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GEF-8 REVIEW ON PERFORMANCE OF STAR FULL FLEXIBILITY

TABLE OF CONTENTS

Introduction	1
The History of Flexibility	1
The Use of Flexibility Across GEF Phases	2
The Use of Flexibility in GEF-8.....	4
The Use of Rio Markers in GEF-8	10
Conclusion.....	12

INTRODUCTION

1. During the GEF-8 Replenishment negotiations, participants agreed that *“...countries should have full flexibility in the use of their GEF-8 STAR allocations, to further facilitate the mainstreaming of integrated programming principles and to optimize and maximize investments to increase positive impact.”*¹

2. A “full flexibility” modality was thus reflected in the GEF-8 STAR policy approved at the 62nd GEF Council meeting, which stated that *“...all STAR recipient countries have full flexibility to utilize resources across their Focal Area specific allocations without restrictions.”*².

3. GEF-8 Replenishment participants furthermore requested *“...the Secretariat organize a mid-term review to enable participants to assess portfolio performance under full flexibility, and to identify potential measures if portfolio-level focal area financing is not progressing to meet the agreed targets.”*³

4. At the 69th GEF Council Meeting, the GEF Secretariat presented the requested GEF-8 Midterm Review on the Performance of Full Flexibility for Council discussion.⁴ The GEF Council welcomed the analysis and requested the GEF Secretariat to continue monitoring the use of full flexibility in GEF-8. This paper addresses that request and provides an updated review of GEF-8 use of STAR full flexibility as of December 1st, 2025⁵, thereby covering the first three years of the four-year GEF-8 programming cycle.

THE HISTORY OF FLEXIBILITY

5. Flexibility of STAR resources measures the ability of countries to move their allocated resources across their focal area lines. Flexibility was introduced and approved by the GEF Council in GEF-5, as recommended by the Mid-term review of the Resource Allocation Framework carried out by the Independent Evaluation Office (IEO).⁶ The review concluded that *“...maintaining flexibility for greater cost-effectiveness is indispensable”* and suggested one integrated allocation per country that provided flexibility for a country to draw resources across focal areas in GEF-5.⁷

6. Since it was introduced in GEF-5,⁸ some flexibility of STAR resources has been a core feature of the allocation system, with an increasing magnitude across every successive GEF cycle.

¹ GEF/C.62/03, [Summary of Negotiations of the 8th Replenishment of the GEF Trust Fund](#), June 15, 2022

² GEF/C.62/04, [Updating the System for Transparent Allocation of Resources \(STAR\)](#), May 19, 2022

³ GEF/C.62/03, [Summary of Negotiations of the 8th Replenishment of the GEF Trust Fund](#), June 15, 2022

⁴ GEF/C.68/11, [GEF-9 Midterm Review on Performance of Full Flexibility](#), December 16-20 2024.

⁵ The projects for the December 2025 Work Program are not included, as they are not yet approved by Council.

⁶ GEF/C.34/ME/Inf.02: [Mid-term Review of Resource Allocation Framework](#), November 1, 2008

⁷ Ibid.

⁸ GEF/C.38/9/Rev.1, [GEF-5 Operational Procedures for the System for a Transparent Allocation of Resources \(STAR\)](#), July 1, 2010

The intervening STAR evaluations, therefore, have examined this feature and provided recommendations which have contributed to the increase of the flexibility limits.^{9,10}

7. The threshold for countries to obtain full flexibility was set at \$7 million USD in country allocation during GEF-5 and remained at this level in successive cycles. In GEF-8, as described above, all countries have full flexibility to utilize their STAR resources across the three STAR focal areas. (Table 1)

8. The evolution of the flexibility feature has progressively allowed the increase of the share of aggregate STAR resources for flexible use. This share rose from 16% in GEF-5 to 20% in GEF-6, then to 30% in GEF-7, and ultimately reached 100% in GEF-8, reflecting the agreed full flexibility provision.

Table 1: Flexibility allowances across GEF phases (\$Million USD)

Total Country Allocation	GEF-4	GEF-5	GEF-6	GEF-7	GEF-8
Up to \$7 Mn	\$0	Full Flexibility	Full Flexibility	Full Flexibility	Full Flexibility
\$7 Mn to \$20 Mn	\$0	\$0.2 Mn	\$2 Mn	\$2 Mn or 13% of total country allocation, whichever is higher	
\$20Mn to \$100 Mn	\$0	\$1 Mn			
\$100Mn or more	\$0	\$2 Mn			
Share of total STAR allocations	0%	16%	20%	30%	100%

THE USE OF FLEXIBILITY ACROSS GEF PHASES

9. From GEF-5 to GEF-7,¹¹ the increase in flexibility provisions across GEF phases has been accompanied by a simultaneous increase in countries' utilization of their allowed flexibility. In GEF-5, of the 144 countries that received a country allocation, 37% (53 countries) utilized

