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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
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**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**

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## ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AMU	Maghreb Arab Union
AsDB	Asian Development Bank
CCAD	Central American Commission on Environment and Development
CCD	United Nations Convention to Combat Desertification
CGIAR	Consultative Group on International Agricultural Research
CILSS	Permanent Interstate Committee for Drought Control in the Sahel
COP	Conference of the Parties to the CCD
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
FC	Facilitation Committee of the Global Mechanism
FIELD	Financial Information Engine on Land Degradation
GEF	Global Environment Facility
GM	Global Mechanism
IDB	Inter-American Development Bank
IGAD	Inter Governmental Authority for Development
NAP	National Action Programme
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PDF	Project Development Fund
RAP	Regional Action Programme
SADC	Southern Africa Development Community
SRAP	Subregional Action Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme





## I. INTRODUCTION

1. In October 1997, on the occasion of the First Session of the Conference of the Parties (COP) to the United Nations Convention to Combat Desertification (CCD), IFAD was selected as the housing institution of the Global Mechanism (GM) of the Convention. Under the authority of COP, the Global Mechanism's mandate is "to promote actions leading to the mobilization of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country parties". The GM began its operations in 1998, and has submitted reports to the Executive Board of IFAD in December 1998, 1999 and 2000, as well as to the Governing Council in February 1999, 2000 and 2001. This is GM's fourth report to the Governing Council. It presents the background and rationale for GM interventions in partnership-building and resource mobilization, an overview of GM activities in 2000/2001 and a preview of the way forward.

## II. BACKGROUND AND RATIONALE FOR GLOBAL MECHANISM INTERVENTIONS

### A. The Global Mechanism: Guiding Principles and Action Areas

2. **Guiding principles.** Under the CCD, desertification is defined as "land degradation in arid, semi-arid and dry subhumid areas, resulting from various factors, including climate variations and human activity". Given the multisectoral nature of the interventions required to address land degradation, and the diversity of the sources of funding to be tapped to this end, the GM was established to help rationalize the allocation of resources and mobilize additional financing, as appropriate.

3. National, subregional and regional action plans (NAPs, SRAPs and RAPs) provide the framework for CCD implementation. Such plans should be closely linked with other efforts to formulate policies for sustainable development. In other words, the issue of desertification is very closely tied to the development process itself. In this context, special attention is given to all aspects of sustainable rural development and poverty alleviation, including access to and control of natural resources, support to alternative rural livelihoods and access to socio-economic infrastructure and services.

4. Approached from this perspective, it becomes clear that GM is not a central fund, duplicating existing funding sources and mechanisms, but rather a brokering institution. This brokering process involves the classic funding instruments of bilateral and multilateral development cooperation agencies, as well as on Global Environment Facility (GEF) and other funding resources.

5. The guiding principles for use of the resources available to GM in its role as a catalyst are set out in decision 25/COP.1 and are intended to ensure that GM is:

- responsive to the needs and priorities of the parties to the CCD;
- not duplicating existing mechanisms and facilities, but rather adding value to them;
- lean and efficient, drawing on other institutions, including its housing institution, and system-wide United Nations capacities and facilities; and
- neutral and universal in its operations.



6. **Action areas.** At the request of governments, intergovernmental and non-governmental organizations (NGOs), interventions by GM are being undertaken to:

- help coordinate resource mobilization for the formulation and implementation of NAPs. To this end, NAPs are harmonized and interfaced with relevant government strategies at the sectoral or national level, and with the regular assistance programmes of technical and financial cooperation agencies;
- facilitate a concerted approach to resource mobilization for the formulation and/or implementation of RAPs and SRAPs, paying special attention to the issues of trans-boundary ecosystems, cross-fertilization of experiences and harmonization of policies;
- contribute to developing innovative approaches to cooperation with NGOs and promote stakeholder mobilization and networking, for the transfer of technology, capitalization of traditional knowledge and information management; and
- establish an inventory of bilateral and multilateral cooperation programmes as well as other sources and channels of funding available for implementing the CCD, in conformity with the provisions of the Convention and with decisions 24/COP.1, 25/COP.1 and 9/COP.3. This inventory is being organized in the form of a decentralized knowledge-management system called the Financial Information Engine on Land Degradation (FIELD), which also includes a database on good practices, projects and the financial needs of developing-country parties involved in the development of action programmes and other CCD implementation activities.

### **B. Poverty Reduction: An Overarching Development Objective**

7. One of the basic premises of the CCD is that land degradation is both a cause and a consequence of rural poverty. Thus the renewed global commitment to alleviate poverty – as evidenced in the Millennium Declaration by world leaders in September 2000 under the aegis of the United Nations – offers encouraging prospects for implementation of the CCD in affected countries that are parties to the Convention by linking national NAPs to poverty-reduction strategies.

8. Bilateral and multilateral development agencies have identified poverty reduction as a primary goal of their respective interventions. However, the mobilization of resources to combat land degradation remains a tremendous challenge given the overall decline in official development assistance (ODA), compounded by the reduction of the ODA portion directed to agriculture and rural development. In response to these challenges, over the past two years and in accordance with its mandate, the GM has adopted an operational strategy aiming to:

- encourage internalization of NAP objectives in regular government planning and budgeting processes and in normal donor programme cycles; and
- explore opportunities to tap new and additional resources beyond classic ODA funding and debt relief, with special emphasis on GEF, the private sector (foundations and corporations) and NGOs, as well as other opportunities for funding and technical assistance through decentralized cooperation. To this end, GM has used its own resources to build up partnerships and generate a multiplier effect, leveraging substantial investments, over time, to combat land degradation and poverty in affected countries.





