



Extension Policy for Approved Grants

(Adopted by the MCDF Governing Committee on 10 June 2026)

I. Introduction

1. The current Operations Manual of the MCDF Finance Facility approved by the MCDF Governing Committee (GC) on 30 June 2021 does not include a standalone policy governing extensions of approved grants. Instead, Implementing Partners (IPs) are required to specify and explain any changes to the completion date for each approved grant in their annual report, as provided under Section 9.01 of the Operations Manual. For extensions that do not involve any changes to the approved scope of work, the Operations Manual does not require formal notification to, or approval by, the GC. In past practice, such extensions have therefore been reflected through updated completion dates in IP annual reports, without separate submission to the GC.
2. Against this background, the GC adopted an extension policy applicable to approved grants that are governed by the Operations Manual currently in effect.
3. The Extension Policy for Approved Grants aims to enhance transparency and consistency in the treatment of extensions across all approved grants; reduce the risk of open-ended extensions; and provide clear expectations to IPs regarding implementation discipline and accountability.

II. Policy

4. Limitation on Extensions
 - a. Each approved grant may be extended **only once**. No further extensions shall be permitted beyond this single extension, unless the GC, on a case-by-case basis, determines that exceptional circumstances justify approving a further extension.
5. Definition of an Extension
 - a. Any change to the originally approved completion date of a grant, as reflected in an IP's annual report or otherwise approved by the GC, shall be deemed as an extension for the purpose of this policy, regardless of whether the extension is cost-neutral or involves changes to the scope of work.
6. Requirements for Extensions Exceeding One Year
 - a. For any extension that results in the grant being extended by more than one year beyond its originally approved completion date, the IP shall be required to submit an extension memorandum to the Secretariat for review and approval by the GC. Such submission shall include, at the minimum, the justification for the

extension, evidence of substantive implementation progress such as procurement activities, consultant mobilization, contractual commitments or completed deliverables, and a time-bound implementation plan.

- b. For the avoidance of doubt, where a grant is subject to potential cancellation under the applicable cancellation policy, but the conditions for cancellation have not yet been met, the IP shall be required to submit the extension memorandum. Any submission or review under this Extension Policy shall not affect any subsequent decision of the GC to cancel the grant pursuant to the applicable cancellation policy.

III. Applicability

- 7. This Extension Policy shall apply to all approved grants that are governed by the Operations Manual approved on 30 June 2021.