

Document code:	EB 2004/83/R.46
Agenda item:	17
Date of distribution:	10 November 2004
Distribution:	Restricted

E



Enabling the rural poor to overcome poverty

Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

PROGRESS REPORT

Executive Board
1-2 December 2004 - Rome

Action: **Information**

Note to the Executive Board Directors

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board meetings, the Secretariat invites Board Directors to contact the following focal points with any technical questions about this document before the Board's session.

Abdelmajid Slama
Managing Director of the Global Mechanism, a.i.
tel.: +39-06-5459-2129
e-mail: a.slama@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Eleanor P. Alesi
Assistant Secretary for Governing Bodies,
Member Relations and Protocol
tel.: +39-06-5459-2360
e-mail: e.alesi@ifad.org

Contents

Abbreviations and acronyms	ii
I Introduction	1
II The GM in Action: Partnership-Building and Resource Mobilization	1
A. Support for Action Programming and Frameworks for Partnerships	1
B. Broadening the Funding Base for CCD Implementation	4
C. The GM Multiplier Effect	7
D. Financial Information Engine on Land Degradation	8
E. GM Communication Strategy	9
III Lessons Learned and Trends in CCD Implementation	11
IV Contributions to GM Financial Resources	13
Annexes	
I Africa	14
II Asia and the Pacific	19
III Latin America and the Caribbean	21
IV Donor Information	24

Abbreviations and Acronyms

AsDB	Asian Development Bank
CACILM	Central Asian Countries Initiative for Land Management
CCD	United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (or Convention to Combat Desertification)
COP	Conference of the Parties
CPP	Country pilot partnership
FAO	Food and Agriculture Organization of the United Nations
FC	Facilitation committee
FIELD	Financial Information Engine on Land Degradation
GEF	Global Environment Facility
GM	Global Mechanism
GTZ	German Agency for Technical Cooperation
ICARDA	International Center for Agricultural Research in the Dry Areas
NAP	National Action Programme
NGO	Non-governmental organization
RIOD	International NGO Network on Desertification
SIDS	Small island developing states
SPA	Strategic Partnership Agreement for CCD Implementation in the Central Asian Countries
SRAP	Subregional action programme
TAG	Technical assistance grant
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

I. Introduction

1. In October 1997, at the First Session of the Conference of the Parties (COP.1) to the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD), IFAD was selected as the housing institution of the Convention's Global Mechanism (GM). The mandate of the GM, in order to increase the effectiveness and efficiency of existing financial mechanisms, is to promote actions leading to the mobilization and channelling of substantial financial resources, including resources for the transfer of technology, on a grant basis, on a concessional basis, or other terms, to affected developing country Parties.
2. The GM began operations in 1998 and has submitted reports to the Executive Board of IFAD yearly since December 1998 and to the Governing Council yearly since February 1999. This sixth report to the Executive Board provides an overview of the lessons learned and an illustration of the activities undertaken in 2004 within the framework of the 2003-06 business plan and outlines achievements to date in the building of partnerships and the mobilization of resources.

II. The GM in Action: Partnership-Building and Resource Mobilization

3. Given the cross-cutting nature of CCD-related issues, the process of matching the supply and demand sides of the resource equation for CCD implementation involves a number of interventions. Consequently, the presentation on how the GM has discharged its functions will focus on the following topics:
 - GM support for action programming and the promotion of frameworks for partnerships at national and subregional levels
 - some illustration of the GM multiplier effect
 - the GM's financial information engine on land degradation (FIELD)
 - the GM communication strategy

A. Support for Action Programming and Frameworks for Partnerships

4. In line with the GM's mandate to operate on the basis of demand, the GM supports **national, subregional and regional action programmes** in Africa, Asia and the Pacific, Latin America and the Caribbean, and Eastern Europe. The GM support is provided as per the GM operational strategy and is thus based on the premise that the GM needs to interact with both the demand and supply sides of the Parties to the Convention. Action programmes need to be developed, and investment needs and opportunities need to be defined as a basis for negotiations on funding. Experience shows that the two processes of the internalization of the Convention and action programmes into the planning frameworks of governments and development cooperation agencies and, on that basis, the identification of financing partnerships need to be pursued as much as possible in parallel to be effective. The GM has evolved and is now pursuing a more systematic approach in this regard. It is a systematic and sequential approach to support the establishment of national action programmes (NAPs) and subregional action programmes (SRAPs) to forge financial partnerships. It involves not only focal point ministries, but also other technical ministries

and ministries and departments of planning and finance within the developing country Party and development partners through their development cooperation agencies so as to ensure financial commitment on the demand and the supply sides for action programme implementation. The GM has promoted cooperation on this approach among a number of partner constituencies. The main ones are as follows:

- the GM facilitation committee (FC)
 - bilateral agencies and their relevant coordinating bodies such as the European Union and the Organisation for Economic Co-operation and Development/Development Assistance Committee
 - subregional organizations with specific mandates or interest in the CCD
 - research and academic institutions, particularly institutions of the Consultative Group on International Agricultural Research
 - the community of non-governmental organizations (NGOs) and
 - the private sector
5. Experience shows that cooperation among all these partnership constituencies needs to be further developed and strengthened. With regard to the FC, the meeting of the committee held in April 2003 resulted in a GM business plan for the period 2003-06 that focuses not only on what the GM will accomplish, but also on what each member of the FC has accepted as a commitment to specific tasks in support of the GM and the Convention. The GM has also finalized detailed joint workplans for 2004 with all of the FC members (with the exception of the African Development Bank) based on the business plan. The strengthening of the cooperation with FC members is a response to the recommendations of the external evaluations of the GM undertaken in 2003 and to subsequent decisions of COP.6. A similarly strengthened relationship and systematized cooperation needs to be established with the bilateral community so as to enhance its support for the Convention and the creation of stronger links.
6. The GM cooperates with regional and subregional organizations. With regard to subregional organizations, the GM works to strengthen partnership-building at the country and subregional levels, and the GM has assisted subregional organizations in the establishment of **subregional support facilities**. These are the Intergovernmental Authority on Development in East Africa and the Economic Community of West African States/Permanent Interstate Committee for Drought Control in the Sahel in West Africa. In the Central Asian region, the GM is also collaborating with the project facilitation unit of the International Center for Agricultural Research in the Dry Areas (ICARDA) in Tashkent, Uzbekistan in an initiative funded through a cost-sharing agreement with IFAD. In the Latin America and the Caribbean region, the GM has established such cooperation with the Central American Integration System, the Organization of American States, the United Nations Economic Commission for Latin America and the Caribbean, the Secretariat of the Caribbean Community and Common Market and the Tropical Agricultural Research and Higher Education Center. In line with the mandates of these organizations, the support facilities are:
- coordinating the preparation and implementation of the SRAPs, which includes the provision of technical assistance and support (as appropriate) in the preparation and implementation of transboundary projects and initiatives defined under the SRAPs;

- assisting member states in the development and implementation of NAPs and providing a relay for development partners to support the NAP processes in these country Parties; and
 - providing a subregional forum for policy dialogue and the cross-fertilization of experiences.
7. An important advantage of collaboration with intergovernmental organizations is the opportunity they provide for working in an integrated manner across government departments and at various levels, ranging from technical staff to policy-makers and political authorities.
 8. A unique partnership, referred to as the "Strategic Partnership Agreement (SPA) for Implementation of UNCCD in Central Asian Countries", was launched by the GM in 2001. The SPA was formalized at COP.5 and brought together the GM, the Asian Development Bank (AsDB), the Canadian International Development Agency and the CCD project of the German Agency for Technical Cooperation (GTZ). The primary objective of this partnership is to enhance donor collaboration and programme harmonization for the support of countries in the implementation of the CCD at the local, national and subregional levels. In 2003, the SPA was expanded to include IFAD, Swiss Agency for Development and Cooperation and ICARDA. Currently, procedures are under way for the accession of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) to the partnership, bringing the total to nine members. Although they are not official members, several other institutions and donors are collaborating with SPA initiatives, for example the CCD Secretariat, the World Bank, the Japan International Cooperation Agency and the Islamic Development Bank.
 9. The GM support forged in 2004 in terms of the mobilization of resources in favour of the small island developing states (SIDS) in the Caribbean has centred on the Partnership Initiative on Land Degradation and Sustainable Land Management. This partnership builds on the expertise and pledged commitment of a number of institutions, including UNEP, the Food and Agriculture Organization of the United Nations (FAO), the Secretariat of the Caribbean Community and Common Market, and the University of the West Indies, as well as civil society and the International NGO Network on Desertification and Drought (RIOD), GTZ and the Caribbean SIDS. The partnership will be presented at the Mauritius summit.
 10. GM's collaboration with **research institutions**, particularly the system of the Consultative Group on International Agricultural Research, is intended to promote science-based contributions to CCD implementation. In this context, the GM, in collaboration with IFAD, has contributed to the formulation of a research initiative on desertification, drought, poverty and agriculture spearheaded by institutions in the Consultative Group on International Agricultural Research (the International Crops Research Institute for the Semi-Arid Tropics, ICARDA and the International Food Policy Research Institute).
 11. The CCD recognizes the important role of **civil society** (NGOs and community-based organizations) in the implementation of the Convention. Guided by its mandate, the GM has supported civil society through its Community Exchange and Training Programme. This programme, developed as a joint partnership between the GM and the RIOD, aims at facilitating the contribution of civil society to NAPs and SRAPs. Working through small-scale community exchange and training projects, it aims to enhance:
 - the ability of local communities to identify, articulate and respond to limiting factors and opportunities in natural resource management and production;

