

53<sup>rd</sup> GEF Council Meeting  
November 28 – 30, 2017  
Washington, D.C.

## **UPDATE ON GEF-6 RESOURCE AVAILABILITY**

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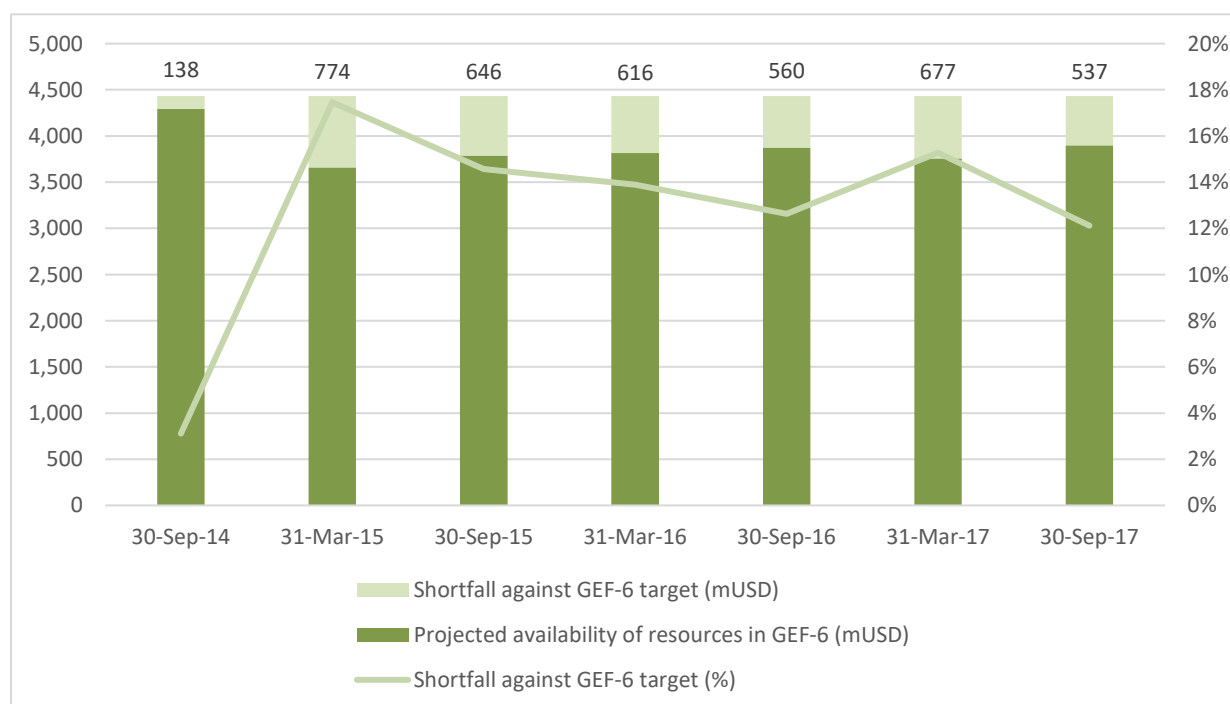
## INTRODUCTION

1. Taking note of the decline in the projected availability of funds as measured against the GEF-6 replenishment target, the Council, at its 51<sup>st</sup> meeting in October 2016, having reviewed document GEF/C.51/04, Update on GEF-6 Resource Availability, agreed that "the Secretariat undertake programming aiming to maintain the balance among the original allocations in the GEF-6 replenishment decision, assisting least developed countries and small island developing states in accessing resources, and supporting core obligations to the conventions for which the GEF is a or the financial mechanism" (Joint Summary of the Chairs: 51<sup>st</sup> GEF Council Meeting, October 25-27, 2016). The Council further requested the Secretariat to "provide updates on the projected indicative shortfall at subsequent Council meetings" (Highlights of the Council's Discussions: 51st GEF Council Meeting, October 25-27, 2016). This paper provides an update on GEF-6 resource availability as of September 30, 2017.