### C. Mainstreaming the CCD: Challenges and Opportunities

9. It is clear from recent experience with CCD implementation in various regions that the prospects for effective resource mobilization are contingent upon, *inter alia*:

- the ability of governments to internalize the multifaceted issues of land degradation in the processes of national and sectoral development planning and budgeting. This will free NAPs from confinement to a strictly ‘ecological corner’, establishing operational linkages between them and other relevant frameworks dealing with poverty alleviation, agricultural development, debt relief, etc.;
- identification of an interface between the strategic thrusts of NAPs to combat desertification, on the one hand, and the intervention frameworks and programming cycles of development partners, on the other, in order to facilitate support to NAP priority areas through ongoing or planned donor interventions;
- recent experience shows that these internalization and identification processes are a challenge not only for the affected developing-country parties, but also for the developed-country parties, as recognized in an Organisation for Economic Co-operation and Development (OECD) review of the mainstreaming of environmental conventions;
- establishment of operational linkages between NAPs and SRAPs in order to address such issues as sustainable management of trans-boundary ecosystems, which go beyond the scope of national programmes. This linkage will also provide an opportunity to capture some of the global or regional funding opportunities that might not be available otherwise; and
- identification of the interfaces between the CCD and other environmental conventions, including the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC), and rendering these interfaces operational.

10. Mainstreaming CCD objectives into relevant processes on the demand and supply sides (i.e. government and development partners, respectively), building operational bridges between NAPs and SRAPs and creating synergies between interventions at national and subregional levels under different conventions (desertification, biodiversity and climate change) are time-intensive processes. The administrative inertia that may in some cases hamper this process is exacerbated by limited institutional capacity at the country level in the following areas:

- articulation of NAPs and SRAPs that are based on broad analysis of the root causes of desertification (i.e. the socio-economic, policy and institutional contexts conducive to land degradation in arid, semi-arid and dry subhumid areas as a result of climatic factors and the survival strategies of natural resource users);
- identification of policy and institutional barriers and investment gaps; and
- formulation of appropriate remedial measures in terms of policy improvement/harmonization, institutional coordination/changes and support to field investments.



11. For want of adequate coordination capacity and efficient mechanisms at national and subregional levels, there tend to be gaps or overlaps in donor interventions, including the field of capacity-building, while there are myriad training programmes and networks already operational across the various regions.

12. There is a widespread perception, especially among CCD focal institutions, that inadequate financial and technical resources are a major constraint on the implementation of NAPs and SRAPs. In contrast, the operational departments or field representations of development partners dealing with the affected countries stress that NAP-related investment proposals could tap ODA resources if they featured high enough on the priority list of interventions negotiated through government channels. In other words, more proactive dialogue is required at all levels. This is something GM has been encouraging in its role as matchmaker.

13. These findings were verified in the subregional and regional consultations on approaches to partnerships and resource mobilization that GM financed in 2000 in Africa (Algiers, Mombasa), Asia (Bangkok) and Latin America (El Salvador). These consultations were organized, pursuant to a decision of COP 3, in collaboration with the CCD Secretariat, other members of the GM Facilitation Committee (FC) – the Food and Agriculture Organization of the United Nations (FAO), the GEF Secretariat, IFAD, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank and the regional development banks: African Development Bank (AfDB), Asian Development Bank (AsDB) and Inter-American Development Bank (IDB) – and relevant regional and subregional organizations.

14. It is recognized, however, that country-specific requirements can only be addressed in the context of country-level dialogue that brings together the relevant government departments. These would include not only the CCD focal institutions, but also departments in charge of planning, finance and technical cooperation and the relevant technical departments.

15. The NAP is still at the formulation stage in many countries, while in others it has been completed. National coordinating bodies are dealing with the financial and operational issues of the transition from planning to action. It is premature, therefore, as far as implementation of NAP-related projects is concerned, to make even a preliminary assessment of impact (did the project achieve its development objectives?), efficiency (did the benefits exceed the costs, after due discounting?) or sustainability (are the benefits likely to be sustained beyond the project's life?).

16. While opportunities are being pursued for new and additional resources for CCD implementation (as foreseen under the CCD, through GEF and other innovative mechanisms), special attention will be paid to proper design and implementation of NAP-related projects. Past experience with natural-resource-management projects (including land-degradation control) that pre-date the CCD would suggest that successful project execution and timely disbursement of project funds can generate positive feedback, leading to an improvement in CCD capacity to absorb even more financial resources from ODA and domestic sources.

### **III. OVERVIEW OF GLOBAL MECHANISM ACTIVITIES IN 2001/2002**

17. A number of countries and subregions have benefited from GM technical and/or financial assistance in 2000/2001, including: Algeria, Argentina, Burkina Faso, central Asian countries, Chile, China, Cuba, D.R. Congo, Egypt, Ethiopia, Haiti, India, Iran, Mali, Mauritania, Mongolia, Morocco, Pakistan, Senegal, Tunisia, Uganda and Zimbabwe. This assistance has been related to the formulation or implementation of NAPs in the countries listed, or of SRAPs in the subregions of Africa, central and western Asia, and Latin America and the Caribbean.



