



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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GEF Financing & Project Cycle

GEF Expanded Constituency Workshop

**Tbilisi, Georgia
June 22-24, 2015**

GEF Project Requirements

- ✓ Country ownership – Endorsed by the OFP
- ✓ National priorities
- ✓ GEF Focal Area strategies
- ✓ Global environmental benefits
- ✓ Scientific and technical merit
- ✓ Public participation
- ✓ Alignment with global Conventions
- ✓ Catalytic and leveraging role
- ✓ Financial sustainable and cost-effectiveness
- ✓ Monitoring, evaluation, lessons learned



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GEF Financing Schemes

- Full-Sized Projects (FSPs): GEF financing > \$2 million
- Medium-Sized Projects (MSPs): GEF financing ≤ \$2 million
- Enabling Activities (EAs): max. financing per country set by focal area Convention

Biodiversity	Climate Change	Land Degradation	Chemicals & Waste	
CBD	UNFCCC	UNCCD	Minamata	POPs
Nat'l BD Strategies & Action Plan (\$250K)	Nat'l Communications (\$500K)	TBD at COP12 (\$70K)	Mercury Initial Assessment (\$200K)	Nat'l Implementation Plan (\$250K)
6 th Nat'l Report to CBD (\$30K)	Biennial Update Report (\$352K)		Artisanal & Small Scale Gold Mining Nat'l Action Plan (\$500K)	
3 rd Nat'l Report to Cartagena Protocol (\$20K)				

- Project Preparation Grants (PPGs)

Project Amount (up to)	1M	3M	6M	10M
Max. PPG amount	50K	100K	150K	300K

- Small Grants Program: max. \$50K



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Full-Sized Project Cycle

GEF Council and Secretariat

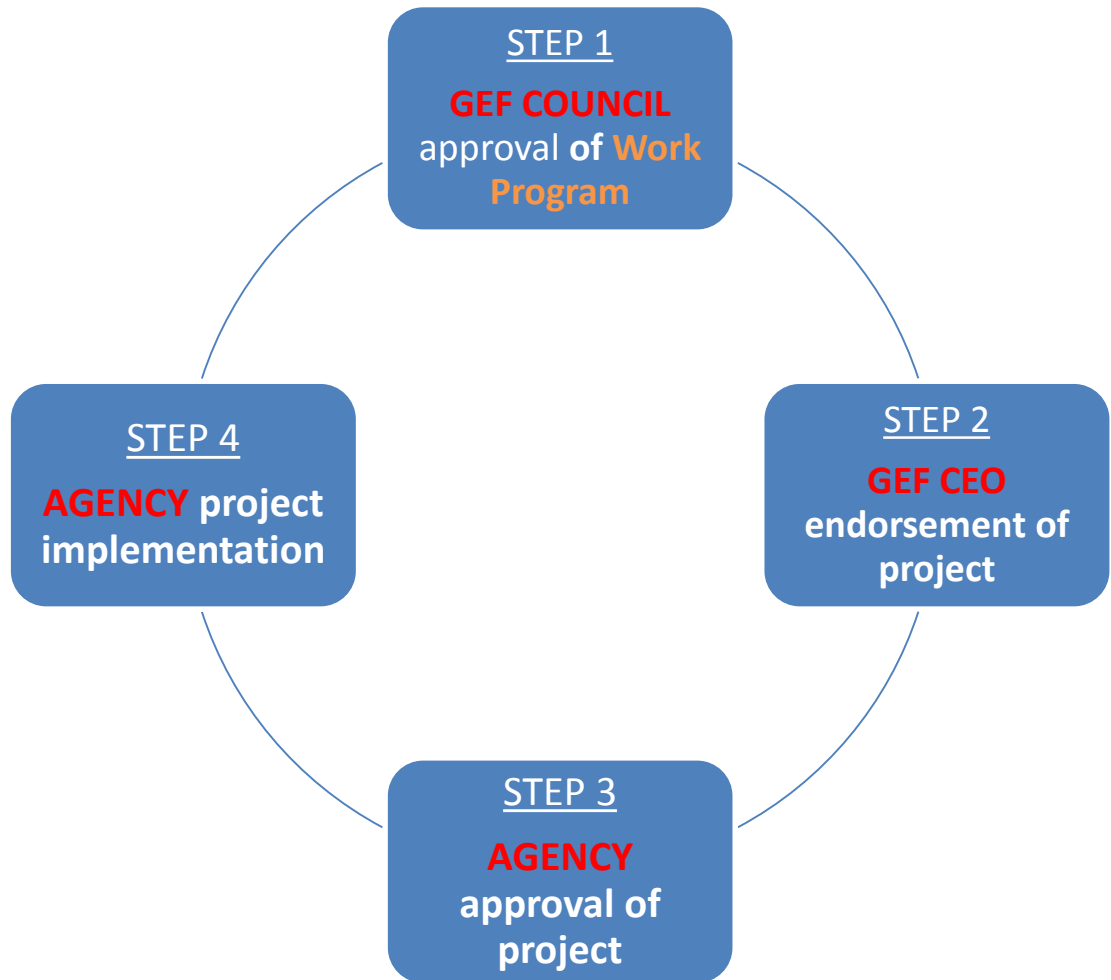
Step 1: Council approval of Work Program (consisting of PIFs cleared by the CEO)

