



# Global Environment Facility

GEF/C.27/5/Rev.1

October 6, 2005

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Council Meeting  
November 8-10, 2005

## IMPLEMENTING THE GEF RESOURCE ALLOCATION FRAMEWORK

## **Recommended Council Decision**

The Council, having reviewed GEF/C.27/5, *Implementing the GEF Resource Allocation Framework*, welcomes the work that has been initiated by the GEF Secretariat and the Implementing Agencies to develop operational procedures to implement the agreed RAF in GEF-4 and agrees with the proposed approach for making public indicative country and group allocations. The Council requests the Secretariat to prepare for review at its meeting in June 2006 proposals for operational procedures necessary to ensure that resources under the biodiversity and climate change focal areas in GEF-4 are allocated under the RAF.

## **Background**

1. At the Special Meeting of the GEF Council, held August 31 – September 1, 2005, the Council reviewed GEF/C.26/2/Rev.1, *Technical Paper on the GEF Resource Allocation Framework*, and reached agreement on a GEF resource allocation framework (RAF) to be applied to resources allocated under the biodiversity and climate change focal areas beginning in GEF-4.<sup>1</sup> *Technical Note on the GEF Resource Allocation Framework*, describing the RAF as agreed by the Council, is available as an information document, GEF/C.27/Inf 8.

2. This document is to inform the Council of the steps that have been initiated to prepare for the implementation of the RAF in GEF-4 and to seek Council guidance on steps and timing for disclosing information on the country and group allocations under the agreed RAF.

## **Implementing the GEF Resource Allocation Framework**

3. In order to set the stage for RAF implementation in GEF-4, the following activities will need to be completed by June 30, 2006:

- (a) agreement on operational policies and procedures to implement the RAF; and
- (b) disclosure of the RAF data and indicative resource allocations.

## **Developing Operational Procedures**

4. The Secretariat and Implementing Agencies have established an inter-agency RAF implementation team to jointly develop the operational procedures necessary for the effective implementation of the RAF. The team has already started its work, and the proposals in this document reflect the early discussions of the team. The team is expected to meet regularly and to collaborate in undertaking the work necessary to develop operational procedures for implementing the RAF. The interagency team will work in an open and inclusive manner and will consult with a wide variety of stakeholders in undertaking its task. The proposed operational procedures will be shared with the Council at its meeting in June 2006

5. The following is an illustrative list of items that the team is considering:

- (a) confirmation of list of eligible countries;
- (b) procedures for country programming;
- (c) operationalization of the resources allocated to the group;
- (d) procedures for programming global and regional projects;
- (e) programming of the small grants program; and
- (f) procedures for mid-term reallocations of resources.

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<sup>1</sup> Joint Summary of the Chairs, Special Meeting of the GEF Council, August 31- September 1, 2005.

## **Disclosure of allocations**

6. The Council has agreed to the following disclosure policy for the RAF:
- (a) allocations for individual countries and the group will be publicly disclosed and the GEF Benefits Index (GBI) for all countries will be publicly disclosed; and
  - (b) with respect to the World Bank Country Policy and Institutional Assessment (CPIA) data used in the GEF Performance Index (GPI), a link will be provided from the GEF website to the World Bank website.

7. The Council did not, however, agree on the timing for the above disclosure, and the Council is requested to provide further guidance on this issue taking into account the following proposal.

## **Disclosure of indicative allocations under GEF-4**

8. Three key sources of information are necessary before finalizing indicative allocations for purposes of GEF-4:
- (a) agreement on GEF-4 resource envelopes for the biodiversity and climate change focal areas. Based on the schedule of meetings for GEF-4 replenishment negotiations, resource envelopes will be finalized at the meeting scheduled for November 21-22, 2005.
  - (b) an updated GEF Performance Index (GPI). An update of the World Bank CPIA data, on which GPI is based, is expected by April 2006.
  - (c) agreed lists of eligible countries in the biodiversity and climate change focal areas. The GEF Secretariat will consult with the UNFCCC and CBD Secretariats to finalize the lists of eligible countries by April 2006.
9. It is expected that the indicative allocations for individual countries and the group in the biodiversity and climate change focal areas will be available prior to the Council meeting in June 2006 and will be shared with the Council in the documentation prepared for the meeting.

