

GUIDANCE ON PROCESSING OF GAFSP-FUNDED PROJECTS BY SELECTED SUPERVISING ENTITIES

Please submit documents and any queries for the Coordination Unit to info@gafspfund.org and for the Trustee to Alexandru Cebotari (acebotari@worldbank.org).

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A. Approval of Country Proposal by the Steering Committee

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
1. In response to a Call for Proposals, eligible countries submit proposals for GAFSP funding to the Steering Committee (SC) through the Coordination Unit (CU).	Country
2. The CU reviews proposals for completeness and submits them to the independent Technical Advisory Committee (TAC) for review	Coordination Unit
3. The TAC reviews proposals against the criteria outlined in the Country Guidelines and submits their recommendations to the SC for consideration.	Technical Advisory Committee
4. The SC reviews all proposals and the recommendations from the TAC, and decides on funding allocations.	Steering Committee
5. Upon approval of a country's proposal by the SC, the CU informs the country and Supervising Entity (SE) of the SC decision.	Coordination Unit
6. The Trustee sets aside the approved amounts by SE ¹ .	Trustee

¹ The Trustee will sign a Transfer Agreement with every Supervising Entity to govern all financial transactions with that Supervising Entity.

B. Approval and Transfer of SE Administrative Fees

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
<p>7. The SE submits to the CU for SC approval a project preparation and supervision budget, and any administrative fees (collectively “Administrative Fee”) to cover SE overheads.</p> <p>a. If the Administrative Fee is 5% or less, the CU is authorized to approve on behalf of the SC, and the Administrative Fee is submitted to the SC for information only.</p> <p>b. If the Administrative Fee is more than 5%, it will require exceptional approval from the SC. The Administrative Fee will be submitted to the SC for approval on a five-day no-objection basis.</p>	Supervising Entities
8. The CU informs the Trustee and the relevant SE of the SC’s approval of the Administrative Fee.	Coordination Unit
9. The Trustee commits the approved amounts.	Trustee
10. The SE may submit to the Trustee a Fund Transfer Request for the transfer of the total Administrative Fee approved by the SC.	Supervising Entity
11. The Trustee validates the Fund Transfer Request and transfers the requested funds to the SE.	Trustee

C. Approval and Transfer of Project Preparation Grant (if applicable)

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
12. A recipient country may include in its proposal a request for a preparation grant to be used to assist them in the detailed design of a project under the GAFSP Public Sector Window.	Country
13. The TAC will review the preparation grant request at the same time it reviews the overall country proposal, and will make combined recommendations to the SC.	Technical Advisory Committee
14. The preparation grant request will be considered and may be approved by the SC at the same time as the overall proposal financing awards.	Steering Committee
<p>15. If a Project Preparation grant is approved by the SC, it will be communicated to the country by the CU at the same time as the decision on the overall country funding request.</p> <p>NOTE: The grant must be used within 18 months from the date of SC approval. Any preparation funds that have not been disbursed after 18 months should be returned to the GAFSP Trustee.</p>	Coordination Unit
16. The Trustee commits the approved Preparation Grant amount.	Trustee
17. The Preparation Grant should be processed following the selected SE’s policies and procedures.	Supervising Entity / Country

18. The SE may submit to the Trustee a Fund Transfer Request for the transfer of the total Preparation Grant approved by the SC.	Supervising Entity
19. The Trustee validates the Fund Transfer Request and transfers the funds requested to the SE.	Trustee
20. The SE transfers the Preparation Grant to the country, and supervises the implementation of the Grant to support the preparation of the Project in line with the SE's policies and procedures. Note: Preparation grants are to be used strictly for project preparation by the country, i.e. funds are passed on to the recipient, with the role of the SE limited to supervising/supporting implementation of activities supported by these funds.	Supervising Entity
21. A progress update on the use of and outputs financed by the preparation grant, and a final account of the use of funds should be submitted by the SE to the SC via the CU no later than 19 months after SC approval of the preparation grant.	Supervising Entity
22. The progress update and final account of the use of funds will be submitted to the SC by the CU for approval on a five day no-objection basis.	Coordination Unit
23. If any funds remain unused, the Trustee will submit a refund request to the SE for the return of funds.	Trustee
24. The SE must return any funds remaining to the Trustee upon receipt of the refund request.	Supervising Entity

D. Project Preparation by the Supervising Entity

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
<p>25. Project preparation, implementation and supervision (implementation support) will be governed by the relevant policies and procedures of the selected SE. The following additional guidelines apply:</p> <ul style="list-style-type: none"> a. Funds approved for investment activities are to be used strictly for recipient-executed activities, i.e. funds are passed on to the recipient, with the role of the SE limited to appraisal and implementation support of activities supported by these funds. b. The project design should be in line with the proposal approved by the SC and take into account any comments and recommendations from the TAC. c. The Project M&E framework should follow guidelines found in the revised GAFSP M&E Plan (available here: 	Supervising Entity