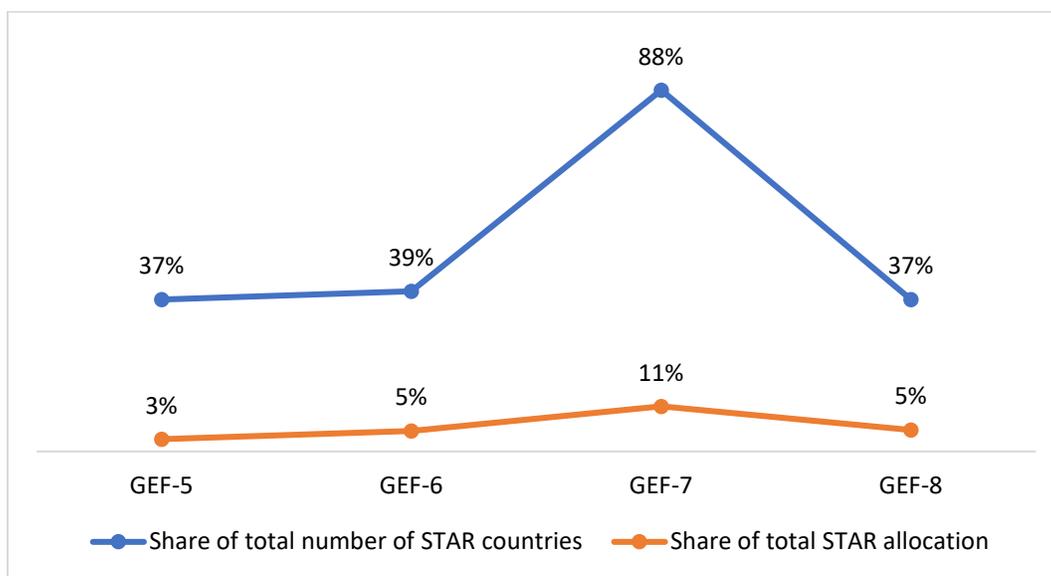
⁹ GEF/ME/C.45/05, [Midterm Evaluation of the System of Transparent Allocation of Resources](#), October 10, 2013

¹⁰ GEF/ME/C.53/Inf.10, [Evaluation of the GEF's System for Transparent Allocation of Resources](#), November 14, 2017

¹¹ The GEF-8 data used in this paper reflect the latest information available at the current stage of the GEF-8 cycle. The proposed GEF-8 work program being presented for consideration to this current 70th GEF Council is not included. GEF-5, GEF-6, and GEF-7 numbers are at the end of the respective replenishment cycle.

flexibility, increasing slightly to 39% (56 countries) in GEF-6. By GEF-7, the number of countries using flexibility more than doubled, to 88% (127 countries) (Figure 1). The use of flexibility in GEF-6 was similar to the level in GEF-5, in spite of the increased GEF-6 flexibility provision. This is mainly due to the shortfall in available resources relative to the agreed GEF-6 replenishment target.¹²

Figure 1 The use of flexibility across GEF phases



10. In terms of total cross-focal area transfers, 3%, 5%, and 11% of total STAR resources were used for flexibility in GEF-5, GEF-6, and GEF-7, respectively (Figure 1). It is interesting to observe that although a large number of countries triggered the flexibility feature, the actual dollar amounts used for cross-focal area needs were not substantial. The flexibility utilized in each phase was far lower than the respective flexibility allowances (16%, 20%, and 30% in GEF-5, GEF-6, and GEF-7 respectively).¹³

11. As of December 1st, 2025, 53 countries (37% of STAR-eligible countries) have programmed their STAR resources for flexible use, with a net flow of \$126 million (5% of total STAR allocations) across focal areas. Compared with the mid-point of GEF-8, when 33 countries had utilized

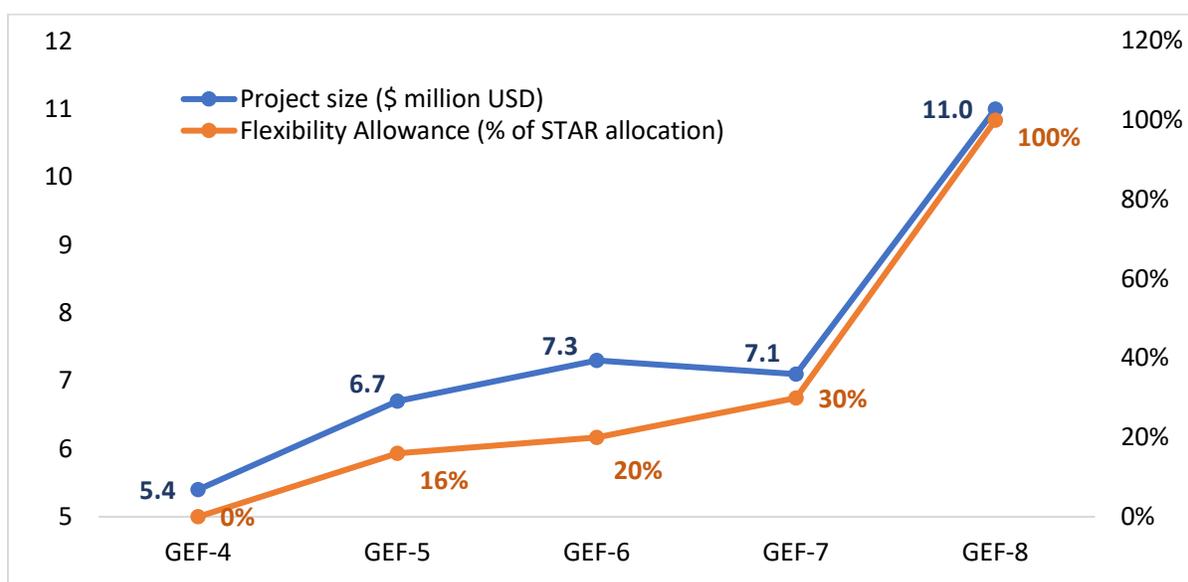
¹² GEF/C.55/03, [Annual Portfolio Monitoring Report 2018](#), November 21, 2018

