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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-First Session**  
Rome, 21-22 April 2004

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED

**TECHNICAL ASSISTANCE GRANT**

TO THE

**GLOBAL MECHANISM**

OF THE

**UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION IN THOSE  
COUNTRIES EXPERIENCING SERIOUS DROUGHT AND/OR DESERTIFICATION,  
PARTICULARLY IN AFRICA**

FOR

**SUPPORT TO RESOURCE MOBILIZATION FOR AND IMPLEMENTATION OF  
ACTION PROGRAMMES AND RELATED INITIATIVES**



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**ABBREVIATIONS AND ACRONYMS**

CCD	Convention to Combat Desertification
CETP	Community Exchange and Training Programme
CFP	Country Financial Partnership
GM	Global Mechanism
NAP	National Action Plan
RAP	Regional Action Plan
SRCF	Special Resources for the CCD Finance
SRAP	Subregional Action Plan



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THOSE COUNTRIES EXPERIENCING SERIOUS DROUGHT AND/OR  
DESERTIFICATION, PARTICULARLY IN AFRICA**

I submit the following Report and Recommendation on a proposed technical assistance grant (TAG) to the Global Mechanism (GM) of the United Nations Convention to Combat Desertification (CCD) for Support to Resource Mobilization for and Implementation of Action Programmes and Related Initiatives, in the amount of USD 1.25 million for the first phase of a two year grant in the period 2004-2005.

**I. BACKGROUND**

1. The Conference of Parties to the CCD established the GM as an innovative approach to resource mobilization that reflects the unique character of the problem addressed by the Convention: desertification is a serious threat not only to the environment but also to livelihoods, development and poverty reduction. Consistent with the cross-cutting nature of the challenge, the GM is a uniquely flexible, demand-driven instrument, designed to mobilize and channel a wide array of resources towards affected countries' multisectoral plans to implement the CCD.

2. In 2003 two independent evaluations of the GM were undertaken. The reports recommended that it refocus on its original mandate of mobilizing resources for the Convention, in particular to foster the supply side of bilateral and multilateral finance and partnership-building for CCD implementation. This should be done without neglecting activities on the demand side, which need to be undertaken in closer collaboration with members of the Facilitation Committee (FC) of the GM.

3. As a response to these recommendations, the GM and FC members have developed its Business Plan for 2003-2006 that places clear focus and priority on resource mobilization. Equipped with the commitment of FC members to provide concrete support and cooperation, the GM is positioned to deliver solid results under the three objectives that form the basis of the plan:

- (i) **Mobilization of financial resources to support the CCD implementation process.** This objective aims to enable countries to reach the implementation phase of national action plans (NAPs). Towards this end, the GM, in cooperation with the FC, will (a) contribute to the establishment of country financial partnerships (CFPs), which will, on the basis of an agreed broad-based agenda for action, help create an enabling environment for on-the-ground investments and access to markets and services, and for capacity-building, information and communications, research, and monitoring and evaluation; and (b) provide financial support to the formulation of NAPs and subregional and regional action plans (SRAPs and RAPs) and their incorporation in existing frameworks for country-level development planning, including Poverty Reduction Strategy Papers, United Nations Development Assistance Frameworks and Country Strategic Opportunities Papers.
- (ii) **Broadening of the funding basis for CCD implementation.** The GM will develop a resource mobilization strategy with the aim of increasing resources for CCD implementation. As a broker, the GM will engage governments, bilateral and multilateral agencies, the private sector and foundations in investing in projects for CCD implementation. It will also identify new and innovative funding sources, including, for example, carbon trading.

- (iii) **Development and implementation of a communications strategy.** An effective communications strategy will be essential for creating an environment that is conducive to accessing and channelling resources to the priorities that affected countries identify in their NAPs. In this regard, the GM will develop its own multimedia communications tools and maintain a system to track the flow of resources in support of the CCD. The development of a communications strategy will be pursued in close collaboration with IFAD, as called on by the two evaluations and the Business Plan.

## II. RATIONALE/RELEVANCE TO IFAD

4. As the housing institution of the Global Mechanism, IFAD has pledged to: (a) provide USD 10 million in grant financing to the GM (subject to mobilization of matching funds); (b) ' earmark ' USD 100 million from its annual programme of work to support CCD objectives, guided by priorities indicated by the GM; (c) allocate 30% of its Non Governmental Organization (NGO) Extended Cooperation Programme (ECP) for CCD-related activities; (d) provide technical advisory services; and (e) provide institutional support, advice and other backstopping for resource mobilization.<sup>1</sup> During 1999-2002, IFAD made four grants available to the GM totalling USD 5.05 million. These grants have been instrumental in developing the GM strategy and approach to resource mobilization, as the following examples illustrate.