Step 2: CEO endorsement of project

GEF Agency

Step 3: Agency's internal approval of project (which signifies start of project implementation)

Step 4: Project implementation (project completion follows terminal evaluation and financial closure)



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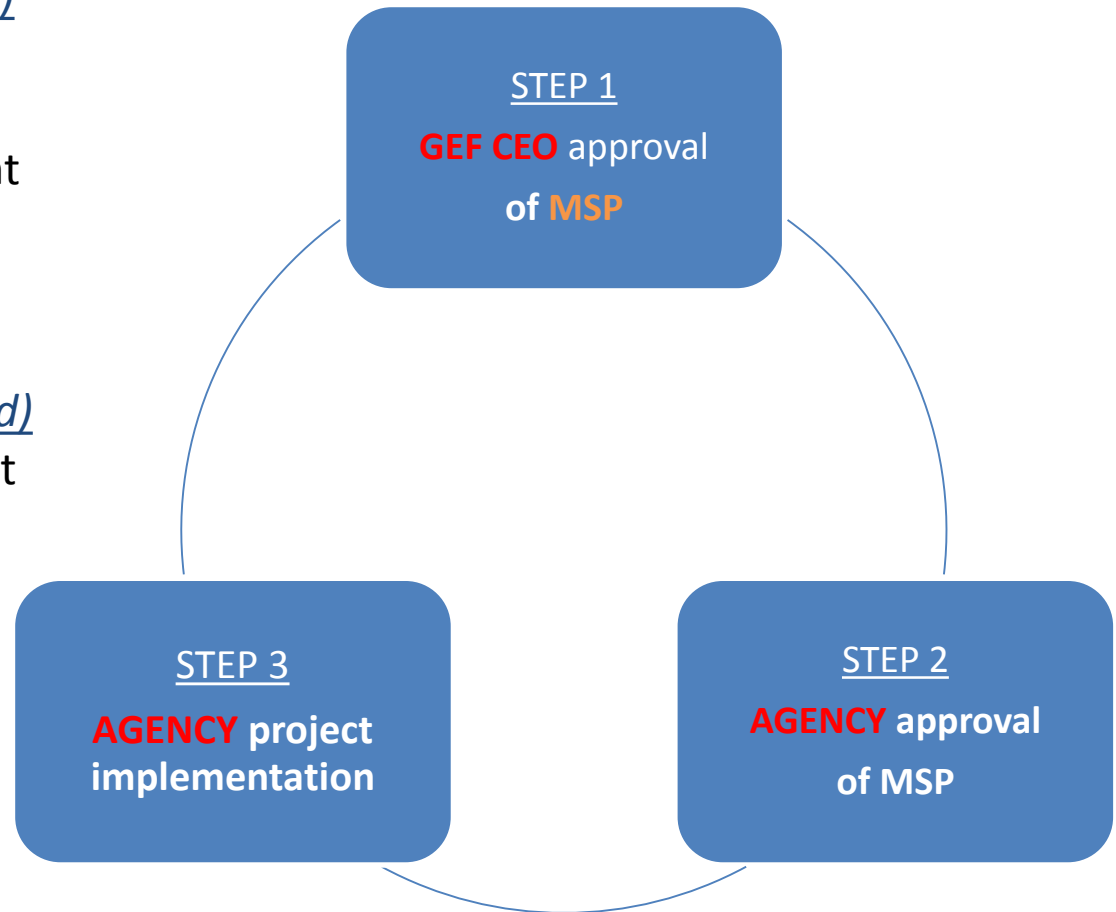
Medium-Sized Project & Enabling Activity Cycle