¹³ As the IEO pointed out in the GEF-6 STAR evaluation, it is mathematically impossible for countries to fully utilize their flexibility provisions - as the actual used flexibility would need to deduct the amount contributed by the recipient focal area, the total use of flexibility could never reach its flexibility upper limit. GEF/ME/C.53/Inf.10, [Evaluation of the GEF's System for Transparent Allocation of Resources](#), November 14, 2017

flexibility with \$66 million across all focal areas, both the number of countries utilizing flexibility and the net flow have notably increased.

12. Figure 2 shows a positive correlation between the flexibility allowance and the average size of full-sized projects. The average size of full-sized projects programmed in STAR focal areas has significantly increased to \$11.0 million USD in GEF-8, compared to \$ 7.1 million USD in previous cycles. As noted in the RAF Mid-term Review,¹⁴ the flexibility feature was introduced to reduce high transaction costs in accessing GEF funds and to promote cost-effectiveness. Using project size as a proxy of resource fragmentation, it can be hypothesized that the increasing flexibility allowance has enabled the GEF to adopt a more efficient model that helps reduce fragmentation of GEF resources.

Figure 2 Average size of standalone full-sized projects, programmed in STAR focal areas



THE USE OF FLEXIBILITY IN GEF-8

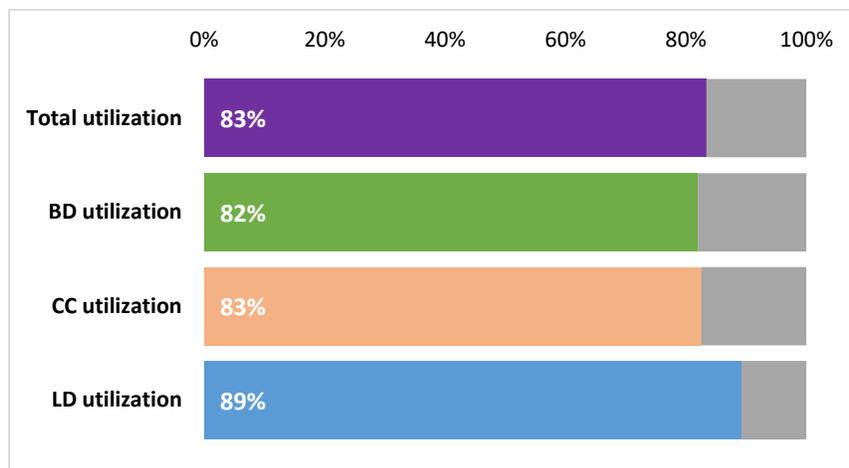
13. As of December 1st, 2025, the overall utilization rate of three focal area resources has reached 83%. As seen in Figure 3, the individual focal area utilization rates are on track to meet their respective portfolio-level financing targets on focal-area financing¹⁵ notwithstanding the full flexibility feature. This again demonstrates that full flexibility does not seem to be substantively impacting on the respective focal area portfolio-level funding targets, ensuring that focal area objectives continue to be adequately supported. This finding aligns with the conclusion

¹⁴ GEF/ME/C.53/Inf.10, [Evaluation of the GEF’s System for Transparent Allocation of Resources](#), November 14, 2017

¹⁵ GEF/R.08/29/Rev.01, [GEF-8 Programming Directions, Annex 2 Resource Allocation for the Eighth Replenishment of the GEF Trust Fund](#), April 1, 2022.

from an earlier IEO STAR evaluation that “...use of the flexibility feature did not make a material difference to the focal area funding balance”.¹⁶