- policy dialogue, the transfer of technology and the building on indigenous knowledge among communities for better natural resource management and alternative income-generation;
 - the capacity of NGOs and community-based organizations to respond to local community needs; and
 - the production and spread of knowledge.
12. Based on the discussions at COP.6, it was decided to undertake an evaluation of the Community Exchange and Training Programme. The objective of the evaluation is to gauge the effectiveness of the programme in reaching and supporting civil society and then to use the evaluation as a basis for the expansion of the funding base of the initiative. In parallel with the evaluation process, discussions have now been initiated with members of the FC and, in particular, with the Small Grants Programme of the Global Environment Facility (GEF) to the effect that the Small Grants Programme will take on responsibility for the operational aspects of the Community Exchange and Training Programme, while the GM will focus on resource mobilization. This is especially opportune at this point in time given that land degradation has now become a focal area of the GEF. It should therefore be possible to generate considerable benefits for the NGO community through formalized cooperation between the GM and the Small Grants Programme.

B. Broadening the Funding Base for CCD Implementation

13. The Sixth Session of COP, held in 2003, undertook the second review of GM policies, activities and operational modalities. The review was based on the external evaluations undertaken in preparation for COP. While recognizing the strategy and the approach developed by the GM, COP requested the GM to focus mainly on its primary role of the mobilization of resources to support CCD implementation by broadening the funding base for the implementation and to assist in the mobilization of new sources of financing such as private capital, foreign direct investment, funding from multilateral institutions and grants from private foundations. In line with the recommendations of the independent evaluations and with Decision 5/COP.6, the GM intensified its search for **innovative funding opportunities** for CCD implementation that might arise from private corporations and foundations, as well as through carbon trading and decentralized cooperation.

The Private Sector

14. A study conducted in Italy between April and July 2003 identified several potential private sector donors who are strongly committed to the promotion of environmental sustainability and the socio-economic development of affected livelihoods or are involved in the European Union emissions trading scheme. This research also showed that Italian foundations are donating approximately EUR 365.6 million per year, of which roughly EUR 10.0 million are allocated to international projects.
15. As a follow-up to this research, the GM approached the two largest utility companies (ENI and ENEL SpA) and the two largest foundations (Fondazione Cassa di Risparmio delle Provincie Lombarde and Fondazione Monte Paschi di Siena) with a view to the mobilization of resources for CCD-related activities. The underlying communication and sensitization work facilitated the start of negotiations with these organizations on concrete sponsorship or partnership agreements involving 27 project proposals in 30 different countries.

16. In this context, the GM, in partnership with FAO, IFAD and the Government of Guatemala, supported the development of a project proposal valued in the amount of EUR 200 000 that has been pre-selected for funding by ENEL SpA. Recent discussions with the company's branch in Guatemala have opened new opportunities further to expand this proposal both geographically and thematically, thus scaling up the potential funding to be provided by ENEL SpA.
17. Based on the preliminary outcomes of these discussions and on projections, the GM is expecting to receive financial support for at least three projects in 2004, valued at approximately EUR 1.0 million, and, in 2005, to four more projects, with an additional contribution of EUR 2.0 million. On the basis of the lessons learned from this initiative, the GM will expand its resource mobilization efforts to other countries offering similar or greater potential.
18. Similar studies were also conducted in **Kenya** and **South Africa** with a view to the development of strategies that would enable affected country Parties to collaborate with private sector business organizations and foundations on CCD implementation in their respective countries. These studies revealed that the corporate sector in Kenya annually contributes approximately USD 20.0 million towards various development initiatives as part of their corporate social responsibilities. The amount contributed in South Africa is much higher, averaging USD 160.0 million per annum. It was concluded that the GM may be able to support Kenya and South Africa in the mobilization of about USD 10.0 million annually from their corporate partners for the implementation of their NAPs to combat desertification.
19. Based on these results, the GM is working with the governments of the two pilot countries to develop strategies and put in place mechanisms that could lead to the mobilization of substantial financial resources from the corporate sector for the implementation of the Convention. Already, the efforts in South Africa are beginning to bear fruit with the signing of agreements between the Government and some private sector organizations that have pledged support for the implementation of the NAP to combat desertification. The total amounts so far pledged are in the order of USD 80.0 million. These are positive developments, and the GM will continue to strengthen its capacity and strategies to work with the private sector more effectively.

Decentralized Cooperation

20. An earlier study revealed that many Italian regional administrations are active in the area of international cooperation, and some of them have chosen to support African countries affected by desertification. In particular, based on past activities, the Regions of Tuscany, Lombardy, Emilia Romagna and Piedmont hold out significant prospects for the mobilization of resources for CCD projects. An example of decentralized cooperation in Italy is the collaboration between the Italian Ministry of Foreign Affairs, FAO and the Region of Tuscany which is currently implementing a Desertification Control and Poverty Reduction Programme in the Sahel and is planning to strengthen the "Zero Hunger" campaign promoted by the President of Brazil. Lombardy has made available over EUR 10.0 million in 2004 for development projects, and Emilia Romagna allocated over EUR 3.5 million between 2002 and 2003.
21. Additional initiatives with regard to decentralized cooperation are being undertaken in **Morocco**, where the French department of Seine-Saint-Denis, active in the Moroccan province of Figuig, has expressed interest in contributing to the implementation of NAP

priorities in the region. The *Centre d'actions et de réalisations internationales*, French focal point of the RIOD, is currently undertaking a study in Souss Massa Draa to identify the possibility for cooperation with the department of Hérault. These initiatives aim to support Morocco's natural resource management efforts at the local level.

22. In support of the **Puna SRAP**, the GM and the United Nations Economic Commission for Latin America and the Caribbean are jointly assisting an initiative to engage the private mining sector companies that operate in the countries of the Puna Americana (a subregion in the Andes). The main purpose of this initiative is to foster a consultative process between the stakeholders of the Puna SRAP and the mining companies with operations in the area so as to identify potential investment opportunities that favour the priorities of the SRAP.
23. With GM catalytic funding, an initiative has been undertaken in **Nicaragua** through an agreement between the Government of Nicaragua, Ecoscurities and the GM to identify concrete proposals related to different environmental services, but with a special emphasis on carbon trading, that could be eligible for financing through existing mechanisms such as the carbon management funds of the World Bank. Along these same lines, the GM is supporting the identification of resource mobilization opportunities through carbon trading within the framework of the Peru-Ecuador two-nation development plan. The GM is exploring opportunities for a partnership with FAO, the Central American Bank for Economic Integration, the Tropical Agricultural Research and Higher Education Center, IFAD, the Organization of American States and GTZ to develop a regional platform to support the design, development and implementation of initiatives involving payment for environmental services as an incentive to combat land degradation, promote the sustainable management of natural resources and contribute to rural poverty alleviation in Central America.
24. Two other new initiatives have also been developed during the year that have significant potential to contribute to the enhancement of the profile and implementation of CCD. These are the World Bank-led **TerrAfrica** initiative and the country pilot partnership (CPP) initiative led by the GEF secretariat.
25. **TerrAfrica** focuses on Africa. It aims to increase investments substantially in sustainable land management on the continent. It has been established as a partnership initiative that will involve not only the World Bank and recipient countries, but also other multilateral institutions and the bilateral development cooperation community. TerrAfrica was launched in Paris in June 2004 during a seminar co-hosted by the World Bank, the CCD Secretariat and the GM. The GM's role in the partnership will primarily revolve around the pursuit of its mandate in mainstreaming and partnership-building.
26. TerrAfrica is a comprehensive programme that not only focuses on investment requirements, but also involves support for a broad research agenda, including, technical, economic, policy and institutional aspects. IFAD is engaged in TerrAfrica and will support it through its country operations and also at the policy level.

