



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

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Acronyms and Abbreviations

CU	Coordination Unit
DO	Development objective
FTR	Fund Transfer Request
GAFSP	Global Agriculture and Food Security Program
IE	Impact Evaluation
LoC	Letter of Commitment
M&E	Monitoring and Evaluation
PPG	Project Preparation Grant
SC	Steering Committee
SE	Supervising Entity
TAC	Technical Advisory Committee

A. Approval of Country Proposal by the Steering Committee (SC)

Steps/Actions Required	Responsible Entity
A.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
A.2. Proposal package includes the nomination of the preferred Supervising Entity/ies (SE).	Country In consultation with SE
A.3. The CU reviews proposals for completeness and submits them to the independent Technical Advisory Committee (TAC) for review.	Coordination Unit
A.4. The TAC reviews proposals against the criteria outlined in the Country Guidelines and submits their recommendations to the SC for consideration.	Technical Advisory Committee
A.5. The SC reviews all proposals and the recommendations from the TAC and decides on proposals to be funded, the total grant amount to be allocated and the responsible SE.	Steering Committee
A.6. Upon approval of a country's proposal by the SC, the CU informs the country and the selected Supervising Entity/ies (SE) of the SC decision.	Coordination Unit
A.7. The Trustee sets aside the SC approved amounts for each SE ¹ .	Trustee

B. Approval and Transfer of Supervising Entity (SE) Administrative Fees

Steps/Actions Required	Responsible Entity
<p>B.1. 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. It is recommended that this is broken down by year/phase, and applicable expense categories, covering the full project length.</p> <p>Note: For proposals with more than one assigned SE, the SEs, in collaboration with the Government counterpart, should decide on the portion of the grant to be allocated to each SE. This allocation of funding between SEs should be communicated to the Trustee and CU prior to the SE request for administrative fees.</p>	Supervising Entities
<p>B.2. For those grants approved under the 2019 Special Call for Proposals, targeting FCV countries:</p> <p>a. If the Administrative Fee is 8%² or less of the grant amount, the CU is authorized to approve on behalf of the SC, and the</p>	Coordination Unit

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

² Note that for all prior Calls for Proposals, the relevant ceiling, under which Administrative Fee requests could be approved by the CU on behalf of the SC was 5%. The revised ceiling of 8% applies to awards made under the 2019 Special Call only.

<p>administrative Fee is submitted to the SC for information only.³</p> <p>b. If the Administrative Fee is more than 8% of the grant amount, 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>	Steering Committee
B.3. The CU informs the Trustee and the relevant SE of the SC's approval of the Administrative Fee.	Coordination Unit
B.4. The Trustee commits the approved amount to the SE and issues a Letter of Commitment (LoC).	Trustee
B.5. The SE may submit to the Trustee, a Fund Transfer Request (FTR) for the transfer of the total Administrative Fee approved by the SC.	Supervising Entity
B.6. The Trustee validates the FTR and transfers the requested funds to the SE.	Trustee
B.7. SEs are not required to provide financial reporting on the use of Administrative Fees. Any undisbursed balances of Administrative Fees at project closing do not need to be returned to the Trustee, but can be redeployed to support ongoing or future GAFSP projects supervised by the respective SE.	

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

Steps/Actions Required	Responsible Entity
C.1. A recipient country may include in its proposal, a request for a Project Preparation grant (PPG) to be used to assist them in the detailed design of a project under the GAFSP Public Sector Window. This grant is drawn from within the overall grant allocation made to the country.	Country
C.2. If the approved proposal included a PPG request, following consultations with the Government, the SE confirms to the CU and Trustee the country's wish to use the PPG and the exact amount ⁴ before the funds are committed.	Supervising Entity/ Country
Note: <i>The PPG amount is taken out of the total grant amount allocated to the country. The grant must be used within 18 months from the date of SC approval, i.e. by June 5, 2021, and be used solely for project preparation activities. Any PPG funds that have not been disbursed after 18 months <u>must be returned to the GAFSP Trustee and cannot be reassigned to be used with the remaining grant funds for implementation.</u></i>	
C.3. The Trustee commits the requested PPG amount.	Trustee

³ Per a decision by the Steering Committee, the Administrative Fee ceiling was raised to 8% of the total grant amount for those grants approved under the 2019 Special Call for Proposals. For grants approved under prior Calls, the Administrative Fee ceiling is 5% of the total grant amount.

