



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

www.theGEF.org

The GEF-7 System of Transparent Allocation of Resources (STAR)

Naiying Peng

GEF Introduction Seminar

22 January – 23 January, 2019

Washington D.C.

Background

- The mechanism by which GEF resources are allocated to countries in three focal areas – Biodiversity, Climate Change, and Land Degradation
- 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



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Country	Climate Change	Biodiversity	Land Degradation	Total	Fully Flexible	Marginal Adjustment ⁶
Senegal	1.50	4.45	5.19	11.14	no	2.00
Serbia	1.47	2.00	1.00	4.47	yes	
Seychelles	1.00	4.59	1.00	6.59	yes	
Sierra Leone	1.50	3.00	1.50	6.00	yes	
Solomon Islands	1.50	7.31	1.50	10.31	no	2.00
Somalia	1.68	7.31	4.70	13.69	no	2.00
South Africa	10.15	23.83	4.12	38.11	no	4.95
South Sudan	1.50	3.00	1.50	6.00	yes	
Sri Lanka	1.00	8.15	1.70	10.85	no	2.00
Sudan	1.50	3.00	2.87	7.37	no	2.00
Suriname	1.00	2.00	1.00	4.00	yes	
Swaziland	1.00	2.00	2.67	5.67	yes	
Syrian Arab Republic	1.15	2.00	3.10	6.24	yes	
Tajikistan	1.00	2.00	2.73	5.73	yes	
Thailand	7.36	9.60	1.61	18.56	no	2.41
The former Yugoslav Republic of Macedonia	1.00	2.00	2.18	5.18	yes	
Timor-Leste	1.50	3.00	1.50	6.00	yes	
Togo	1.50	3.00	2.73	7.23	no	2.00
Tonga	1.00	2.89	1.00	4.89	yes	
Trinidad and Tobago	1.05	2.07	1.16	4.27	yes	

Calculating STAR Allocations

1

- Available Focal Area Funds

2

- Calculate “Country Scores”