The GEF

27. Since the inclusion of sustainable land management as a GEF focal area, the GEF secretariat has taken the initiative to launch **CPPs** under the new Operational Programme 15 on Sustainable Land Management. The strategy is to pursue a programmatic approach that targets policy, regulatory and institutional reforms, capacity-building and on the ground investments in a comprehensive manner, as opposed to the financing of selected field-level projects. This requires that a number of external partners, together with

government, implement a coordinated series of interventions financed through a variety of sources, including the GEF, national budgets, bilateral development cooperation agreements, the country assistance programmes of multilateral agencies, and private foundations. Under the CPP, the GEF will approve a programmatic framework. The framework will then be implemented through a sequenced set of interventions that address the root causes of desertification. This approach is based on AsDB's experience with regard to the GEF-People's Republic of China partnership on land degradation in dryland ecosystems, as well as the experience of the GM-spearheaded SPA. Given the extent of land degradation and the existence of the SPA, Central Asia was selected as one of the first CPPs to be launched. IFAD, in cooperation with UNDP, will lead another such CPP in Burkina Faso. In that case, the GM's experience in the pursuit of the mainstreaming and partnership-building processes in the country will enable it to make an important contribution in the establishment of the CPP.

28. With regard to the Latin America and the Caribbean region, the GM, in partnership with IFAD and other GEF executing and implementing agencies, has entered five projects into the GEF pipeline. These are valued at a total of USD 26.0 million. The projects are located in Brazil, Venezuela, El Gran Chaco Americano (a subregion straddling Argentina, Bolivia and Paraguay), the Patagonia region of Argentina and the English-speaking Caribbean.

C. The GM Multiplier Effect

29. It is often difficult to isolate the impacts of the factors affecting the environment in which country-level decision-makers consider policy and investment options. From experience in rural development and natural resource management, it is also known that an initial decision to earmark resources for a NAP does not necessarily guarantee successful programme implementation. Nonetheless, the multiplier effect is becoming an increasingly useful concept for the GM in the measurement of the GM's impact on resource mobilization. Obviously, the impact of a GM intervention will vary from one situation to another, depending, i.e., on the prospects for capitalization through strategic partnerships. In last year's report to the Executive Board, the example of Tunisia was given on the multiplier effect of the GM. A catalytic investment by the GM of USD 80 000 yielded USD 24.0 million in investments for the CCD from bilateral and multilateral donors. It is now possible to add several other examples to the Tunisia case. As pointed out above, a GM catalytic investment of USD 50 000 in South Africa has already yielded financial agreements totalling USD 80.0 million. In West Africa, catalytic resources from the GM have enabled the Governments of Niger and Nigeria to develop a transboundary natural resource management project with support from UNEP for GEF funding. The full-size project, costing approximately USD 15.0 million, was approved by the GEF council in May 2004, with a GEF grant of USD 5.0 million. The GM catalytic contribution was USD 110 000. In addition to this amount, GM is negotiating cofinancing from a number of donors as part of the financing plan for the project. With a catalytic support of USD 130 000 in Burkina Faso, the main activities of Burkina Faso's NAP are now included in the poverty reduction strategy, and an amount of approximately USD 175.0 million related to desertification control was approved by donors during the round table held in March 2004.
30. The GM, through an overall investment of close to USD 100 000 disbursed over a two-year period, has been supporting the consolidation of the El Gran Chaco Americano SRAP and, in partnership with UNEP, has facilitated the development and approval of a full-size GEF project in El Gran Chaco Americano for USD 4.0 million. In parallel with the GEF initiative,

the GM has contributed to the mobilization of other sources of funding for the Chaco SRAP, including USD 350 000 from the Inter-American Agency for Cooperation and Development.

31. On behalf of the GM-coordinated SPA, the countries and SPA members both requested that the AsDB establish a long-term resource mobilization strategy. This led to the development of the Central Asian Countries Initiative for Land Management (CACILM) that was entered into the GEF pipeline in May 2004 as one of the first GEF CPPs. Through the CACILM, national programming frameworks will be formulated to establish a broad stakeholder partnership for the improvement of the enabling policy, legislative and institutional frameworks and to mainstream sustainable land management objectives into national development planning processes. Also, priority investment and technical assistance needs will be identified, and a monitoring and evaluation methodology will be established to track impact and financial flows. At the multi-country level, a methodology endorsed by the Central Asian countries will be formulated to develop proposals against agreed upon criteria to facilitate the financing and implementation of projects by interested partner agencies. A knowledge management system and modalities for reporting to COP and the Committee for the Review of the Implementation of the Convention will be established.
32. The estimated financing plan for the CACILM over ten years involves USD 700.0 million. It is anticipated that GEF financing will amount to USD 20.0 million from the Third Replenishment and that additional financing of USD 80.0 million will be obtained from future GEF replenishments. Cofinancing for the ten years will amount to a total of USD 600.0 million. The AsDB will contribute the bulk, USD 450.0 million, while government and bilateral agencies will provide, respectively, USD 100.0 million and USD 50.0 million. A Project Development Fund Block B application is being finalized to obtain GEF resources of USD 700 000, which will be cofinanced by the AsDB, national governments and the GM with, respectively, USD 500 000, USD 250 000 and USD 50 000. Additional parallel financing amounts to USD 600 000 from other initiatives supported, respectively, by the GM, SPA members and UNDP. In total, the Project Development Fund Block B financing amounts to USD 2.1 million. The GM has led the development of this initiative not only as a result of the establishment of the SPA, but also through conceptual input and through cofinancing in collaboration with other SPA members, a consultative process that culminated in the formulation of the CACILM.
33. Additional information is provided in the regional annexes on developments during the year. However, it should be noted that many of the initiatives at the country level and the subregional level depend on the catalytic resources being made available from the GM, as discussed above. This, in turn, requires the preparation and signature of legal agreements. In this process, the GM is supported by relevant divisions in IFAD. Because this is a complex procedure that, many times, requires negotiation, the time between the decision to support an initiative at a certain amount and the start of the actual work is very long, and the GM has been hampered in its operations due to this.

D. The Financial Information Engine on Land Degradation

34. The GM's information role is essential for resource mobilization as it provides the key to the linkage between supply and demand. The GM has addressed this aspect of its mandate primarily through the development of a comprehensive database of desertification-related funding sources, financial trends, projects, country and organizational profiles, and a variety of related technical and policy reports. This information is disseminated through FIELD, which is available on the Internet (<http://field.gm-unccd.org>) and on CD-ROM.

35. FIELD currently contains over 8 000 cross-referenced records, including over 4 000 relevant ongoing or closed projects and 1 700 documents, reports and publications related to the implementation of the Convention. This information covers all 190 country Parties to the Convention across six continental regions and is obtained from about 4 700 official sources, including national CCD reports and annual reports of more than 200 donor organizations.
36. To enhance progressively the accuracy and coverage of FIELD, the GM has collaborated with other institutions involved in gathering and disseminating information on similar or complementary subjects. An important example is the collaboration with the Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC), which enabled the GM to build on existing international development standards and definitions. As a result of a joint collaborative effort that involved the GM beginning in March 2000, the working party on statistics of DAC approved, in June 2004, a new data collection methodology to eliminate the large discrepancies that exist between what the countries of OECD report to the committee and what they report to the secretariats of the three Rio conventions.
37. Through FIELD, the GM is producing financial analyses that generate knowledge of specific value for the CCD resource mobilization process. These analyses, which are instrumental to the process of the matching of supply and demand for the funding of the implementation of the CCD, are being used in the context of GM's brokering and advisory work both at the country level and the at policy-making level. They have, for example, enabled GM staff to carry out specific analyses pertinent to the needs of client countries. They have also enabled the analyses of desertification-related investment trends by type of donor and by purpose or sector of investment.
38. Since 2003, the GM has also been working to extend FIELD's reach by participating in Development Gateway's "Accessible Information on Development Activities" portal and connecting with the information resources of other FC members. In addition, on a daily basis, the GM has posted over 500 abstracts of relevant news and events. As a result, the web usage of the GM website has been growing rapidly. In 2004, more than 16 000 individuals from 130 countries made use of the site every month, downloading, on average, approximately 25 000 documents and accounting for over 800 000 monthly hits.
39. The GM business plan establishes that, from 2003 to 2006, the GM will adopt a four-pronged approach to resource mobilization that includes the provision of advice and assistance to governments in assembling investment packages for the CCD. It also indicates that the GM will play a sustained brokering role in the area of capacity-building and knowledge networking for resource mobilization.
40. In this connection, FIELD will be used as a vehicle to facilitate the access to and sharing and transfer of relevant data, information and knowledge. Not only will it help to increase awareness of existing and innovative financial resources and programmes available for the CCD, but it will also serve as a tool to measure the level of the resources actually invested, to increase the visibility of activities undertaken by the Parties within the framework of the implementation of the Convention and to foster dialogue, interaction and cooperation among the stakeholders.