One-Step Approach (Preferred; EA)

- Step 1: CEO approval of Final MSP request (w/PPG request, if needed) & Project document
- Step 2: Agency internal approval
- Step 3: Project implementation

Two-Step Approach (only if required)

- Step 1: CEO approval of MSP project concept (PIF) submission (w/PPG request, if needed)
- Step 2: CEO approval of Final MSP request and project document
- Step 3: Agency internal approval
- Step 4: Project implementation



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Programmatic Approach Cycle

GEF Council and Secretariat

Step 1: Council approval of Work Program (consisting of PFDs cleared by the CEO)

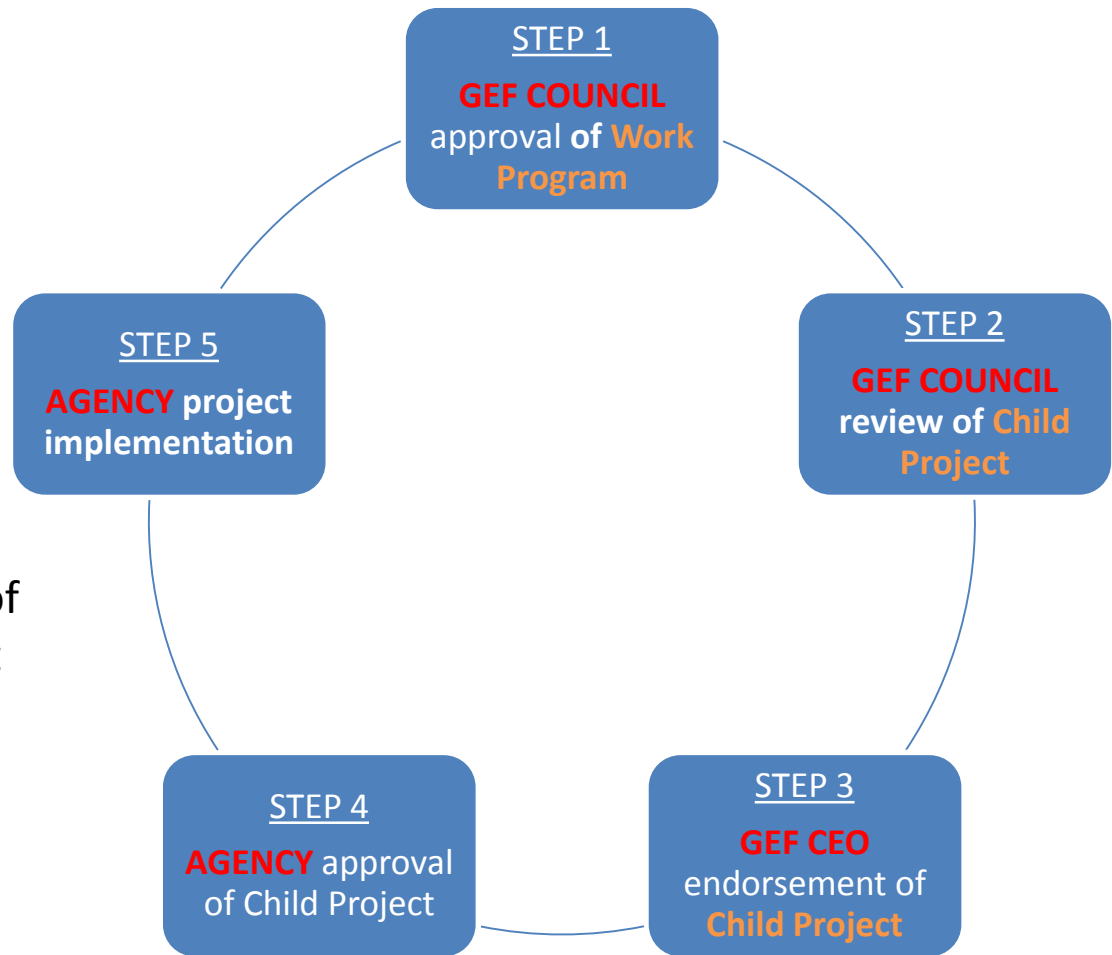
Step 2: Council review of Child Project

Step 3: CEO endorsement of Child Project

GEF Agency

Step 4: Agency's internal approval of project (which signifies start of project implementation)

