



## How to finance a PPCM: Initial overview of the associated SFP



## SUSTAINABLE FINANCING PLAN FOR THE PPCM

### *Guiding principles*

#### **Self-sufficiency**

The financing of the PPCM should move from a phase of transitional funding towards self-sufficiency.

#### **Diversity**

A diversity of financing sources strengthens overall financial resilience.

***+ PPCM needs to be embedded in a wider financing plan for the Regional Governance Framework***



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## SUSTAINABLE FINANCING PLAN – 2 PHASES

### Establishment phase (short term, 1-5 years)

- Transitional financing: Kick-start medium to long term financing
- Based on a combination of sources



### Consolidation and Evolution phase (5 years and beyond)

- PPCM becomes gradually self-sufficient
- Member basis + own revenue generation

➡ **A combination of financing sources is advisable for both phases**

## SUSTAINABLE FINANCING PLAN FOR THE PPCM

*The combination should include:*

### Core finance

- as a minimum covers staff and operational expenses



### Complementary finance

- reduces requirement from sources of core finance
- diversifies sources of funding
- can contribute to all expenditure categories

## CORE AND COMPLEMENTARY FINANCE OF THE PPCM

Draft cost range estimates (USD) for Options

PPCM OPTION 1	PPCM OPTION 2	PPCM OPTION 3	PPCM OPTION 4
161,250 - 263,500	325,900 - 528,000	418,300 - 667,000	755,800 - 1,187,250

- ➡ **Core finance:** as a minimum covers staff and administrative costs
- ➡ **Complementary finance:** can contribute to all expenditure categories



## SUSTAINABLE FINANCING PLAN FOR THE PPCM

### Establishment phase (short term, 1-5 years)

- (A) Grant financing by international donors*
- (B) Extra-budgetary cash and/or in-kind contributions by CLME+ countries*
- (C) In-kind and/or extra-budgetary cash contributions by IGOs*



### Consolidation and Evolution phase (5 years and beyond)

- (D) Regular contributions by IGOs*
- (E) Regular contributions by countries*
- (F) Extra-budgetary cash and/or in-kind contributions by IGOs and countries*
- (G) Grant acquisition support fee*
- (H) Revenue from knowledge and advisory services*
- (I) Fund management fee*
- (J) Programme coordination fee*

## CLARIFICATION QUESTIONS