E. GM Communication Strategy

41. Experience has shown that the lack of factual information on the macro and micro-costs and the benefits of land degradation and the limited information on best practices and success stories on addressing land degradation in dry, arid, semi-arid and dry sub-humid areas hinder the resource mobilization process. The departments and ministries responsible for development planning and the allocation of scarce financial resources (domestic and development cooperation resources) are frequently reluctant to invest in drylands management due to the perceived low return on investment relative to alternatives.
42. In order to address this issue and produce factual information, the GM is working with partners in the generation of information that shows it makes sense, in socio-economic terms, to invest in drylands development. To this effect, a four-pronged, collaborative, inter-agency approach has been adopted, including: (a) the compilation of success stories; (b) assessments of the costs of land degradation and the returns on investment; (c) support for the Land Degradation Assessment in Drylands project; and (d) review of relevant experiences with the aim of the development of operational guidelines on incentive systems for sustainable natural resource management. The resulting messages will be combined with information on the role of the GM and its partners in support of CCD implementation and the achievements to date.
43. The two evaluations of the GM and the business plan call on FC members, particularly IFAD, to collaborate in resource mobilization and communication with the GM. As regards communication and advocacy, it has been agreed that relevant FC members will take on the main responsibility of pursuing, with the GM, the studies required. Also, FC members will, in their own publications, include information on land degradation and on the linkages between land degradation and poverty. Similarly, the GM will collect and communicate information on the economic aspects of land degradation with the objective of facilitating partnerships and resource mobilization. To this effect, the GM will work closely with IFAD and other FC member organizations.
44. IFAD is strongly committed to combating land degradation and has engaged with the GM in a number of joint communication activities, particularly through the Communications Division of the European Commission and the North America Liaison Office. Early in 2004, this collaboration was formalized and made more systematic through the "President's Bulletin on the Global Mechanism" (PB/04/01), which recognizes the need to plan joint GM-IFAD communication activities at an early stage. Based on this plan, the roles and responsibilities in implementation will be defined, and financial resources will be allocated by the GM and IFAD as appropriate.
45. Following the publication of the President's Bulletin, a GM communications focal point was nominated, and a communications consultant was recruited in September 2004 to develop a GM communication strategy based on an extensive analysis of the institutional roles and objectives, past experiences and lessons learned, as well as on the identification of current gaps, needs and opportunities. It is anticipated that the strategy will have long-range effects on the activities of the GM and its partners, as well as on national authorities and the governments of both donor and recipient countries.

III. Lessons Learned and Trends in CCD Implementation

46. The lessons learned by the GM have been discussed in previous reports. However, some of the factors related to resource mobilization are so fundamental for success that they are mentioned in summary below. Thus, the GM's experience is that the prospects for effective resource mobilization are contingent upon a number of factors such as:
- Governments must possess the foresight to integrate the issues of land degradation into the processes of national and sectoral development planning and budgeting and, in this way, turn the NAPs into important strategic frameworks that are linked with the overall development strategy and are seen as strategic tools for the alleviation of poverty in dryland areas. In too many countries, the NAPs have been stand-alone programmes to which neither national, nor development partners have referred in planning their activities.
 - Effective resource mobilization is dependent on solid coordination among various ministries at the national level and the participation of non-technical ministries, such as finance, planning and development, in the process of the planning and implementation of the NAP. These non-technical ministries are decision-makers on domestic resource allocations, and they can ensure that the NAP is put on the table for negotiation with donors.
 - Furthermore, it is necessary to identify the interface between the NAP and the development cooperation strategies of development partners, who must therefore become active participants in the process as early as possible. In this context, it has also been found that there is a need to improve the coordination among donors and the interaction between the CCD focal points and the people responsible for country operations.
47. The processes outlined in the three points above are referred to as mainstreaming and partnership-building in the operational strategy of the GM. The two processes are pursued in parallel and go hand-in-hand. They are, however, also specific to each country or initiative; each case is unique even though the underlying principle remains the same. The planning and budgeting processes of a number of partners will have to come together over a sustained period of time. Time is therefore also an essential commodity in resource mobilization.
48. Following the review of the GM at COP.6, progress has been made with regard to some of the aspects referred to above. Thus, the cooperation with FC members is now managed through the business plan and through joint work programmes with FC members. In this way, a substantial part of the multilateral community is now systematically engaged in the implementation of the Convention.
49. In response to the evaluation of the GM, IFAD has established an advisory group, chaired by the Assistant President, Programme Management Department. The group deals with all aspects of GM-IFAD interaction and cooperation, and its efforts are leading to more systematic and regular cooperation between the GM and IFAD. This should, above all, result in closer planning linkages. The GM and IFAD are now working together in a number of countries, including Argentina, Bolivia, Brazil, Burkina Faso, Ethiopia, Ghana, India, Jordan, Kenya, Morocco and Venezuela and the countries of Central Asia and Central America.

50. As mentioned above, the World Bank has taken the initiative in TerrAfrica to enhance its support for sustainable land management and the implementation of the Convention in sub-Saharan Africa. This initiative is closely linked to the Convention and the World Bank's commitment to support the implementation of the Convention.
51. The AsDB has taken an important step in support of the Convention through the partnership for Central Asia, as reported above.
52. Through the launch of the CPP initiative, the GEF seeks to optimize the impact of the funds of Operational Programme 15 on Sustainable Land Management at the country level.
53. The bilateral donors met in March 2004 to discuss how they could more effectively support the implementation of the Convention. No coherent strategy has yet emerged from discussions in the bilateral community, however. Following the Sixth Session of COP, held in Cuba in August and September 2003, there have been discussions in the CCD constituency on the reasons for the difficulty in moving the CCD implementation into a higher gear. One of the reasons that is increasingly being recognized as a bottleneck is the lack of a CCD research base from which facts and figures, as well as issues and options, can be derived and formulated in such a way that they lend themselves to discussions with and among politicians and senior officials in the development community in both developed and developing countries. Two Rio conventions have such a research base, and this base is constantly being refreshed through the work undertaken by the Intergovernmental Panel on Climate Change for the United Nations Framework Convention on Climate Change and the Subsidiary Body on Scientific, Technical and Technological Advice for the Convention on Biological Diversity. These bodies are, of course, obtaining research results from a range of research institutions, but they also contribute to the formulation of the research agenda and to the articulation of research results for the international community. The Committee of Science and Technology of the CCD was not set up to fulfil the same function.
54. However, in order to improve the situation and fill this gap, two major initiatives are now under way. The first is related to the Land Degradation Assessment in Drylands project. It has been launched by UNEP-GEF and FAO as GEF agencies. The project will provide information on the current situation with regard to land degradation in dryland areas, monitor trends and identify improving or deteriorating conditions and factors related to these developments.
55. The second initiative that has been launched is the so-called Challenge Programme on Desertification, Drought, Poverty and Agriculture. This is a joint initiative of ICARDA and the International Crops Research Institute for the Semi-Arid Tropics. Its objective is to address technical, socio-economic, institutional and policy issues related to dryland management.
56. The GM has contributed to the development of both these initiatives (in cooperation with IFAD in the case of the challenge programme). In fact, the GM has, for some time already, felt the consequences of the lack of a solid knowledge base for the CCD since this lack makes it very difficult to mobilize resources for the implementation of the Convention. In order to start tackling this problem, the GM took the initiative of launching a number of economic studies at the national level seeking to establish the cost of land degradation to the national economy. The GM also commissioned a number of case studies showing success stories in combating desertification and land degradation. These two endeavours have resulted in the publication *Why Invest in Drylands?*.

