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

Asia ECW
April 23-26, 2019
Ulaanbaatar, Mongolia

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



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ASIA GEF-7 STAR ALLOCATIONS BY COUNTRY

Country	Climate Change	Biodiversity	Land Degradation	Total	Fully Flexible	Marginal Adjustment*
Bangladesh	2.16	3	1.5	6.66	yes	0
Bhutan	1.5	3	1.5	6	yes	0
Cambodia	1.5	3.42	1.5	6.42	yes	0
China	80.15	33.85	4.38	118.38	no	15.39
India	47.24	34.02	4.36	85.61	no	11.13
Lao	1.5	5.07	1.5	8.07	no	2
Maldives	1	2.44	1	4.44	yes	
Malaysia	5.77	15.18	1	21.95	no	2.85
Mongolia	2.35	3.39	3.34	9.09	no	2
Myanmar	4.26	9.84	1.5	15.59	no	2.03
Nepal	1.5	3.75	1.77	7.03	no	2
Pakistan	5.93	3.81	4.36	14.1	no	2
Sri Lanka	1	8.15	1.7	10.85	no	2
Thailand	7.36	9.6	1.61	18.56	no	2.41
Viet Nam	3.62	13	1.39	18.01	no	2.34
Asia STAR totals:	166.84	151.52	32.41	350.76		

**This represents the marginal adjustments allowed for countries with total initial STAR country allocations exceeding US\$7 million, at US\$2 million or 13% of their total initial STAR country allocations, whichever is higher.*



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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