3

- Calculate Preliminary Country Allocations

4

- Adjust for Floors and Ceilings

5

- Obtain Final Allocations

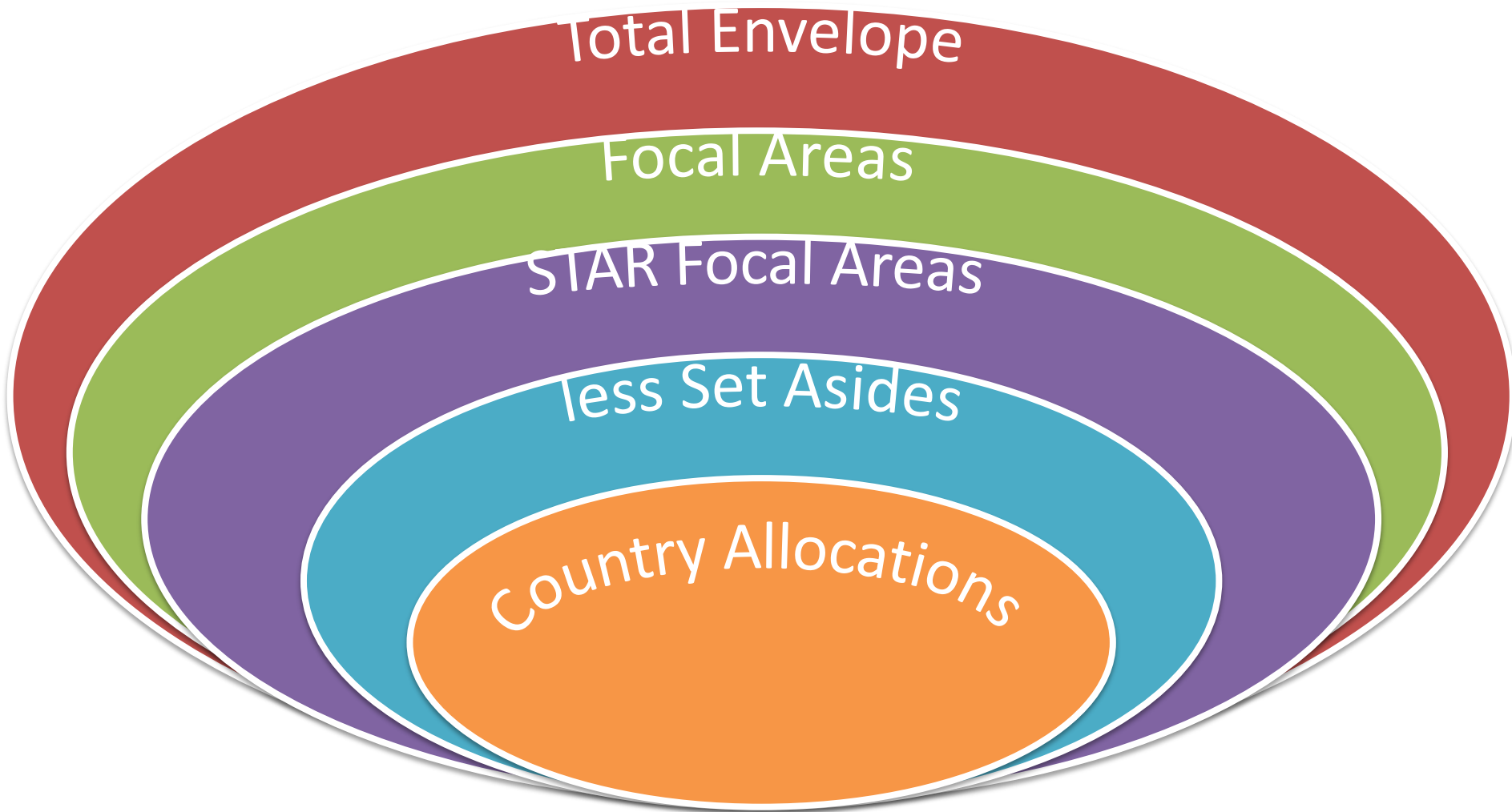
6

- Determine post-allocation Flexibilities



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Available Focal Area Funds



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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