⁴ The maximum Project Preparation Grant amount is \$500,000

C.4. The PPG should be processed following the selected SE's policies and procedures.	Supervising Entity / Country
C.5. The SE may submit to the Trustee an FTR for the transfer of the total PPG approved by the SC.	Supervising Entity
C.6. The Trustee validates the FTR and transfers the funds requested to the SE.	Trustee
C.7. The SE transfers the PPG 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. <i>Note: The PPG is to be used strictly for project preparation <u>by the country</u>, 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.</i>	Supervising Entity
C.8. A brief report on the use of and outputs financed by the PPG, and a final account of the use of funds should be submitted by the SE to the CU and Trustee, no later than 19 months after SC approval of the preparation grant. The CU will share these reports with the SC for information.	Supervising Entity
C.9. If any funds remain unused, the Trustee will submit a refund request to the SE for the return of funds.	Trustee
C.10. The SE must return any funds remaining to the Trustee upon receipt of the refund request.	Supervising Entity

D. Request and Transfer of Impact Evaluation (IE) Budget (if applicable)

Steps/Actions Required	Responsible Entity
D.1. To request funding for an in-depth IE, the SE must submit to the CU for SC approval an IE proposal and budget. <i>Note: GAFSP provides funding, on a case by case basis, for rigorous in-depth impact evaluations⁵ (IE) (e.g., those using experimental or quasi-experimental designs) for up to 30 percent of GAFSP-funded projects.</i>	Supervising Entities
D.2. The IE proposal and budget will be submitted to the SC by the CU for approval on a five day no-objection basis.	Coordination Unit
D.3. The CU will communicate any SC comments on the IE proposal to the relevant SE for their response. Any objections to the IE proposal will be communicated to the SC and the relevant SE.	Coordination Unit/ Supervising Entity
D.4. The CU informs the Trustee and the relevant SE of the SC's approval of the IE proposal and budget.	Coordination Unit
D.5. The Trustee commits the approved amount to the SE and issues a LoC.	Trustee

⁵ Please see GAFSP M&E Plan for full information on qualifying IEs.

D.6. The SE may submit to the Trustee an FTR for the transfer of the total IE budget approved by the SC.	Supervising Entity
D.7. The Trustee validates the Fund Transfer Request and transfers the requested funds to the SE.	Trustee
D.8. The SE is required to report to the SC about progress on the IE and use of its funds through the GAFSP 6-monthly reporting exercise (as of June 30 and December 31 of each year) ⁶ .	Supervising Entity

E. Project Preparation by the Supervising Entity (SE)

Steps/Actions Required	Responsible Entity
<p>E.1. Project preparation, implementation, and supervision (implementation support) will be governed by the relevant policies and procedures of the selected SE. The following <u>additional guidelines</u> apply:</p> <ol 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. In addition, for proposals approved in 2019 under the Special Call, consideration should be given to the following: <ol style="list-style-type: none"> i) a clear identification of the causes or “drivers” of fragility that are being addressed; (ii) a thorough risk analysis with mitigation measures, including evidence of using a “do no harm” approach in designing activities; (iii) a detailed analysis and actions for gender transformative development with clear gender equality outcomes and budget allocations, and (iv) the identification of capacity development activities based on completed institutional analyses and needs assessments d. A key element of GAFSP is designed to facilitate country-led investment plans that are inclusive, with the participation of all relevant stakeholders. Civil society engagement, especially that of producer organizations, is a core element of GAFSP from project design through implementation and will be a key evaluation point for final project approval. 	Supervising Entity

⁶ Refer to section H. Progress Reporting by the Supervising Entity

<p>e. For the 2019 Special Call, a new dedicated Advisory Services program within the GAFSP Private Sector Window, will be available to support eligible private sector entities and projects located in countries that receive GAFSP funds. In this regard, the International Finance Corporation (IFC) Advisory Services team can be contacted for further details.</p> <p>f. The Project Monitoring and Evaluation (M&E) framework should follow guidelines found in the revised GAFSP M&E Plan (available here):</p> <p>https://www.gafspfund.org/sites/default/files/inline-files/GAFSP%20Final%20Draft%202017%20M%26E%20Plan%20June%20upload.pdf</p> <p>g. 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>h. Any major changes during <i>preparation</i> 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) must be sent to the CU with the appropriate justification for five-day no-objection approval by the SC⁷.</p>	
<p>E.2. 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 E.1. a. – e. above, before the project is fully developed and presented to SC for their final approval.</p>	Supervising Entity/ Coordination Unit