18. In accordance with the functions assigned to GM by the Conference of the Parties to the CCD, and in the light of the first review of GM policies, operational modalities and activities, the response of GM to the growing number of requests for assistance has evolved along the following lines:

- collecting and disseminating information;
- analysing and advising on request;
- promoting actions leading to cooperation and coordination; and
- facilitating the mobilization and channelling of financial resources.

19. The ways in which GM has discharged these functions are described below.

### **A. Collecting and Disseminating Information**

20. The GM Financial Information Engine on Land Degradation (FIELD) is becoming a progressively more participatory and decentralized knowledge-management system that supports the resource-mobilization process for CCD implementation.

21. The relevance, added value and effectiveness of FIELD are demonstrated by the increasing expressions of interest received from institutions, practitioners and decision-makers from both affected developing countries and their development partners. Pilot activities aimed at testing and populating FIELD have started to produce tangible results, which have been posted on the GM website and are available in the public domain.

22. GM is pursuing its efforts towards full implementation and maintenance of the FIELD system and, through FIELD, the establishment of cost-effective knowledge-sharing practices among stakeholders. In the future GM will emphasize resource analysis more, with a view to facilitating the enhancement and predictability of resource flows that can benefit the CCD. To this end, it will closely monitor progress made in intergovernmental negotiations on issues offering an interface with land-degradation control.

### **B. Analysing and Advising on Request**

23. Effective matching of supply and demand for investment in land-degradation control requires proper understanding of the processes conducted and products generated at both government and development-partner levels in the effort to mainstream CCD objectives.

24. As part of preparations for the regional and subregional consultations on approaches to resource mobilization (decision 9/COP.3, paragraph 11) – and in response to specific government requests for GM assistance in the transition from planning (NAPs) to action (field investments) – in 2000/2001 GM has facilitated a number of support activities in collaboration with the members of its FC. These include:

- assessment of coherence among: (i) the scope of NAPs, (ii) the provisions of the CCD (as a convention on sustainable development in affected areas), (iii) government or national plans, and (iv) donor country-assistance frameworks. In countries in which, for a variety of reasons, the NAP document is based on a narrow concept of desertification and basically consists of the work plan of the NAP coordinating body, this kind of assessment offers an opportunity to broaden the NAP perspective and thus enlarge the basis for resource mobilization;
- assessment of capacity-building requirements (again, to lift the barriers to NAP mainstreaming) and identification of opportunities to meet such requirements through existing or new programmes, networks and initiatives dealing with capacity-building. Such



activities are well under way in southern Africa under the aegis of the Southern Africa Development Community (SADC), the coordinating body for the SRAP. In this context, special attention is being paid to establishing linkages with the GEF-supported Capacity Development Initiative (CDI), which makes specific reference to land degradation, as well as to other relevant multilateral and bilateral initiatives. A working group has been established, comprising SADC, three member countries and interested development partners;

- diagnostic review of the root causes of desertification as the basis for a broad action agenda (including policy reform/harmonization, institutional change/coordination and a core set of investments). On this basis, a policy and institutional agenda will be put forward for consideration by the relevant consultative fora, involving governments and those of their development partners dealing with poverty-reduction strategy, debt-relief agreements, GEF country programming, etc. At the same time, a required core set of NAP-related priority investment projects will be aligned with regular donor programming cycles or submitted for consideration through decentralized cooperation mechanisms. Over the past year, in collaboration with the CCD Secretariat, GM has helped to facilitate this process in China, in consultation with the State Forestry Administration and with the support of development partners including AsDB, IFAD, UNDP, the World Bank and China's traditional bilateral partners;
- comparative review of investment priorities identified under the NAP and ongoing or planned development-partner interventions at the country level. This exercise is under way in Mali as a follow-up to a round table organized in 1999 by the Government, during which donors expressed an interest in continuing to support the priority areas identified under the CCD (including water control, natural resource management, an environmental information system and sanitation);
- elaboration of donor profiles and promotion of database development at subregional and country levels as a tool for matching supply of and demand for resources. Relevant information includes the strategic thrusts of donors at country/subregional levels, their relevance to land-degradation control, the financial resources required and the type of programmes concerned. Examples of GM interventions include the elaboration of donor profiles in the subregions of Africa and in Asia and GM support to the Information Network on Desertification and Drought in Latin America and the Caribbean (DESELAC); and
- analysis of investment gaps, in the light of the comparative reviews, and possible financing mechanisms to fill such gaps as a result of rearrangements of existing programmes or new commitments in accordance with forthcoming donor programming cycles. In this context, the establishment of desertification funds at the national or local level is being considered in Burkina Faso, Senegal and other countries as one of many options for financing local area development programmes (LADPs).

### **C. Promoting Actions Leading to Cooperation and Coordination**

25. Cooperation and coordination are promoted by GM within its strategic alliances, both in the context of respective corporate strategies and in activities at country and subregional levels. The main constituencies with which GM has undertaken to establish strategic partnerships are those of the GM Facilitation Committee, subregional organizations with specific mandates and/or interest in the CCD, the Consultative Group on International Agricultural Research (CGIAR) institutions, bilateral agencies and the NGO community.