57. Following discussions within the FC, it is now agreed that these types of studies will be pursued on a broader basis with primary responsibility assigned to FC members, especially founding members, i.e., IFAD, the World Bank and UNDP. In line with these decisions of the FC, the World Bank is preparing a project that will undertake additional in-depth economic studies in a limited number of countries. These studies fall under the umbrella of TerrAfrica, which, as described above, includes a research component. The GM has started to discuss with IFAD the possibility of IFAD support for the further development and initial implementation of the challenge programme.
58. Although it will, of course, take a few years before solid results will emerge from the launch of a more comprehensive and inclusive research agenda linked to the CCD, this is expected significantly to enhance the possibilities for the mobilization of resources for CCD implementation.

IV. Contributions to GM Financial Resources

59. The core GM budget in 2004 amounted to roughly USD 1.8 million based on the assessed contributions approved by COP.6. The proceeds of the core budget are deposited in the GM first account to finance the administrative and operating expenditures associated with the normal tasks of core staff. The GM also received voluntary contributions from multilateral agencies (IFAD and the World Bank) and from bilateral sources. It splits these voluntary contributions between its second and third accounts, through which it provides the catalytic funding, referred to above, in the context of the business plan approach and in collaboration with FC members. The assessed contribution from COP is, however, insufficient to cover all core costs, and part of the contributions to the second account, as per agreement with each donor, is therefore used to cover the shortfall.
60. The core budget approved by COP.6 for the biennium 2004-05 amounts to USD 3.7 million. While this represents an increase of approximately 5% over the core budget for the biennium 2002-03 (USD 3.5 million), it creates a resource gap of about USD 1.2 million per year in comparison with the requested budget. Therefore, to fulfil its mandate, the GM will have to cover the shortfall with voluntary contributions.
61. Annex IV shows, by donor, the contributions to the second and third accounts up to 15 September 2004, amounting to approximately USD 3.4 million for 2004. The total income from 1999 to September 2004 (as per pledges and signed agreements) amounts to approximately USD 10.2 million for the second account and USD 7.2 million for the third account. IFAD has contributed 36.1% of the total amount of the two accounts (10.7% of the second account and 72.1% of the third account).
62. Pending closure of fiscal year 2004, approximately 15.8% of the funds in the second account have been spent or are committed for the administrative expenses of the GM office, while the remaining 84.2% are earmarked for the support of action programme development and implementation. All funds of the third account support CCD implementation, with 41% allocated to the Africa region, 22.4% to Asia and the Pacific and 22.4% to Latin America and the Caribbean. The remaining 14.2% have been allocated to global initiatives such as support for the Land Degradation Assessment in Drylands project.

Annex I

Africa

North Africa

1. The GM has supported the elaboration and implementation of NAPs in Algeria, Morocco and Tunisia and a SRAP in the Arab Maghreb Union. Catalytic financial support of approximately USD 590 000 was provided in response to requests. GM support and activities were undertaken in close collaboration with key partners such as community-based organizations, the CCD Secretariat, the Drylands Development Centre of UNDP, GTZ, IFAD, the Sahara and Sahel Observatory, UNDP and the World Bank.
2. In Tunisia, a catalytic investment by the GM of USD 80 000 contributed to the mainstreaming of the NAP into the Tenth Five-Year Socio-Economic Development Plan (2002-06), as well as the United Nations Development Assistance Framework. With GM support, the Tunisian Government is developing priority projects that emanate from the NAP. The total cost of these projects is approximately USD 33.7 million, of which the Government has allocated USD 18.6 million from domestic resources. Responding to the partnership-building process facilitated by the GM through a USD 100 000 grant, donors (including France, Germany, Italy, Switzerland, UNDP and the GEF secretariat) have negotiated investments of approximately USD 24.0 million in the NAP. The GM is continuing to pursue actions with these and other partners to mobilize additional resources to match the Tunisian Government's budget allocation.
3. The GM support to Tunisia can also be expressed in qualitative terms: land degradation is now a national priority instead of a limited sectoral consideration; the need for a multidisciplinary and integrated approach to CCD implementation has been recognized; the added value of NAP is widely accepted in many government quarters; the integration of the NAP in the Tenth Five-Year Socio-Economic Development Plan ensures national funding regardless of institutional restructuring; participatory approaches and NGO contributions are becoming institutionalized; information-sharing and consultative mechanisms among donors are being strengthened. IFAD-GM collaboration is also being strengthened as synergies are being created between IFAD's Agropastoral Development and Local Initiatives Promotion Programme for the South-East and NAP priority projects.
4. In Morocco, GM financial and technical support contributed to the validation of the NAP in 2000. Following joint efforts with UNDP, desertification issues were made a UN Development Assistance Framework priority. With GM support of USD 50 000, a national forum on partnership-building and resource mobilization was held in 2003 with national and international partners. The meeting enabled the preliminary matching of Morocco's NAP priority projects with donor policy and programmatic frameworks. In 2004, GM support contributed to the identification of NAP priority projects to be financed through government sources and development partners. A country financing partnership forum was held in September 2004 to pursue financing opportunities for the implementation of the projects. Fifty-three priority projects were presented to 19 development partners. Interest was expressed in the provision of support for ten projects. Spain, in particular, committed to the financing of one of the projects at an amount of USD 1.5 million.
5. Furthermore, the GM cofinanced the elaboration of a GEF Project Development Fund Block B project proposal in collaboration with IFAD and the United Nations Industrial Development Organization. The project promotes the participatory control of desertification

- and poverty reduction in the arid and semi-arid high-plateau ecosystems of eastern Morocco. The GEF project is closely linked to Phase II of IFAD's ongoing Livestock and Pasture Development Project in the Eastern Region. The proposal will be submitted to the GEF secretariat for pipeline entry in October 2004. The total project cost is approximately USD 16.0 million, with IFAD and the Government of Morocco's contribution amounting to USD 9.3 million and anticipated GEF financing of USD 7.0 million. Further cofinancing will be sought from other interested sources; the project was included as a NAP priority project and was presented at the country financing partnership forum in September 2004.
6. In Algeria, the GM provided a grant of USD 50 000 to support NAP development, and this facilitated studies and associated regional workshops that were undertaken in 2003 aimed at the reinforcement of the role of women, the creation of synergies between the Rio conventions, and the establishment of linkages with the private sector for NAP implementation. In December 2003, the NAP was validated at a national forum. In partnership with UNDP, the GM and government partners embarked on the elaboration of a resource mobilization strategy. The process is ongoing, albeit at a slow pace.
 7. GM's efforts at the subregional level include support for the SRAP-Arab Maghreb Union that covers Algeria, Libyan Arab Jamahiriya, Mauritania, Morocco and Tunisia. An amount of USD 50 000 was provided to facilitate subregional coordination and promote a participatory approach to land management in the region. A review of NGOs active in the field of desertification, as well as a study on the reinforcement of a participatory approach, was undertaken, and a workshop on coordination mechanisms and information exchanges among NGOs was held in 2003. Direct support of USD 12 000 was provided to Environment and Development-Third World-Maghreb, in Morocco, in order to reinforce civil society participation in NAP implementation. At the subregional level, USD 75 000 has been mobilized through the IFAD-NGO Extended Cooperation Programme to support a RIOD project in North Africa for the promotion of the participatory management of natural resources.
 8. Respective GM and GTZ contributions of USD 10 000 and USD 50 000 supported the elaboration of a joint GM/GTZ/Sahara and Sahel Observatory project on the use of remote sensing for the monitoring and management of water resources, thus promoting new opportunities for cooperation and technology transfer from North to South. Studies were undertaken by national and regional institutions to identify the needs of the South, in particular in Algeria, Morocco and Tunisia, as well as to identify opportunities for collaboration with research agencies in the North. Several European and North African institutions were involved, and an international workshop will be convened in December 2004 to consolidate partnerships between research institutes in the North and the South.
 9. In the context of GM support for the Africa Land and Water Initiative, a sub-component of the joint GEF, World Bank, UNEP and UNDP programme is being prepared to help communities in Algeria, Morocco and Tunisia manage land and water resources more effectively. The World Bank channelled USD 75 000 through the GM to assist the Sahara and Sahel Observatory in the development of a project framework and for the harmonization of this framework with NAPs and the SRAP-Arab Maghreb Union. Preliminary studies were undertaken at the national level to evaluate the situation in regard to natural resources and traditional technologies for water use in arid areas and to the impact of the evolution from pastoral to agro-silvopastoral systems and the influence of land tenure regimes on natural resource use in steppe zones. An international workshop was held in June 2004 to analyse the results and identify key elements for the elaboration of a GEF Project Development Fund Block B proposal, in partnership with the World Bank, to

promote the sustainable and integrated development of steppe zones at the national and subregional levels.