Figure 3 The utilization of focal area resources



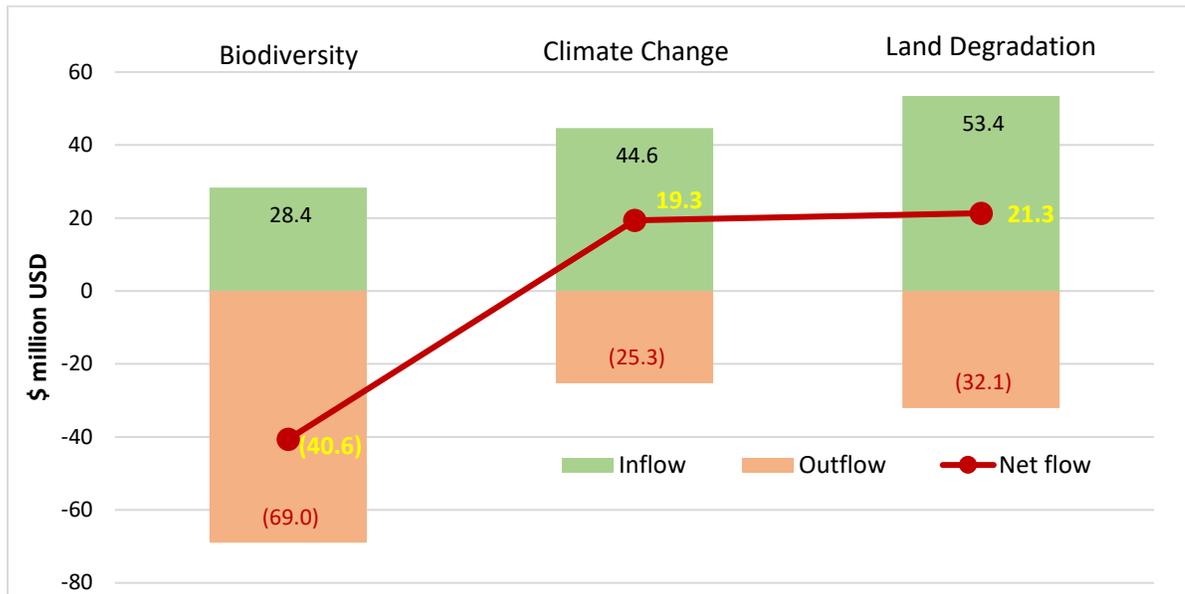
14. Of the total programmed STAR resources of \$2,396 million from three focal areas, \$126.4 million (5%) has been subject to the use of flexibility under GEF-8 STAR.

15. As shown in Figure 4, the Biodiversity focal area allocation is the primary source of providers for STAR resources under full flexibility. It has contributed a total of \$69.0 million (4.7% of total Biodiversity STAR allocations) to programming with the other two focal areas. This is followed by Land Degradation and Climate Change focal area allocations, contributing a total amount of \$32.1million (7.0% of total Land Degradation STAR allocations) and \$25.3m (4.8% of total Climate Change STAR allocations), respectively.

16. Despite providing the largest dollar amount to cross-focal area use, the Biodiversity focal area has contributed the least flexibility relative to its total area allocation. This shows that Biodiversity resources have been used effectively by countries and its focal area financial target is on track. Land Degradation stands out as a focal area that has received the most funding, totaling nearly \$53.4million (11.7% of Land Degradation STAR allocations), followed by Climate Change (\$44.6million, 8.5% of Climate Change STAR allocations) and Biodiversity (\$28.4million, 2.0% of Biodiversity STAR allocations). (Figure 4)

¹⁶ GEF/ME/C.53/Inf.10, [Evaluation of the GEF’s System for Transparent Allocation of Resources](#), November 14, 2017.

Figure 4 The flexibility inflows and outflows by focal area (\$ million USD)