F. Final Project Approval by the Steering Committee (SC)

Steps/Actions Required	Responsible Entity
<p>F.1. <u>Prior</u> to the final approval of the project by the relevant approving body within the SE (and 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 E.1. above have been met.</p> <p>Note: <i>When a country is awarded a GAFSP grant to be supervised by two SEs, one focused on technical assistance, and one focused on investment, then the two SEs should aim to submit a joint project document or submit their respective draft project documents to the CU for review by the SC at the same time.</i></p>	Supervising Entity/ Coordination Unit

⁷ 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 or objections can still be taken into account in the project design.

F.2. The CU will communicate any comments from the SC on the project document to the relevant SE <u>for their response</u> . Any objections by an SC member to the project document will be communicated to the whole SC and the relevant SE.	Coordination Unit/ Supervising Entity
F.3. Following SC approval, the Trustee commits the approved amount to the SE and issues an LoC.	Trustee
F.4. Following approval of the Project by the relevant approving body within the SE, the SE notifies the Trustee and the CU of that approval.	Supervising Entity
F.5. The SE may now submit an FTR to the Trustee based on the projected cash requirements for the project for the first 12-month period.	Supervising Entity
F.6. The Trustee validates the FTR and transfers the funds requested to the SE.	Trustee
F.7. The SE submits an FTR on an annual basis (or more frequently if required) based on the disbursement needs of the relevant projects for that year.	Supervising Entity

G. Project Extension, Restructuring or Suspension

Steps/Actions Required	Responsible Entity
<p>G.1. Changes to the project (e.g., budget, safeguards, development objective (DO), project design) during implementation or extension of the project closing date are subject to the following GAFSP approvals, <u>prior to completion of internal SE approval processes for the restructuring or extension</u>:</p> <ol style="list-style-type: none"> 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 must be submitted to the CU for information. 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. b. Changes to the project development objectives or to the project safeguards category, major reallocations of project costs to new activities or other components, and cumulative extensions of the project closing date for more than two years <u>will require SC approval</u>. 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. 	Supervising Entity

G.2. The CU will inform the SE of SC approval of the project extension or restructuring.	Coordination Unit
G.3. The SE is also required to inform the SC through the CU of a project suspension, at same time that the relevant Government is informed.	Supervising Entity

H. Progress Reporting and Key Updates by the Supervising Entity (SE)

Steps/Actions Required	Responsible Entity
H.1. The SE is required to report to the SC, on project progress using the standardized GAFSP reporting template on a 6-monthly basis (data as of June 30 and December 31 of each year).	Supervising Entity
H.2. The CU will notify the SEs in June and December each year of the deadline for submission of the progress update.	Coordination Unit
H.3. Reporting to the Trustee will be in accordance with the conditions of the Transfer Agreement.	Supervising Entity
H.4. The SE is required to notify the CU, regarding any change of the Task Team Leader (TTL) as soon as possible.	Supervising Entity

I. Completion Reporting by the Supervising Entity (SE)

Steps/Actions Required	Responsible Entity
I.1. As soon as possible following the closing date of the project ⁸ , the SE will submit a use of funds report to the CU, who in turn submits it to the SC.	Supervising Entity
I.2. The Trustee will cancel any unused portion of the grant and will submit to the SE a refund request.	Trustee
I.3. The SE must return any funds remaining to the Trustee upon receipt of the refund request.	Supervising Entity
I.4. The SE must return any investment incomes to the Trustee during project implementation and at end of project.	Supervising Entity
I.5. Within 6 months following the project closing date, the SE should submit to the SC via the CU a full project closing report. The	Supervising Entity

⁸ The project closing date is the date after which no more disbursements can be made by the SE from the GAFSP grant.

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 project 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 project.*