GEF Council Meeting
June 21–23, 2022
Washington DC

Agenda Item 04

UPDATING THE SYSTEM FOR TRANSPARENT ALLOCATION OF RESOURCES (STAR)

Recommended Council Decision:

The Council, having reviewed document GEF/C.62/04: *Updating the System for Transparent Allocation of Resources (STAR)*, approves the STAR Policy contained in Annex I, which replaces and supersedes all relevant previous Council decisions regarding STAR.

The Council takes note of the STAR Index descriptions and methodologies in Annex IA, and requests the GEF Secretariat to continue to explore options to reflect vulnerability considerations in the STAR for GEF-9.

The Council welcomes the STAR Guidelines in Annex IB, and the operational details of the competitive window in Annex IC.

The Council requests the GEF Secretariat to monitor the utilization of STAR resources relative to portfolio-level targets on focal-area financing, monitor achievement of results over the GEF-8 period, and report on progress towards those targets with each Work Program of GEF-8 and in the semiannual Corporate Scorecard. The Council also requests that the Secretariat organize a mid-term review to assess portfolio performance under full flexibility, and to identify potential measures if portfolio-level focal area financing are not progressing to meet the agreed targets.

The Council requests that the Independent Evaluation Office evaluate STAR as part of its Eighth Comprehensive Evaluation of the GEF (OPS7), and that it shares its findings, conclusions, and recommendations in sufficient time to inform the negotiations on the ninth replenishment of the GEF Trust Fund.

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1.   Participants to the eighth replenishment of the GEF Trust Fund (GEF-8) recognized "the key role that the GEF-8 System for Transparent Allocation of Resources (STAR) will play in helping countries achieve their global commitments in the next decades". Participants further agreed with "the increased share of allocated funds to Small Island Developing States (SIDS) and Least Developed Countries (LDCs) in the GEF-8 STAR"[1]

2.   Having considered the Secretariat's analysis of STAR[2] as well as the eighth replenishment negotiations[3], Participants requested the Secretariat, in its proposal to the Council for updating STAR, include the following: "

- a proposal for recipient countries to have full flexibility in the use of their GEF-8 STAR allocations;

- a harmonization of the SIDS floors with the LDC floors, and a raising of these aggregate floors to US$ 8 million, as well as a raising of the floors for non-SIDS and non-LDCs to US$ 5 million;

- a lowering of the focal area ceilings to 6 percent;

- an increase in the weight of the GDP per capita index to -0.16;

- the creation of a competitive window in STAR, amounting to 8 percent of the STAR Allocation of the 5 top STAR recipient countries, excluding SIDS and LDCs, with a thematic focus to encourage country-driven investments that enhance domestic policy coherence while reflecting the national policy landscape and aligning with other national GEF programming." [4]

3.   Pursuant to the GEF-8 policy recommendations, this document presents for Council consideration a STAR Policy (Annex I) that will replace and supersede all relevant previous Council decisions regarding STAR. To enhance transparency and to support the effective implementation of the proposed policy, the STAR Guidelines contained in Annex IB provide further details on procedural steps and practices. The operational details of the competitive window are articulated in the Operational Guidelines in Annex IC.

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[1] GEF/C.62/03, *Summary of the Negotiations of the Eighth Replenishment of the GEF Trust Fund*
[2] GEF/R.08/31, *GEF-8 Policy Directions,* https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_31_GEF-8_Policy_Directions.pdf
[3] GEF/C.62/03, *Summary of the Negotiations of the Eighth Replenishment of the GEF Trust Fund*
[4] Ibid.

4.   In GEF-4, the Resource Allocation Framework (RAF) was introduced and adopted by the Council at its special meeting in August 2005, described in the document *GEF/C.27/Inf.8/Rev.1, The GEF Resource Allocation Framework.*[5]

5.   In GEF-5, the renamed "System for Transparent Allocation of Resources"(STAR) was created based on RAF. The Council approved the key design elements of STAR at its 36th meeting in November 2009[6], based on document GEF/G.36/6.Rev.1, *System for a Transparent Allocation of Resources (STAR)*[7]. The initial operational procedures[8] for STAR were approved at the 38th Council meeting in July 2010[9].

6.   For GEF-6, at its 46th meeting in May 2014 the Council agreed on several modifications to STAR following the agreed policy recommendations for the GEF-6[10]. Those modifications, along with updated operational procedures, are described in the document GEF/C.46/05/Rev.01, *Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6*[11].

7.   For GEF-7, the Council approved the STAR Policy at the 54th Council meeting in June 2018, which updated and superseded relevant previous Council decisions regarding STAR. The updates are reflected in the document GEF/C.54/03/Rev.01 *Updating the System for Transparent Allocation of Resources (STAR).*[12]

8.   This document therefore outlines the modifications to STAR reflecting the GEF-8 replenishment discussions and in line with the GEF-8 policy recommendations[13]. The proposed GEF-8 STAR Policy reflecting these changes, and associated Guidelines, is found in Annex I.

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[5] https://www.thegef.org/sites/default/files/council-meeting-documents/C.27.Inf_.8.Rev_.1_RAF.pdf
[6] *Joint Summary of the Chairs, 36th GEF Council Meeting, November 10–12, 2009*
http://www.thegef.org/sites/default/files/council-meeting-documents/Joint_Summary_C.36_0_1.pdf
[7] http://www.thegef.org/sites/default/files/council-meeting-documents/C.36.6_STAR.FInal__4.pdf
[8] GEF/C.38/09/Rev.1, *GEF-5 Operational Procedures for the System for a Transparent Allocation of Resources (STAR),* http://www.thegef.org/sites/default/files/council-meeting-documents/C.38.9_Rev1_GEF-5_Operational_Procedures_for_STAR_0_1.pdf
[9] *Joint Summary of the Chairs, 38th GEF Council Meeting, June 29–July 1, 2010,* http://www.thegef.org/sites/default/files/council-meeting-documents/Joint_Summary_of_the_Chair.FINAL_June_2010_4.pdf
[10] *Joint Summary of the Chairs, 46th GEF Council Meeting, May 25–27, 2014* http://www.thegef.org/sites/default/files/council-meeting-documents/Joint_Summary_of_the_Chairs._46th_GEF_Council_Meeting_1.pdf
[11] http://www.thegef.org/sites/default/files/council-meeting-documents/GEF.C.46.05.Rev_.01_Proposal_for_the_System_of_Transparent_Allocation_of_Resources_%28STAR%29_for_GEF-6_May_19_2014_5.pdf
[12] https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.03.Rev_.01_STAR.pdf
[13] GEF/R.08/32, *Revised Policy Recommendations*, https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_32_Revised_Policy_Recommendations.pdf

PROPOSED MODIFICATIONS TO STAR

9.   In line with the GEF-8 policy recommendations above, the GEF-8 STAR Policy in Annex I will introduce the following modifications to STAR:

Moving to Full Flexibility

10.   Flexibility of STAR resources measures the ability of countries to move their allocated resources across their focal area lines. Based on the evidence[14], for GEF-8, all STAR recipient countries will be provided full flexibility to program resources across the three STAR focal areas (Table 1).

