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Enabling poor rural people
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**

Governing Council — Thirty-third Session
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For: **Information**

Note to Governors

This document is submitted for information to the Governing Council.

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Abbreviations and acronyms

AfDB	African Development Bank
COP	Conference of the Parties to the UNCCD
COSOP	country strategic opportunities programme
DIFS	Designing Integrated Financing Strategies
FC	Financial Services Division (IFAD)
GECC	Global Environment and Climate Change Unit (IFAD)
GEF	Global Environment Facility
IFS	integrated financing strategy
PA	Western and Central Africa Division (IFAD)
PF	Eastern and Southern Africa Division (IFAD)
PI	Asia and the Pacific Division (IFAD)
PN	Near East and North Africa Division (IFAD)
SIP	Strategic Investment Programme (GEF)
SLM	sustainable land management
UfM	Union for the Mediterranean
UNCCD	United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

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

I. Background on the Global Mechanism at IFAD

1. Established under article 21 of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD), the Global Mechanism is a subsidiary body of the Convention, mandated to "increase the effectiveness and efficiency of existing financial mechanisms...[and]...to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties."
2. The Convention states that the Global Mechanism should be hosted by an organization whose mandate, objectives and capacity substantially complement its own. As the global agency leading efforts to tackle land degradation and reduce rural poverty in the countries most affected by desertification, IFAD was selected to host the Global Mechanism in 1997 by a ministerial-level assembly of over 113 country Parties to the Convention. Since beginning its operations in October 1998, the Global Mechanism has worked closely with IFAD. Subsequent to the signing of the memorandum of understanding between IFAD and the Conference of the Parties (COP) to the UNCCD in 1999, the Global Mechanism has been an organic part of the structure of the Fund directly under the President of IFAD.
3. IFAD's portfolio and its expertise in financing projects and programmes have proven to be an enormous asset for the implementation of the Convention and the impact of the Global Mechanism. The Fund's broad base of collaboration with other international financial institutions and development agencies has greatly facilitated the work of the Global Mechanism. Moreover, IFAD continues to be the largest contributor to the Global Mechanism's operations, with its contribution to date totalling US\$8.75 million.

II. Scope of the progress report

4. This report focuses on the collaboration between IFAD and the Global Mechanism in 2009. It is therefore not a comprehensive account of the activities conducted by the Global Mechanism this year. More information about the Global Mechanism's operations during the 2008-2009 biennium is contained in the report (ICCD/COP(9)/6/Add.3) on the implementation of the costed two-year work programme of the Global Mechanism,¹ submitted to the COP at its ninth session in October 2009.

III. The Global Mechanism budget in 2009

A. The core budget

5. The Managing Director of the Global Mechanism is responsible for preparing, in full consultation with IFAD's Financial Services Division (FC), the programme of work and budget, including proposed staffing, which is reviewed and approved by the President of IFAD annually. Following approval by the President of IFAD, the budget proposal is submitted to the UNCCD secretariat for presentation to the COP for final adoption.
6. The core budget is approved by the UNCCD COP on a biannual basis. Contributions from each party are paid to the UNCCD secretariat and the Global Mechanism's

¹ http://www.global-mechanism.org/dynamic/File/cop9/GM_Report_COP9.pdf

share is then transferred to IFAD. Upon receipt, the core budget funds are deposited by IFAD in the core budget administrative account, as per the President's Bulletin No.99/10. Global Mechanism staff contracts are aligned with the biannual budget.

7. The total amount approved for 2009 by the COP to meet the administrative and operational expenditures of the Global Mechanism amounted to EUR 1,745,000 (equivalent to US\$2,574,000 using the exchange rate applied by the UNCCD), excluding programme support costs.
8. Programme support costs are constituted by the administrative overheads incurred by IFAD in hosting the Global Mechanism and by charges for the administrative services IFAD provides to the Global Mechanism. This cost item is calculated as 13 per cent of the programme support charge on all actual expenditures incurred, and is payable to the United Nations for administrative services provided to the Global Mechanism. The 13 per cent is divided as follows: 8 per cent is paid to IFAD for the administrative services provided to the Global Mechanism and 5 per cent is retained by the UNCCD secretariat to cover part of its own operating expenses incurred for administrative services, as per decision 4/COP.4.² The Global Mechanism has reimbursed IFAD for programme support costs for 2009 amounting to a total of EUR 139,600 (approximately US\$199,000).
9. Based on the Executive Board's decision (EB 2001/72/R.10), IFAD is authorized to advance the Global Mechanism the amounts necessary for its proper operations, but without exceeding the annual budget approved by the COP for the relevant biennium. As a result of country Parties arrears since 1999, the Global Mechanism overspent up to 2004, when its new management took office. FC and the Global Mechanism management therefore decided upon a repayment schedule for 2008 and 2009 to clear the debts. In 2009, the Global Mechanism repaid IFAD an amount of US\$386,930 to clear the accounts up to 31 December 2007. To avoid any future debt, FC and the Global Mechanism have agreed to a budget provision of 10 per cent.
10. At its ninth session held in Buenos Aires, Argentina, from 21 September to 2 October 2009, the COP adopted the UNCCD core budget, allocating EUR 4,094.173 (approximately US\$5,854.000) to the Global Mechanism, which includes 13 per cent programme support costs (5 per cent for the UNCCD secretariat and 8 per cent for IFAD).