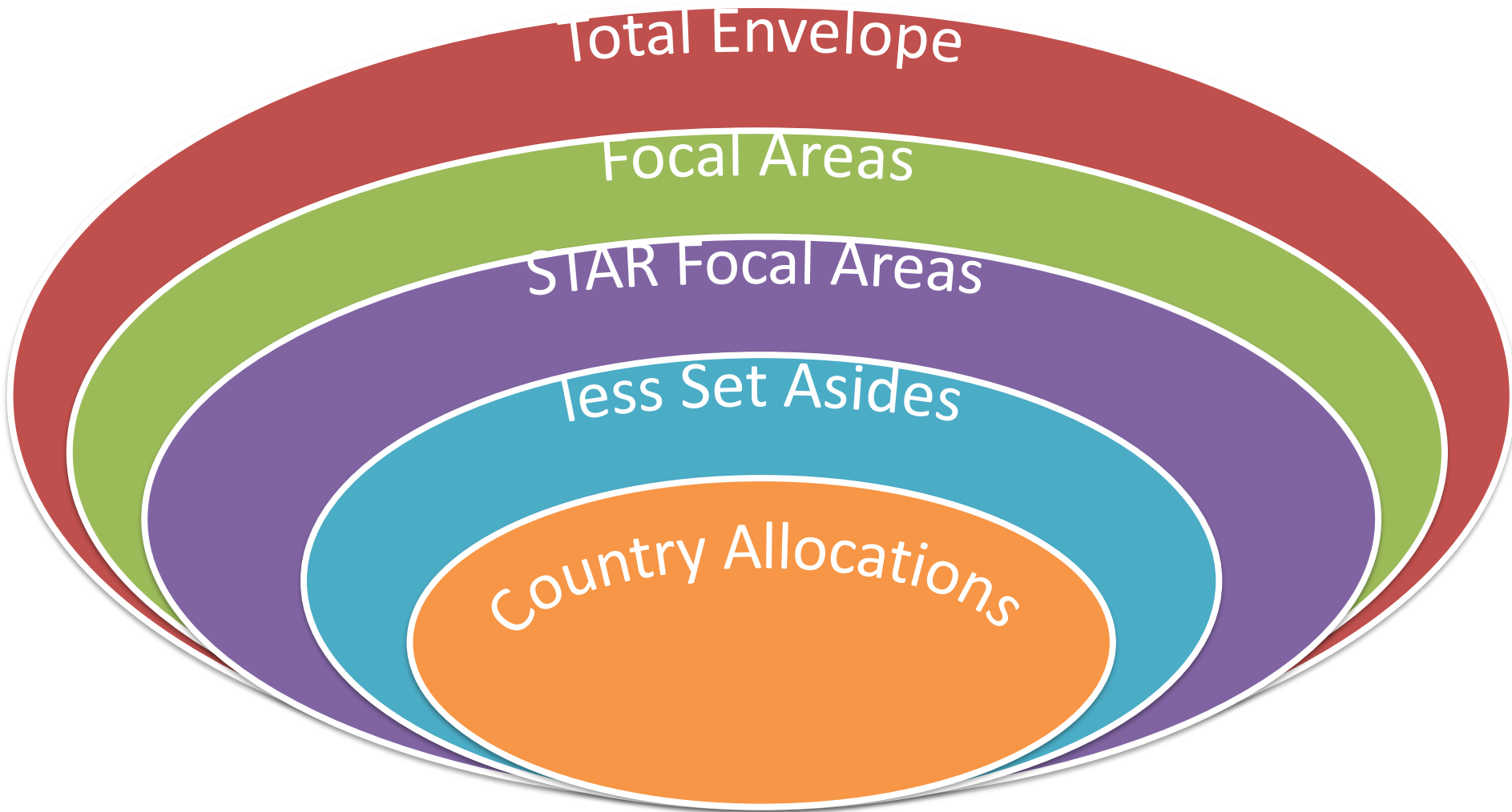
6

- Determine post-allocation Flexibilities



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Available Focal Area Funds



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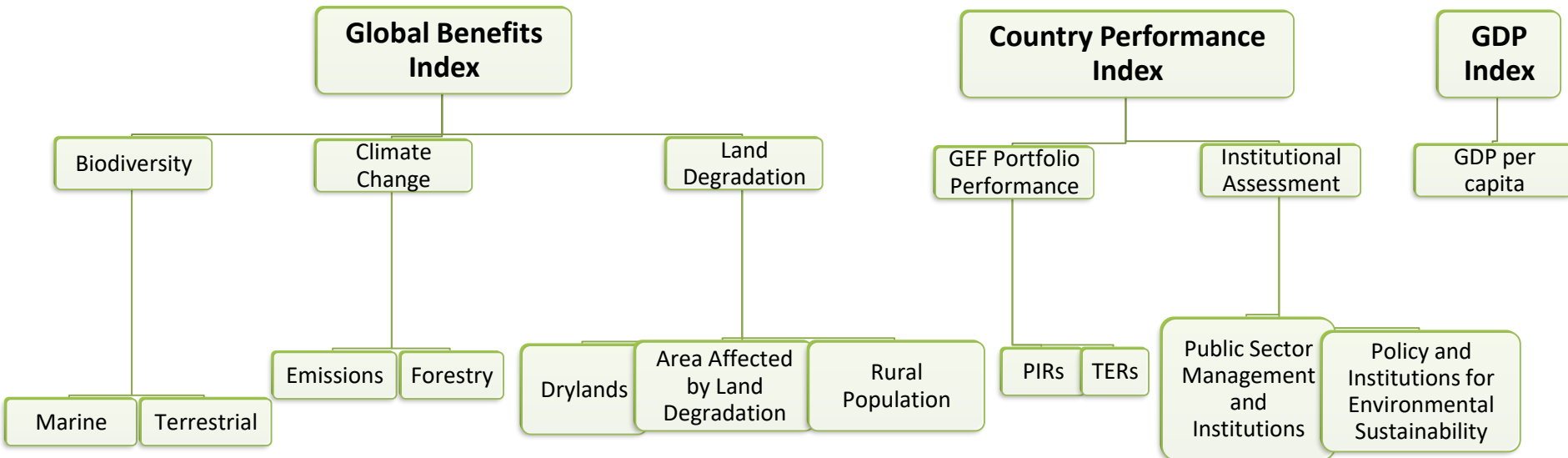
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The STAR Indices



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



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Preliminary Country Allocations

- **Country Share** =

Country Score / Sum of Country Scores for all eligible countries

- Preliminary Allocation =

Country Share * Available Focal Area Funds



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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		



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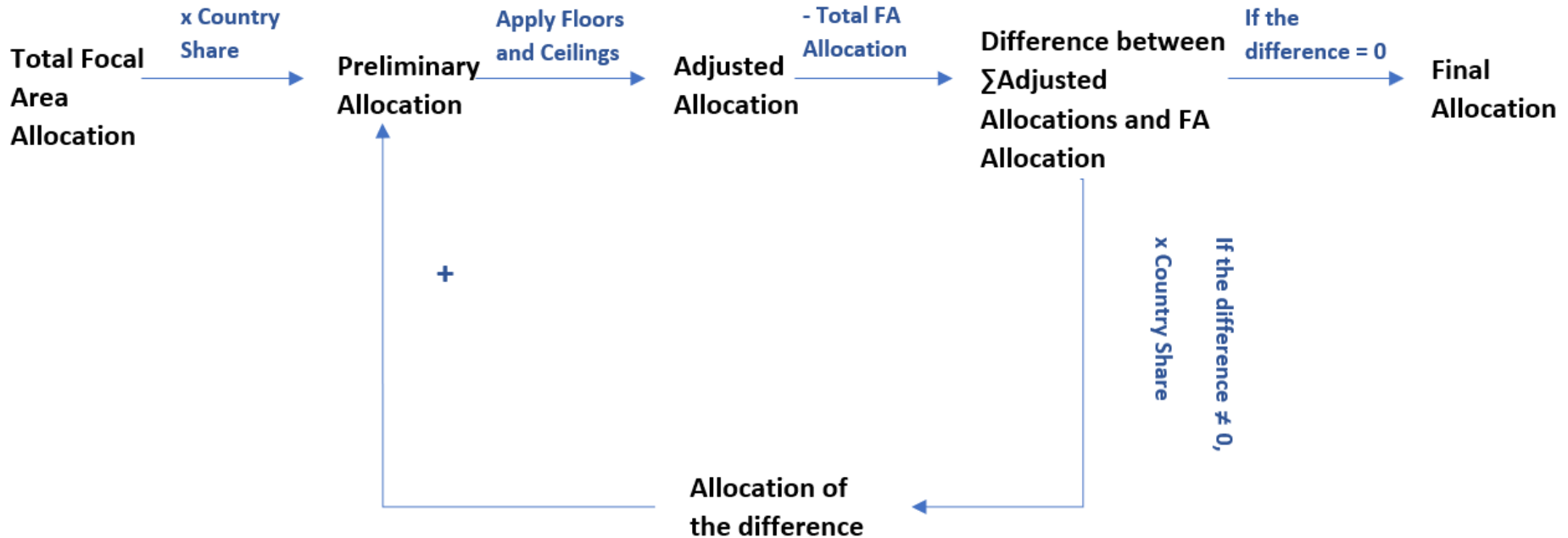
Final Allocations

- 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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The STAR Calculation Process



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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.



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?



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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?



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