Step 5: Project implementation (project completion follows terminal evaluation and financial closure)



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Country Endorsement

Endorsement by a National Operational Focal Point (OFP) is required for:

- **PIFs (FSPs)** to enter the Work Program
- **PFDs (PAs)** to enter the Work Program
- **MSP** Requests for CEO approval
- **EA** Requests for CEO approval
- **PPG** Requests (often accompanied with baseline projects)



Note: Biodiversity, climate change, and land degradation focal area projects are subject to STAR resources.



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System for Transparent Allocation of Resources: STAR

Background

- The current mechanism by which GEF resources are allocated to countries in three focal areas – Biodiversity, Climate Change, and Land Degradation
- The Resource Allocation Framework (RAF) was the first PBA for the GEF and adopted for GEF-4
- The STAR updated the RAF and was implemented for GEF-5
- The STAR was recently updated for GEF-6



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Objectives

- STAR aims to allocate scarce GEF resources within and among focal areas in order to:
 - maximise impact on the global environment
 - promote sound environmental policies and practices
 - meet convention requirements
 - match country driven priorities



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GEF-6/STAR Budget Allocations Report

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Country	Is Flexible?	Climate Change	Biodiversity	Land Degradation	Country Total
Tajikistan	True	\$2,000,000	\$1,500,000	\$2,776,009	\$6,276,009
Turkmenistan	False	\$4,987,726	\$1,814,282	\$3,289,095	\$10,091,103
Tunisia	False	\$2,665,583	\$1,500,000	\$5,040,731	\$9,206,314
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Timor Leste	True	\$3,000,000	\$2,000,000	\$1,000,000	\$6,000,000
Turkey	False	\$15,723,835	\$7,140,343	\$4,004,615	\$26,868,793
Trinidad and Tobago	True	\$2,293,687	\$2,784,676	\$1,137,257	\$6,215,620
Tuvalu	True	\$3,000,000	\$2,000,000	\$1,000,000	\$6,000,000
Tanzania	False	\$7,125,943	\$15,901,251	\$6,064,534	\$29,091,728
Ukraine	False	\$14,743,698	\$1,500,000	\$3,072,870	\$19,316,568
Uganda	False	\$3,765,683	\$4,010,540	\$2,223,080	\$9,999,303
Uruguay	True	\$2,681,284	\$2,038,153	\$613,390	\$5,332,827

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Calculating STAR allocations

1

- Determine Available Focal Area Funds

2

- Calculate “Country Scores”

3

- Calculate Preliminary Country Allocations

4

- Adjust for Floors and Ceilings

5

- Obtain Final Allocations

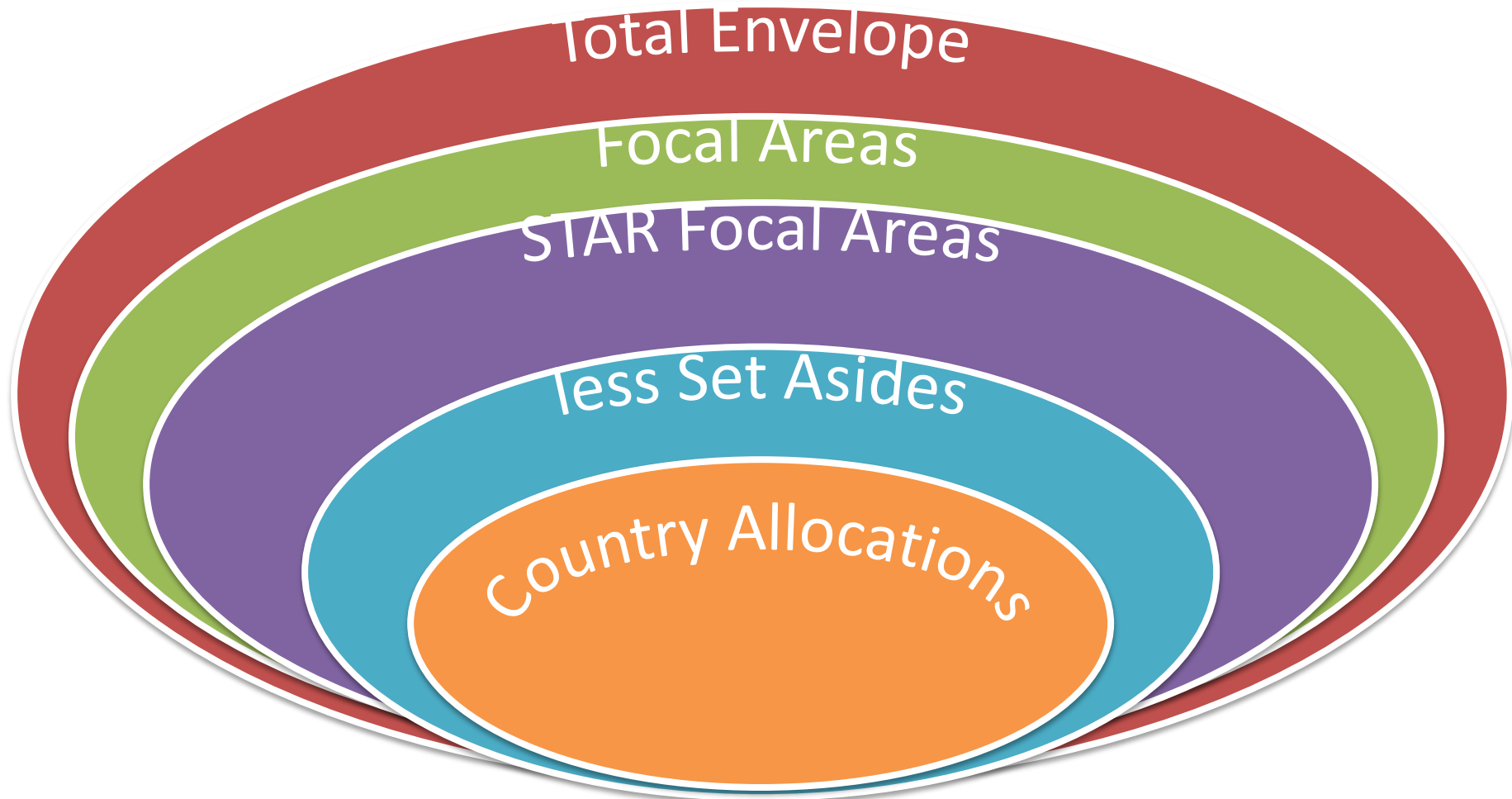
6

- Determine post-allocation Flexibilities



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Available Focal Area Funds



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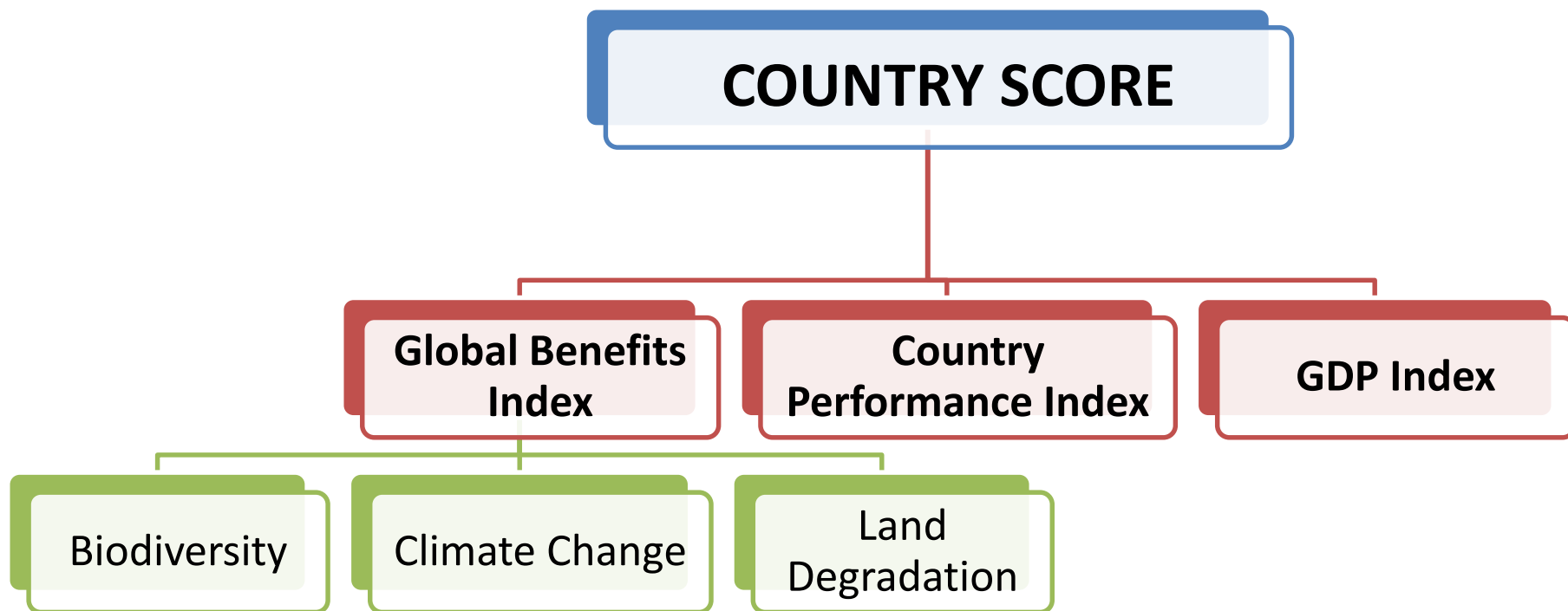
The main indices