B. Current IFAD grants: Programme for Designing Integrated Financing Strategies for UNCCD Implementation in Selected Countries in Asia and the Pacific, and Latin America and the Caribbean

11. The Global Mechanism is currently implementing activities under the first instalment of US\$1.25 million of the IFAD grant (of US\$2.50 million) approved by IFAD Executive Board at its ninety-third session in April 2008.³
12. The first phase has focused on enhancing, adapting and executing the Global Mechanism's Programme for Designing Integrated Financing Strategies (DIFS) to promote capacity-building and knowledge exchange through four subregional workshops organized for the Common Market of the South (MERCOSUR), the Andean region, and South Asia and South-East Asia. Subsequent actions have concentrated on designing integrated financing strategies (IFSs)⁴ in the selected phase I countries (Ecuador, Peru and Uruguay) and on developing activities to address the linkages between climate change and land degradation as a means of

² ICCD/COP(4)/11/Add.1

³ EB 2008/93/R.15/Rev.1.

⁴ Integrated financing strategies aim to increase finance and investments in support of agriculture, sustainable land management and rural poverty reduction.

mobilizing complementary funding. A programme to build capacity in accessing climate change financing is currently being finalized. IFAD's Executive Board approved the second instalment of this grant in September 2009.

C. Voluntary contributions

13. In addition to IFAD grants, the Global Mechanism receives voluntary contributions from multilateral agencies and bilateral sources. Approximately 75 per cent of the Global Mechanism's operations, with a variability of 10 per cent annually, are financed through voluntary contributions.
14. Contributions are paid by donor agencies mainly on the basis of programme proposals covering two to three years of operations. However, some contributions are also paid as non-earmarked contributions to cover Global Mechanism corporate activities in line with COP decisions.
15. The total financing available from voluntary contributions to the Global Mechanism in the biennium 2008-2009 amounts to US\$11,732,064. In addition, the Global Mechanism is negotiating with its donors further contributions amounting to US\$3.9 million. This brings the total voluntary contributions for the biennium 2008-2009 to US\$15,600,000.
16. It should be underlined that, in the absence of a replenishment process for the Global Mechanism, contributions from various sources are granted on a request basis. The processes and modalities of these sources of finance vary considerably, making it difficult to streamline the financial flows and report on exact annual budgets from voluntary contributions.

IV. Internal assessment of the Global Mechanism at IFAD

17. With a view to enhancing the mutual benefits and value added of cooperation for IFAD and the Global Mechanism from a strategic and operational standpoint, an internal assessment was undertaken by the Global Mechanism and IFAD Senior Management in late 2008.⁵
18. The assessment was based on a review of policy, project and programming documents and included targeted interviews with Global Mechanism and IFAD staff, partners and donors. It took into account recent reorientations and reforms within the two organizations, as well their respective mandates and comparative advantages. It also considered elements related to the effectiveness of cooperation mechanisms, and identified best practices and missed opportunities.
19. The findings of the assessment indicate that, after 10 years of coexistence, cooperation between the Global Mechanism and IFAD is becoming more effective. At the strategic level, cooperation in most instances was successful. One example of such cooperation is the joint portfolio review of IFAD-funded projects and programmes (2006) that contributed to developing a clearer picture of the Fund's support both to the UNCCD and to initiatives to combat land degradation and drought, while highlighting areas that would warrant increased efforts. The review indicated that 63 per cent of IFAD's portfolio was directed towards activities that supported the objectives of the Convention in drylands (46.8 per cent of projects and programmes were found to target UNCCD objectives). Both the African Development Bank (AfDB) and the Africa section of the World Bank undertook portfolio reviews in 2008-2009 based on the methodology developed by IFAD and the Global Mechanism.
20. The assessment recommends that future cooperation at the strategic level concentrate on emerging opportunities such as innovative financial mechanisms, including climate change and carbon-based funding, and private-sector partnerships at the policy or corporate level, while ensuring reciprocated participation in relevant

⁵ EB 2008/95/R.54.

discussion forums (e.g. policy reference groups). At the same time, the Global Mechanism should ensure that it continues to provide UNCCD-related advice to IFAD, including advice regarding national action plans and in-country financial flows, where it may be relevant to IFAD policy or programme staff.