<p>http://www.gafspfund.org/sites/gafspfund.org/files/Documents/GAFSP%20Final%20Draft%202017%20M%26E%20Plan%20June%20upload.pdf)</p> <p>d. Teams may also refer to the stand-alone “M&E Toolkit” for GAFSP Public Sector Window Projects (Annex 2 of the revised GAFSP M&E plan).</p> <p>e. Any major changes during preparation of the project to the proposal approved by the SC e.g. to the objectives, scope, components, and major activities to be funded under those components, should be sent to the CU with the appropriate justification for no-objection approval by the SC².</p>	
<p>26. Optional: It is suggested that the SE share the project concept note or equivalent with the CU once developed for an informal due diligence review to ensure alignment with points 25 a. – d. above, before the project is fully developed and presented to SC for their final approval.</p>	Supervising Entity/ Coordination Unit

E. Final Project Approval by the Steering Committee

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
<p>27. Prior to the final approval of the project by the relevant approving body within the SE (and preferably prior to negotiations), the SE submits the completed draft project document (e.g. project appraisal document or equivalent) to the CU for SC approval on a five-day no-objection basis to ensure that the conditions under 25. have been met.</p> <p>Note: When a country is awarded a GAFSP grant to be supervised by 2 SEs (within the same Call for Proposals), one focused on technical assistance, and one focused on investment, then the 2 SEs must aim to submit the draft project documents to the CU at the same time.</p>	Supervising Entity/ Coordination Unit
<p>28. The CU will communicate any SC comments on the project document to the relevant SE for their response. Any objections to the project document will be communicated to the SC and the relevant SE.</p>	Coordination Unit/ Supervising Entity
<p>29. Following SC approval, the Trustee commits the approved amount to the SE and issues a Letter of Commitment.</p>	Trustee
<p>30. Following approval of the Project by the relevant approving body within the SE, the SE notifies the Trustee and the CU.</p>	Supervising Entity

² The SE is advised to submit major changes to the project design to the SC for approval prior to finalizing project preparation with the recipient to ensure any SC feedback can still be incorporated.

31. The SE may now submit a Fund Transfer Request to the Trustee based on the projected cash requirements for the project for the first 12-month period.	Supervising Entity
32. The Trustee validates the Fund Transfer Request and transfers the funds requested to the SE.	Trustee
33. The SE submits a Fund Transfer Request on an annual basis based on the disbursement needs of the relevant projects for that year.	Supervising Entity

F. Project Extension and Restructuring

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
<p>34. Changes to the project (e.g., budget, safeguards, development objective, project design) during implementation or extension of the project closing date are subject to the following GAFSP approvals, prior to completion of internal SE approval processes:</p> <p>a. Minor changes to the project design, minor reallocation of funds between components, or cumulative extension of the project closing date for less than two years should be submitted to the CU for information and review. The communication to the CU should include details of the changes being made and justification for the changes. These changes will periodically be communicated to the SC for information.</p> <p>b. Changes to the project development objectives or to the project safeguards category, major reallocation of project costs to new activities or other components, and cumulative extension of the project closing date for more than two years will require SC approval. The SE should submit details of the proposed changes and justification for those changes, as well as a project restructuring document to the CU to obtain SC approval on a five-day no-objection basis.</p>	Supervising Entity
35. The CU will inform the SE of SC approval of the project extension or restructuring.	Coordination Unit

G. Progress Reporting by the Supervising Entity

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
36. The SE is required to report to the SC on project progress through the GAFSP Portal ³ on a 6-monthly basis (as of June 30 and December 31 of each year).	Supervising Entity

³ The use of the GAFSP Portal for progress reporting has been piloted for the June 30, 2017 progress update.

37. The CU will notify the SEs in June and December each year of the deadline for submission of the progress update.	Coordination Unit
38. Reporting to the Trustee will be in accordance with the conditions of the Transfer Agreement.	Supervising Entity

H. Completion Reporting by the Supervising Entity

<i>Steps/Actions Required</i>	<i>Responsible Entity</i>
39. Within 30 days after the closing date of the project ⁴ , the SE will submit to the SC via the CU a use of funds report.	Supervising Entity
40. The Trustee will cancel any unused portion of the grant and will submit to the SE a refund request.	Trustee
41. The SE must return any funds remaining to the Trustee upon receipt of the refund request.	Supervising Entity
42. Within 6 months following the project closing date, the SE should submit to the SC via the CU a full project closing report. The closing report may be in the standard format used by the SE or using the closing report template provided by the CU. Note: If the GAFSP funding is part of a larger program that may not be completed at the time of the closing of the GAFSP grant, an interim completion report should be submitted within 6 months of the GAFSP grant closing date. The full project completion report should be submitted upon completion of the full program.	Supervising Entity

⁴ The project closing date is the date after which no more disbursements can be made by the SE from the GAFSP grant.