26. GM has adopted a strategy of constructive engagement among all relevant stakeholders. The process brings together developed-country parties, multilateral institutions, affected developing-country parties and civil society to develop a common vision for addressing dryland issues. It involves conducting joint missions with bilateral and multilateral partners to assess the needs of a country or subregion and to initiate dialogue with relevant ministries and civil society at the national level. These initial activities serve to facilitate the exchange of information, identify overlaps in donor programming, assess the enabling environment and raise the profile of the CCD at the national level. They also set the stage for development of complementary programme interventions and identify areas in need of substantial investment. In Tunisia, for example, this process is leading to integration of the NAP into the Tenth National Development Plan as a priority programme that funding agencies will thus be able to finance through existing channels. The scope and modalities of GM cooperation with some of its strategic allies are illustrated below.

27. **Facilitation Committee.** The Facilitation Committee of GM brings together a number of multilateral agencies, in response to provisions of the Convention and COP sessions, with a view to enhancing their concerted support for CCD implementation. In addition to the original members – IFAD, UNDP and the World Bank – FC now includes the CCD Secretariat, FAO, the GEF Secretariat, UNEP and the regional development banks (AfDB, AsDB and IDB).

28. During 2000/2001, FC meetings have evolved into a forum on substantive issues regarding the status and orientation of GM interventions and on relevant initiatives of interest to FC members (e.g. the GM communications strategy, the Land and Water Initiative for Africa and preparations for the Rio +10 conference). FC has also provided a testing ground for new ideas on coordination (e.g. adoption of a ‘business-plan’ approach based on strategic thrusts and the comparative advantages of the institutions concerned). At the same time, there is scope for GM to add value to the work of operational departments of FC member institutions, especially the multilateral financing institutions (MFIs), in a number of ways that include:

- assisting governments – in consultation with MFI regional divisions – in generating project concepts on the basis of established NAP priorities that MFIs may wish to pursue in the context of their country cooperation frameworks or as part of their project pipelines;
- collaborating with MFI operational divisions to identify and address a regional approach (i.e. through CCD subregional action programmes) to certain issues that require interventions beyond the normal scope of MFI-supported area-based projects. An example would be the sustainable management of trans-boundary ecosystems (including shared watersheds, rangeland and mountain areas and forest resources), which often require policy harmonization and institutional coordination at the subregional level; and
- facilitating partnership-building and mobilization of additional resources to supplement MFI loan and grant assistance to affected countries and organizations. The bridge of partnership that GM can cement as a matchmaker or honest broker applies not only to identification of potential opportunities for cofinancing of MFI-initiated projects, but also to complementary interventions that normally go beyond a particular MFI’s mandate and resources and that have potential for added value.

29. **CGIAR.** As a follow-up to decision 25/COP.1, and with the strong encouragement of the World Bank in its chairmanship of the CGIAR, in the past year GM has explored opportunities for collaboration with CGIAR institutions. The International Centre for Agricultural Research in the Dry Areas (ICARDA) and the International Food Policy Research Institute (IFPRI) were invited to make presentations on topics of common interest (e.g. technical inputs to the NAP/SRAP processes and return on investment in drylands) at the eighth session of the GM Facilitation Committee. These discussions will be followed up both at the field level and on a thematic basis, with ICARDA serving



as focal point. The CGIAR institutions involved at this stage will include, *inter alia*, ICARDA, the International Institute of Tropical Agriculture (IITA), IFPRI, the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and the International Plant Genetic Resources Institute (IPGRI).

30. **Bilateral agencies.** Bilateral partners are generally supportive of GM as an innovative institutional arrangement that can help rationalize and, where needed, increase the flow of resources to combat land degradation. This has been demonstrated by voluntary resource contributions in support of GM's role as a catalyst from developed-country parties for the 2000/2001 biennium: Canada, Denmark, Germany, Norway, Sweden and Switzerland. As part of its functions, GM pays special attention to establishing continuing dialogue with bilateral agencies on substantive issues, both at headquarters and in the field.

31. Following up on discussions during COP intersessional meetings, GM has worked with the headquarters-based CCD focal points, usually concerning mainstreaming of and synergies among the environmental conventions. At the field level, GM has established contacts with the representatives of bilateral agencies as part of its efforts to promote linkages between NAPs/SRAPs and strategic donor priorities, with their related portfolios/pipelines of projects and programmes. Concrete examples of this are the strategic partnerships between GM and bilateral agencies in support of SRAPs in southern Africa and central Asia; the exploration of existing and potential resources for the CCD, including regular ODA and private foundations; and carbon trading (by which large corporations buy capacity from government or private landowners to introduce land-management practices resulting in the retention of more carbon in the soil). However, experience acquired over the past two years suggests that the mainstreaming process – and the related requirements in terms of awareness-building, strategic linkages, institutional coordination and information systems – remains a continuing challenge not only for the developing but also for the developed-country parties to the CCD.

32. In this context, previous GM interaction with the OECD/Development Assistance Committee (DAC) Secretariat has been most encouraging and has contributed to the elaboration of the OECD/DAC poverty-reduction guidelines. A mechanism similar to FC for more systematic interaction between GM and the bilateral donor community will be of immense value, as has been noted in previous reports, and GM will pursue ways and means of organizing this interaction.

33. **Regional organizations.** In conformity with the CCD's original mandate, a three-fold role is contemplated for selected subregional organizations:

- coordinating the SRAP in their geographical area;
- providing a relay for development partners in support of the NAP programming process in member countries; and
- providing a subregional forum for policy dialogue and cross-fertilization of implementation experience.