5. The grants have enabled the GM to support the development and implementation of action plans in 29 countries and 12 subregions, and the establishment of three regional networks. Significant results have been achieved as a result of GM support. In Tunisia, for example, a major achievement has been the mainstreaming of the NAP into both the country's five-year Tenth Socio-Economic Development Plan, and into the United Nations Development Assistance Framework. With GM support, the Government is developing priority projects that emanate from the NAP for inclusion in the Tenth Plan. The estimated total cost for the priority projects is USD 33.7 million, of which USD 18.6 million has been allocated by the Government from domestic resources. Furthermore, GM support enabled the leveraging, in the Tenth Plan, of an increase of USD 400 million (23%) over the Ninth Plan's allocation for CCD activities and natural resource management. The GM's catalytic investment was USD 80 000. To date, approximately USD 24 million has been negotiated with different bilateral and multilateral donors as investments in the NAP.

6. The IFAD grant has also been used to provide technical and financial support to a number of other CCD-related initiatives. This includes a grant for the GM Community and Exchange Training Programme (CETP), which provides a framework for systematic exchanges among local communities, drawing on and disseminating indigenous knowledge and technology on sustainable natural resource management, production and alternative livelihoods in dryland areas. The CETP is now in its third year of operation. Through the IFAD grant, significant results have been achieved. The CETP portfolio currently includes 20 projects in 17 countries across regions, which have reached more than 60 communities, benefited over 2 300 people and attracted co-funding of more than USD 1.4 million from funding sources such as the World Bank, the Canadian International Development Agency and national development partners. GM support to civil society has also benefited from the Extended Cooperation Programme, through which each geographic area corresponding to IFAD regional divisions has received support for CETP implementation at the subregional level.

7. The GM organized in 2000 a series of subregional and regional workshops on resource mobilization for the CCD. The workshops, made possible through an IFAD grant to the GM, were of crucial importance for developing the GM strategy and approach to resource mobilization.

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<sup>1</sup> Document ICCD/COP(1)/5, paragraph 54.



8. The recent evaluations of the GM recommended building joint GM/IFAD expertise on CCD issues and their linkages to climate change and carbon financing through joint training and programming. IFAD has already taken several steps in response to these recommendations. To strengthen further the IFAD/GM relationship, a Global Mechanism Advisory Group has been established with responsibility for all aspects of collaboration between IFAD and the GM.<sup>2</sup> In addition, GM staff will meet regularly with relevant IFAD divisions to review ongoing project and programme development work that may be of relevance to the mandate of the CCD.

9. The proposed grant will enable the GM to continue the process described above in close collaboration with IFAD and to fulfil its mandate in line with the objectives of the Business Plan as outlined below.

### III. THE PROPOSED PROJECT

#### Goal and Objectives

10. The goal and objectives of the project are consistent with the Business Plan endorsed by the Sixth Conference of the Parties.

11. The project's goal is to provide financial resources for the implementation of the CCD.

12. The project's objectives are:

- mobilization of financial resources to support the CCD implementation process;
- broadening of the funding basis for CCD implementation; and
- development and implementation of a communications strategy.

#### Key Project Activities

13. The project's activities in support of these three objectives will be as follows:

- **Mobilization of financial resources to support the CCD implementation process**
  - (a) provide financial support to the establishment of CFPs;
  - (b) provide financial support to initiation and finalization of NAPs, SRAPs and RAPs;
- **Broadening of the funding basis for CCD implementation**
  - (a) finance innovative approaches in selected areas in order to explore new and additional funding (strategic initiatives) for the CCD;
  - (b) finance innovative approaches in selected areas to influence policy (enabling activities) to CCD benefit;
  - (c) develop a corporate resource mobilization strategy to reach current and future objectives of the GM Business Plan;
- **Development and implementation of a communications strategy**
  - (a) develop a communications strategy centred on resource mobilization; and
  - (b) develop communications materials.

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<sup>2</sup> The President's Bulletin on the Global Mechanism (document PB/2004/01).

#### IV. EXPECTED OUTPUTS

14. The project is expected to deliver the following outputs:
- **Mobilization of financial resources to support the CCD implementation process**
    - (a) Fifteen CFPs initiated and finalized together with NAPs, SRAPs and RAPs;
  - **Broadening of the funding basis for CCD implementation**
    - (a) CCD issues mainstreamed into the cooperation strategies of the Organisation for Economic Co-operation and Development/Development Assistance Committee and the European Union;
    - (b) funding opportunities identified within the decentralized cooperation frameworks in France, Italy and Spain, and with the private sector and foundations;
    - (c) collaboration established with IFAD and the World Bank to promote the Bio-Carbon Fund and carbon trading;
    - (d) debt-swap opportunities initiated, particularly in Latin America and the Caribbean;
    - (e) enhanced participation by NGOs in CCD processes;
    - (f) a resource mobilization strategy developed and tested;
  - **Development and implementation of a communications strategy**
    - (a) communications strategy centred on resource mobilization developed and tested; and
    - (b) communications materials developed to sensitize donors.

#### V. IMPLEMENTATION ARRANGEMENTS

15. The project will be administered and implemented by the Global Mechanism, in close collaboration with the members of the FC, the GM Advisory Group set up by IFAD and the technical assistance grant group for the Special Resources for the CCD Finance (SRCF) Account as stipulated in the President's Bulletin on the Global Mechanism (document PB/99/10). The Global Mechanism will ensure that the project effectively responds to both GM and IFAD goals.

16. The overall workplans and progress reports will be prepared by the respective GM programme managers, who will monitor progress against the agreed objectives. Progress reports will be submitted to IFAD twice yearly.

17. The funds will go through standard IFAD budgeting processes and will be subject to approval of the President of IFAD. The bulk of the proposed contribution will be allocated to the third GM SRCF Account,<sup>3</sup> and will be managed as per the President's Bulletin on the Accounts of the Global Mechanism.<sup>4</sup> Through this account, the GM will provide financing on a grant basis, and implementation arrangements for each grant will be specified in a legal agreement between the GM and the recipient.

18. A more systematic monitoring of all GM projects will also be undertaken through the recently established Global Mechanism Advisory Group<sup>5</sup> in IFAD.

#### VI. INDICATIVE PROJECT COSTS AND FINANCING

19. The total financing requested from IFAD is USD 2.5 million, in two phases of one year each – 2004 and 2005. Additional financing amounting to USD 2.8 million is expected to be mobilized from bilateral and multilateral partners.

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<sup>3</sup> Special Resources for the CCD Finance (SRCF) Account as referred to in the President's Bulletin on Accounts of the Global Mechanism (document PB/99/10).

<sup>4</sup> Document PB/99/10.

<sup>5</sup> President's Bulletin on the Global Mechanism (document PB/2004/ 01).

20. Executive Board approval is sought for a first-phase grant of USD 1.25 million. In this instance, on satisfactory review of progress and achievements in 2004, a second phase with an additional USD 1.25 million will be submitted to the Executive Board at its session in April 2005 for consideration.

**PRELIMINARY COST TABLE**

Cost Category	Time Frame				Total (USD)
	2004		2005		
	Second Account	SRCF (Third Account)	Second Account	SRCF (Third Account)	
Country Financial Partnerships and NAPs/SRAPs/RAPs		600 000		600 000	1 200 000
Enabling Activities/ CETP				250 000	250 000
Financing innovative approaches to explore new and additional funding	200 000	150 000		150 000	500 000
Mobilization of new and additional resources (potentially cofinanced by the World Bank)	200 000		175 000		375 000
Development of resource mobilization strategy	50 000				50 000
Development and implementation of a communications strategy	50 000		75 000		125 000
Total	1 250 000		1 250 000		2 500 000

## VII. RECOMMENDATION

21. I recommend that the Executive Board approve the proposed technical assistant grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the project Support to Resource Mobilization for and Implementation of Action Programmes and Related Initiatives, for the first of two years, commencing in May 2004, shall make a grant not exceeding one million two hundred and fifty thousand United States dollars (USD 1 250 000) to the Global Mechanism of the Convention to Combat Desertification upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President



## LOGICAL FRAMEWORK

NARRATIVE SUMMARY	MEASURABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<b>GOAL</b>			
To provide financial resources for the implementation of the CCD	<ul style="list-style-type: none"> <li>Amount available for the implementation of the CCD increased</li> </ul>	<ul style="list-style-type: none"> <li>Statistics on amount invested in the CCD</li> </ul>	<ul style="list-style-type: none"> <li>All stakeholders meet their commitment to the CCD</li> </ul>
<b>OBJECTIVES</b>			
Mobilization of financial resources to support the CCD implementation process	<ul style="list-style-type: none"> <li>Amount brokered by the GM increased</li> </ul>	<ul style="list-style-type: none"> <li>GM records of contributions</li> </ul>	<ul style="list-style-type: none"> <li>Donors respond to commitments to invest in the CCD and to recommendation of evaluations</li> <li>Effective cooperation with Facilitation Committee (FC) members</li> </ul>
Broadening of the funding basis for CCD implementation	<ul style="list-style-type: none"> <li>Amounts brokered from donors not yet contributing to the CCD and from non-traditional sources increased</li> </ul>	<ul style="list-style-type: none"> <li>GM records of contributions</li> </ul>	<ul style="list-style-type: none"> <li>Communications strategy and resource mobilization strategy developed</li> <li>Donors respond to commitments to invest in the CCD and to recommendations of evaluations</li> <li>Effective cooperation with FC members</li> </ul>
Development and implementation of a communications strategy	<ul style="list-style-type: none"> <li>Application of strategy to resource mobilization</li> </ul>	<ul style="list-style-type: none"> <li>Strategy developed and endorsed by the FC</li> </ul>	<ul style="list-style-type: none"> <li>Effective cooperation with IFAD</li> </ul>
<b>OUTPUTS</b>			
<b>MOBILIZATION OF FINANCIAL RESOURCES TO SUPPORT THE CCD IMPLEMENTATION PROCESS</b>			
<b>Output 1:</b> Initiation and finalization of 15 country financial partnerships (CFPs) and NAPs, SRAPs and RAPs	<ul style="list-style-type: none"> <li>Documents disseminated at GM and partners' websites</li> </ul>	<ul style="list-style-type: none"> <li>NAPs, SRAPs and RAPs finalized and published</li> <li>RAP networks established</li> <li>CFPs agreements signed</li> </ul>	<ul style="list-style-type: none"> <li>All stakeholders responding to recommendations of GM evaluation reports</li> </ul>
<b>BROADENING OF THE FUNDING BASIS FOR CCD IMPLEMENTATION</b>			
<b>Output 2:</b> CCD issues mainstreamed into Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC) member countries and EU Cooperation Strategies	<ul style="list-style-type: none"> <li>Increased investment in CCD by OECD and European Union countries</li> </ul>	<ul style="list-style-type: none"> <li>Statistical reports to OECD/DAC and national reports to the Conference of the Parties</li> </ul>	<ul style="list-style-type: none"> <li>OECD/DAC become observer member of GM's Facilitation Committee in 2004</li> <li>Bilaterals respond to recommendations of GM evaluation reports</li> </ul>

## LOGICAL FRAMEWORK

NARRATIVE SUMMARY	MEASURABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<b>Output 3:</b> Funding opportunities identified within decentralized cooperation framework in France, Italy and Spain and with the private sector and foundations	<ul style="list-style-type: none"> <li>Amount mobilized from decentralized cooperation, the private sector and foundations increased</li> <li>Number of opportunities for funding within decentralized cooperation identified</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships established</li> <li>Project proposals developed and funded</li> </ul>	<ul style="list-style-type: none"> <li>Communications and resource mobilization strategy developed and in place</li> <li>GM human resource capacity in place</li> </ul>
<b>Output 4:</b> Collaboration established with IFAD and the World Bank to promote Bio-Carbon Fund and carbon trading	<ul style="list-style-type: none"> <li>Amount mobilized through carbon trading increased</li> </ul>	<ul style="list-style-type: none"> <li>Agreements signed with carbon purchasers</li> </ul>	<ul style="list-style-type: none"> <li>Active GM/IFAD/World Bank collaboration</li> </ul>
<b>Output 5:</b> Debt-swap opportunities initiated, particularly in Latin America and the Caribbean	<ul style="list-style-type: none"> <li>Amount mobilized through debt swaps increased</li> </ul>	<ul style="list-style-type: none"> <li>Agreements signed with governments</li> </ul>	<ul style="list-style-type: none"> <li>Agreement by governments to invest in debt swaps</li> </ul>
<b>Output 6:</b> Enhanced participation by non-governmental organizations (NGOs) in CCD processes	<ul style="list-style-type: none"> <li>Number of NGOs that have benefited from GM grant</li> <li>Amount mobilized as cofinancing for each project</li> </ul>	<ul style="list-style-type: none"> <li>Project and evaluation reports</li> </ul>	<ul style="list-style-type: none"> <li>Commitment and capacity of the International NGO Network on Desertification and Drought and of NGO collaborative organizations to implement project</li> <li>Cooperation with the United Nations Development Programme Small Grants Programme established</li> </ul>
<b>Output 7:</b> Resource mobilization strategy developed and tested	<ul style="list-style-type: none"> <li>Amount of resources mobilized pursuant to strategy</li> </ul>	<ul style="list-style-type: none"> <li>Integration of strategy into GM overall workplan</li> </ul>	<ul style="list-style-type: none"> <li>FC members collaborative in sharing their resource mobilization strategies</li> </ul>
<b>DEVELOPMENT AND IMPLEMENTATION OF A COMMUNICATIONS STRATEGY</b>			
<b>Output 8:</b> Communications strategy centred on resource mobilization developed and tested	<ul style="list-style-type: none"> <li>Amount of resources mobilized pursuant to strategy</li> </ul>	<ul style="list-style-type: none"> <li>Integration of strategy into GM overall workplan</li> </ul>	<ul style="list-style-type: none"> <li>Effective IFAD/GM collaboration in producing joint materials as per President's Bulletin PB/2004/01</li> </ul>
<b>Output 9:</b> Communications marketing tools developed to sensitize donors	<ul style="list-style-type: none"> <li>Number of communications materials/publications</li> </ul>	<ul style="list-style-type: none"> <li>Publication and dissemination of materials</li> </ul>	

