environmental and social safeguards rating to high, and other material changes to the project’s SESP and/or other safeguards documents (annexed to the ProDoc): This includes the identification of serious areas of risk that require management measures not previously identified or budgeted for.
11. Decrease in the amount of co-financing committed in the UNDP GEF Project Document: the amount of co-financing committed to the project objectives may decrease during project implementation. Should this occur, the project may require reformulation.
12. Total Budget and Workplan (TBWP): It is strongly encouraged to maintain the expenditures within the approved budget at the component level. Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis.

* Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant.
* Budget re-allocations among the components (including PMC) of the approved TBWP that represent a value greater than 10% of the total GEF grant.

1. Financial instruments: any type of financial instrument (e.g. low value grants, revolving fund) added to the project after project start

1. Unfunded project extension: extending the duration of the project beyond the original planned closing date incurs costs at all levels in UNDP and should be avoided (never ‘no-cost’).
2. Implementation Modality (i.e. NIM/DIM/CSO/Agency): Changing the implementation modality from NIM to DIM or CSO or Agency (or any other combination).
3. Implementing Partner (IP): Change of Implementing Partner using same implementation modality (e.g. change from Ministry of Environment to Ministry of Finance under NIM).
4. Transfer of a project: transferring a GEF project from UNDP to another GEF Agency and accepting a GEF project from another GEF Agency.
5. Request for execution support from UNDP to the Implementing Partner (also called Country Support) to after project start: requesting new or additional UNDP support services not approved by the GEF Secretariat at the time of CEO endorsement.
6. **Procedure for seeking approval of GEF project revisions:**

In line with the RACI for GEF projects[[1]](#footnote-2), the following procedure applies when the types of revisions outlined in Section B above are proposed for a GEF financed project.

First level of quality assurance:

Project revisions must be fully supported by the Implementing Partner and the Project Board.

Accountability for the first level of quality assurance rests with the Resident Representative (RR). The Deputy Resident Representative is responsible for preparing the necessary revision documents in consultation with the Programme Officer, BPPS/NCE/VF Principal Technical Advisor (PTA) and the BPPS/NCE/VF Regional Technical Advisor (RTA).

Once the RR has approved the proposed revision, the Regional Bureau Desk Officer is informed, and the proposed project revision is sent to the BPPS/NCE/VF RTA for additional quality assurance and BPPS and GEF approval. The project revision is not considered approved until the second layer of quality assurance has been completed.

Second level of quality assurance:

Accountability for BPPS quality assurance rests with the PTA who will seek the approval of the GEF Secretariat/Council as necessary. The RTA is responsible for ensuring the quality assurance of the project revision in consultation with the Regional Bureau Deputy Director, and the BPPS/NCE/VF Finance Unit and RBM team.

Once the PTA (and GEF as necessary) approve the revision, the RTA informs the Resident Representative and the Programme Officer who subsequently inform the Implementing Partner and the Project Board. The Regional Bureau Desk Officer is also informed. The PTA and the GEF may reject the project revision if not aligned with GEF policies and procedures which means the revision cannot proceed and an alternative solution must be found.

1. RACI: Responsible, Accountable, Consult, Inform. See RACI for GEF projects in UNDP POPP. [↑](#footnote-ref-2)