34. The comparative advantage of collaboration with selected subregional organizations is the opportunity to work in an integrated manner across departments of various governments and at various levels, ranging from technical staff to policy makers to political authorities (and the subregional organizations should be strengthened to this end). This is the case, for example, with the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) and the Economic Community of West African States (ECOWAS) in western Africa, the Inter Governmental Authority for Development (IGAD) in eastern Africa, the Arab Maghreb Union (AMU) in northern Africa and SADC in southern Africa.



35. A subregional stakeholders' consultation brought together representatives of the departments of Finance, Planning, Agriculture and the Environment, under the aegis of SADC, to outline road-maps for CCD implementation at country and subregional levels. This resulted in a partnership framework to combat land degradation and poverty that covered policy and institutional issues and a core set of investments, including a comprehensive portfolio of projects on the management of trans-boundary ecosystems.

36. The framework is supported by a subregional financial facility established with seed money from GM and technical assistance from the SADC-based Multi-Donor Hub (the European Union, FAO, France, IFAD, Japan and the World Bank) and the German Agency for Technical Cooperation (GTZ). The establishment of similar facilities for eastern and western Africa is under consideration under the aegis of IGAD and ECOWAS/CILSS, respectively. GM is also actively collaborating with AMU on the implementation of the northern Africa SRAP. A similar arrangement is being discussed with the Central American Commission on Environment and Development (CCAD).

37. **Collaboration with NGOs.** As previously reported to COP 4, high priority is given to the involvement of civil society in the Convention. In recognition of this, GM has developed a special initiative to support NGOs – the Community Exchange and Training Programme (CETP) – as a partnership framework to build capacity at the grass-roots level and ensure systematic involvement of NGOs at national and subregional levels. The recognized *Réseau international d'ONGs sur la désertification* (RIOD) is GM's prime partner.

38. The first project supported by GM under this framework, with cofinancing from the World Bank, was a pilot community-to-community exchange operation involving tea-growing farmers in South Africa. Conducted in 2000, it was facilitated by a local NGO, the Environmental Monitoring Group. This pilot operation has not only resulted in improved access to export markets for the visiting community, but has also begun to generate encouraging demonstration effects. These include replication of the exchange model by the World Bank in Kenya and the United Republic of Tanzania, with funding from Switzerland, “for local communities to share the process of herbal treatment of HIV/AIDS patients”. GM funding was also approved for similar community-to-community exchange programmes in Latin America and Asia.

39. A major challenge in implementing CETP is the administration of small grant funds and supervision of field activities. To this end, GM is working on specific memoranda of understanding with the specialized agencies that can discharge these tasks and simultaneously link CETP with their relevant NGO and community-based activity programmes.

#### **D. Facilitating the Mobilization and Channelling of Financial Resources**

40. GM has functioned as a catalyst, using its own resources (voluntary contributions from governments and development institutions, including IFAD) to forge partnerships with a view to mobilizing larger amounts of financial resources. In other words, the support from GM generates a multiplier effect by leveraging substantial investments, over time, from governments and their development partners to combat land degradation and poverty in affected countries. GM is not conceived as a single funding source for the CCD. The great bulk of resources for investments in land-degradation control will be transferred directly to recipient governments and civil-society organizations by way of specific partnership agreements with donor agencies. In this context, GM resources have helped facilitate a number of activities resulting in mobilization of resources for land-degradation control in Africa, Asia and Latin America. These include, *inter alia*:

- cofinancing and facilitating subregional stakeholder workshops in West Africa (Fouta Djallon, Niger/Nigeria) that have resulted in two GEF planning grants (Project



Development Fund (PDF)-Bs) in 2000/2001, to be followed by two prospective GEF-funded projects in 2003; and

- initiating and/or supporting the elaboration of partnership frameworks at country, subregional or regional levels for the development of project pipelines for funding by multilateral and bilateral funding agencies (e.g. Argentina, Brazil, Burkina-Faso, China, Morocco, Senegal, Tunisia; northern Africa, southern Africa, central Asia, western Asia; Latin America and the Caribbean; etc).

41. While there are concrete illustrations of the multiplier effect of GM interventions, the process of internalization of the CCD at the country level is still at an early stage, hence the difficulty in estimating the financial resources needed over a given time period. In the near future (i.e. by the end of 2001 for some affected countries and 2002 for many others), GM will be in a position to assist governments, upon request, in setting realistic targets for resource mobilization.

42. GM efforts to mobilize and channel resources reflect a multi-pronged approach, involving a systematic review by GM of the country cooperation frameworks of multilateral and bilateral agencies in order to identify options for support to NAPs/SRAPs under these frameworks. For instance, this exercise is under way in the case of IFAD, and it is anticipated that of a total annual lending programme of USD 400-450 million, about 25-30% could be dedicated to projects and programmes directly relevant to CCD objectives in the countries concerned.

43. It is also recognized that GM can provide support to IFAD operational divisions in mobilizing GEF planning grants and GEF project funding in order to address regional or global environmental concerns, thus enhancing the environmental sustainability of IFAD's poverty-oriented interventions. GM is performing a similar exercise with other financial institutions in the context of the business-plan approach within the GM Facilitation Committee. Similarly, the ongoing inventory of private-sector foundations will provide a basis for identification of the interface between NAP priority areas and the strategic thrust of these private funding sources.