## UPDATE ON RESOURCES AVAILABLE FOR PROGRAMMING IN GEF-6

2. The US dollar has appreciated significantly against all major currencies since reference exchange rates were set for GEF-6. In the last progress report presented at the 52<sup>nd</sup> Council meeting, the Trustee projected a shortfall of USD 677 million as of March 31, 2017. As of September 30, 2017, the projected shortfall was USD 537 million, equivalent to 12% against the replenishment target of USD 4,434 million. The below chart presents the evolution of the projected shortfall since September 2014.

**Chart 1: Projected availability of resources in GEF-6 against the replenishment target (US\$ million)**



3. As illustrated above, the magnitude of the projected shortfall is shifting continually with changes in the value of the US dollar against other major currencies.

#### **STATUS OF GEF-6 PROGRAMMING**

4. With the funds requested for the November 2017 Work Program, total GEF-6 utilization would reach USD 3,325 million or 75% of the original target envelope of USD 4,434 million. With a projected shortfall of USD 537 million as of 30 September 2017, utilization would reach 85% of the projected resources available for programming in GEF-6. Annex 1 presents the utilization rate and revised targets for each GEF-6 programming line, based on the projected funds available, and taking into account the Council's decision to maintain the balance among the original allocations in the GEF-6 replenishment decision, and the need to secure adequate funding to support core obligations under the conventions for which the GEF is a or the financial mechanism.

#### **NEXT STEPS**

5. The Secretariat and the Trustee will continue to work together to ensure that programming is based on accurate and up-to-date projections of the funds available. Moreover, the Secretariat will work with Agencies and countries to ensure the last work program of GEF-6 adheres to the approach set out in the Council's decision at its 51<sup>st</sup> meeting (see Paragraph 1 above).

6. In accordance with the Operational Procedures for STAR, the Secretariat sent on December 31, 2016 a formal notification to all countries reminding them that they have twelve months to submit all their project concepts for consideration and potential funding under GEF-6. For the final GEF-6 Work Program in 2018, the CEO may – if necessary – reallocate any unused STAR resources within focal areas, and propose to the Council any reallocation of unused STAR resources across focal areas. (GEF/C.46/05/Rev.01, *Proposal for the System of Transparent Allocation of Resources [STAR] for GEF-6*)

**ANNEX 1: PROJECTED RESOURCE ENVELOPE AS OF SEPTEMBER 30, 2017**

Focal area/Theme	Original GEF-6 Targets (US\$ million)	Percentage Reduction of Original Targets	Absolute Reduction of Original Targets (US\$ million)	Revised Targets, US\$3,897 million	Total Utilizations including November 2017 WP (US\$ million)	Utilization Percentage against Original Targets	Utilization Percentage against Revised Targets	Remaining against Revised Targets (US\$ million)
Biodiversity Country Allocation	1,051	16%	166	885	772	73%	87%	114
Biodiversity Set-Aside	50	0%	-	50	41	83%	83%	9
Climate Change Country Allocation	941	16%	149	792	611	65%	77%	181
Climate Change Set-Aside	189	0%	-	189	87	46%	46%	102
Land Degradation Country Allocation	346	16%	55	291	275	79%	94%	17
Land Degradation Set-Aside	25	0%	-	25	12	50%	50%	13
Chemicals and Waste	554	16%	87	467	449	81%	96%	18
International Waters	456	16%	72	384	303	66%	79%	81
Non-Grant Pilot	110	1%	1	109	109	99%	100%	-
Country Support Program (CSP)	23	0%	-	23	16	70%	70%	7
Cross Cutting Capacity Development (CCCD)	34	16%	5	29	26	77%	91%	2
Small Grant Programme	140	0%	-	140	140	100%	100%	-
SFM Program	230	1%	3	227	227	99%	100%	-
IAP-Commodities	45	0%	-	45	45	99%	99%	0
IAP-Cities	55	0%	-	55	55	100%	100%	(0)
IAP-Food Security	60	0%	-	60	60	100%	100%	0
Corporate Budget	125	0%	-	125	97	77%	77%	28
<b>TOTAL GEF-6 Replenishment</b>	<b>4,434</b>	<b>12%</b>	<b>537</b>	<b>3,897</b>	<b>3,325</b>	<b>75%</b>	<b>85%</b>	<b>572</b>