



GEF/C.38/Inf.16
July 1, 2010

GEF Council Meeting
June 29 – July 2, 2010
Washington, D.C

GEF NATIONAL PORTFOLIO FORMULATION EXERCISE (NPFE)

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1. As stated in the GEF-5 Programming document, all recipient countries will have access to GEF resources to undertake, on a voluntary basis, GEF National Portfolio Formulation Exercises that could serve as a basis for seeking GEF support. Portfolio formulation exercises will serve not only as a priority setting tool for countries throughout the replenishment period but also as a guide for GEF Agencies as they assist recipient countries.
2. The exercises are to indicate the programming directions to be undertaken by countries and should also help to develop better regional programs/projects based on national priorities.
3. These exercises might be organized by national steering committees,¹ coordinated by the GEF operational focal point, and linked with other planning processes in the country, including any planning processes of GEF Agencies.
4. The GEF Secretariat will facilitate the portfolio identification exercise, and will make available financial support of up to \$30,000 to each country under the corporate programs. Portfolio formulation exercises, however, will not be a pre-requisite for obtaining GEF grants.
5. Principles of transparency and inclusiveness of national stakeholders, including the community service organizations, will be encouraged in the exercises.
6. Therefore, the **Objectives** are to develop a country portfolio framework document is to serve as a basis for GEF resource programming through a consultation process with relevant government agencies and stakeholders.
7. The expected **Output** would be a document that identifies and describes a country's strategic priorities under each of the GEF focal areas plus an indicative list of project concepts that could be developed to achieve the objectives.
8. To request support for this exercise, countries will submit a proposal, in consultation with the Secretariat, using the template which includes a timetable that describes the activities that will be carried out to produce the country portfolio formulation document and costs of each activity. After approval, a grant letter will be signed by the country and the CEO of the GEF Secretariat, after which, the corresponding grant will be disbursed.

¹ This committee could be chaired by the country's GEF Operational Focal Point, and include, inter-alia, the ministries of environment, agriculture, industry, energy, planning and finance, convention focal points, GEF Agencies, the SGP national coordinator, as well as representative of civil society organizations and the private sector. The composition may be adjusted to take into account each country's circumstances.



**GEF NATIONAL PORTFOLIO FORMULATION EXERCISE (NPFE)
GRANT APPLICATION FOR DIRECT ACCESS UNDER THE GEF TRUST FUND**

PART I: PROJECT IDENTIFIERS:

Submission Date:
 GEF Project ID:
 GEF Grant TF No.:
 Country:
 Project Title: GEF National Portfolio Formulation Document
 Project Type: Enabling Activity
 National Executing Agency:

Expected Milestone	Dates (m/d/yy)
Start Date	
End Date	
Submission Date of NPDF Report to GEF	

PART II: PROJECT INFORMATION AND BUDGET:

Project Objectives: To enable the country to conduct a broad consultation process, including government ministries involved in national GEF policy and programming, to set priorities for GEF resource programming covering the 5th replenishment period.

Planned Project Activities and Grant Request

Planned Project Activities	GEF Financing (\$)
1.	
2.	
3.	
4.	
Total GEF Financing	

PART III: INFORMATION ON THE NATIONAL EXECUTING AGENCY:

Name:
 Address:
 Phone/Fax Nos.:
 Account Details of Agency:
 Financial and Procurement Capacity:

PART IV: ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT

Signature:
 Name:
 Title/Position:
 Ministry:
 Office Address:
 Telephone No.:
 Fax No.:
 Email Address:
 Date of Endorsement:

FILLING INSTRUCTIONS GUIDE

PART I: PROJECT IDENTIFIERS

Submission Date. The date of first submission.

GEF Project ID: GEF provides this number. For subsequent resubmissions, please enter this number in the grant application.

GEF Grant TF No.: GEF provides this number. This is the number of the Trust Fund assigned to this particular grant application.

Country: Name of Country

Project Title: The standard project name is “GEF National Portfolio Formulation Document”

Project Type: This project is considered as an enabling activity.

National Executing Agency: The government office that is responsible in coordinating and producing the final report. This is the entity which actually receives the GEF grant and implements the project.

PART II: PROJECT INFORMATION AND BUDGET

Project Objectives. State the objectives, referring to how they contribute to GEF corporate and focal area goals and objectives.

Planned Project Activities. Identify what specific activities this exercise will undertake to achieve expected outcomes. Provide cost estimates for each activity. Suggested activities that can be covered by the grant are:

- a) Local consultations, national hearings, and or/workshops to discuss specific project and/or program concepts, including translation into local language, where appropriate, and the preparation of background papers that could facilitate discussion;
- b) Travel cost for local experts for consultations and discussions;
- c) Consultancies to develop the program and/or project options, including the country report

Ineligible expenditure items include salaries for regular staff; capital goods other than those directly required for report preparation, such as computers and equipment; and civil works.