Table 1: Flexibility Allowances across GEF phases (US$ million)

Total Country Allocation	GEF-4	GEF-5	GEF-6	GEF-7	GEF-8
Up to 7	0	Full Flexibility	Full Flexibility	Full Flexibility	
7 to 20	0	0.2		2 or 13% of total country allocation, whichever is higher	Full Flexibility
20 to 100	0	1	2		
100 or more	0	2			
Share of total STAR allocations	*0%*	*16%*	*20%*	*30%*	*100%*

11.   In light of the full flexibility feature, the Secretariat will expand the use of the Rio Marker methodology to include biodiversity-related and land degradation-related financing. The Rio Markers were introduced by the OECD-Development Assistance Committee (DAC) in 1998 to monitor development finance flows targeting the objectives of the Rio Conventions on biodiversity, climate change and desertification.[15] Rio-markers can play an important role in tracking the total amount of funds that contribute towards global environmental benefits in a particular focal area. Based on the request of Participants to the GEF-7 Replenishment,[16] the Secretariat has throughout GEF-7 already been using Rio Markers to routinely monitor the share of climate-related financing. This expansion will therefore ensure that the objectives from the three Rio Conventions (the Convention on Biological Diversity, the United Nations

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[14] GEF/C.61/Inf.08, *The Use of Flexibility of STAR*, https://www.thegef.org/sites/default/files/documents/2021-12/EN_GEF.C.61.Inf_.08_Use_Flexibility_STAR.pdf

[15] *OECD DAC Rio Markers for Climate Handbook*, https://www.oecd.org/dac/environment-development/Revised%20climate%20marker%20handbook_FINAL.pdf

[16] GEF/C.54/19/Rev.03, *Negotiations of the Seventh Replenishment of the GEF Trust Fund,* (https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.19.Rev_.03_Replenishment.pdf)

Convention to Combat Desertification, and the United Nations Framework Convention on Climate Change) are systematically traced under a system of full flexibility. [17]

12.   The Secretariat will monitor the use of Rio Markers and the relevant shares of financing directly and indirectly related to these thematic areas. The Secretariat will also track the utilization of STAR resources to maintain portfolio-level targets on focal-area financing and monitor results met over the GEF-8 replenishment period, and report on progress towards those targets with each work program of the GEF-8 cycle through the semi-annual Corporate Scorecard. The Secretariat will organize a mid-term review to review and report on the experience of GEF-8 approvals under full flexibility, and to identify potential measures if portfolio-level focal area financing is not progressing to meet the agreed targets.

Increasing Resources to SIDS and LDCs

13.   The GEF-8 STAR Model will enhance resources to SIDS and LDCs through: (i) harmonizing the SIDS floors with the LDC floors, (ii) increasing this newly defined floor, (iii) reducing the focal area ceilings, and (iv) increasing the weight of the GDP Index.

Harmonizing and increasing the focal area floors

14.   When introduced into the GEF-4 allocation system, the focal area allocation floors were set at aggregate levels of US$ 2 million,[18] doubled to US$ 4 million in GEF-5,[19] and in GEF-6 increased for LDCs only to aggregate US$ 6 million.[20] These differential floor amounts for LDCs and non-LDCs were maintained for GEF-7 (although they were rebalanced among focal areas to reflect the changing focal area distributions).[21]

15.   The GEF-8 STAR Model will feature a harmonization by raising the SIDS floors to the level of the LDC floors. This will therefore result in two categories of floors: "SIDS and LDCs", and "Other Countries".

16.   Furthermore, aggregate LDC floors (US$ 6 million) have not increased since GEF-6, and the aggregate SIDS floors (US$ 4 million) have not increased since GEF-5. Therefore, the GEF-8

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[17] Rio Markers are a well-used tool across the donor world - DAC members are in fact requested to indicate for each development finance activity whether or not the activity targets the respective environmental objectives of the Rio Markers.

[18] GEF/C.27/Inf.8/Rev.1 *The GEF Resource Allocation Framework,* https://www.thegef.org/council-meeting-documents/gef-resource-allocation-framework

[19] GEF/C.36/6, *System for a Transparent Allocation of Resources (STAR): Options and Scenarios*, https://www.thegef.org/council-meeting-documents/system-transparent-allocation-resources-star-options-and-scenarios

[20] GEF/C.46/05/Rev.01, Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6, https://www.thegef.org/sites/default/files/council-meeting-documents/GEF.C.46.05.Rev_.01_Proposal_for_the_System_of_Transparent_Allocation_of_Resources_%28STAR%29_for_GEF-6_May_19_2014_5.pdf

[21] GEF/C.54/03/Rev.01, *Updating the System for Transparent Allocation of Resources (STAR),* https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.03.Rev_.01_STAR.pdf

STAR Model will increase this newly-defined aggregate "SIDS and LDCs" floor to US$ 8 million and increase the Non-SIDS/LDCs aggregate floor to US$ 5 million, with the individual focal area allocation floors reflecting the balance of the allocation of resources across the three STAR focal areas as per the GEF-8 financing distribution[22] (Table 2).

Table 2: Harmonizing and increasing the minimum allocation floors for GEF-8 (US$ million)

	LDCs	LDCs/SIDS	Non-LDCs	Non-LDCs/SIDS
	GEF-7	GEF-8	GEF-7	GEF-8
Biodiversity	3	4	2	3
Climate Change	1.5	2	1	1
Land Degradation	1.5	2	1	1
Aggregate Floor	*6*	*8*	*4*	*5*

Reducing the focal area ceilings

17.   The model will also reduce focal area ceilings to 6%. The focal area ceilings were initially introduced in GEF-4 at 15% of focal area allocations for climate change and 10% for biodiversity,[23] modified in GEF-5 to 11% for climate change and 10% for both biodiversity and land degradation,[24] and then harmonized to 10% across all three focal areas in GEF-6.[25] In GEF-8, the focal area ceilings will be further reduced to 6%.

Increasing the Weight of the GDP Index

18.   The GEF-8 STAR Model also will increase the weighting of the GDP Index from -0.12 to -0.16. In GEF-5, the GDP Index was introduced to the model. Since then, the weight of GDP Index has been a core feature of increasing resources to SIDS and LDCs, with an increasing magnitude across every successive GEF cycle. From GEF-5 to GEF-6 the weight of the GDP Index was doubled from -0.04 to -0.08, as recommended by IEO[26] and in GEF-7, the weight was continuously increased to -0.12. The GEF-8 model features a further increase of the GDP Index weight, at -0.16.