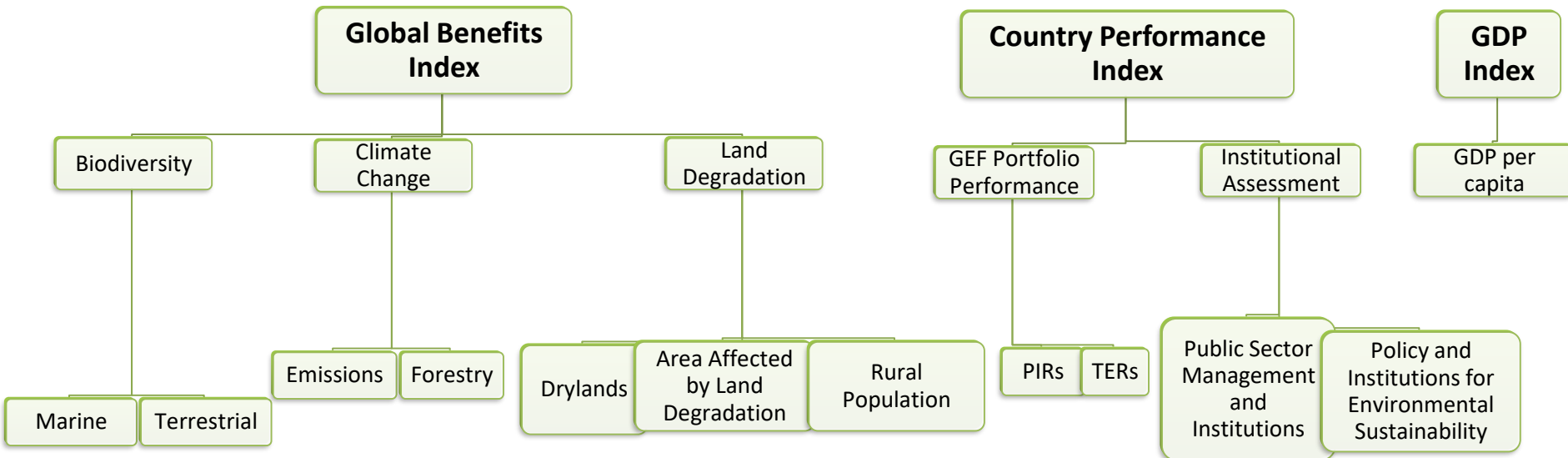
6

- Determine post-allocation Flexibilities



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

The STAR Indices



$$\text{Country Score} = \text{GBI}^{0.8} \text{CPI}^{1.0} \text{GDP}^{-0.12}$$



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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



Preliminary Country Allocations

- **Country Share** =

Country Score / Sum of Country Scores for all eligible countries

- Preliminary Allocation =

Country Share * Available Focal Area Funds



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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



Floors and Ceilings

Focal Area	Floor for LDCs (US Mn)	Floor for Non LDCs (US Mn)	Ceiling %	Ceilings (US Mn)
Climate Change	1.5	1	10%	80.15
Biodiversity	3	2	10%	129.20
Land Degradation	1.5	1	10%	47.52
TOTAL	6	4		