Western and Central Africa

10. In **Western Africa**, given the wide scope of the activities to be implemented and noting the financial constraints, the GM's interventions during 2004 have initially focused on the follow-up of activities initiated in Burkina Faso, Mauritania and Senegal, the countries which are at the most advanced stage of NAP implementation, in order to achieve tangible results. In these countries, GM support is geared towards resource mobilization, the mainstreaming of NAP in major national development frameworks such as the Poverty Reduction Strategy Paper, and the initiation or completion of the development of pipeline projects within the framework of an operational programme with key development partners. The outputs expected to be reaped include: (a) at least one project approved in each country, and (b) country financial partnerships established with commitment reached in terms of financial support by some bilateral and multilateral donors, including the GEF.
11. The multiplier effect of GM interventions can be seen in the GM activities in Burkina Faso. In this case, a GM grant of USD 130 000 has resulted in the mainstreaming of the NAP into the Poverty Reduction Strategy Paper, which in turn has led to the allocation of USD 175.0 million towards combating desertification. GM is also involved in the promotion of two major initiatives: TerrAfrica, led by the World Bank, and the CPP initiative led by the GEF secretariat. These complementary initiatives aim at furthering partnership, harmonizing donor interventions and streamlining them within national programmes.
12. An agreement signed in October 2003, with a first disbursement in November, between the GM and the Economic Community of West African States/Permanent Interstate Committee for Drought Control in the Sahel permitted the establishment of a subregional facility fund to assist countries and NGOs in the formulation of NAPs, the raising of funds for NAP implementation and the development and implementation of the SRAP, towards which the GM has allocated USD 350 000. Within this same framework, the support for NAP formulation in Guinea, Guinea-Bissau and Sierra Leone is being provided and facilitated in anticipation of GM's contribution to the organization of sectoral round tables for resource mobilization in the areas of environment and desertification in Niger and the development of sustainable irrigated agriculture and land management in Burkina Faso.
13. In **Central Africa**, where most countries have yet to complete NAPs, GM support was first undertaken in early 2003. The GM has allocated USD 50 000 to the Economic Community of Central African States for a subregional facility fund for the community to initiate NAP/SRAP formulation that will be completed by 2005 as per COP.5 decisions. Furthermore, in response to specific requests, the GM has provided or is to provide technical and financial support for NAP formulation in the Democratic Republic of the Congo and is approving an agreement, through the Permanent Interstate Committee for Drought Control in the Sahel, to provide financial support to Chad. Grants have already been approved for these activities, and further allocations for support to the Central African Republic, Gabon and Rwanda will be presented for approval by the President. However, to date, only the Democratic Republic of the Congo has received such support, limited to USD 20 000 of the USD 60 000 allocated. Support for other countries of the region and the Economic Community of Central African States is on standby due to cumbersome disbursement procedures and delays in the presentation for approval of financial support for activities included in the annual workplan.

14. In general, GM support for NAP implementation and resource mobilization in some countries in the Western and Central Africa subregion and Madagascar, included as priority actions in the workplan, has not seen such significant development as had been planned, largely due to the lengthy procedures involved in obtaining grant agreements through IFAD services. Thus, of the total of USD 510 000 allocated in support of the NAP and SRAP implementation process (for support to Chad, the Democratic Republic of the Congo, Gambia, Ghana, Madagascar, Togo and Niger), only USD 20 000 had been authorized to be disbursed at the time of the drafting of this report. Furthermore, proposals for an amount of USD 270 000 to be allocated to support Benin, Cape Verde, the Central African Republic, Gabon and Rwanda and already adopted in the 2004 Annual Work Plan and Budget have yet to be presented for approval.

Eastern and Southern Africa

15. During the year under review, the GM contributed approximately USD 800 000 to support the implementation of the Convention in the Eastern and Southern Africa subregions. The grants are to enable five countries – Eritrea, Ethiopia, Kenya, the United Republic of Tanzania and Uganda – to internalize (mainstream) NAPs within the respective national development frameworks, such as the poverty reduction strategies, and to forge partnerships for NAP implementation. In Angola, the GM grant will enable the country to formulate a NAP in accordance with the Bonn Declaration on the commitments to enhance implementation of CCD obligations, which identified 2005 as the deadline for all affected country Parties to complete the NAP formulation exercise. Two grants were also awarded to the Secretariat of the Intergovernmental Authority on Development to establish a subregional support facility that will provide assistance in the implementation of the SRAP of the Intergovernmental Authority on Development to combat desertification, devise a more effective mechanism for working with NGOs in the subregion, and to create linkages with member states in order to complement the work undertaken at the national level.
16. Through GM support, Uganda has been able to mainstream its NAP into the Poverty Eradication Action Plan, which is the country's equivalent of the Poverty Reduction Strategy Paper. The Government was also able to carry out a review that identified some of the structural impediments to the implementation of the Convention in the country and has taken steps to address these impediments. The steps include the formulation of a new policy for the sustainable development of the arid and semi-arid areas of the country.
17. During 2004, GM began an innovative pilot programme in Kenya and South Africa aimed at engaging the business community much more effectively in CCD implementation. In-country studies were undertaken to assess the potential for resource mobilization from private corporations and businesses for CCD implementation. The results of the studies revealed that several private companies contribute substantial amounts of money annually towards various social and economic development programmes as part of their corporate social responsibility programmes. The studies also showed that many of the companies are willing to provide resources, in cash and in kind, towards CCD implementation. The total estimated amounts that may be mobilized from the private corporations were over USD 10.0 million annually.
18. Based on the encouraging results of the studies and working in collaboration with the Government, the Vice-President of Kenya launched, in May 2004, the first public-private sector partnership fund to combat desertification. The Government and the GM are now working hard to mobilize resources from the private sector to capitalize the fund. In South Africa, the initiative has yet to be launched, but the preliminary work has already begun to

bear fruit with the signing of agreements amounting to USD 80.0 million between the Government and some private sector organizations in support of CCD implementation.

19. Finally, it is gratifying to note that, based on ongoing GM support to Ethiopia and Uganda, the two countries have been nominated to participate in the pilot implementation of the World Bank-led TerrAfrica programme.