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[22] GEF/C.62/03, *Summary of the Negotiations of the Eighth Replenishment of the GEF Trust Fund*
[23] GEF/C.27/Inf.8/Rev.1 *The GEF Resource Allocation Framework,* https://www.thegef.org/council-meeting-documents/gef-resource-allocation-framework
[24] GEF/C.36/6, *System for a Transparent Allocation of Resources (STAR): Options and Scenarios*, https://www.thegef.org/council-meeting-documents/system-transparent-allocation-resources-star-options-and-scenarios
[25] GEF/C.46/05/Rev.01, Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6, https://www.thegef.org/sites/default/files/council-meeting-documents/GEF.C.46.05.Rev_.01_Proposal_for_the_System_of_Transparent_Allocation_of_Resources_%28STAR%29_for_GEF-6_May_19_2014_5.pdf
[26] *Mid Term Evaluation of the System for Transparent Allocation of Resources*, https://www.gefieo.org/sites/default/files/documents/star-2014-approach-paper.pdf

UPDATES TO STAR DATA

19.   As was done in every GEF cycle, the STAR model has undergone rigorous data updates for the existing STAR indices and sub-indices. Data was updated to the latest available data as of June 2021, as follows:

(a)   all country categories were updated, including income and LDC categories,

(b)   all components of the Global Benefits Index for Climate Change were updated, inclusive of the sub-indices on (i) Greenhouse Gas Emissions and Emissions per GDP from the World Resources Institute[27] and (ii) Forestry from the Food and Agricultural Organization[28],

(c)   all components of the Global Benefits Index for Land Degradation were updated, inclusive of the sub-indices on (i) Drylands from the UN Environment World Conservation Monitoring Centre[29], which had not previously been updated since the first Land Degradation datasets of GEF-5, (ii) Rural Population from the World Bank[30] and (iii) Territory Affected from the Conservation International[31],

(d)   the Global Benefits Index for Biodiversity was rolled over from GEF-7, which had been updated at the time to reflect latest the available datasets on global biodiversity as of July 2017[32],

(e)   the Institutional Assessment sub-indicator of the Country Performance Index from the World Bank[33] was updated, inclusive of its components of (i) the Country Environmental Policy and Institutional Assessment, and (ii) the Broad Framework Indicator,

(f)   the Portfolio Performance sub-index of the Country Performance Index was updated from (i) project implementation reports from the GEF Portal[34], and a further data change was undertaken to restrict PIR ratings to projects under implementation in the last 5 years, as per the findings of the IEO's 2017 STAR

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[27] https://www.climatewatchdata.org/ghg-emissions?calculation=PER_GDP&end_year=2018&gases=co2&regions=WORLD&sectors=total-excluding-lucf&start_year=1990. The Climate Watch data derives
directly from the United Nations Framework Convention on Climate Change (UNFCCC).
[28] https://fra-data.fao.org/WO/fra2020/dataDownload/
[29] https://data.landportal.info/book/dataset/unep-wcmc-dry
[30] https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS
[31] http://trends.earth/docs/en/
[32] This exercise was undertaken by the GEF in collaboration with The UN Environment World Conservation Monitoring Centre (UNEP-WCMC), the specialist biodiversity assessment centre of UN Environment. The information base used in the new analysis consists of the most up-to-date and reliable data on the distribution of species, habitats and ecoregion boundaries available on a global scale. The updated Global Benefits Index for Biodiversity is described in detail in Annex IA.
[33] https://datacatalog.worldbank.org/int/search/dataset/0038988
[34] https://gefportal.worldbank.org/

Evaluation,[35] and (ii) terminal evaluation reports from the Independent Evaluation Office[36],

(g)   The GDP-based Index comprising GDP per capita was updated from the World Bank.[37]

POLICY EFFECTIVENESS AND NEXT STEPS

20.   The GEF-8 STAR Policy will come into effect on July 1, 2022 and be applied in the calculation of initial STAR country allocations for GEF-8, which will be made publicly available on July 1, 2022.

21.   The Secretariat will organize a mid-term review to enable the Council to assess portfolio performance under full flexibility, and to identify potential measures if portfolio-level focal area financing are not progressing to meet the agreed targets.

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[35] GEF/ME/C.53/Inf.10, *Review of the GEF's System for Transparent Allocation of Resources*, https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.10_Eval_of%20GEF_System_for_transparent%20alloc_of_Resources_Nov_2017.pdf

[36] https://www.gefieo.org/data-ratings

[37] https://data.worldbank.org/indicator/NY.GDP.PCAP.CD

Definitions

Adjusted STAR Country Allocation means a country's STAR allocation after adjustments for changes in the availability of resources against the agreed Replenishment Target

Ceiling means the maximum share of a Focal Area Allocation that can be allocated to a single country

Council means the 32 members that make up the GEF Council as set out in the Instrument

Country Share means a country's share of total Country Scores (Country Share = Country Score / Sum of Country Scores for all STAR Recipient Countries)

Country Score means the score resulting from the application of the STAR formula to a country's values for the STAR indices (*Country Score = CPI$^{1.0}$ * GBI$^{0.8}$ * GDP$^{-0.16}$*)

Floor means the minimum amount in US dollars that can be allocated to a country in a given Focal Area

Focal Area means a focal area in which the GEF provides funding to achieve global environmental benefits as set out in the Instrument

Focal Area Allocation means the total resources allocated to a Focal Area over a GEF Replenishment Period

GEF Partner Agency means an agency eligible to request and receive GEF resources directly for the design, implementation, and supervision of GEF projects and programs

Initial STAR Country Allocation means a country's STAR allocation after adjustments for Floors and Ceilings

Instrument means the Instrument for the Establishment of the Restructured Global Environment Facility[38], effective July 7, 1994 and as amended

Marginal Adjustment means the utilization of funds allocated to one or more Focal Areas for projects or programs in one or more other focal areas

Preliminary STAR Country Allocation means a country's STAR allocation prior to the application of Floors and Ceilings (*Preliminary STAR Country Allocation = Country Share * STAR Resources*)

Replenishment Period means the period for a replenishment of resources to the GEF Trust Fund as set out in a replenishment resolution by the Executive Directors of the World Bank

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[38] https://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf

Replenishment Target means the total value of new funding contributions, projected investment income and projected carryover of resources for a GEF Replenishment Period as set out in a replenishment resolution by the Executive Directors of the World Bank

Secretariat means the GEF Secretariat that services and reports to the GEF Assembly and the Council as set out in the Instrument

STAR means the System for Transparent Allocation of Resources, the GEF's performance-based framework for the allocation of resources from the GEF Trust Fund to countries over a Replenishment Period

STAR Focal Area means a Focal Area under which resources are allocated to countries through STAR

STAR Recipient Country means a country that receive a STAR country allocation

STAR Resources means the resources from the GEF Trust Fund that are allocated to countries through STAR

Introduction

1.　　The System for Transparent Allocation of Resources (STAR) is a performance-based framework for the allocation of resources from the GEF Trust Fund to countries over a Replenishment Period. STAR aims to allocate resources to countries in a transparent and consistent manner based on global environmental priorities and country capacity, policies and practices relevant to successful implementation of GEF projects and programs.