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



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

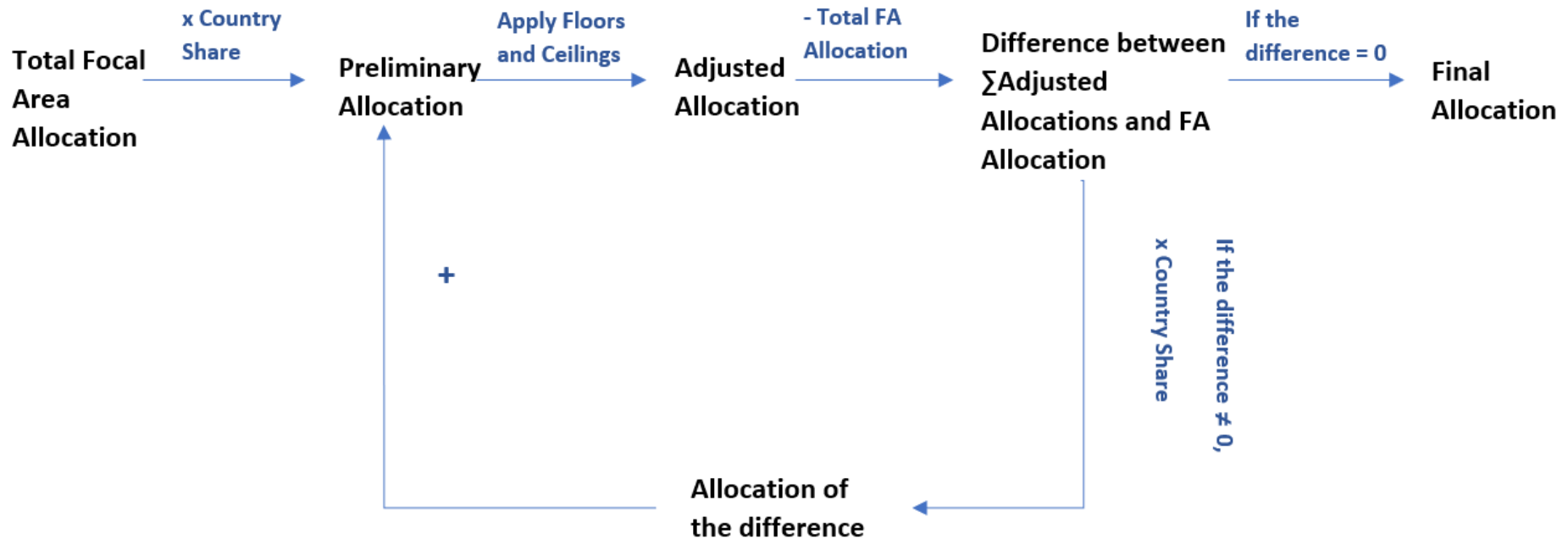
Final Allocations

- 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



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

The STAR Calculation Process



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



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Flexibilities and Marginal Adjustments

- 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 (“fully flexible”)
$X > 7$ million	US\$2 million or up to 13% of their total initial STAR country allocations, whichever is higher.



Approximate Calculation: Trinidad and Tobago

	<i>BIODIVERSITY</i>	<i>CLIMATE CHANGE</i>	<i>LAND DEGRADATION</i>
<i>GBI</i>	0.15	0.09	0.31
<i>CPI</i>	4.01		
<i>GDPI</i>	17321.88		
<i>COUNTRY SCORE (GBI^{0.8} CPI^{1.0} GDP^{-0.08})</i>	0.27	0.19	0.48
<i>SUM OF COUNTRY SCORES</i>	125.22	98.44	136.95
<i>COUNTRY SHARE</i>	0.0022	0.0019	0.0035
<i>FOCAL AREA ALLOCATION</i>	1031.25	511.00	354.06
<i>PRELIMINARY COUNTRY ALLOCATION</i>	2.23	0.97	1.25
<i>FINAL COUNTRY ALLOCATION</i>	2.07	1.05	1.16
TOTAL ALLOCATION = 4.27 MILLION (FULLY FLEXIBLE COUNTRY)			



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Country	Climate Change	Biodiversity	Land Degradation	Total	Fully Flexible	Marginal Adjustment ⁶
Senegal	1.50	4.45	5.19	11.14	no	2.00
Serbia	1.47	2.00	1.00	4.47	yes	
Seychelles	1.00	4.59	1.00	6.59	yes	
Sierra Leone	1.50	3.00	1.50	6.00	yes	
Solomon Islands	1.50	7.31	1.50	10.31	no	2.00
Somalia	1.68	7.31	4.70	13.69	no	2.00
South Africa	10.15	23.83	4.12	38.11	no	4.95
South Sudan	1.50	3.00	1.50	6.00	yes	
Sri Lanka	1.00	8.15	1.70	10.85	no	2.00
Sudan	1.50	3.00	2.87	7.37	no	2.00
Suriname	1.00	2.00	1.00	4.00	yes	
Swaziland	1.00	2.00	2.67	5.67	yes	
Syrian Arab Republic	1.15	2.00	3.10	6.24	yes	
Tajikistan	1.00	2.00	2.73	5.73	yes	
Thailand	7.36	9.60	1.61	18.56	no	2.41
The former Yugoslav Republic of Macedonia	1.00	2.00	2.18	5.18	yes	
Timor-Leste	1.50	3.00	1.50	6.00	yes	
Togo	1.50	3.00	2.73	7.23	no	2.00
Tonga	1.00	2.89	1.00	4.89	yes	
Trinidad and Tobago	1.05	2.07	1.16	4.27	yes	

Question 1

Country A has the following STAR allocations:

Biodiversity = 4 million

Climate Change = 4 million

Land Degradation = 2 million

- (a) Does this country have full flexibility in the use of its resources? Why, or why not?
- (b) Is this country allowed any marginal adjustment across focal areas? If so, how much?



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Question 2

Country B has the following STAR allocations:

Biodiversity = 2 million

Climate Change = 2 million

Land Degradation = 1 million

- (a) Does this country have full flexibility in the use of its resources? Why, or why not?
- (b) Is this country allowed any marginal adjustment across focal areas? If so, how much?



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Thank You



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET