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

GEF Expanded Constituency Workshop
Sharm El-Sheikh, Egypt
October 2019
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 in order to:
  ➢ maximize impact on the global environment
  ➢ promote sound environmental policies and practices
  ➢ meet Convention requirements
  ➢ match country-driven priorities
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
Available Focal Area Funds

Total Envelope

Focal Areas

STAR Focal Areas

Less Set Asides

Country Allocations
Calculating STAR Allocations

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The STAR Indices

**Global Benefits Index**
- Biodiversity
- Climate Change
- Emissions
- Forestry
- Marine
- Terrestrial

**Country Performance Index**
- Land Degradation
- GEF Portfolio Performance
- PIRs
- TERs
- Rural Population
- Area Affected by Land Degradation
- Public Sector Management and Institutions
- Policy and Institutions for Environmental Sustainability

**GDP Index**
- GDP per capita

**Country Score** = $GBI^{0.8} \times CPI^{1.0} \times GDP^{-0.12}$
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Preliminary Country Allocations

- **Country Share** = 
  
  \[
  \text{Country Score} / \text{Sum of Country Scores for all eligible countries}
  \]

- **Preliminary Allocation** = 
  
  \[
  \text{Country Share} \times \text{Available Focal Area Funds}
  \]
Calculating STAR Allocations

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# Floors and Ceilings

<table>
<thead>
<tr>
<th>Focal Area</th>
<th>Floor for LDCs (US$ million)</th>
<th>Floor for non-LDCs (US$ million)</th>
<th>Ceiling %</th>
<th>Ceilings (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change</td>
<td>1.5</td>
<td>1</td>
<td>10%</td>
<td>80.15</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>3</td>
<td>2</td>
<td>10%</td>
<td>129.20</td>
</tr>
<tr>
<td>Land Degradation</td>
<td>1.5</td>
<td>1</td>
<td>10%</td>
<td>47.52</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6</strong></td>
<td><strong>4</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Calculating STAR Allocations

1. Determine Available Focal Area Funds
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3. Calculate Preliminary Country Allocations
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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.
Calculating STAR Allocations

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Flexibilities and Marginal Adjustments

- Flexibilities relate to the utilization of GEF resources.

<table>
<thead>
<tr>
<th>If total STAR allocation is...</th>
<th>Allowed Marginal Adjustment is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>...less or equal to $7 million</td>
<td>Unlimited (“fully flexible”)</td>
</tr>
<tr>
<td>...larger than $7 million</td>
<td>$2 million or up to 13% of their total STAR allocations.</td>
</tr>
</tbody>
</table>
## Example: Trinidad et Tobago

<table>
<thead>
<tr>
<th></th>
<th>BIODIVERSITE</th>
<th>CHANGEMENT CLIMATIQUE</th>
<th>DEGRADATION DE LA TERRE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GBI</strong></td>
<td>0.15</td>
<td>0.09</td>
<td>0.31</td>
</tr>
<tr>
<td><strong>CPI</strong></td>
<td></td>
<td></td>
<td>4.01</td>
</tr>
<tr>
<td><strong>GDPI</strong></td>
<td></td>
<td></td>
<td>17321.88</td>
</tr>
<tr>
<td><strong>COUNTRY SCORE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>((GBI^{0.8} \times CPI^{1.0} \times GDP^{-0.08}))</td>
<td>0.27</td>
<td>0.19</td>
<td>0.48</td>
</tr>
<tr>
<td><strong>SUM OF COUNTRY SCORES</strong></td>
<td>125.22</td>
<td>98.44</td>
<td>136.95</td>
</tr>
<tr>
<td><strong>COUNTRY SHARE</strong></td>
<td>0.0022</td>
<td>0.0019</td>
<td>0.0035</td>
</tr>
<tr>
<td><strong>FOCAL AREA ALLOCATION</strong></td>
<td>1031.25</td>
<td>511.00</td>
<td>354.06</td>
</tr>
<tr>
<td><strong>PRELIMINARY COUNTRY ALLOCATION</strong></td>
<td>2.23</td>
<td>0.97</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>FINAL COUNTRY ALLOCATION</strong></td>
<td>2.07</td>
<td>1.05</td>
<td>1.16</td>
</tr>
<tr>
<td><strong>TOTAL ALLOCATION = 4.27 MILLION (FULLY FLEXIBLE COUNTRY)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Climate Change</td>
<td>Biodiversity</td>
<td>Land Degradation</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------</td>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1.50</td>
<td>3.00</td>
<td>4.43</td>
</tr>
<tr>
<td>Jordan</td>
<td>1.18</td>
<td>2.00</td>
<td>3.45</td>
</tr>
<tr>
<td>Iraq</td>
<td>3.55</td>
<td>2.00</td>
<td>3.13</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1.00</td>
<td>2.00</td>
<td>2.50</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5.93</td>
<td>3.81</td>
<td>4.36</td>
</tr>
<tr>
<td>Syria</td>
<td>1.15</td>
<td>2.00</td>
<td>3.10</td>
</tr>
<tr>
<td>Yemen</td>
<td>1.50</td>
<td>5.64</td>
<td>2.19</td>
</tr>
<tr>
<td>Country</td>
<td>Climate Change</td>
<td>Biodiversity</td>
<td>Land Degradation</td>
</tr>
<tr>
<td>---------</td>
<td>----------------</td>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Algeria</td>
<td>4.18</td>
<td>3.46</td>
<td>2.08</td>
</tr>
<tr>
<td>Egypt</td>
<td>5.93</td>
<td>4.18</td>
<td>1.67</td>
</tr>
<tr>
<td>Libya</td>
<td>1.78</td>
<td>2.00</td>
<td>1.11</td>
</tr>
<tr>
<td>Morocco</td>
<td>2.49</td>
<td>3.48</td>
<td>4.44</td>
</tr>
<tr>
<td>Tunisia</td>
<td>1.29</td>
<td>2.00</td>
<td>4.32</td>
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<tr>
<td>Turkey</td>
<td>7.25</td>
<td>4.53</td>
<td>3.59</td>
</tr>
<tr>
<td>Iran</td>
<td>4.85</td>
<td>3.17</td>
<td>2.87</td>
</tr>
</tbody>
</table>
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?
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?
THANK YOU!