44. The multi-pronged approach also entails support to affected country parties for the generation of a pipeline of programmes and projects for GEF funding, on the basis of the NAPs and SRAPs. GM has, on several occasions, contributed to generating new project ideas and has cofinanced the development of GEF-funded concept notes (PDF-A), followed by successful requests for planning grants (PDF-Bs). In these cases, GM was also entrusted with the responsibility of mobilizing cofinancing from other sources to match GEF contributions. Under the Integrated Land and Water Management (ILWM) initiative for Africa (spearheaded by GEF, UNDP and the World Bank), GM has taken the following measures:

- contributing to the concept development and serving as a channel for the initial GEF contribution (PDF-A);
- cofinancing the elaboration and implementation of a recently approved, medium-sized GEF project; and
- facilitating ownership of the ILWM initiative by regional stakeholders – on the occasion of GM-supported regional events – including, *inter alia*, the relevant intergovernmental bodies and river-basin organizations.

45. Such experiences illustrate the potential of GM as an institutional partner, discharging the conceptual function of helping governments build bridges between the NAP or SRAP processes, GEF country dialogue workshops and the development of the GEF portfolio at country and transnational





levels. As such, GM interventions add value to the activities of the Global Environment Facility Secretariat (GEFSEC) and GEF implementing agencies.

46. There is a need, however, in the light of recent GEF Council decisions, to further enhance GM's response capacity in view of emerging opportunities to mobilize GEF resources (and related cofinancing) in a more predictable way. As far as other sources of funding are concerned, GM will pay particular attention to exploring private-sector funding opportunities, as well as resources that could be mobilized in the context of the Kyoto Protocol and Clean Development Mechanism.

47. **Communications strategy: A multi-pronged approach.** At the request of COP, GM has undertaken to develop a communications strategy within its operational strategy that aims at "facilitating contact with parties and other actors, increasing awareness of the Convention, and promoting participation in its implementation" (decision 9/COP.3, paragraph 14).

48. The approach is based on the same paradigm adopted for resource mobilization, i.e. a multisectoral convention requires a multi-source, multi-funding approach. GM must capitalize on the respective communications strategies of various stakeholders to the Convention (governments, intergovernmental organizations, specialized agencies, NGOs and farmers' organizations, etc.) to ensure that such strategies integrate messages aimed at promoting CCD objectives. Thus GM will collaborate with its partners to elaborate messages aimed at carefully identified target audiences, through separate or joint communications tools (websites, CD-ROMs, documentaries, publications, etc.), with a view to facilitating partnerships and mobilizing resources.

49. As a follow-up to previous consultations with the relevant units in FAO and IFAD and subsequent discussions on the subject during the last session of the Facilitation Committee, as a collaborative exercise GM has undertaken to assist the search for and dissemination of success stories about investments in areas affected by land degradation. For practical purposes, this activity is referred to as "drylands success stories". The added value of the proposed exercise, aimed at encouraging additional investments in support of the CCD, does not reside solely in the diversity of the sources of information. It also provides different institutional perspectives based on qualitative assessments by key stakeholders, including governments and natural resource users, as well as on self-review by development partners of their own project performance.

50. The starting point for a recent review undertaken by GM was the premise that many well-intentioned drylands advocates were experiencing great difficulty convincing their colleagues in ministries of finance or planning or in donor agencies that investment in dryland development makes economic sense.

51. The review was concerned with the findings of long-term studies of drylands development, of which there were few (although probably no less than those available for more humid zones). The broad findings were that drylands people are remarkably resilient and have succeeded in increasing their incomes sustainably and in coping with all but the most severe natural calamities. These successes have entailed on-farm innovation in low-risk techniques and activities and the development of off-farm income sources that are often, but not always, invested in on-farm activities. A thriving agricultural economy is clearly necessary but is not alone sufficient to guarantee successful drylands development.

52. Taking into account the continuing need for advocacy in favour of investment in areas affected by land degradation, GM will do more than assist governments in generating NAP-related project concepts that build on lessons from the past. It will also mobilize support for the success-stories initiative as an action-research programme, the outcome of which will serve as a powerful message within a communications strategy aimed at encouraging governments, official development partners,

NGOs and the private sector (including foundations) to assign the required priority to land-degradation control.

#### **IV. FINANCIAL RESOURCES OF THE GLOBAL MECHANISM**

53. The GM core budget, as negotiated and agreed by developing and developed country parties to the CCD, has been increasing steadily in recognition of its services. The Fifth Conference of the Parties (COP 5) held in October 2001 approved a budget increase of 33%, corresponding to an increase of approximately USD 400 000 per annum, to reach an amount of USD 1.74 million and USD 1.79 million for 2002 and 2003, respectively. However, even with these increases, the core budget is still significantly below the level that IFAD estimated (at the time of its submission to COP as a prospective host to GM) as the critical mass of core resources needed to enable GM to function under optimum conditions. In the meantime, voluntary contributions have allowed GM to respond to requests from an increasing number of countries for assistance in action programming and for the transition from planning to action.