- Global Benefits Index: measures a country's relative share of GEF potential benefits that can be generated by a fixed amount of resource input into a focal area
- Country Performance Index: measures a country's performance and capacity to deliver potential global environmental benefits *****
- GDP Index: designed to increase allocation of countries with a low GDP per capita



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The country score



$$\text{Country Score} = \text{GBI}^{0.8} \text{CPI}^{1.0} \text{GDP}^{-0.08}$$



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Preliminary country allocations

- Country Share =
$$\text{Country Score} / \text{Sum of Country Scores for all eligible countries}$$
- Preliminary Allocation =
$$\text{Country Share} * \text{Available Focal Area Funds}$$



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Approximate Calculation: Trinidad and Tobago

	<i>BIODIVERSITY</i>	<i>CLIMATE CHANGE</i>	<i>LAND DEGRADATION</i>
<i>GBI</i>	0.21	0.12	0.30
<i>CPI</i>	3.65		
<i>GDPI</i>	17934.06		
<i>COUNTRY SCORE</i> <i>(GBI^{0.8} CPI^{1.0} GDP^{-0.08})</i>	0.48	0.306	0.63
<i>SUM OF COUNTRY SCORES</i>	174.45	147.30	189.39
<i>COUNTRY SHARE</i>	0.002753	0.00208	0.00333
<i>FOCAL AREA ALLOCATION</i>	1051	941	346
<i>PRELIMINARY COUNTRY ALLOCATION</i>	2.89	1.96	1.15
<i>FINAL COUNTRY ALLOCATION</i>	2.78	2.29	1.14
TOTAL ALLOCATION = 6.22 MILLION (FULLY FLEXIBLE COUNTRY)			



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Floors and Ceilings

Focal Area	Floor for LDCs	Floor for Non LDCs	Ceiling %	Ceilings (US Mn)
Climate Change	3	2	10%	126
Biodiversity	2	1.5	10%	129.6
Land Degradation	1	0.5	10%	43.1



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Final allocations

- Adjustments for floors and ceilings mean there is a surplus or deficit relative to the preliminary allocation
- This is then allocated among countries using the country scores
- Process iterates until the full amount has been allocated among countries



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Flexibilities and marginal adjustment

- Flexibilities relate to the utilization(not allocation) of GEF resources
- Countries are allowed to adjust their focal area allocations (but not their total envelope)

Total Allocation X	Allowed Marginal Adjustment
$X \leq 7$ million	unlimited
$X > 7$ million	2 million



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Bosnia-Herzegovina	True	1,500,000	2,000,000	728,888	4,228,888
Georgia	True	1,500,000	2,000,000	2,141,419	5,641,419
Macedonia	True	1,500,000	2,000,000	2,610,487	6,110,487
Moldova	False	1,500,000	2,000,000	5,488,575	8,988,575
Montenegro	True	1,500,000	2,000,000	745,219	4,245,219
Serbia	True	1,500,000	3,458,626	770,304	5,728,930
Ukraine	False	1,500,000	14,743,698	3,072,870	19,316,568



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Thank You



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