## **Interim Disclosure**

10. Since the Council decision on the RAF, there have been a number of requests from Council Members, Implementing/Executing Agencies, and countries for disclosure of country and group allocations based on the simulations employed in the technical document, GEF/C.26/2/Rev.1. In particular, the Implementing and Executing Agencies have stressed the need for such information to allow them to work with countries to plan project pipelines, including adjustments that may be necessary in the existing pipeline, in light of the allocations that may be expected under GEF-4. While early disclosure of country and group allocations prior to finalization of the information described in paragraph 8 above poses some risks, it must be recognized that these data are essential for the Implementing/Executing Agencies and countries to prepare for the transition to the new RAF system in GEF-4.

11. Accordingly, this document includes in the attached tables an indication of current expectations regarding allocations for individual countries and the group. The information is presented in broad bands, showing a range for potential allocations for individual countries and the group. The range is based on the low and high scenario envelopes presented in document GEF/R4.9/Rev.1, *Revised Programming Document GEF-4*, that is under discussion in the replenishment process. The data presented in Tables 1 and 2 are subject to change based on the agreed level of replenishment, update of the GPI data, and the final lists of eligible countries. This information should be of immediate assistance to countries and the Implementing and Executing Agencies in initiating steps to manage the pipeline of projects to be presented in GEF-4.

12. As a follow-up to this disclosure, it is proposed that by December 15, 2005, the following additional information be made publicly available:

- (a) If at the replenishment meeting on November 21-22 agreement is reached on the resource envelopes for the biodiversity and climate change focal areas, those envelopes will be used to develop indicative country and group allocations under the agreed RAF formula, with the caveat that the allocations are subject to change by June 2006 based on updated CPIA data and the final list of eligible countries in each focal area. These indicative allocations, and the caveats, will be made publicly available on the GEF website; or
- (b) If agreement is not reached on the resource envelopes for the biodiversity and climate change focal areas at the November meeting, country and group allocations will be developed by applying the RAF formula to both the low and high scenario envelopes in the GEF-4 programming document, with the caveat that the indicative allocations are subject to change by June 2006, based on the final GEF-4 replenishment envelopes, updated CPIA data, and the final list of eligible countries in each focal area. These indicative allocations, and the caveats, will be made publicly available on the GEF website.

13. Council agreement is sought on this step-wise approach for disclosing the indicative country and group allocations under GEF-4.

**Table 1: List of Countries by Allocation Band in the Biodiversity Focal Area**

<b>Countries with Individual Allocations by Allocation Band (alphabetical order within each band)</b>					
<b>(\$40 - \$65 million)</b>	<b>(\$20-\$40 million)</b>	<b>(\$10-\$20 million)</b>		<b>(\$5-\$10 million)</b>	
Brazil	Colombia	Argentina	Panama	Cameroon	Kenya
China	Ecuador	Bolivia	Papua New Guinea	Congo DR	Mauritius
Indonesia	India	Chile	Russian Federation	Dominican Rep.	Mozambique
Mexico	Madagascar	Costa Rica	Tanzania	Ethiopia	Namibia
	Peru	Cuba	Venezuela	Fiji	Pakistan
	Philippines	Malaysia		Guatemala	Seychelles
	South Africa			Honduras	Sri Lanka
				Iran	Turkey
				Jamaica	Vietnam
<b>Countries either with Individual Allocations (\$3 - \$5 million) or in the Group (alphabetical order)</b>					
Cambodia	Egypt	Lao PDR	Morocco	Nigeria	Suriname
Cape Verde	Haiti	F.S. of Micronesia		Paraguay	Trinidad and Tobago
Cote d'Ivoire	Kazakhstan	Mongolia	Nicaragua	Sudan	Zambia
<b>Countries in the Group in alphabetical order (allocations up to threshold amount between \$3 and \$3.6 million)</b>					
Afghanistan	Bulgaria	Gambia	Lithuania	Romania	Togo
Albania	Burkina Faso	Georgia	Macedonia	Rwanda	Tonga
Algeria	Burundi	Ghana	Malawi	Samoa	Tunisia
				Sao Tome and	
Angola	Central African Rep.	Grenada	Maldives	Principe	Turkmenistan
Antigua and Barbuda	Chad	Guinea	Mali	Senegal	Uganda
				Serbia and	
Armenia	Comoros	Guinea-Bissau	Marshall Islands	Montenegro	Ukraine
Azerbaijan	Congo	Guyana	Mauritania	Sierra Leone	Uruguay
Bahamas	Cook Islands	Jordan	Moldova	Slovak Republic	Uzbekistan
Bangladesh	Croatia	Kiribati	Myanmar	Solomon Islands	Vanuatu
Barbados	Djibouti	Korea DPR	Nepal	St. Kitts And Nevis	Yemen
Belarus	Dominica	Kyrgyzstan	Niger	St. Lucia	Zimbabwe
Belize	El Salvador	Latvia	Niue	Grenadines	
Benin	Equatorial Guinea	Lebanon	Oman	Swaziland	
Bhutan	Eritrea	Lesotho	Palau	Syria	
Bosnia-Herzegovina	Estonia	Liberia	Poland	Tajikistan	
Botswana	Gabon	Libya	Republic Of Korea	Thailand	