Annex II

Asia and the Pacific

1. The GM has collaborated with country Parties, the CCD Secretariat and donor partners in building partnerships and channelling finances for CCD implementation in the Asia and the Pacific region since 2000. During the period from 2000 to 2004, the GM provided its own financing, as well as external funds that it channelled, for a total contribution of approximately USD 2.5 million to elaborate and implement NAPs, SRAPs and the Regional Programme for Sustainable Development of the Drylands of West Asia and North Africa, supporting 36 affected country Parties. Of this total, approximately USD 780 000 was disbursed or committed during 2004. During the period from 2000 to 2004, the GM's catalytic resources generated direct cofinancing worth approximately USD 14.0 million.
2. In West Asia, the GM has supported the development of the West Asia SRAP and mobilized USD 350 000 from the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development to undertake pilot activities. Complementing the West Asia SRAP and in partnership with the World Bank, the regional programme in West Asia and North Africa has been developed. Approximately USD 657 000 has been mobilized from the OPEC Fund, the Swiss Agency for Development and Cooperation, IFAD, the World Bank, the Arab Fund for Economic and Social Development and the Islamic Development Bank to develop and operationalize this programme.
3. The GM cofinanced, with IFAD, the formulation of a GEF proposal for an Operational Programme 15 on Sustainable Land Management for Jordan. The cost will be approximately USD 42.0 million, of which GEF's contribution is estimated at around USD 6.5 million. The GEF project builds on the second phase of IFAD's Agricultural Resource Management Project to enhance ecosystem-wide environmental services and improve the enabling policy, regulatory and institutional frameworks. In addition, the GM is supporting the Government of Jordan in undertaking preparatory activities to convene a country financing partnership forum, with the IFAD-GEF project as one of the components.
4. In Central Asia, the GM spearheaded the establishment of the SPA, which brought together the GM, the AsDB, the Canadian International Development Agency (CIDA), the CCD project of GTZ, the Swiss Agency for Development and Cooperation, ICARDA and IFAD. Procedures are being finalized for the accession of UNDP and UNEP to the SPA. Outcomes of the SPA during the period from 2001 to 2004 include: the cofinancing by the AsDB and the GM of regional technical assistance valued at approximately USD 200 000; the channelling of USD 1.5 million by the CCD project of GTZ for pilot projects; the mobilization of approximately USD 200 000 from CIDA and USD 20 000 from the GM for a rangeland management project in Kyrgyzstan; and GM support in the amount of USD 100 000 for SRAP-CCD implementation and USD 100 000 for support to civil society. In July 2003, a forum in Tashkent, Uzbekistan, was jointly convened by the SPA. The forum led to the establishment of a solid foundation for the development of a long-term resource mobilization strategy. In this regard, upon the request of the SPA and the Central Asian countries, the AsDB initiated the development of the CACILM. The CACILM forms an umbrella framework for country-driven actions in sustainable land management. Actions under the CACILM will be implemented over a ten-year period (2005-14) and support a sequenced set of high-priority activities to: (a) strengthen the policy, legislative and institutional frameworks so as to create the conditions conducive to sustainable land management; (b) build the capacity of key institutions responsible for the planning and implementation of land management interventions; and (c) improve land management

systems through project investments. The CACILM constitutes one of GEF's CPP framework initiatives to facilitate the operationalization of Operational Programme 15 on Sustainable Land Management.

5. The CACILM forms a multi-country partnership framework and aims to leverage financing from a variety of sources in terms of grants and investment financing, including GEF grant resources. At present, the AsDB has earmarked over ten years approximately USD 450.0 million of its programming resources to finance activities emerging from the CACILM, and it is anticipated that USD 20.0 million will be mobilized from GEF's Third Replenishment, as well as an additional USD 80.0 million divided between the Fourth and Fifth Replenishments. The CACILM was approved for entry into the GEF pipeline in May 2004, and the Project Development Fund Block B design phase will be initiated in early 2005. It is expected that the full project concept document will be finalized by September-October 2005.
6. The GM is collaborating with China's State Forestry Administration in the context of partnership-building and resource mobilization for NAP implementation in China. In response to specific requests from the Forestry Administration, as China's CCD focal point, and in close collaboration with the CCD Secretariat, the GM has provided technical support for consultative processes, financed stakeholder consultative meetings, supplied grant funding for pilot activities and carried out constructive dialogues with development partners on the root causes and symptoms of desertification in China. As a result, the GM has been recognized as a 'vital contributor' to the framework of almost USD 1.5 billion for the support of CCD implementation in China, as outlined in the NAP. This GEF-China partnership is spearheaded by the AsDB, with financing from the World Bank, IFAD, UNDP and others.
7. In addition to supporting six countries in East and South Asia during the period from 2001 to 2003, the GM subsequently channelled USD 80 000 through the CCD Secretariat to support NAP elaboration in Bangladesh, Fiji, Myanmar, Niue, Palau, Papua New Guinea, The Philippines, Solomon Islands, Thailand and Tuvalu. With regard to NAP elaboration, the GM also supported Iran in the amount of USD 100 000 to finalize its NAP.
8. Through the IFAD/NGO Extended Cooperation Programme, the GM contributed to the development of a programme with Youth for Action, Society for Conservation and Protection of the Environment-Pakistan and the South Asia Partnership-Nepal called "Empowerment of Women Farmers through Community Exchange and Training Programmes". IFAD is contributing USD 75 000 for this programme, and it is anticipated that project implementation will commence in early November 2004.
9. The GM has also supported the launch of the South Asia SRAP and the South-East Asia SRAP with, respectively, USD 10 000 and USD 50 000. Both these SRAPs are designed to complement country-level activities and add value to NAP implementation.

Annex III

Latin America and the Caribbean

1. As regards NAP elaboration, the GM, in 2004, has provided financial support in the amount of USD 238 000 for NAP finalization in Barbados, Colombia, Costa Rica, Honduras, Paraguay, Uruguay and Venezuela and for NAP implementation in Cuba and Nicaragua. Likewise, under the framework of technical assistance grant (TAG) 4, the GM, in collaboration with the CCD Secretariat, is channelling financial support in the amount of USD 165 000 to 11 English-speaking Caribbean countries to support CCD national awareness seminars and the process of NAP elaboration.
2. In Peru, the GM has contributed, through the provision of catalytic funding, to the mobilization of financial resources of close to USD 800 000 from the Peru-Italy debt swap trust fund to develop a CCD-related project in line with NAP priorities. Through a TAG allocation of USD 50 000, the GM is also supporting NAP implementation in Peru through the establishment of a country financial partnership. This seeks to enhance programmatic convergence among the different actors and contribute to a more coordinated and targeted use of existing and potential resources in support of Peru. The operational and institutional modalities of the partnership are currently being finalized in cooperation with the CCD Secretariat, UNDP, the Government of Peru, GTZ and civil society.
3. A substantive contribution by the GM, in collaboration with IFAD, has been the mainstreaming exercise that has successfully inserted CCD implementation priorities into IFAD's Country Strategic Opportunities Paper for Argentina, as well as the partnership developed to enhance programmatic convergence with the IFAD portfolio in Bolivia through the Management of Natural Resources in the Chaco and High Valley Regions Project, which will directly support CCD implementation in the drylands of the country.
4. The elements and contents of the Puna Americana SRAP in terms of thematic and geographic priorities have been finalized in 2004, whereby the GM has established a strategic alliance with UNDP and other organizations such as the United Nations Economic Commission for Latin America and the Caribbean and potentially the private sector for the implementation phase of the SRAP. The GM has also contributed to the development of a proposal in the amount of USD 300 000 submitted to FAO's Technical Cooperation Programme to support the application of traditional knowledge and practices in the countries of the Puna.
5. Work within the framework of the implementation of the GM business plan can also be highlighted. Enhanced programmatic convergence has been achieved in 2004 with IFAD and other FC members aimed at the consolidation of resource mobilization efforts through the following initiatives currently included in the GEF pipeline for the Latin America and the Caribbean region: (a) IFAD and the GM have collaborated to assist Brazil in the development of a USD 6.0 million GEF component linked to an IFAD-supported project in north-east Brazil. This has resulted in the approval of a GEF Project Development Fund Block B concept note requesting a planning grant of USD 300 000. (b) As part of its contribution to the partnership with IFAD in favour of the CCD in Venezuela, a GEF project has been developed that is linked to the IFAD-assisted Support Project for Small Producers in the Semi-Arid Zones of Falcon and Lara States in the amount of USD 4.0 million. (c) In Argentina, the GM provided catalytic support for the development, in partnership with UNDP, of a USD 6.0 million GEF full-size project for the Patagonia region, with which complementary effects have already been identified with IFAD's new portfolio in the area.