2.　　This Policy sets out the key features and rules governing the application of STAR.

Application of This Policy

3.　　This Policy applies to the Council, the Secretariat, GEF Partner Agencies (hereafter "Agencies"), and STAR Recipient Countries (hereafter "countries"). The Policy applies to STAR Resources.

Resources Allocated Through STAR

4.　　STAR is applied to allocate a share of the biodiversity, climate change and land degradation Focal Area Allocations to countries.

Eligibility

5.　　A country has to meet the following criteria to be eligible for a STAR country allocation in a Focal Area:

a) be a party to the relevant Convention;

b) be eligible for GEF financing in accordance with Paragraph 9 of the Instrument[39];

c) not be a member of the European Union; and

d) have had at least one national project within the ten years preceding the start of the relevant Replenishment Period, excluding enabling activities to support Convention-related reporting obligations.
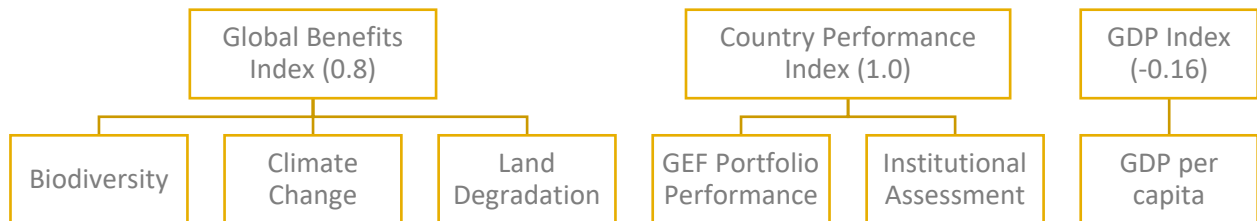
STAR Indices and Index Weights

6.　　STAR consists of the following higher-level indices and sub-indices:

a) Global Benefits Index (GBI), including sub-indices for

i. biodiversity;

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[39] Small Island Developing States (SIDS), as defined by the United Nations, that are Parties to the relevant Conventions are eligible for STAR country allocations in the relevant focal areas.

   ii. climate change; and

   iii. land degradation;

  b) Country Performance Index (CPI), including sub-indices for

   i. GEF portfolio performance; and

   ii. institutional assessment;

  c) Gross Domestic Product Index (GDPI).

7. The STAR indices are described in detail in Annex IA of this Policy.

8. The higher-level indices are weighted as follows:

  a) GBI = 0.8;

  b) CPI = 1.0; and

  c) GDP = -0.16.

Figure 1: Overview of Higher-Level Indices and Sub-Indices (index weight)

Calculation of STAR Country Allocations

9. Based on each country's values for each of the above indices, STAR assigns a Country Score for each country in each STAR Focal Area:

$$Country\ Score = CPI^{1.0} * GBI^{0.8} * GDP^{-0.16}$$

10. Based on each country's Country Score, a Country Share is calculated as follows:

Country Share = Country Score / Sum of Country Scores for all STAR Recipient Countries

11.   To determine each country's Preliminary STAR Country Allocation in each STAR Focal Area, the Country Share is multiplied by the amount of STAR Resources in each STAR Focal Area.

*Preliminary STAR Country Allocation = Country Share * STAR Resources*

12.   To determine each country's Initial STAR Country Allocation in each STAR Focal Area, Floors and Ceilings are applied iteratively until all STAR Resources in each STAR Focal Area have been allocated.

Initial STAR Country Allocation = Preliminary STAR Country Allocation adjusted for Floors and Ceilings

13.   The Floors and Ceilings are set as follows:

   a) The aggregate floor for countries that are not Least Developed Countries (LDC)[40]/ Small Island Developing States (SIDS)[41] is US$5 million, comprised of focal area floors:

      i.   US$3 million for biodiversity;

      ii. US$1 million for climate change; and

      iii. US$1 million for land degradation;

   b) The aggregate floor for LDC/SIDS is US$8 million, comprised of focal area floors:

      i.   US$4 million for biodiversity;

      ii. US$2 million for climate change; and

      iii. US$2 million for land degradation;

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[40] As defined by the United Nations: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf
[41] As defined by the United Nations: https://sustainabledevelopment.un.org/topics/sids/list

c) Ceilings are 6% of the total Focal Area Allocation in each STAR Focal Area.

Table 2: Overview of STAR Floors and Ceilings

	Floors (US$ million)		Ceilings (% of total Focal Area Allocation)
	Non-LDCs/SIDS	LDCs/SIDS	
Biodiversity	3	4	6%
Climate Change	1	2	6%
Land Degradation	1	2	6%
Aggregate	*5*	*8*	

Flexibility

14.   All STAR recipient countries have full flexibility to utilize resources across their Focal Area specific allocations without restrictions.

Cancellation of Projects and Programs with Resources from STAR Country Allocations

15.   Prior to the final six months of a GEF Replenishment Period, the cancellation of a project or program with resources from a country's STAR allocation results in the associated resources becoming available to that same country.

16.   During the final six months of a GEF Replenishment Period, the cancellation of a project or program with resources from a country's STAR allocation results in the associated resources becoming available to the same country, subject to any re-allocation of resources as per paragraphs 17 below.

Reallocation of Unused Resources

17.   During the final six months of a GEF Replenishment Period, the CEO may make available any unused STAR Resources to eligible projects and programs.

Review of this Policy

18.   The Council decides on the review and revision of this Policy.

Effectiveness

19.   This Policy will come into effect on July 1, 2022, and will remain in effect until amended or superseded by the Council. The Policy applies to STAR country allocations for the eighth Replenishment Period (July 1, 2022 to June 30, 2026) and subsequent Replenishment Periods unless amended or superseded by the Council.

List of Acronyms and Abbreviations

BD	Biodiversity
BFI	Broad Framework Indicator
CC	Climate Change
CEPIA	Country Environmental Policy and Institutional Assessment Index
CPI	Country Performance Index
GBI	Global Benefits Index
GBI$_{BD}$	Global Benefits Index for Biodiversity
GBI$_{CC}$	Global Benefits Index for Climate Change
GBI$_{LD}$	Global Benefits Index for Land Degradation
GDP	Gross Domestic Product
GDPI	Gross Domestic Product Index
GEF	Global Environment Facility
LD	Land Degradation
RAF	Resource Allocation Framework
STAR	System for the Transparent Allocation of Resources

Global Benefits Indices (GBI)
Global Benefits Index for Biodiversity (GBI$_{BD}$)

1.   In light of advancements in global biodiversity datasets both in terms of updates and new data, the GEF worked with the UN Environment World Conservation Monitoring Centre (UNEP-WCMC) in 2017 to update the underlying global data of the Global Benefits Index for Biodiversity (GBI$_{BD}$). The objective was to make maximum use of newly available and scientifically reliable global information for a cross-country assessment of biodiversity in order inform the STAR allocation model.

2.   In this methodology, each country is characterized using three main scores—represented species, threatened species, and represented ecoregions. These were calculated in a consistent manner across the terrestrial and marine realms using the latest sub-national data for specific taxonomic groups, following a series of steps:

   a) identification of all components of distinct terrestrial regions within a country (designated as "Country Eco-Region Components" or "CECs");

   b) scoring of each CEC based on three characteristics – represented species, threatened species, and represented ecoregions;

   c) calculation of a composite score for each CEC via a weighted average of the three "characteristics" scores; and

d) calculation of the score for each country as the summation of scores for all of the CECs in the country;

3. Layers for represented species and threatened species were prepared separately for each realm using data from the IUCN Red List of Threatened Species[42]. To calculate the represented species scores, each 10km grid cell was scored for range-size rarity for each species (the proportion of the species' global range the cell represents; i.e. 1/range size) and given a total score by summing scores across all the species potentially occurring in it. Each represented species contributes to the component based on the proportion of its global range within each 10km grid cell. In addition, for the marine realm, the distribution of important habitats and biologically important areas were also considered in the represented species score, where each marine habitat was in effect treated as an additional species and combined with the marine represented species score.

4. The threatened species scores were calculated separately for each realm. This score considered the subset of species from the represented species score that are assessed as threatened—i.e. Critically Endangered (CR), Endangered (EN), or Vulnerable (VU)—on the IUCN Red List[43]. The range-size rarity for each threatened species was multiplied by weightings of 10, 6.7, and 1 for CR, EN, and VU, respectively. These weighted range-size rarity values were then summed in each grid cell. Each threatened species therefore contributed to the component score based on the proportion of its global range within each 10km grid cell, weighted based on its relative extinction risk.

5. Country Eco-Region (CEC) layers were prepared by overlaying biologically-determined ecoregion maps with politically-determined country boundaries. Each realm had a distinct set of CECs based on the realm-specific ecoregions layer. For each ecoregion, an equivalent measure to the range-size rarity score for species was calculated. This meant that when summed at CEC level, each ecoregion contributed to the represented ecoregion score based on the proportion of its global extent within each CEC. When summed at a country level, the score reflects both the number of ecoregions in the country and the scores for its CECs.

6. Country level scores were generated separately for each realm, for each of the three component scores (represented species, threatened species, and represented eco-region) by summing the pixel level scores. The penultimate analytical step scaled the composite score for each country, where each component score was normalized from 0-100 and then multiplied by the defined component weight as follows:

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[42] https://www.iucnredlist.org/
[43] Ibid.

Country Biodiversity Realm Score = WT1 x Represented Species + WT2 x Threatened Species + WT3 x + Represented Ecoregion

Where

WT1=0.65; WT2=0.20; WT3=0.15

7.   Finally, the realm scores were combined as per the following formula, to yield GBI$_{BD}$ values for each country:

GBI$_{BD}$ = WT x Terrestrial Score + WM x Marine Score

Where

WT=0.75; WM=0.25

8.   The information used in this analysis consisted of the most up-to-date and reliable data at that time on the distribution of species, habitats, and ecoregion boundaries available on a global scale. Improvements in subsequent GEF cycles could include the incorporation of data on other terrestrial groups, such as plants, and the inclusion of a freshwater biodiversity component when more complete data for freshwater species become available at a global scale.

Global Benefits Index for Climate Change (GBI$_{CC}$)

9.   The GBI for Climate Change (GBI$_{CC}$) is composed of two indices. One index is related to the emissions of greenhouse gases, excluding land use change (GHG). The other index is related to forest cover (FC), in the absence of an adequate indicator to track GHG budgets from land use change.

10.   The two indices are assigned weights as follows: 95% to GHG emissions and 5% to forest cover. The final formula for the Climate Change GBI in GEF-8[44] is therefore:

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[44] The GEF-7 formula was: GBIcc = 0.95 * [GHG$_{2013}$ * CI$_{1990}$ / CI$_{2013}$] + 0.05 * [FC$_{2015}$ * DF$_{2005-2010}$ / DF$_{2010-2015}$]

$$GBIcc = 0.95 * [\ GHG_{2018} * CI_{1990} / CI_{2018}] + 0.05 * [\ FC_{2020} * DF_{2010-2015} / DF_{2015-2020}]$$

Where:

GHG = emissions of six types of greenhouse gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6) in tons of CO_2 equivalent

CI = carbon intensity, equal to GHG emissions divided by GDP

FC = forest cover in hectares

DF = absolute value of the average annual change in the forest cover between the years considered

If $DF_{2010-2015}$ and $DF_{2015-2020}$ are positive (increase of the forest cover), the adjustment factor for the LULUCF index is 1.

[ ] expresses a normalization of the index

GHG Emissions

11.   The first index is based on countries' emissions of greenhouse gases in tons of CO_2 equivalent multiplied by an adjustment factor, which rewards countries that show a decrease in the amount of emissions of CO_2 relative to GDP or "Carbon Intensity." The adjustment factor is expressed as a country's Carbon Intensity in 1990 divided by the country's Carbon Intensity. For GEF-8, this index is thus represented as: "a country's emissions of greenhouse gases in tons of CO_2 equivalents in year 2018 multiplied by the country's Carbon Intensity in 1990 divided by the country's Carbon Intensity in 2018."

12.   To ensure both comprehensiveness and comparability, standardized carbon emissions data obtained from the Climate Analysis Indicators Tool (CAIT) unit of the World Resources Institute[45] are used in the calculation. The CAIT data derives directly from the United Nations Framework Convention on Climate Change (UNFCCC).

Forest Coverage

13.   The second index is a component as proxy for the potential of emissions reduction and/or carbon sequestration related to forest cover and deforestation. It is based on a country's forest cover multiplied by an adjustment factor. The adjustment factor rewards

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[45] https://www.climatewatchdata.org/ghg-emissions?calculation=PER_GDP&end_year=2018&gases=co2&regions=WORLD&sectors=total-excluding-lucf&start_year=1990

countries with a decreasing-over-time-loss of forests; it is equal to one if there is no loss. In GEF-8, this index is thus represented as: "A country's forest cover in 2020 multiplied by the country's average annual change in the forest cover between 2010 and 2015 divided by the country's average annual change in the forest cover between 2015 and 2020".

14.   To ensure both comprehensiveness and comparability, forest cover data obtained from the FAO are used in the calculation.[46]

Global Benefits Index for Land Degradation (GBI$_{LD}$)

15.   The GBI for land degradation (GBI$_{LD}$) is designed to take into account three key factors:

    a) The need for controlling and preventing land degradation in the context of production systems;

    b) The challenge of combating desertification in dry-lands, including the need for adaptation to drought risks; and

    c) The need to address the livelihood needs of vulnerable populations

16.   The three indices are assigned weights as follows: 20% to land area affected, 60% to dryland area, and 20% to rural population. Thus, the final formula for the Land Degradation GBI:

$$GBI_{LD} = (0.2*global\ share\ of\ land\ area\ affected) + (0.6*proportion\ of\ dryland\ area) + (0.2*proportion\ of\ rural\ population)$$

<u>Land area affected</u>

17.   Quantitative estimate of land area (in km^2 or as percent of territory) affected by Land Degradation as a proxy indicator for "loss of ecosystem function and productivity"[47]. The indicator was initially derived by Bai et al. (2008)[48] using normalized difference vegetation index (NDVI) and represents the most feasible proxy for land degradation trends by country. Each country's share of the global total area affected was calculated for use in the GBI. The indicator has been subsequently updated through data produced by the GEF-funded project "Enabling the use of global data sources to assess and monitor land degradation at multiple scales"[49].

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[46] https://fra-data.fao.org/WO/fra2020/dataDownload/
[47] Bai, Z.G., Dent, D.L., Olsson, L, and Schaepman, M.E. (2008). *Proxy global assessment of land degradation.* Soil Use and Management 24:223-234 (Note: Countries with no degradation were not listed)
[48] Ibid.
[49] The global statistics on land degradation were produced by the Global Environment Facility (GEF)-funded project "Enabling the use of global data sources to assess and monitor land degradation at multiple scales" a partnership

<u>Drylands</u>

18.   Drylands are predisposed to desertification as one of the most prevalent forms of Land Degradation, and a major factor influencing livelihoods of nearly a third of the world's population. Drylands are a priority of the UNCCD, signed now by 192 countries. It is therefore essential for the GBI to distinguish differential country opportunities with respect to drylands. Dryland area is based on data from the UN Environment World Conservation Monitoring Centre[50], derived as proportion of each country's dryland area as defined by the UNCCD.

<u>Vulnerable Population</u>

19.   This indicator accounts for the fact that LD challenges human development because of its impact on poverty, especially in rural areas where people overwhelming depend on land. Rural population is a good proxy for rural poverty, especially where agricultural land use is primarily small-scale and subsistence-based.[51]

The Country Performance Index (CPI)

20.   The CPI is a proxy for performance, considering the actual performance of GEF projects (PPI), commitment to put in place environmental policy and institutional frameworks (CEPIA), and governance and financial management (BFI). The CPI component of the STAR is a critical counter-balance to the GBI, itself a broad proxy for the potential to generate global environmental benefits from the resource perspective.

21.   The CPI is based on two main sources: the World Bank's Country Policy and Institutional Assessment (CPIA), and the GEF databases on portfolio performance (PPI). By combining both CPIA and PPI, the CPI formula is as follows:

CPI = (0.20 x PPI) + (0.65 x CEPIA) + (0.15 x BFI)

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of Conservation International, Lund University, and the National Aeronautics and Space Administration (NASA). This project aimed to provide guidance on robust methods and a toolbox for assessing and monitoring indicators of land degradation using remote sensing technology. The Trends.Earth tool was built as a multi-level decisions support system which can be used for analyzing land condition from the effects of specific interventions to national level reporting of Sustainable Development Goal 15.3.1 on land degradation neutrality. Trends.Earth is a free and open source tool which brings the power of earth observations and cloud computing to the assessment of land condition produced to support tracking of changes in primary productivity, land cover and soil organic carbon. For this analysis, Trends.Earth was used to compute the proportion of land degraded globally for the period 2005-2019 using 250m resolution data reporting summaries at the country scale. http://trends.earth/docs/en/
[50] https://data.landportal.info/book/dataset/unep-wcmc-dry
[51] https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS

Country Policy and Institutional Assessment

22.   The CPIA is calculated from two subcomponents: (i) the Country Environmental Policy and Institutional Assessment Index (CEPIA) and (ii) the Broad Framework Indicator (BFI). The CEPIA provides a systematic assessment of environment-related policies and institutional frameworks within a country. The BFI examines quality of management in selected areas of the public sector.

Portfolio Performance Index

23.   The PPI is calculated using a) implementation progress ratings of project implementation reports (PIR)[52], and b) terminal evaluation reports (TER) ratings on outcomes[53], as follows:

$$PPI = (0.4 \times PIR) + (0.6 \times TER)$$

24.   A further data change was undertaken to restrict PIR ratings to projects under implementation in the last 5 years, as per the findings of the IEO's 2017 STAR Evaluation.[54]

The GDP Index (GDPI)

25.   The GDPI is the nominal value Gross Domestic Product (GDP) based on World Bank data[55].

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[52] https://gefportal.worldbank.org/
[53] https://www.gefieo.org/data-ratings
[54] GEF/ME/C.53/Inf.10, *Review of the GEF's System for Transparent Allocation of Resources*, https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.10_Eval_of%20GEF_System_for_transparent%20alloc_of_Resources_Nov_2017.pdf
[55] https://data.worldbank.org/indicator/NY.GDP.PCAP.CD

1.   To enhance transparency and to support the effective implementation of the Policy on STAR (Annex I), these Guidelines provide further details on procedural steps and practices, including the operational details of the competitive window.

Updating STAR Data

2.   The Secretariat undertakes the necessary data updates to the STAR indices and sub-indices, based on the best available data by a pre-determined cut-off date.

Sources

3.   The Global Benefits Index for Climate Change (GBI_{CC}) is updated from online databases to reflect: (i) latest values for greenhouse gas emissions and emissions per GDP and (ii) latest values on forest area. In the latest data updates carried out for GEF-8, these were obtained from the World Resources Institute[56] and from the Food and Agricultural Organization[57], respectively.

4.   The Global Benefits Index for Biodiversity (GBI_{BD}) was updated in its entirety in GEF-7. Given the methodological complexity of this Index, this update was done via discrete assignment.[58] This data is also utilized for the GEF-8 calculations.

5.   The Global Benefits Index for Land Degradation (GBI_{LD}) was updated for best available data in its entirety in GEF-8. Drylands data was updated from the UN Environment World Conservation Monitoring Centre[59]; rural population data was obtained from the World Bank[60]; and Territory Affected from the Conservation International[61].

6.   The Country Environmental Policy and Institutional Assessment (CEPIA) component and the Broad Framework Indicator (BFI) of the Country Performance Index (CPI) are updated to best available values from the Country Policy and Institutional Assessment (CPIA) indicator values of the World Bank[62].

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[56] https://www.climatewatchdata.org/ghg-emissions?calculation=PER_GDP&end_year=2018&gases=co2&regions=WORLD&sectors=total-excluding-lucf&start_year=1990. The Climate Watch Data derives directly from the United Nations Framework Convention on Climate Change (UNFCCC).

[57] https://fra-data.fao.org/WO/fra2020/dataDownload/

[58] In 2017, this exercise was undertaken by the GEF in collaboration with The UN Environment World Conservation Monitoring Centre (UNEP-WCMC), the specialist biodiversity assessment centre of UN Environment. The information base used in the new analysis consists of the most up-to-date and reliable data on the distribution of species, habitats and ecoregion boundaries available on a global scale.