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

APPENDIX II

**DONOR INFORMATION**  
(USD)  
**GLOBAL MECHANISM 2<sup>ND</sup> AND 3<sup>RD</sup> ACCOUNTS**  
**AS PER SIGNED AGREEMENTS/RECEIPT OF FUNDS**

	Donor	1998	1999	2000	2001	2002	2003*	2004*	Subtotal
Second Account	Canada				31 950	59 986	65 785		
						22 069	18 710		
						38 988			
						134 853			372 341
	Denmark				100 000				100 000
	Finland				150 739	353 567	72 867		577 173
	Germany	100 000							100 000
	Italy					150 758		201 392 <sup>1</sup>	352 150
	Netherlands					112 454	130 485		242 939
	NORAD <sup>2</sup>						845 718		845 718
	Norway			95 655	236 529	250 810	423 787		1 006 781
	Portugal		50 000						50 000
Third Account	Sweden	127 171		527 535		319 289	364 601		1 338 596
	Switzerland	72 834	64 329	71 461	74 905	75 758	75 758		
							120 000		555 045
	AFESD <sup>3</sup>				52 085				52 085
	IFAD				50 000				
					250 000	250 000			550 000
	IsDB <sup>4</sup>		12 000		20 000				32 000
	OPEC Fund <sup>5</sup>				40 000				
					350 000		300 000		690 000
	United States (CHC) <sup>6</sup>				79 600	103 500			183 100
	World Bank			250 000	50 000	250 000			
					25 000				575 000
	<b>Subtotal</b>	<b>300 005</b>	<b>126 329</b>	<b>944 651</b>	<b>1 510 808</b>	<b>2 122 032</b>	<b>2 417 711</b>	<b>201 392</b>	<b>7 622 928</b>
	Denmark				250 000				250 000
	IDRC <sup>7</sup>					11 523			11 523
	IFAD		2 500 000		1 000 000	1 000 000			4 500 000
	World Bank			1 000 000		1 000 000			2 000 000
	<b>Subtotal</b>	<b>300 005</b>		<b>1 000 000</b>	<b>1 250 000</b>	<b>2 011 523</b>			<b>6 761 523</b>
	<b>Total</b>	<b>300 005</b>	<b>2 626 329</b>	<b>1 944 651</b>	<b>2 760 808</b>	<b>4 133 555</b>	<b>2 417 711</b>	<b>201 392</b>	<b>14 384 451</b>

**Notes:** \*2003/4 figures are in draft form and are subject to the finalization of the 2003 financial statements

<sup>1</sup> For funds not yet received, the USD equivalent has been calculated based on the prevailing rate on the date of the Agreement. Actual USD equivalent values will change when funds are received.

<sup>2</sup> NORAD = Norwegian Agency for Development Cooperation

<sup>3</sup> AFESD = Arab Fund for Economic and Social Development

<sup>4</sup> IsDB = Islamic Development Bank

<sup>5</sup> OPEC = Organization of the Petroleum Exporting Countries

<sup>6</sup> CHC = Congressional Hunger Council

<sup>7</sup> IDRC = International Development Research Centre (Canada)