**Notes:**

Allocation bands based on simulations using the Low and High resource cases proposed in the GEF4 replenishment programming document GEF/R.4.9/Rev.1.

The above allocation bands include project cycle management fees associated with each project.

Ceiling equals 10 percent of the resources available for the focal area.

**Table 2: List of Countries by Allocation band in the Climate Change Focal Area**

<b>Countries with Individual Allocations by Allocation Band (alphabetical order within each band)</b>					
<b>(\$50 mil to ceiling*)</b>	<b>(\$20-\$50 million)</b>	<b>(\$10-\$20 million)</b>		<b>(\$5-\$10 million)</b>	
China	Brazil	Argentina	Pakistan	Algeria	Nigeria
India	Mexico	Egypt	Romania	Bangladesh	Philippines
Russian Federation	Poland	Indonesia	Thailand	Belarus	Slovak Republic
	South Africa	Iran	Turkey	Bulgaria	Sudan
		Kazakhstan	Ukraine	Chile	Uzbekistan
		Malaysia	Venezuela	Colombia	Vietnam
				Korea DPR	
<b>Countries either with Individual Allocations (\$2.5 - \$5 million) or in the Group (alphabetical order)</b>					
Azerbaijan	Croatia	Ethiopia	Morocco	Syria	Uganda
Bolivia	Cuba	Kenya	Nepal	Tanzania	
Cambodia	Ecuador	Madagascar	Peru	Tunisia	
<b>Countries in the Group in alphabetical order (allocations up to threshold amount between \$2.5 and \$3.5 million)</b>					
Afghanistan	Comoros	Grenada	Lithuania	Oman	St. Kitts And Nevis
Albania	Congo	Guatemala	Macedonia	Palau	St. Lucia
Angola	Congo DR	Guinea	Malawi	Panama	St. Vincent & Grenadines
Antigua & Barbuda	Cook Islands	Guinea-Bissau	Maldives	Papua New Guinea	Suriname
Armenia	Costa Rica	Guyana	Mali	Paraguay	Swaziland
Bahamas	Cote d'Ivoire	Haiti	Malta	Qatar	Tajikistan
Bahrain	Cyprus	Honduras	Marshall Islands	Republic Of Korea	Togo
Barbados	Djibouti	Israel	Mauritania	Rwanda	Tonga
Belize	Dominica	Jamaica	Mauritius	Samoa	Trinidad and Tobago
			F.S..of		
Benin	Dominican Republic	Jordan	Micronesia	San Marino	Turkmenistan
				Sao Tome and	
Bhutan	El Salvador	Kiribati	Moldova	Principe	Tuvalu
Bosnia-Herzegovina	Equatorial Guinea	Kuwait	Mongolia	Saudi Arabia	United Arab Emirates
Botswana	Eritrea	Kyrgyzstan	Mozambique	Senegal	Uruguay
				Serbia and	
Burkina Faso	Estonia	Lao PDR	Myanmar	Montenegro	Vanuatu
Burundi	Fiji	Latvia	Namibia	Seychelles	Yemen
Cameroon	Gabon	Lebanon	Nauru	Sierra Leone	Zambia
Cape Verde	Gambia	Lesotho	Nicaragua	Singapore	Zimbabwe
Central African Rep.	Georgia	Liberia	Niger	Solomon Islands	
Chad	Ghana	Libya	Niue	Sri Lanka	

**Notes:**

Allocation bands based on simulations using the Low and High resource cases proposed in the GEF4 replenishment programming document GEF/R.4.9/Rev.1.

The above allocation bands include project cycle management fees associated with each project.

\* Ceiling equals 15 percent of the resources available for the focal area.