[59] https://data.landportal.info/book/dataset/unep-wcmc-dry

[60] https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS

[61] http://trends.earth/docs/en/

[62] https://data.worldbank.org/data-catalog/CPIA

7.   The Project Portfolio Performance Index component is updated from; (i) project implementation reports from the GEF Portal[63], and (ii) terminal evaluation reports from the Independent Evaluation Office[64].

8.   The GDP Index (GDPI) is updated to the most recent values from the World Bank[65].

Protocols for Missing Data

9.   The Secretariat has applied different protocols consistently at the sub-index level where countries are missing specific values, since the introduction of STAR in 2010. Missing amounts for GDP per capita and rural population are filled in by the closest available data point to the reference year. Where data is not available, UN country profile data on either rural or urban population for the nearest available year is used. Missing values for the World Bank CPIA datasets are filled in by the closest available data point to the reference year. Where data is not available, the minimum values of the respective category are filled in, apart from SIDS or LDCs, which are given the average score of the category. Missing PIR and TER scores are filled in using the average national project score of all countries for the respective index. Missing values on carbon intensity for the relevant years are filled in using the closest available data point to the reference year for non-SIDS countries, and by the minimum value of the respective dataset for SIDS countries.

10.   For other datasets, the Secretariat has not yet encountered missing values. In the event that missing data for these variables become a challenge in future STAR updates, the Secretariat will devise protocols accordingly, and reflect those protocols in subsequent versions of these Guidelines.

11.   All of the above protocols will be revisited in each replenishment cycle to take into account contemporary changes in available datasets.

Quality Control

12.   The Secretariat implements a series of quality control procedures to ensure rigorous STAR calculations and database management:

> a) data is inputted and cross-checked across STAR team members, including ensuring that any missing data points are correctly filled in according to the protocols described above;
>
> b) each index calculation is carried out independently across multiple team members and reconciled accordingly to avoid errors at all levels of index construction;

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[63] https://gefportal.worldbank.org/
[64] https://www.gefieo.org/data-ratings
[65] https://data.worldbank.org/indicator/NY.GDP.PCAP.CD

c) country allocations are independently simulated across multiple team members and reconciled accordingly to avoid errors in simulation; and

d) STAR simulations have been additionally automated through R programming.

13. As STAR databases and equations become increasingly complex, the GEF will continue to adopt the needed protocols to maintain rigorous quality control. Internal documents on process manuals will be continually updated to reflect changing needs and requirements.

Communication and Information Disclosure

Ensuring Timely Access to Information Regarding STAR Across the GEF Partnership

14. The Secretariat aims to publicly disclose STAR Country Allocations at the onset of the relevant GEF replenishment period. This is done through the GEF website and via email to relevant stakeholders across the GEF Partnership.

Data That Is Restricted from Public Access

15. As much as possible, the STAR databases utilize publicly available information. At present, there is only one dataset that is restricted from public access. As one of the three high-level indices of the STAR, the Country Performance Index (CPI) is a proxy for performance, comprising three sub-indices – proxies for (i) actual performance from GEF projects, (ii) commitment to put in place environmental policy and institutional frameworks, and (iii) governance and financial management. The CPI component of the STAR is a critical counter-balance to the GBI, itself a broad proxy for the potential to generate global environmental benefits from the resource perspective.

16. Data for the latter two sub-indices of the Country Performance Index are obtained from the Country Policy and Institutional Assessment (CPIA) indicators values of the World Bank. Data for IDA countries are publicly available; however, data for IBRD countries are obtained confidentially from the World Bank.

17. When the GEF's first performance-based allocation system (the Resource Allocation Framework or the RAF) was approved in 2005, the GEF Council agreed to the use of CPIA indicators for both IDA and IBRD countries (both groups being eligible in the GEF), with the agreement that the IBRD CPIA indicators will not be publicly disclosed. Paragraph 27 of GEF/C.26/02/Rev.01, *Technical Note on the GEF Resource Allocation Framework*[66] states that "[t]he…Performance Index…and its components will not be disclosed for any country until the World Bank, in accordance with its rules and procedures, can allow CPIA data to be publicly disclosed for all GEF-eligible countries".

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[66] GEF/C.26/02/Rev.01, *Technical Note on the GEF Resource Allocation Framework*, http://www.thegef.org/council-meeting-documents/technical-note-gef-resource-allocation-framework

Notifying Countries of Their Remaining STAR Allocations

18.   Throughout the relevant replenishment period, countries can view their STAR allocations, current utilizations, and remaining amounts via the GEF's IT platform. This information is also available publicly via the country profiles on the GEF website[67].

19.   The Secretariat sends a formal notification to all countries 18 months before the end of the relevant replenishment period reminding them that they have twelve months to formally submit all their project concepts for consideration and potential funding during that replenishment period. Countries are expected to present project concepts to the full value of their STAR country allocations no later than six months before the end of the replenishment period.

Monitoring and Reporting

20.   The Secretariat tracks and reports to the Council on countries' utilization of their STAR allocations, as well as countries' use of flexibility. The Country Profile section of the GEF website shows country allocations and utilization based on the latest funding decisions by the Council and the CEO.

21.   Under full flexibility, the Secretariat will expand the capture and reporting of the OECD-DAC Rio Markers to include those specific to Biodiversity and Desertification and report these twice a year in the Corporate Scorecard on the relevant shares of financing (both principal and significant) related to these thematic areas.

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[67] http://www.thegef.org/country

Introduction

1.   Participants to the eighth replenishment of the GEF Trust Fund (GEF-8) supported the creation of a competitive window in STAR. This window will amount to 8 percent of the STAR Allocation of the 5 top GEF-8 STAR recipient countries.[68] This window will have a thematic focus to encourage country-driven investments that enhance domestic policy coherence while reflecting the national policy landscape and aligning with other national GEF programming.[69]

2.   Based on the experience of other competitive windows operated in the GEF, this Annex articulates the operational guidance for this competitive window. This guidance aims to maximize the potential for achieving the specified outcomes, including the process and options for the selected countries to participate. Further technical details will come in the subsequent Call for Proposals for the programming of these funds. The Secretariat will finalize the Call for Proposals, screen submitted concepts, and invite the full development of projects proposals for approval following the regular GEF project review and approval cycle.

Implementation Modalities

Background and rationale

3.   One of the core principles of the STAR allocation system is that it should continue to adequately serve all recipient countries, catering appropriately to different needs, capabilities and contexts that evolve over time. One of the ways this manifests itself is in the continued focus on the respective shares of GEF resources that are provided to LDCs and SIDS. Another consideration is the share of resources that flows to countries with higher capacities.

4.   In this context, participants to the eighth replenishment discussed the introduction of a small competitive window for the top 5 STAR recipient countries (excluding any SIDS or LDCs), with 8% of their individual STAR allocations put into a competitive pool that they could all access. This will enable the potential for the selected countries to achieve higher impact, capturing more resources than they would otherwise have received with full individual allocations.