54. Document EB 2001/74/R.25 provides more detailed information on GM's financial situation. Here it suffices to say that a grant of USD 2.50 million was approved by the Executive Board in 1999 (from a total pledge of USD 10.00 million) as part of the initial IFAD contribution to GM, pending mobilization of matching financing from other donors, and a further 1.25 million has been approved at the Executive Board in December 2001. In this context, it is most encouraging to note that, in addition to collaborating with GM on substantive issues, the World Bank is now contributing to its financial resources. In June 2000, it approved a grant of USD 1.25 million and a further amount is expected for 2002. Furthermore, when GM has acted as facilitator for specific events, or for the preparation of substantive papers, contributions have been channelled through GM from partners such as the Arab Fund for Economic and Social Development (AFESD) (USD 52 100); Canada (USD 30 400); GEF (USD 25 000 through the World Bank); IFAD (USD 50 000); the Islamic Development Bank (IsDB) (USD 20 000); the Organization of the Petroleum Exporting Countries Fund for International Development (OPEC Fund) (USD 40 000) and the World Bank (USD 50 000).

55. In 2000/2001, voluntary contributions have been received from the Congressional Hunger Centre (CHC) (USD 79 600); Denmark (USD 350 000 in 2001); Finland (USD 150 000); OPEC Fund (USD 350 000); Norway (USD 95 655 in 2000, USD 236 529 in 2001); Sweden (USD 527 535 in 2000); Switzerland (USD 71 461 in 2000, USD 74 905 in 2001). Consultations are under way with Italy and The Netherlands on possible voluntary contributions to GM.

#### **V. THE WAY FORWARD AND NEXT STEPS**

56. There is a growing consensus among the country parties to the CCD on the relevance of GM as an institution that promises to help rationalize and improve allocation of resources to address land degradation through a multisectoral approach. The debate on the Global Mechanism at COP 5, held in Geneva in the first two weeks of October 2001, clearly demonstrated such a growing consensus among the parties. Both the efforts of GM to fulfil its mandate and its increasing responsibilities were recognized.

57. The fact that GM is now acknowledged as an asset and necessary complement to GEF, even if GEF were to become the principal funding mechanism of the Convention, constitutes an important development since this issue was first discussed at COP 4 in December 2000.

58. Although support for GM was widespread at COP, there is still a need to demonstrate, through numbers, the final results of the efforts of GM to generate resources for the implementation of NAPs



and SRAPs. This will be the main challenge for the coming year. COP established the Committee of the Review of the Implementation of the Convention (CRIC), which will meet in November 2002. COP will now meet every two years and the next COP (COP 6) is scheduled to meet in October 2003. On those two occasions, GM will report on progress made.

59. In the future, GM will pursue its ongoing efforts to assist, upon request, the mainstreaming of the NAPs and SRAPs on both the demand and supply sides of the financial resource equation. At the same time, opportunities to use other institutional intermediaries will also be considered (specialized agencies, intergovernmental bodies).

60. The analytical and advisory role of GM will be increasingly focused not only on enhancing GEF support to the CCD, but also on exploring new sources of funding, especially the private sector through foundations and other opportunities.

61. Finally, GM will play a sustained brokering role in the area of capacity-building and knowledge networking. In order to consolidate achievements and respond to new challenges in CCD implementation, GM has undertaken a number of initiatives, discussed below, that now require follow-up.

#### **A. Human Resources and Internal Organizational Development**

62. As mentioned, COP approved a budget increase of 33% for both 2002 and 2003. The increase translates into two senior and two junior professional posts and the inclusion of a D1 position. The total number of professional staff employed under the budget approved by COP now stands at nine. On the basis of these changes and new opportunities, GM's internal organization will be reviewed. Terms of reference for new posts will be prepared and subsequently advertised. The objective is to have new staff in place by early 2002.

#### **B. Pursuing Mainstreaming and Partnership-Building Processes**

63. This is the 'bread and butter' of the mandate of GM, since these processes are aimed at mobilizing resources for the implementation of the CCD. This goal implies that the objectives of the CCD are integrated into both the planning and strategic development frameworks of developing country parties and the development cooperation strategies of donor organizations. These processes cannot be separated from resource mobilization as is sometimes claimed, since successful resource mobilization requires that all concerned parties (on the demand as well as the supply side) are involved as active participants in mainstreaming and partnership-building processes. GM will facilitate these processes in collaboration with relevant partner organizations. It will follow up on the subregional and regional workshops on resource mobilization and partnership-building that were held last year with a view to generating sustained processes in support of CCD implementation within countries and subregions. On the basis of experience, and with the necessary adjustments, GM will now focus on replicating partnership frameworks that have shown promise in resource mobilization.

#### **C. Consolidating Collaboration with External Organizations**

64. The approach developed by GM is increasingly understood and appreciated. This translates into increasing demand for GM services from countries and subregional organizations. Even with the increase in staff now approved by COP (although still six professional posts short of the original request), it will not be possible for GM to interact with and directly and sustainably support all the countries and subregions requesting this support. Thus GM must find a way to respond to requests through a decentralized structure. Instead of pursuing a traditional method of decentralization in which GM would outpost staff to various locations, GM's evolving response mechanism is to act through intermediaries having a self-interest in pursuing the implementation of the Convention and



the capacity and mandate to do so. To this end, GM is developing collaboration with subregional organizations and specialized agencies based in the regions. Through these partners, it is supporting work in developing and implementing SRAPs and NAPs for their regions. The model that is gradually taking shape is one in which GM provides facilitation funds, and in some cases resources, to allow these organizations to recruit technical assistants to support the process.

65. This model has been most developed in southern Africa in cooperation with SADC, but it is also under development with IGAD (eastern Africa), AMU (northern Africa), CILSS and ECOWAS (western and central Africa) and CCAD (Central America). GM will consolidate this approach and develop such partnerships with other organizations, while adapting its mode of cooperation with each organization to the latter's specific mandate and organizational structure.

