



OP/PL/02
Updated on June 09, 2025

PROJECT CANCELLATION

GEF Project Cancellation Policy (OP/PL/02)

Summary	This Policy sets out the principles, rules, and procedures to cancel or suspend projects and programs.
Policy Approved	<i>Policy Measures to Enhance Operational Efficiency, Accountability and Transparency</i> approved at the 55 th Council Meeting on December 20,2018 in document GEF/C.55.04/Rev.01 .
Last Update	June 6, 2025 (69th Council Meeting)
Effective Date of last update	July 1, 2025
Applicability	All GEF-financed activities for which PIFs are approved and/or CEO Endorsement/Approval requests are submitted on or after the date of effectiveness of the last update.
Council Document	Policy Amendment to Streamline the GEF Project Cycle (GEF/C.69/12)
Related Documents	Project and Program Cycle Guidelines Agency Fee Policy (FI/PL/03) Policy Amendment to Streamline the GEF Project Cycle (GEF/C.69/12) Policy on Project Monitoring (ME/PL/03) Policy on Minimum Fiduciary Standards (GA/PL/02)

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Definitions

Agency Fee means the financial resources provided to a GEF Partner Agency in connection with the implementation of a GEF project or program.

CEO Approval means the approval of a fully developed Medium-Sized Project or Enabling Activity by the GEF CEO.

CEO Endorsement means the endorsement of a fully developed Full-Sized Project by the GEF CEO.

Child Project means an individual project under a GEF-financed Program.

GEF Partner Agency means an agency eligible to request and receive GEF resources directly for the design, implementation, and supervision of GEF projects and programs.

Lead Agency means a GEF Partner Agency that coordinates all activities under a GEF-financed Program, including preparation of the program and drafting of the Program Framework Document; liaising with the GEF Secretariat, other GEF Partner Agencies participating in the program and all relevant stakeholders of the program; and implementation, supervision, monitoring, reporting, and evaluation activities at the program-level.

Program Framework Document means the document that sets forth the concept of a program that is proposed for GEF financing.

Project Identification Form means the document that sets forth the concept of a Full-Sized project or Medium-Sized Project that is requesting GEF financing.

Program means a longer-term and strategic arrangement of individual yet interlinked projects that aim at achieving large-scale impacts on the global environment.

Program Commitment Deadline means the date included in a Program Framework Document before which GEF Partner Agencies participating in a Program are required to submit Child Project documents for Secretariat review for CEO Endorsement (in the case of Full-Sized Projects) or CEO Approval (in the case of Medium-Sized Projects).

Work Program means a group of individual Full-Sized Project's Project Identification Forms and Program Framework Documents that is presented for Council approval in a Council meeting.

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Introduction

1. This Policy aims to improve the GEF's operational efficiency, particularly in terms of the amount of time it takes to prepare and deliver projects, as a means to accelerate the achievement of the GEF's objectives in terms global environmental benefits and adaptation to climate change. It also aims to ensure that GEF-financed projects remain relevant to the objectives and priorities of the GEF and recipient countries. It does so by requiring improved management of the portfolio of GEF-financed projects and programs, provision of incentives for the timely preparation, processing, and implementation of projects; and clarification of criteria and requirements for the cancellation or suspension of projects.

Objectives

2. This Policy sets out principles, rules, and procedures to cancel or suspend projects and programs at different stages in the GEF project cycle.

Key Principles

3. The Secretariat, in consultation with recipient countries and in collaboration with the GEF Partner Agencies (hereafter "Agencies"), actively manages the GEF project cycle according to the following time-standards that have been approved by the GEF Council as part of the GEF project cycle:

(a) Full-Sized projects (FSPs) receive CEO Endorsement no later than 18 months after the Council approves the relevant Work Program that included the Project Identification Form (PIF).

(b) Medium-Sized projects (MSPs) receive CEO Approval no later than 12 months after CEO approves the MSP PIF.

(c) Program Framework Documents (PFD) for a Program include a commitment deadline (hereafter Program Commitment Deadline), not exceeding 18 months, before which the Child Projects receive CEO Endorsement/Approval.

4. The recipient country, the Agency or the GEF CEO may cancel or suspend a project as follows:

(a) Prior to CEO Endorsement/approval of a Project, as set forth in paragraphs 5 and 6 below¹, Agencies, after consultation with countries, may cancel a project.

(b) After CEO Endorsement/approval, the Agency may terminate or suspend a project in accordance with its policies and procedures.

¹ As previously decided by Council, the CEO may also cancel a project on the basis of detection of corruption or fraudulent practices during procurement of a contract, if confirmed by the GEF Agencies according to its policies and procedures, where the grantee/borrower has failed to take action acceptable to the GEF to remedy the situation. See [GEF/C.31/07](#), GEF Project Cycle, approved by the Council in June 2007.

Policy Requirements

Cancellation prior to CEO Endorsement/Approval

Full-Sized Projects

5. The Secretariat and the Agencies use the following procedure to help ensure that the project time-standard set forth in paragraph 3 (a) is met:

(a) After 8 months from the date of Council approval of a PIF, if a project has not been submitted for CEO Endorsement (with the required documentation), the Secretariat notifies the Agency and recipient country Operational Focal Points in writing of the Secretariat's expectation to receive the project for endorsement within the next four months.

(b) If the project (with the required documentation) cannot be submitted for CEO Endorsement within 12 months of the date of Council approval, the country Operational Focal Point (or the Agency for global and regional projects) notifies the CEO. If such notification is not received within 12 months of the date of Council approval, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation. If the notification is submitted, Agencies must submit the CEO Endorsement Request with the required documentation at least 8 weeks prior to the CEO Endorsement deadline for projects not requiring circulation to Council, and 12 weeks for projects requiring circulation to Council.

(c) After 18 months from the date of Council approval of the PIF, if the project has not been CEO endorsed, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.

(d) Country Operational Focal Points (or the Agencies for global and regional projects) may request an exception from the CEO to the cancellation of a project before this 18-month deadline for CEO Endorsement only in cases of an extraordinary event or circumstances clearly beyond the control of the parties, such as a war, flood, earthquake or epidemic, or similar circumstances which prevents them from meeting the business standards in paragraph 3 (a). After consideration of the exception request and provided that the request is received prior to the last day of the 18th month, the CEO determines whether to grant a one-time exception for up to twelve months, and communicates such decision in writing. The CEO communicates any exception decision to the Council for information and posts the information on the GEF website. If the Request for Extension is submitted, Agencies must submit the CEO Endorsement Request with the required documentation at least 8 weeks prior to the extended CEO Endorsement deadline for projects not requiring circulation to Council, and 12 weeks for projects requiring circulation to Council.

(e) If a project is cancelled by the CEO in accordance with the paragraphs 5 (a-c), parties may resubmit the project for CEO Endorsement within one year from the effective date of cancellation without resubmitting a PIF. Subject to availability of resources in the GEF Trust Fund (and in the

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country's STAR allocations), and the project meeting the required criteria for endorsement, the Secretariat circulates the project for a four-week review by the Council prior to CEO Endorsement.

Medium-Sized Projects

6. The Secretariat and the Agencies use the following procedure to help ensure that the project time-standard set forth in paragraph 3 (b) is met:

(a) After 6 months from the date of CEO Approval of a PIF, if a project has not been submitted for CEO Approval (with the required documentation), the Secretariat notifies the Agency and recipient country Operational Focal Points in writing of the Secretariat's expectation to receive the project for approval within the next two months.

(b) If the project (with the required documentation) cannot be submitted for CEO Approval within 8 months of the date of CEO Approval of the PIF, the country Operational Focal Point (or the Agency for global and regional projects) notifies the CEO. If such notification is not received within 8 months of the date of CEO Approval of the PIF, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation. If the notification is submitted, Agencies must submit the CEO Approval Request with the required documentation at least 12 weeks prior to CEO Approval deadline for all MSPs, considering that they require circulation to Council.

(c) After 12 months from the date of CEO Approval of the MSP PIF, if the project has not been CEO approved, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the project stating an effective date for the cancellation.

(d) Country Operational Focal Points (or the Agencies for global and regional projects) may request an exception from the CEO to the cancellation of a project before this 12-month deadline for CEO Approval only in cases of an extraordinary event or circumstances clearly beyond the control of the parties, such as a war, flood, earthquake or epidemic, or similar circumstances which prevents them from meeting the business standards in paragraph 3 (b). After consideration of the exception request and provided that the request is received prior to the last day of the 12th month, the CEO determines whether to grant a one-time exception for up to six months, and communicates such decision in writing. The CEO communicates any exception decision to the Council for information and posts the information on the GEF website. If the Request for Extension is submitted, Agencies must submit the CEO Endorsement Request with the required documentation at least 12 weeks prior to the extended CEO Approval deadline for all MSPs considering that they require circulation to Council.

Programs

7. The Secretariat and the Agencies use the following procedure for cancellation of funds committed under a Program:

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(a) Ten months before the Program Commitment Deadline, if there are still program funds that are awaiting submission of Child Projects for CEO Endorsement/Approval, the Secretariat sends a notification to the Lead Agency notifying it of the upcoming cancellation of such Program funds.

(b) If there are still program funds that are awaiting submission of Child Projects (with the required documentation) for CEO Endorsement/Approval six months before the Program Commitment Deadline, the country Operational Focal Point (or the Agency for global and regional Child Projects) notifies the CEO. If such notification is not received no later than six months before the Program Commitment Deadline, the CEO notifies the Agency, the recipient country Operational Focal Point, and the Trustee informing them of the cancellation of the Child Project stating an effective date for the cancellation. If the notification is submitted, Agencies must submit the CEO Endorsement/Approval Request with the required documentation at least 12 weeks prior to the extended CEO Endorsement/Approval for the Child Project, considering that all child projects require circulation to Council.

(c) Country Operational Focal Points (or the Agencies for global and regional projects) may request an exception from the CEO to the cancellation of a project before the Program Commitment Deadline only in cases of an extraordinary event or circumstances clearly beyond the control of the parties, such as a war, flood, earthquake or epidemic, or similar circumstances which prevents them from meeting the business standards in paragraph 3 (c). After consideration of the exception request and provided that the request is received prior to the last day of the Program Commitment Deadline, the CEO determines whether to grant a one-time exception for up to twelve months and communicates such decision in writing. The CEO communicates any exception decision to the Council for information and posts the information on the GEF website. If the Request for Extension is submitted, Agencies must submit the CEO Endorsement/Approval Request with the required documentation at least 12 weeks prior to the extended CEO Endorsement/Approval deadline for the Child Project considering that all child projects require circulation to Council.

8. When the CEO cancels a project proposal or remaining funds under a Program, the following actions are taken:

(a) The Secretariat removes the proposal from the project pipeline, informs the recipient country and the Agency, and informs the Trustee of any project development funding that it has approved for the proposal.

(b) For any return of GEF funds, including the first tranche of the Agency Fee, the Agency will comply with the provisions of Financial Procedures Agreement with the Trustee regarding the return of funds, with no exceptions.

Cancellation or Suspension of Projects after CEO Endorsement/Approval

9. The decision whether to cancel or suspend a project after CEO Endorsement/Approval rests with the Agency. When an Agency considers cancellation or suspension of a project, in accordance with its

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policies and procedures, the Agency consults with the recipient country, all relevant government agencies, and other partners, including co-financiers, prior to such cancellation or suspension.

10. When such cancellation or suspension occurs, the following actions are taken by the Agency: (i) written notification to the recipient country government; (ii) written notification to the GEF Secretariat and the Trustee; and (iii) returns any GEF funds, if required, consistent with the provisions of Financial Procedures Agreement with the Trustee regarding the return of funds.