5.   The competitive pool will be used by these countries for country-driven investments enhancing policy coherence, which is an important programming objective of GEF-8. Improving coherence within the set of national policies relevant to the global environment can considerably increase both national and global environmental benefits. Improved policy coherence can also greatly enhance domestic resource flows towards the investment required to achieve critical environmental goals and eliminate perverse incentives that conflict with

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[68] The final country list for this competitive window will be confirmed in the GEF-8 STAR allocations, which will be published on July 1st 2022.
[69] GEF/R.08/32, *Revised Policy Recommendations*, https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_32_Revised_Policy_Recommendations.pdf

nature conservation efforts. Domestic policy coherence is an essential component of maximizing the benefits of GEF investments, and in the sustainability of those benefits. This small competitive window will be used in the GEF-8 STAR for a series of country-driven projects that positively impacts on domestic policy coherence in the selected group of high-impact countries.

Eligibility

6.   Proposals must meet the following criteria to be eligible for the competitive window financing:

   a) Country: all top 5 GEF-8 STAR recipient countries (excluding any SIDS or LDCs)[70] are eligible to benefit from this competitive window;

   b) Agency: the GEF will accept proposals submitted by Partner Agencies as described in the Guidelines of Project and Cycle Policy[71];

   c) Modality: medium-sized projects, full-sized projects and programs;

   d) Theme: the competitive pool will aim at encouraging country-driven investments that enhance domestic policy coherence while reflecting the national policy landscape;

   e) Aligning with other national GEF programming. [72]

Resources

7.   Based on the most recent GEF-8 Resource Allocation Table,[73] the total initial envelope of the competitive window is expected to be approximately US$37 million, drawn from 8% of the top 5 STAR recipient countries individual STAR allocations.[74] The actual programming will be determined based on demand and alignment with GEF-8 programming objectives.

Ceilings

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[70] The final country list for this competitive window will be confirmed by the GEF-8 STAR allocations, which will be published on July 1st 2022.

[71] GEF/C.59/Inf.03, *Guidelines on the Project and Program Cycle Policy (2020 Update),* https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update

[72] GEF/R.08/32, *Revised Policy Recommendations*, https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_32_Revised_Policy_Recommendations.pdf

[73] GEF/C.62/03, *Summary of Negotiations of the Eighth Replenishment of the GEF Trust Fund*

[74] The final country list for this competitive window will be confirmed in the GEF-8 STAR allocations, which will be published on July 1st 2022.

8.   According to the lessons learned from other competitive windows[75] and programming experience in the GEF, a ceiling structure of US$9 million per country will be put into place, to ensure equitable access across the competitive cohort. This means a single country can receive maximum US$9 million from this competitive window.

Calls for Proposals

9.   In GEF-8, a Call for Proposals will be published in November 2023 and be considered in the June 2024 Work Program for the 66th Council meeting (see prospective details in Table 1). If there are sufficient resources left after the first call, the Secretariat will schedule a second Call for Proposals.

Application Modality

10.   In line with other GEF competitive windows such as the Challenge Program for Adaptation Innovation and Non-grant Instruments, the competitive window of GEF-8 STAR builds on a pre-selection process and then a formal project review process which follows the GEF Project and Program Cycle Policy and Guidelines[76]. The pre-selection process aims at identifying and prioritizing suitable projects and programs for admissions in the formal project cycle, so that the number and size of the proposals entering the formal cycle matches the funds that are available. After the pre-selection screening, the positively screened projects will be invited to formally submit projects to the GEF Portal and be reviewed by the Secretariat.

11.   Agencies, in consultation with countries, can submit candidate concepts to the GEF Secretariat. The Secretariat will apply the selection criteria (which will be disclosed in the Call for Proposals), including considerations of balance amongst countries and agencies. The Secretariat will then identify those that are invited to be developed further for approval by the GEF Council (full-sized project or program), or by the CEO under delegated authority (medium-sized project).

12.   Due to limited resources, pre-screening results do not guarantee funding; therefore, the pre-selection of a concept is not a guarantee for admission into the competitive window. However, the outcome of the pre-selection process does not preclude any given Agency from submitting a fully-fledged proposal for consideration of admission into the regular work program, financed by the countries' individual STAR allocations.

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[75] GEF/LDCF.SCCF.29/Inf.04/Rev.01, *Progress Report on the Challenge Program for Adaptation Innovation under the Special Climate Change Fund and the Least Developed Countries Fund*, https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.LDCF_.SCCF_.29_Inf.04_Rev.01_Challenge%20%20Program%20Progress%20Report.pdf; *Sixth Call for Proposals, GEF-7 Non-Grant Instrument Program*, https://www.thegef.org/sites/default/files/2021-12/GEF_NGI_program_sixth_call_proposals.pdf

[76] GEF/C.59/Inf.03, *Guidelines on the Project and Program Cycle Policy (2020 Update)*, https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update

13.   All concepts submitted for pre-selection will be screened by the GEF Secretariat. A pre-selection committee of external experts[77] will provide additional (non-binding) reviews and comments.

14.   For each project, an overview on whether the project fits to the GEF-8 programming priorities, eligibility, and the selection criteria[78] will be provided. A score will be assigned to the project based on a matrix of criteria and the top-ranked projects will be invited to submit official project documents, following the GEF Project and Program Cycle Policy and Guidelines.[79]

15.   The GEF Secretariat will conduct the official project review process based on the selection criteria disclosed in the Call for Proposals, which we propose to publish in November 2023, ahead of the June 2024 Work Program (see Table 1 below for the detailed prospective timeline).

16.   If selected, projects will be submitted for approval and subsequent funding by the competitive window. If not selected, GEF Secretariat will send feedback to projects through the GEF portal with an explanation of refusal.

17.   During the final six months of the GEF-8 Replenishment period (by December 2025), any unused resources in the competitive window will be made available to eligible projects and programs for any recipient country at the CEO's discretion, as reflected in paragraph 17 of the STAR Policy with respect to the last six months of the cycle.

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[77] The committee will be selected and disclosed when the calls for proposals are launched.
[78] Ibid.
[79] GEF/C.59/Inf.03, *Guidelines on the Project and Program Cycle Policy (2020 Update),* https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update

Table 1. Prospective Timeline for the GEF-8 STAR competitive window[80]

Date	Major Activities
November 2023	Call for proposals published and sent to GEF Agencies, the GEF Operational Focal Points, Council Members, and made public on the GEF website
January 2024	Closing of Call for Proposals submission to Secretariat and pre-selection screening and communication of screening results
April 2024	Formal submission of projects to the GEF Portal and project review
May 2024	Selected projects[81] to be considered for CEO approval (medium-sized projects) or for the June 2024 Work Program (full-sized projects or programs)
June 2024 Council meeting (dates not yet decided)	Council approval of work program Reporting on the status of the competitive window

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[80] The final timeline will be dependent upon the final date of the 66th Council, which has not yet been established.
[81] Non-selected projects to be submitted through regular programming if the country wishes.