GEF Financing. The amount of GEF funding requested.

PART III: INFORMATION ON NATIONAL EXECUTING AGENCY

Information on the National Executing Agency should include the name, address, telephone/fax, account details of the recipient agency, and indication of financial and procurement capacity.

Annex 1 is a required *Financial Management Assessment Report*, Section A needs to be filled in by the recipient agency and submitted with the Grant Application.

Expected Milestone Dates

Start Date: The expected date for project implementation.

End Date: The expected date of completion. Usually within six months from start date.

Submission Date of NPDF: The expected date when the OFP submits the NPDF to the GEF Secretariat.

**Simplified Financial Management Assessment Report
Data Sheet and Risk Assessment**

Grant Recipient's Name:

Grant No.

A. Information to be provided by the recipient	
1. Name and contact information of the recipient organization(s)	Provide a description of the implementing entity and any unique features that impact the financial management issues.
2. Year of registration and years of operations	Please attach statute and proof of registration.
3. Experience with World Bank operations, e.g., receipt of previous grants.	Please state the name of the WB grant, years and grant amount, and provide the following: Completed Grants Has there been an implementation completion memo? What are the main conclusions with regard to achievement of objectives and use of funds? Grants not Complete Most recent FM performance rating? FM implementation issues?
4. Amount of the proposed grant (US Dollars)	USD.....
5. Are there sub-grants for the operation? What are the amounts involved for sub-grants?	USD..... Expected number of sub-grant recipients.....
6. Information about financial management (FM) arrangements for the operation:	
<ul style="list-style-type: none"> Does the recipient organization have a FM or Operating Manual that describes the internal control system and FM operational procedures? 	If yes, please attach a copy.
<ul style="list-style-type: none"> What accounting system is used, including whether it is a computerized accounting system or a manual accounting system? 	Please provide brief description of the accounting system and its various modules.
<ul style="list-style-type: none"> What is the staffing arrangement of the organization in accounting, auditing, and reporting? Does the implementing entity have a qualified accountant on its staff? 	State the overall FM staffing arrangements including segregation of duties, oversight arrangements, FM staff qualifications and experience.
<ul style="list-style-type: none"> Disbursement Arrangement 	Disbursement methods (advance, reimbursement, direct payment, special commitments) and supporting documentation requirements; SOE limits, if applicable; and Designated Account – Ceiling, timing of documentation submission.

<ul style="list-style-type: none"> Does the implementing entity have in place basic arrangements able to support flow of funds, and timely accountability of funds? 	For example, a bank account opened in a reputable commercial bank. Also include the funds flow diagram for the grant
<ul style="list-style-type: none"> Does the implementing entity keep adequate records of financial transactions, including funds received and paid, and of the balances of funds held? 	For example, up-to-date cash book, bank statements, and bank reconciliation statements.
<ul style="list-style-type: none"> How often does the implementing entity produce interim financial reports? 	If yes, please describe the kind of information is included in the financial reports and attach sample copies of recent reports.
<ul style="list-style-type: none"> Are the annual financial statements audited by an external audit firm? 	If yes, please attach a copy of each of the two most recent audited financial statements, including the Audit Opinions and Management Letters from the auditors for the same periods.

B. Risk Rating Summary and Mitigation Measures (to be completed by the GEF/World Bank)

Use the following table for FM risk assessment:

Risks	Risk Rating	Risk Mitigating Measures	Residual Risk
Inherent Risk			
<ul style="list-style-type: none"> Country Level 			
<ul style="list-style-type: none"> Entity Level 			
<ul style="list-style-type: none"> Grant Level 			
Overall Inherent Risk			
Control Risk			
<ul style="list-style-type: none"> Budgeting 			
<ul style="list-style-type: none"> Accounting 			
<ul style="list-style-type: none"> Internal Control 			
<ul style="list-style-type: none"> Funds Flow 			
<ul style="list-style-type: none"> Financial 			
<ul style="list-style-type: none"> Auditing 			
Overall Control Risk			
Overall FM Risk			

Strengths. Identify the key strengths that provide a basis for reliance on the recipients' financial management system.

Weaknesses. Identify critical FM weaknesses, if any, and the related mitigation measures and agreed action plan.

Conclusions and Action Plan. Conclusions from this section, to the extent that they identify capacity constraints, should be reflected in an agreed action plan, if needed.

C. FM Arrangements and Conclusion by the FM Specialist

Briefly indicate:

- the FM arrangements, including the capacity of the recipient for managing the grant; include requirements for audit, disbursements and fund flow arrangements (for the disbursement letter), and any FM legal covenants required to be included in the grant agreement
- the FM supervision strategy based on the FM risks for the grant.
- The assessment of whether the FM arrangements meet the minimum requirements of OP10.02.