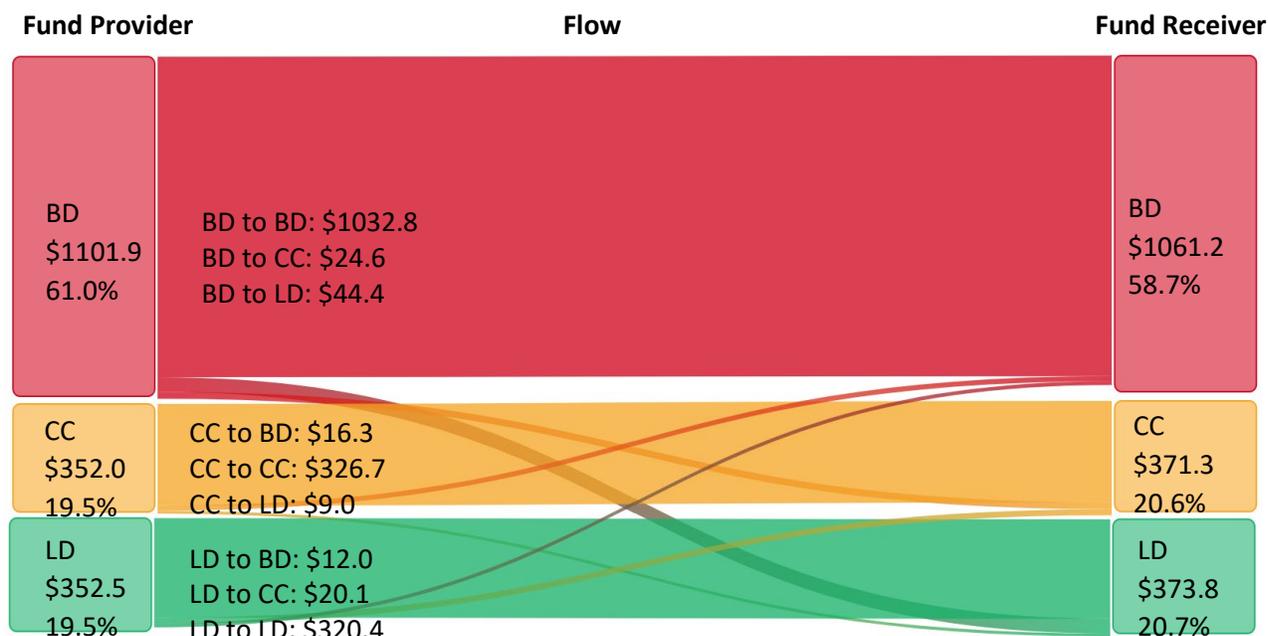


17. Among the three STAR focal areas, the Land Degradation overall benefits the most from the full flexibility feature, contributing \$32.1 million to other focal areas while receiving \$53.4 million, resulting in a net inflow of \$21.3 million (4.7% of the Land Degradation STAR allocation). As the focal area with the smallest amount of STAR resources, this is an expected result. The climate change focal area shows a similar strong pattern, contributing \$25.3 million to other focal areas and receiving \$44.6 million, yielding a net inflow of \$19.3 million, making it the second largest beneficiary of full flexibility. The strong net inflows to Land Degradation and Climate Change suggest that countries are utilizing the full flexibility feature to rebalance resources tailored to their needs.

18. The Biodiversity focal area, which has the largest focal area allocation, has contributed the most to flexibility but benefited the least, resulting in a net outflow of \$40.6 million. While this represents the largest net flow among all focal areas, it accounts for only 2.8% of the Biodiversity STAR allocation. Biodiversity focal area’s notional funding target, as per the GEF-8 replenishment financing table, remains on track.

19. Figure 5 below illustrates the flows of funds between the STAR focal areas under full flexibility. The majority of resources remain distributed to their respective focal areas, and the use of flexibility (indicated by fine lines in the figure) has had minimal impact on the overall funds programmed for each focal area. While \$126.4 million has been transferred across focal areas, the net effect on any individual focal area remains minor relative to the total programmed funds.

Figure 5 The flows of STAR resources among three focal areas (\$ million USD)



20. Compared to the analysis conducted at the midterm¹⁷, Small Island Developing States (SIDS) and Least Developed Countries (LDCs) still stand out as the country group with the largest number of countries that used the flexibility feature (Figure 6). Twenty-one SIDS/LDCs have utilized flexibility in GEF-8 to date, representing 39.6% of the countries that have used flexibility. These 21 SIDS and LDCs have used \$45 million across focal areas, accounting for 35.6% of the total \$126.4 million in flexibility usage.

21. Upper Middle-Income Countries (UMICs) and High-Income Countries (HICs) that are not SIDS/LDCs show a smaller number of countries utilizing flexibility, while representing the largest share of total flexibility use at 39.0%. This reflects their larger STAR allocations, which provide a greater allowance to shift resources across focal areas.

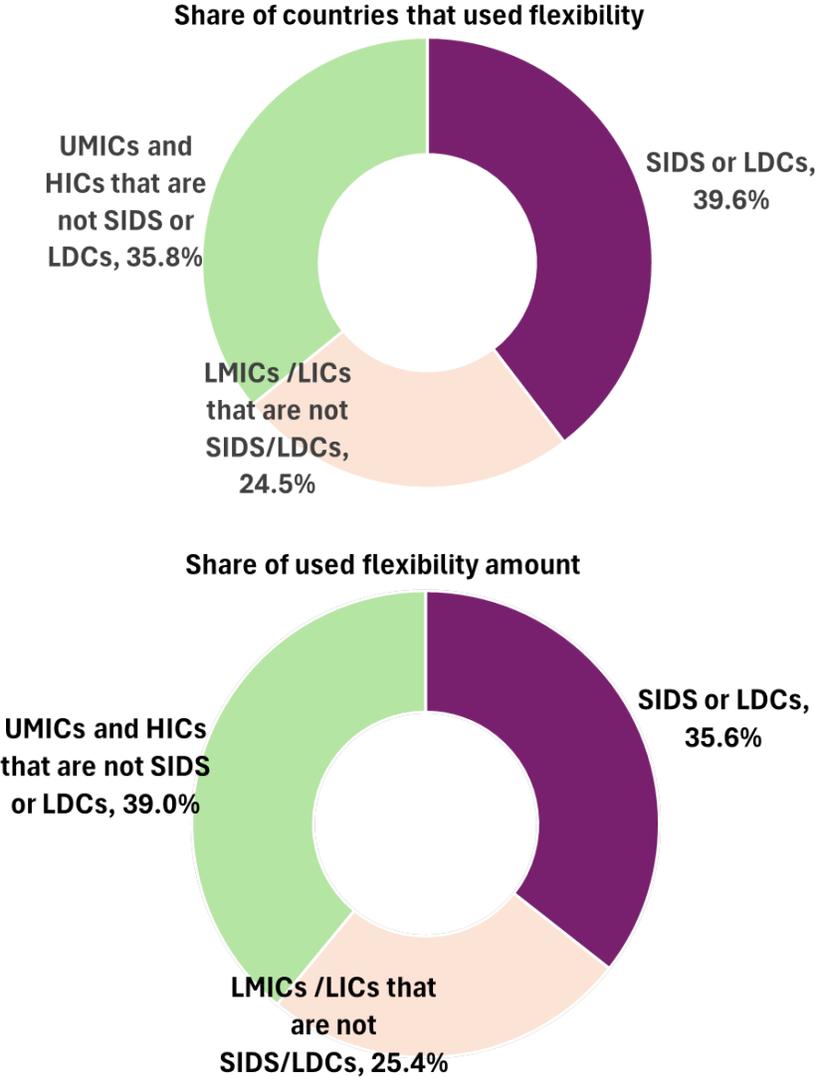
22. All other countries (Low- and Middle-Income Countries and Low-Income Countries that are not SIDS/LDCs) used the least flexibility of the three country groups. In this group, both the number of countries that used flexibility and the amounts used under flexibility have increased compared to the previous analysis¹⁸, with number of countries rising from 8 to 13 and used flexibility amount rising from \$13 million to \$32 million.

¹⁷ GEF/C.68/11, [GEF-9 Midterm Review on Performance of Full Flexibility](#), December 16-20 2024.

¹⁸ *Ibid*

23. This analysis demonstrates that at this stage of the GEF-8 cycle the full flexibility feature is being utilized across all country groups, and it plays an essential role in encouraging greater cross-focal use of allocations in SIDS and LDCs.

Figure 6 Share of countries that used flexibility and share of used flexible amount by country group

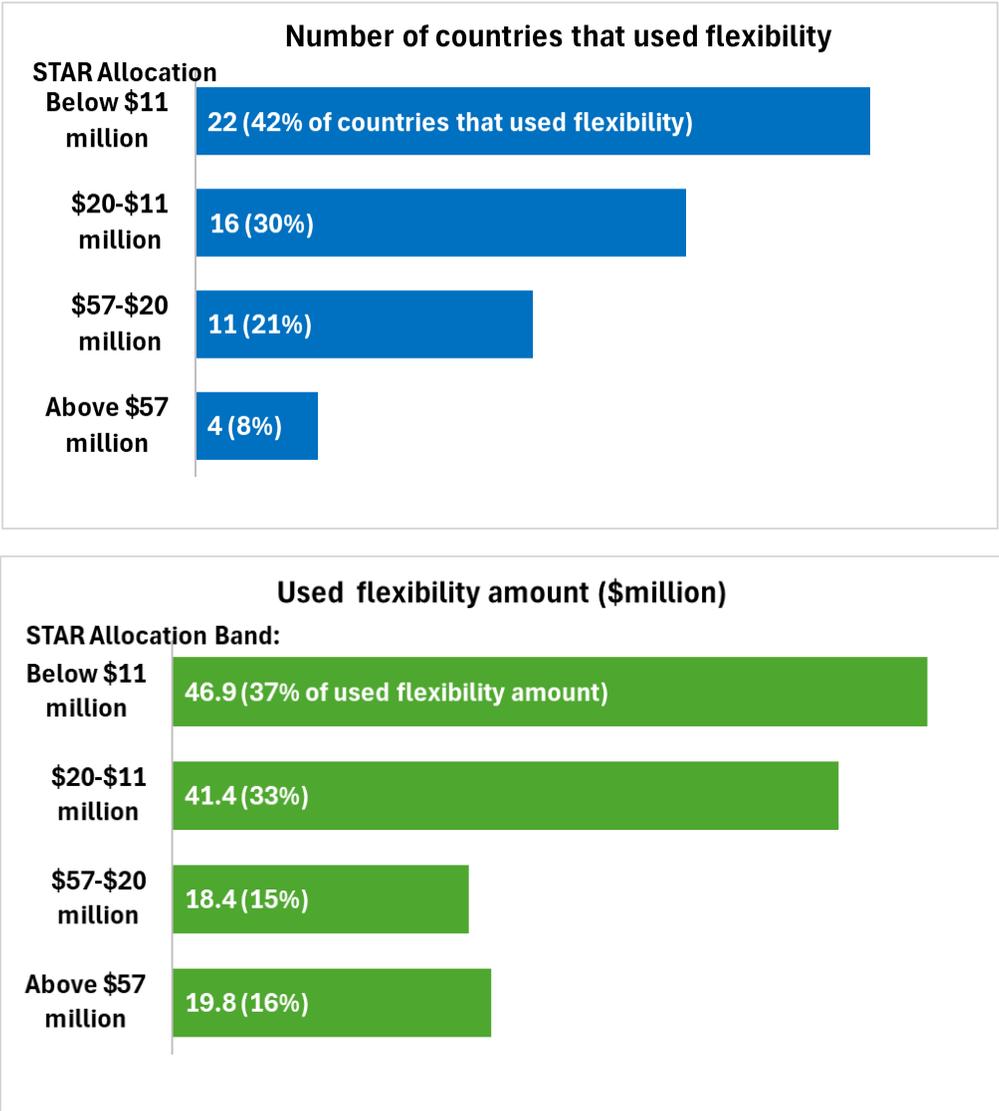


24. At this point of GEF-8, countries with smaller allocations have demonstrated a greater reliance on the full flexibility feature, highlighting its importance for these countries. Notably, 42% of the countries that triggered flexibility fall into the category with allocations below \$11 million¹⁹,

¹⁹ The STAR allocation bands categorize countries with similar STAR allocations, ensuring that each group represents an equal share of the total GEF-8 STAR allocations.

accounting for 37% of the total flexibility used. In contrast, only 4 countries from the highest allocation band (above \$57 million) have utilized flexibility, representing 8% of the countries using flexibility and 16% (\$19.8 million) of the total flexibility flows across focal areas. (Figure 7). This is a logical result, as the demand for flexibility will by definition be higher for countries with smaller allocations; simultaneously, it can also be taken as indicative of the existing and increasing demand of smaller countries for larger projects that will be enabled by the pooling of resources, resulting in a country portfolio landscape that is less fragmented.

Figure 7 Number of countries and utilized flexibility amounts by STAR allocation band

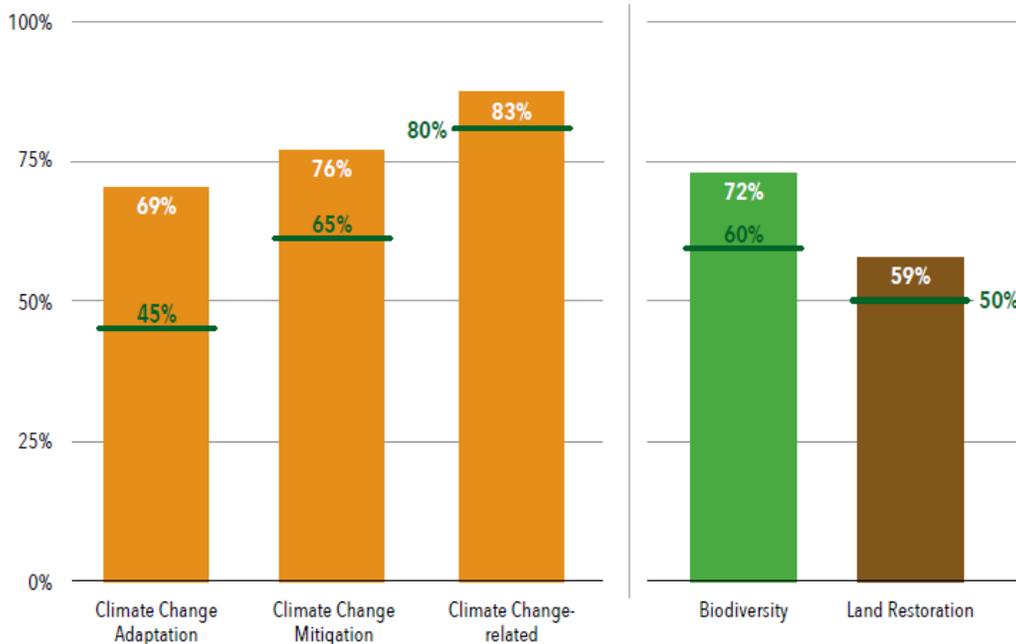


THE USE OF RIO MARKERS IN GEF-8

25. In light of the full flexibility feature, during the GEF-8 Replenishment, participants requested “...the Secretariat and Agencies to expand capture and reporting of the OECD-DAC Rio Markers to include those specific to Biodiversity and Desertification”.²⁰ In addition, respective portfolio targets were set for GEF financing contributing toward biodiversity (60%), climate change adaptation (45%), climate change mitigation (65%), and land degradation (50%). Together with the GEF-7 measurement of Climate-related financing through the Climate Change Rio Markers, these provisions aimed to ensure that, under a system of full flexibility, the objectives from the three Rio Conventions would be systematically traced.

26. As reported in the June 2025 Corporate Scorecard,²¹ the relevant shares of financing (including both principal and significant) in the Rio thematic areas to date met and surpassed the Rio marker targets: 83% of GEF-8 financing was programmed for climate objectives relative to the target of 80%, 72% for biodiversity relative to the target of 60%, and 59% for land restoration relative to a target of 50% (Figure 8).

Figure 8 Biodiversity, Climate and Land Degradation related financing, measured by Rio Markers

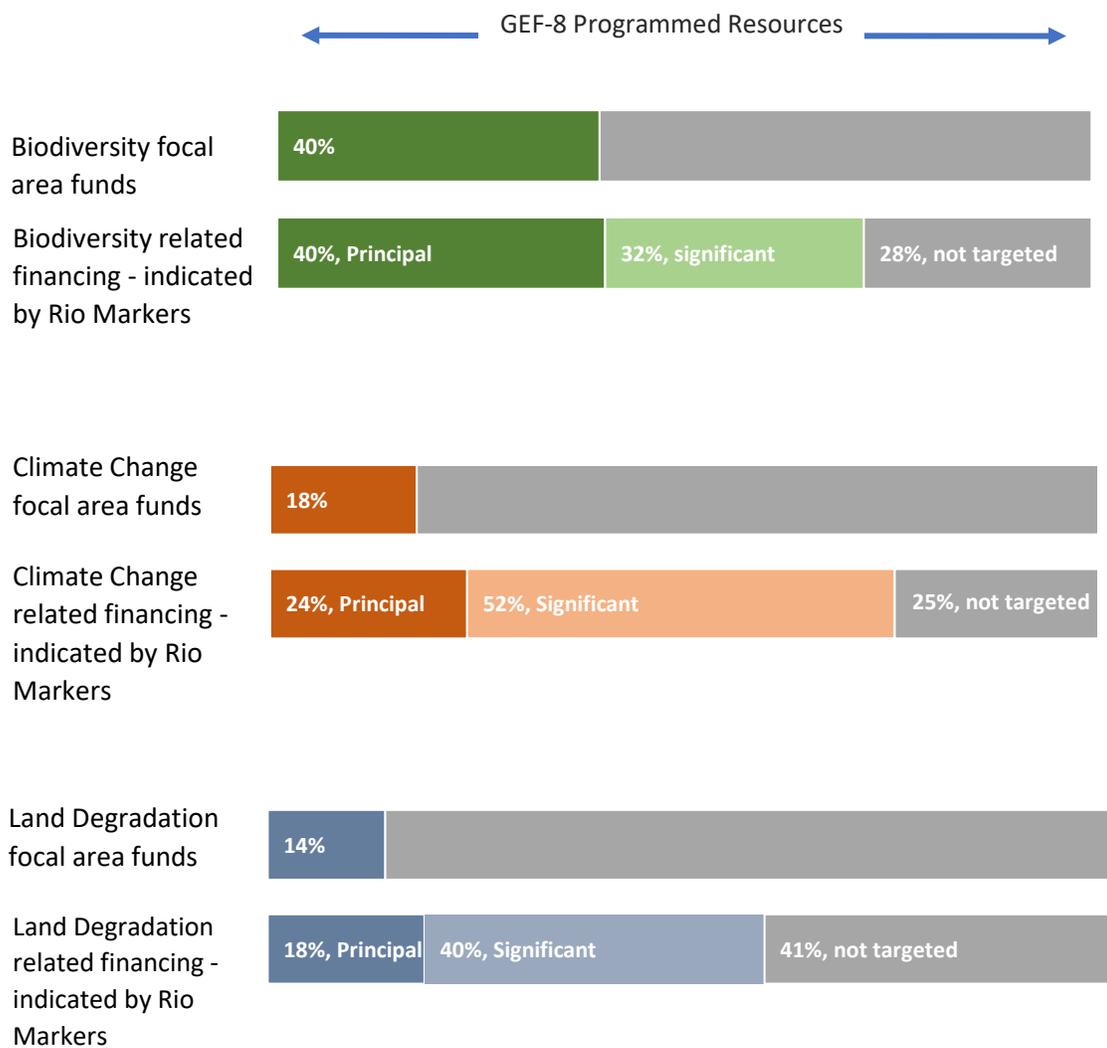


²⁰ GEF/C.62/03, [Summary of Negotiations of the 8th Replenishment of the GEF Trust Fund](#), June 15, 2022

²¹ GEF/C.67/Inf.04, [GEF-8 Corporate Scorecard – June 2025](#), June 2, 2025

27. Figure 9 below demonstrates that the share of GEF’s investments directly or indirectly related to a specific focal area is significantly higher than that focal area’s share of GEF-8 programmed resources. In other words - as measured by the Rio Markers, the impact of funding in Climate Change, Biodiversity and Land Degradation exceeds their proportion of resources in GEF-8. It is instructive to note that 72% of GEF-8 investments to date have contributed to projects where Biodiversity played a principal or significant role. If climate change adaptation and mitigation were combined, 76% of GEF-8 programmed resources would have targeted climate change for a principal or significant role. This indicates that biodiversity and climate change are both very well integrated into the majority of GEF-8 programming.

Figure 9 The comparison between the focal area funds and GEF’s investments directly or indirectly related to that focal area



28. Breaking down the GEF-8 programmed resources by Rio marker objective (Figure 9), it is noteworthy that most of the actions marked as principal objectives were funded by the respective focal area funds. For example, 40% of total GEF resources originated from the biodiversity focal area and the same amount of resources targeted principal biodiversity objectives. In addition, some GEF investments targeting the principal climate change mitigation and principal land degradation objectives did not come from their respective focal area funds. This suggests that financial support for these objectives may have come from other focal areas through the full flexibility feature, and also points to the importance of integration across focal area objectives.

29. In addition, a substantial share of the GEF-8 programmed resources have been directed towards projects where Biodiversity, Climate Change, and Land Degradation are significant but not principal objectives, while simultaneously addressing other thematic areas. This highlights the effectiveness of the integrated approach that has been embedded in GEF-8 programming, where focal area-specific resources provide multiple benefits across all programming areas. It further highlights the advantages of the full flexibility feature, which can be interpreted as the necessary condition for achieving integration.

CONCLUSION

30. This review of the performance of full flexibility confirms that at the current stage of GEF-8 the full flexibility feature has been used by countries, but has had a very limited impact at the portfolio level, with only 5% of the GEF-8 STAR allocations being subjected to flexibility to date. Furthermore, the net impact of flexibility on the notional focal area funding targets is neutral.

31. The Rio Markers confirm that focal area-specific resources provide multiple benefits across all programming areas.

32. The full flexibility feature has been instrumental for SIDS and LDCs, as well as for countries with smaller STAR allocations. This feature has significantly encouraged greater cross-focal area use of allocations in these country groups, indicating the existing and increasing demand of countries with comparatively smaller allocations for larger projects that will be enabled by the pooling of resources, resulting in a country portfolio landscape that is less fragmented.

33. As this analysis demonstrates, full flexibility continues to be a valuable feature of GEF programming with benefits in multiple dimensions, whilst still enabling the achievement of portfolio-level financing targets across the three STAR focal areas.