- (d) The GM, in partnership with UNEP, has supported the development of a full-size GEF project in El Gran Chaco Americano for USD 4 .0 million. In parallel with the GEF initiative, the GM has contributed to the mobilization of other sources of funding for the Chaco SRAP, including USD 350 000 from the Inter-American Agency for Cooperation and Development.
- (e) In the English-speaking Caribbean subregion, a project for USD 6.0 million is being developed by UNEP with the financial support of the GM.
6. In terms of partnership-building with the RIOOD and civil society and within the framework of the Community Exchange and Training Programme, the GM has continued, with limited resources, to provide support in 2004. It has supported projects in Argentina in collaboration with the International Land Coalition. In northern Mexico, through partnerships with academic and governmental institutions, it has provided support for an initiative aimed at strengthening the small-scale enterprises of women who were heads-of-household. In the Caribbean, it has assisted a project to support exchange experiences in the application of traditional knowledge in SIDS. In Haiti, in collaboration with the Pan American Development Foundation, an initiative is currently being developed to strengthen the capacities of local communities.
 7. The GM, in partnership with FAO, the Central American Bank for Economic Integration, the Tropical Agricultural Research and Higher Education Center, IFAD, the Organization of American States, GTZ and subregional organizations in Central America, is currently working on the development of a regional platform to support the design, development and implementation of initiatives concerning payment for environmental services as an incentive to combat land degradation, promote the sustainable management of natural resources and as a contribution to rural poverty alleviation in the subregion. IFAD's involvement in this initiative has emerged through GM support for the IFAD portfolio in Mexico on the issue of the payment for environmental services.
 8. With GM catalytic TAG funding, an initiative has been undertaken in Nicaragua through an agreement between the Government of Nicaragua, Ecosecurities and the GM to identify concrete proposals related to environmental services, but with a special emphasis on carbon trading that could be eligible for financing through existing mechanisms such as the carbon management funds of the World Bank. Along these same lines, the GM is supporting the identification of resource mobilization opportunities through carbon trading under the framework of the Peru-Ecuador two-country development plan.
 9. In seeking additionally to engage the private sector in CCD resource mobilization efforts, the GM has been made significant progress in 2004 in the Latin America and the Caribbean region through several activities targeting mainly the Italian private sector and Italian foundations. Thus, the GM, in partnership with FAO, IFAD and the Government of Guatemala, supported the development of a project proposal in the amount of EUR 200 000 that has been pre-selected for funding by the ENEL SpA. Recent discussions with the company's branch in Guatemala have opened new opportunities to expand this proposal both geographically and thematically, thus scaling up the potential funding to be provided by ENEL SpA.
 10. In this context, it is also worth mentioning the pre-selection by the Fondazione Monte Paschi di Siena Foundation of a project proposal for close to EUR 450 000 to support a two-country project in Argentina and Chile on gender mainstreaming in desertification-related activities in shared transboundary areas. A total of 14 proposals for the Latin America and the Caribbean region were submitted to the Fondazione Monte Paschi di Siena, Fondazione Cassa di Risparmio delle Provincie Lombarde (CARIPLO), ENI (ENEL) and TIM, for a total of

close to USD 18.0 million and requested cofinancing on the order of USD 10.0 million. Several proposals are still awaiting a formal response from the foundations.

11. In support of the Puna SRAP, the GM and the United Nations Economic Commission for Latin America and the Caribbean are jointly supporting an initiative to engage the private mining sector companies that operate in the countries of the Puna Americana. The main purpose of this initiative is to foster a consultative process between the stakeholders of the Puna SRAP and the mining companies with operations in the area, so as to identify potential investment opportunities in support of the priorities of the SRAP.
12. The GM, in collaboration with the FAO Investment Centre, has continued to provide technical and financial support in the Dominican Republic for the Border Action Plan, which has been successful in mainstreaming CCD priorities into the programme cycles of bilateral cooperation agencies such as those in Canada and Germany. A similar process is now being initiated in Haiti, with additional support from the Canadian International Development Agency and other partners, through the new national development framework, in which land degradation has successfully been included as one of the main priorities. With the support of the GM, South-to-South initiatives have continued in 2004 between the Dominican Republic and Haiti, and a new phase has been initiated, in partnership with GTZ, between the Dominican Republic and Honduras.
13. To support resource mobilization efforts at the regional level, a cooperation agreement has been signed between the GM and the sustainable development unit of the Organization of American States. Negotiations are being finalized for the definition of the operational modalities of this agreement, which will include activities related to the insertion of CCD priorities into the programming and financial cycles of the Inter-American Agency for Cooperation and Development and actions to enhance the involvement of the World Bank and the Inter-American Development Bank in CCD implementation throughout the Latin America and the Caribbean region.
14. The GM support forged in 2004 in terms of the mobilization of resources in support of the Caribbean SIDS has centred on the Partnership Initiative on Land Degradation and Sustainable Land Management. This partnership builds on the expertise and pledged commitment of a number of institutions, including UNEP, FAO, the Secretariat of the Caribbean Community and Common Market and the University of the West Indies, as well as civil society, RIOD, GTZ and the Caribbean SIDS. The partnership will be presented at the international meeting to review the implementation of the Barbados programme of action for SIDS at the Mauritius summit in January 2005.

Annex IV

Donor Information**Global Mechanism Second and Third Accounts**

(as per signed agreements/receipt of funds (USD) as at 15 September 2004)

	Donor	1998	1999	2000	2001	2002	2003	2004	Subtotal	
Second Account	Canada 1				31 951					
	Canada 2 ^a					62 420		(17 469)		
	Canada 3 ^b					22 940		(22 940)		
	Canada 4 ^c					38 988		(14 536)		
	Canada 5 ^d					134 852		(12 654)		
	Canada 6						69 424			
	Canada 7						18 426			
	Canada 8							183 755		
	Canada 9							102 267	597 424	
	Denmark				100 000					100 000
	Finland 1				150 739					
	Finland 2						353 567	72 867		577 173
	Germany (pooled resources)	100 000								100 000
	Italy 1						150 758			
	Italy 2								<u>192 496</u>	343 254
	Netherlands						112 454	130 484		242 938
	NORAD ^e							842 398		842 398
	Norway (ministerial meetings) ^f					30 000				
	Norway 1			95 655	206 529	250 811				
	Norway 2							423 787		1 006 782
	Portugal (pooled resources)		50 000							50 000
	Sweden (pooled resources)	127 171								
	Sweden (ministerial meetings) ^g				30 000					
Sweden 1			497 535							
Sweden 2						319 289				
Sweden 3							364 601			
Sweden 4								393 489	1 574 914	
Switzerland (pooled resources)	72 834	64 329	71 461	74 905						
Switzerland 1						75 758	75 758			
Switzerland 2								120 000	555 045	
AFESD ^h (ministerial meeting)				52 085					52 085	
IFAD TAG 447 ⁱ								50 000		

	Donor	1998	1999	2000	2001	2002	2003	2004	Subtotal
	IFAD TAG 561				250 000				
	IFAD TAG 581					250 000			
	IFAD TAG 540 (ministerial meetings)				50 000				
	IFAD TAG 702							500 000	1 100 000
	IsDB ^j		12 000		20 000				32 000
	OPEC ^k Fund (ministerial meetings)				40 000				
	OPEC Fund 1				350 000				
	OPEC Fund 2						300 000		690 000
	United States (CHC) ^m				79 600	103 500		(49 673)	133 427
	World Bank (ministerial meeting)				50 000				
	World Bank (IBRD 1) ⁿ			250 000				100 000	
	15/World Bank (IBRD 2)					250 000	150 000		
	World Bank (IBRD 3)							1 250 000	
	World Bank (IBRD ILWI ^o)				25 000				2 025 000
	Subtotal	300 005	126 329	944 651	1 510 809	2 125 337	2 447 745	2 774 735	10 229 611
Third Account	Denmark				250 000				250 000
	IDRC					11 523			11 523
	IFAD TAG 447 ⁱ		2 500 000					(50 000)	
	IFAD TAG 561				1 000 000				
	IFAD TAG 581					1 000 000			
	IFAD TAG 702							750 000	5 200 000
	World Bank (IBRD 1) ⁿ			1 000 000				(100 000)	
	World Bank (IBRD 2) ^p					1 000 000	(150 000)		1 750 000
	Subtotal	-	2 500 000	1 000 000	1 250 000	2 011 523	(150 000)	600 000	7 211 523
Total	300 005	2 626 329	1 944 651	2 760 809	4 136 860	2 297 745	3 374 735	17 441 134	

Notes:

^a USD 9 730 refunded to donor, and balance no longer receivable.

^b USD 20 231 refunded to donor, and balance no longer receivable.

^c USD 14 536 refunded to donor.

^d USD 12 654 refunded to donor.

^e NORAD: Norwegian Agency for Development Cooperation.

^f Transferred from Norway 1.

^g Transferred from Sweden 1.

^h AFESD: Arab Fund for Economic and Social Development.

ⁱ Transfer of USD 50 000 from third account to second account.

^j IsDB: Islamic Development Bank.

^k OPEC: Organization of the Petroleum Exporting Countries.

^l CHC: Congressional Hunger Council.

^m USD 49 673 refunded to donor.

ⁿ Transfer of USD 100 000 from third account to second account.

^o ILWI: Integrated Land and Water Initiative.

^p Transfer of USD 150 000 from third account to second account.