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

GEF Expanded Constituency Workshop

# 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



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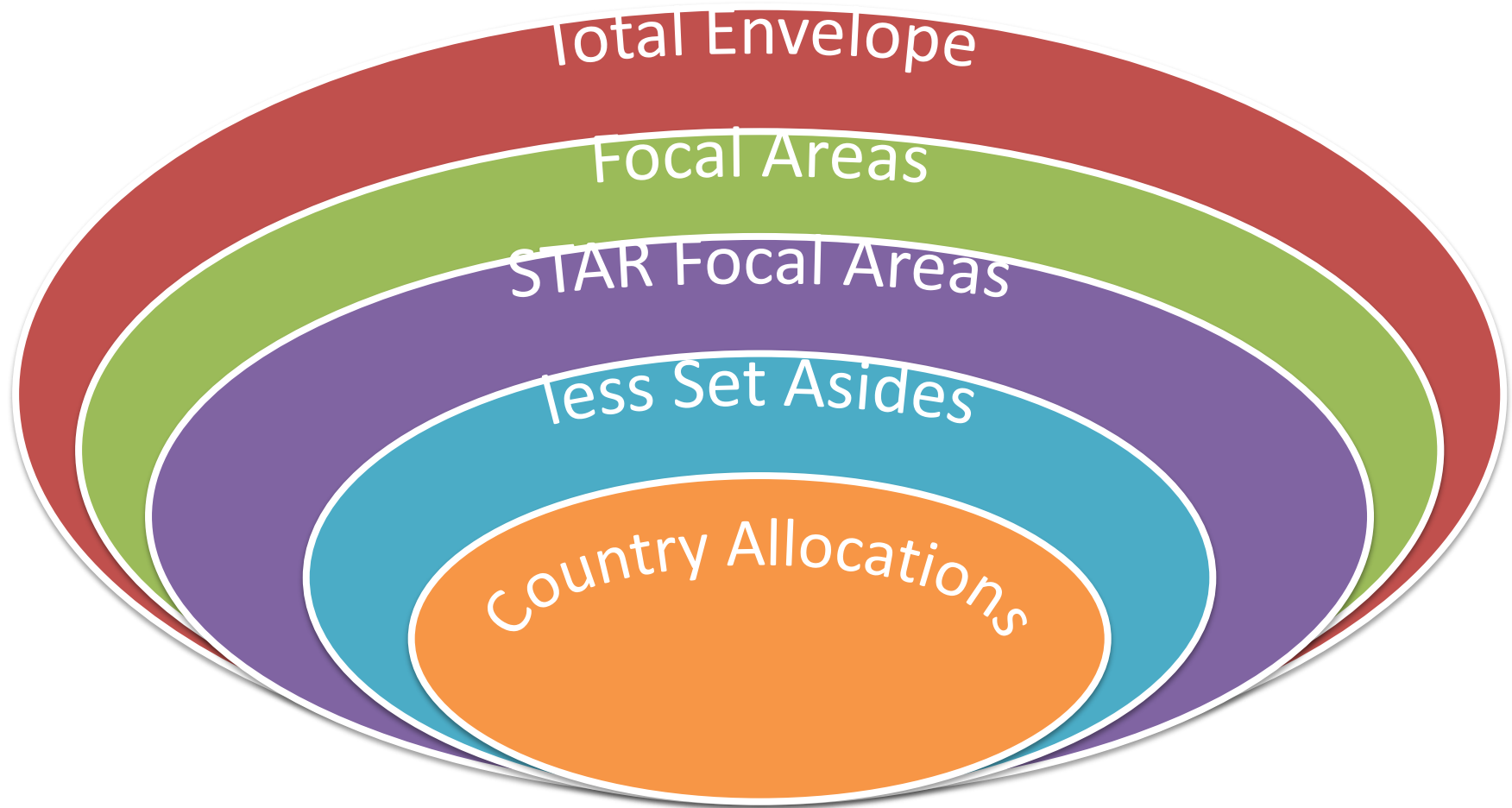
# Calculating STAR Allocations

- 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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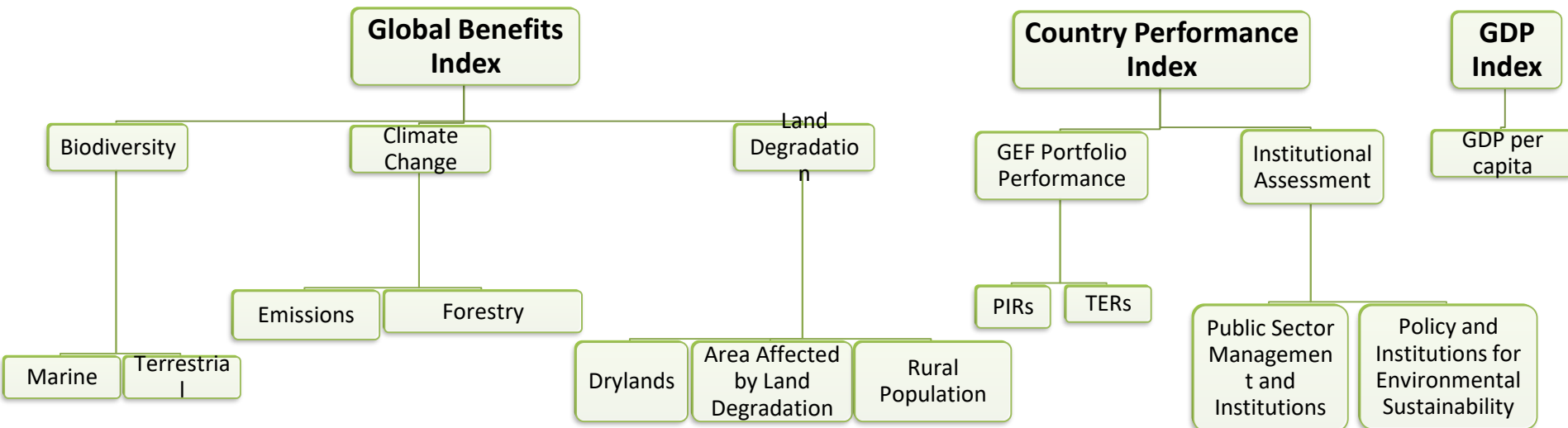
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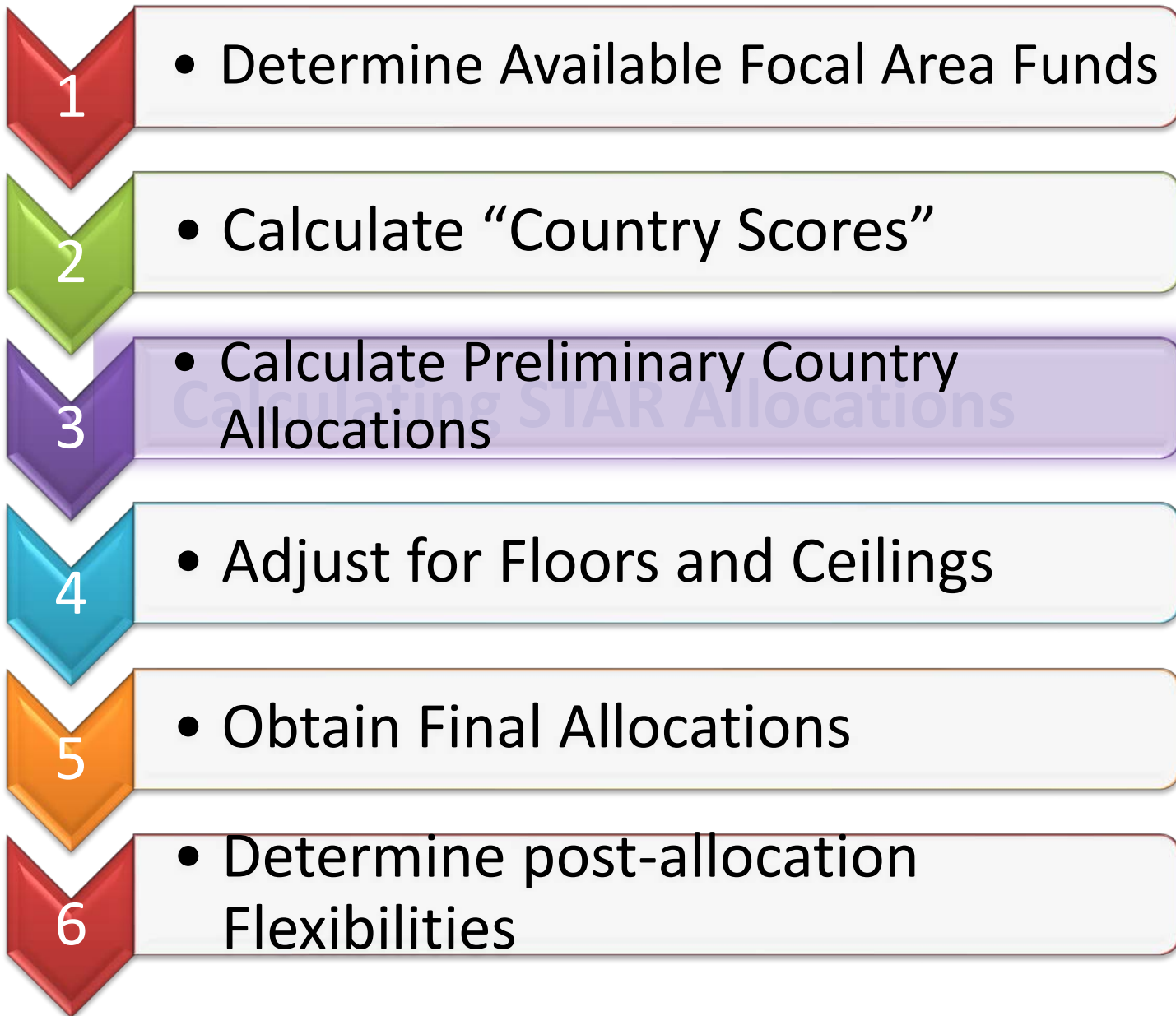
# The STAR Indices



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



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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\$ million)	Floor for non-LDCs (US\$ million)	Ceiling %	Ceilings (US\$ million)
Climate Change	1.5	1	10%	80.15
Biodiversity	3	2	10%	129.20
Land Degradation	1.5	1	10%	47.52
<b>TOTAL</b>	<b>6</b>	<b>4</b>		



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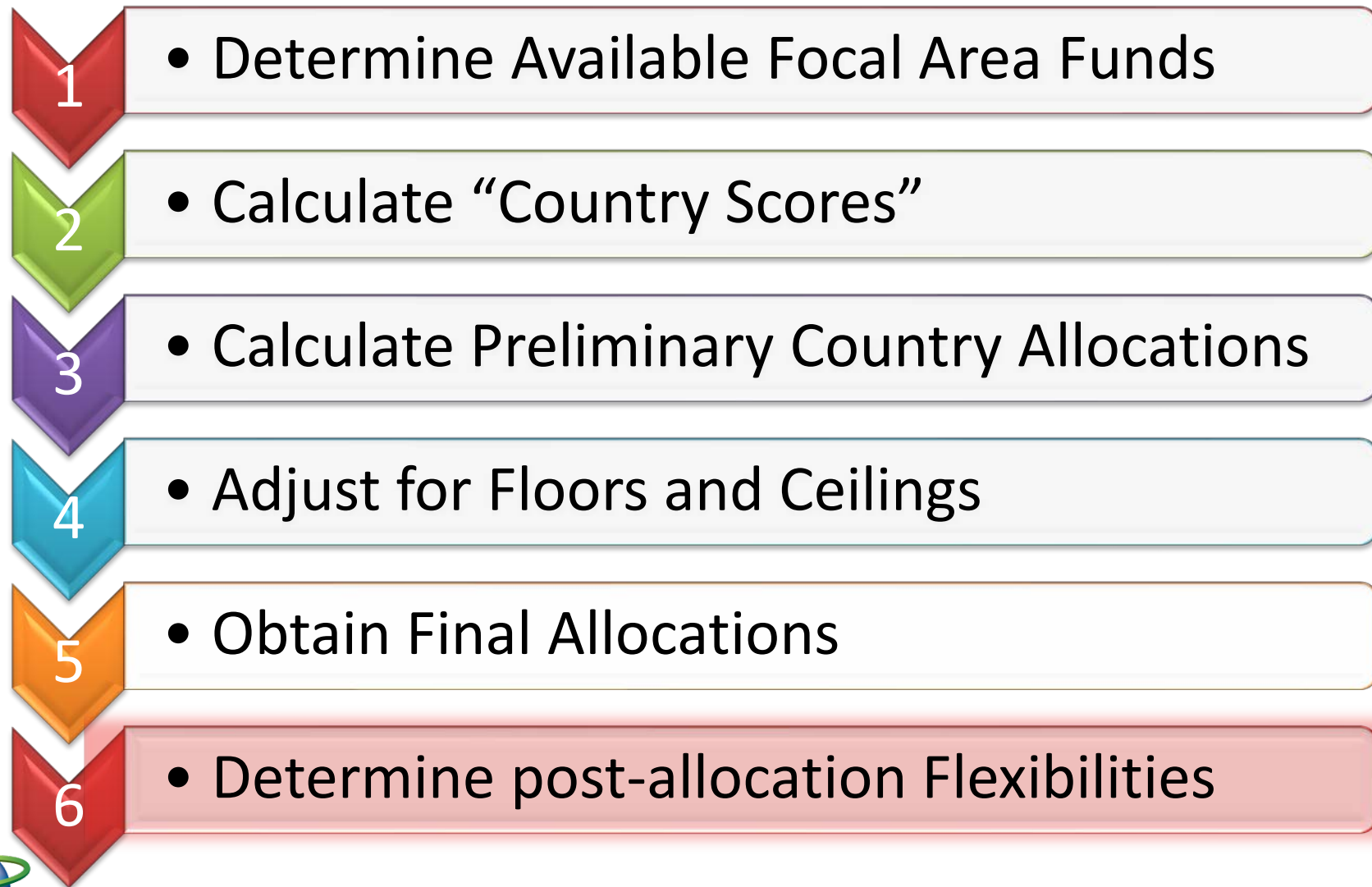
## Final Allocations

- 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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# Calculating STAR Allocations



# Flexibilities and Marginal Adjustments

- Flexibilities relate to the utilization of GEF resources.

If total STAR allocation is...	Allowed Marginal Adjustment is:
...less or equal to \$7 million	Unlimited (“fully flexible”)
...larger than \$7 million	\$2 million or up to 13% of their total STAR allocations.



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# Example: Trinidad et Tobago

	BIODIVERSITE	CHANGEMENT CLIMATIQUE	DEGRADATION DE LA TERRE
GBI	0.15	0.09	0.31
CPI	4.01		
GDPI	17321.88		
COUNTRY SCORE ( $GBI^{0.8} CPI^{1.0} GDP^{-0.08}$ )	0.27	0.19	0.48
SUM OF COUNTRY SCORES	125.22	98.44	136.95
COUNTRY SHARE	0.0022	0.0019	0.0035
FOCAL AREA ALLOCATION	1031.25	511.00	354.06
PRELIMINARY COUNTRY ALLOCATION	2.23	0.97	1.25
FINAL COUNTRY ALLOCATION	2.07	1.05	1.16
TOTAL ALLOCATION = 4.27 MILLION (FULLY FLEXIBLE COUNTRY)			

Country	Climate Change	Biodiversity	Land Degradation	Total	Fully Flexible	Marginal Adjustment
Angola	2.01	6.37	2.05	10.42	no	2.00
Botswana	1.00	2.21	4.10	7.31	no	2.00
Lesotho	1.50	3.00	1.50	6.00	Yes	
Malawi	1.50	3.16	1.60	6.27	yes	
Mozambique	2.08	10.84	4.47	17.39	no	2.26



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Country	Climate Change	Biodiversity	Land Degradation	Total	Fully Flexible	Marginal Adjustment
Namibia	1.00	6.25	6.62	13.88	no	2.00
South Africa	10.15	23.83	4.12	38.11	no	4.95
Swaziland	1.00	2.00	2.67	5.67	yes	
Zambia	3.32	5.08	2.41	10.91	no	2.00
Zimbabwe	1.32	3.53	4.40	9.25	no	2.00



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# 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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**THANK YOU !**



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