66. GM will now focus on developing these types of partnerships. It is already evident that this will require significant investment on the part of GM staff. It takes time to reach a common understanding on approach, the tasks involved and how to pursue them. It is also clear that even when effective cooperation is established, it will require regular GM input to reach the final objective – substantial investment in implementation of the Convention on the ground.

#### **D. Further Development of Collaboration with Member Institutions of FC**

67. GM has collaborated with most of the member institutions of its Facilitation Committee, but on an individual basis, rather than with FC as an institution in its own right. GM will further expand cooperation with individual members and plans to do so within the framework of the business-plan approach. This will be pursued along two lines. The first will be to strengthen operational cooperation with each FC member institution by reviewing country-cooperation frameworks, with a view to enhancing the land-degradation thrust of their country portfolios. This will be initiated with IFAD and will be based on an analysis of IFAD's country strategic opportunities papers (COSOPs). Similar approaches will be pursued with the other FC financial institutions. The second line, regarding technical member institutions such as FAO and UNEP, will take the form of cooperation based on these institutions' specific competencies, e.g. developing further cooperation with the FAO Investment Centre and with FAO technical departments on issues such as carbon sequestration.

#### **E. Pursuing Development of the GM Communications Strategy**

68. GM is increasingly in need of its own communications strategy. This will target the various stakeholder groups GM is interacting with, but it is also a prerequisite for reaching out to potential partners, particularly the private sector. One of the strongest arguments that can be made for investment to combat desertification and land degradation is that it makes economic sense to do so. Thus an important part of the communications strategy will be continued support for the GM-spearheaded collaborative action-research programme on dryland success stories, in cooperation with CGIAR institutions and others.

#### **F. Consolidating Cooperation with GEF and its Implementing and Executing Agencies to Increase Investment of GEF Resources in the CCD**

69. As has been mentioned, it is now recognized that GM will have an essential role to play even with a new GEF focal area for land degradation. In response to that recognition, GM has begun to operationalize its already-planned GEF node, for which an initial amount of USD 100 000 of GM voluntary funds has been earmarked. This capacity will focus on both short-term operational and long-term operational and conceptual aspects. Short-term operational aspects include identifying GEF opportunities, pursuing them in cooperation with executing and implementing agencies for GEF financing and generating the necessary cofinancing. Long-term operational and conceptual aspects regard the process leading up to the GEF Assembly in October 2002, when the final decision will be



made on the possible new focal area for land degradation. Aspects to be pursued include the discussion of global benefits and GEF support to enabling activities and capacity-building. These will be done in close cooperation with the GEF Secretariat and other partners.

70. GM's experience in supporting the development and financing of NAPs and SRAPs is of particular relevance to GEF's concept of enabling activities and capacity-building. Its experience in identifying and supporting the development of GEF opportunities – in cooperation with IFAD (Brazil) and with FAO, UNEP and the World Bank (eastern, southern and western Africa) – will be of particular relevance in rendering the new focal area operational within a short time.

71. GM will pursue discussions with IFAD to reach an early understanding on the role of GM in relation to IFAD as an executing agency and GM's special role as an 'agency' for the Convention.

### **G. Pursuing Non-Traditional Funding Options for the CCD and Refining FIELD as a Resource-Mobilization Tool**

72. Until now, GM has focused on traditional sources of funding for action-programme development and implementation. Now that GM's strategy is well developed and articulated, it can begin to tap new sources of funding. As mentioned above, the next constituency to approach is private United States foundations. In preparation for this, GM will complete an ongoing inventory of these foundations and identify the interface between their respective focal areas and the strategic thrusts of the CCD (including opportunities to support specific NAP- and SRAP-related activities and projects).

73. A decision of COP 3 recommended that GM monitor progress in intergovernmental negotiations and pursue dialogue with relevant constituencies, with a view to identifying opportunities for resource mobilization. GM will pursue this course of action, and special attention will be given to carbon trading and debt relief. In both cases, GM has initiatives underway. A study cofinanced with FAO is investigating carbon sequestration under various forms of land use and land-tenure systems. This study, in combination with other studies and experience gained in the measuring of carbon content under various forms of land use, is important in providing scientific and practical underpinning for the introduction of carbon trading on a broader scale in developing countries. GM is also pursuing the debt-relief operation in Ecuador in cooperation with FAO, IFAD and WFP, with a view to securing the investment of part of the funds in desertification-control measures. That experience will be used to pursue this resource-mobilization option in other countries.

74. One of GM's mandates is to develop a database on funding options for CCD implementation. This database, FIELD, has now been developed. In the process of developing the features of FIELD, data has been collected and introduced into the system. This has been done at the national level in one developing country (Mali) in cooperation with selected donor agencies. Belgium has been a prime partner and GM has also worked closely with the OECD-DAC Secretariat in designing a model for systematizing and collecting information on the CCD from all OECD member countries. It has also prepared tailor-made donor profiles for selected countries and subregions in which it has worked.

75. The next step for FIELD is to link its future development more closely with the support GM provides to NAP and SRAP development and implementation. The analytical aspect of the work must become more prominent. FIELD will have to become an integral part of GM's resource-mobilization process and a tool for analysing trends in the allocation of resources to areas of relevance to the CCD at national, regional and international levels.