21. At the programmatic level, collaboration has also been largely successful, although there is still room for expansion and improvement. The Global Mechanism's approach and instruments, such as its country engagement modalities and IFSSs, are complementary to IFAD's country strategic opportunities programmes (COSOPs) and country-level project and programme design processes. Given that the Global Mechanism is mandated to support countries in scaling up finance for sustainable land management (SLM), IFAD is a natural partner.
22. A highly successful example of collaboration at the programmatic level is the Viet Nam COSOP in which the Global Mechanism played a substantive role, contributing financially and through staff involvement to the development of a study on the linkages between climate change and land degradation. The study provided arguments in favour of more sustainable investments and led to the development of recommended project interventions addressing IFAD's objectives in Viet Nam, in addition to UNCCD and climate change goals. It is expected that cooperation will continue around the development and financing of projects under the COSOP, and that this model of cooperation will be replicated in Cambodia, Nepal and Sri Lanka.
23. In conclusion, the assessment indicates that, for the Global Mechanism to be as effective a partner as possible in the future, advance knowledge of IFAD's programming cycle is essential. In terms of COSOP development, joint planning processes, including joint divisional meetings at regular intervals, would greatly assist in identifying opportunities for cooperation. The Global Mechanism should also keep IFAD apprised of ongoing efforts to develop IFSSs in order to increase the synergies between COSOPs and IFSSs. The assessment recommends replicating positive examples of cooperation and using them to design a systematic, mutually accountable, measurable cooperation strategy or action plan that would generate visible impacts and benefits for the two organizations.

V. Operational activities of the Global Mechanism undertaken in cooperation with IFAD

24. IFAD's Strategic Framework and operating model have increased the scope for cooperation between the Global Mechanism and the Fund. As a specialized international financial institution, IFAD is set to increase the integration of its portfolio into larger rural development programmes at the country level and to raise the percentage of cofinancing.

A. TerrAfrica

25. One of the most effective initiatives on which the Global Mechanism and IFAD have collaborated, along with other partners, is the TerrAfrica initiative. In countries such as Eritrea and Ethiopia, IFAD and the Global Mechanism are members of the SLM platform at the national level. In Ethiopia, the Global Mechanism conducted a financial analysis to determine the potential amount of funds available for implementing the Country Strategic Investment Framework (CSIF) and developing a resource strategy for the CSIF platform members, while IFAD supports specific SLM programmes under the TerrAfrica initiative.

B. Eastern and Southern Africa programme

26. The Global Mechanism has worked with the Government of Kenya since 2004 to set up a public-private partnership that has resulted in a fund (National Environment Trust Fund – NETFUND), established in accordance with the Environment Management and Coordination Act (EMCA) of 1999, to spearhead the mobilization

of funds and technical support for the formulation of community-level initiatives on SLM within the framework of the national action programme to combat desertification. At the same time, IFAD piloted a project on green water credits, an innovative mechanism providing incentives for small-scale farmers to engage in SLM within major water catchment systems. Supported by the proof of concept, IFAD has sought to engage the Government to take over the full implementation of green water credits, but without much success. The Global Mechanism and IFAD (Technical Advisory Division/Kenya country office) are now exploring the possibility of involving the NETFUND in the implementation of this novel scheme for the payment of environmental services.

C. Western and Central Africa programme

27. The Global Mechanism has participated at the IFAD headquarters level in the review of grants and COSOPs for Western and Central African countries, including the quality enhancement panel for the Global Environment Facility (GEF) Niger grant entitled "Agricultural and Rural Rehabilitation and Development Initiative (ARRDI)" and IFAD's COSOP for Chad. Furthermore, the Global Mechanism and IFAD's Western and Central Africa Division (PA) are considering appointing a junior consultant, funded by the Global Mechanism, to conduct research on climate change and carbon financing development in the Western and Central Africa region. In 2010, the Global Mechanism will continue to collaborate with IFAD in Western and Central Africa in the context of TerrAfrica and will contribute, upon request, to COSOPs and quality enhancement panels.

D. North Africa and South-to-South cooperation programmes

28. In the framework of its South-South cooperation programme, SolArid, the Global Mechanism is involved in implementing the Union for the Mediterranean (UfM) and in promoting decentralized cooperation as an innovative source of financing for the development of local communities in arid zones.
29. IFAD's Near East and North Africa Division (PN) expressed interest in learning more about the UfM and the initiatives undertaken within the framework of French decentralized cooperation. The Global Mechanism therefore organized meetings with the Presidency of the French Republic, which hosts the French mission for the Mediterranean, the French Global Environment Fund, and arranged joint participation in a workshop on decentralized cooperation organized by Agence Française de Développement (AFD).
30. Discussions between IFAD, the Global Mechanism and the UfM led to the positioning of IFAD and the Global Mechanism as partners in the UfM. Results included the identification of potential synergies and areas of cooperation between the UfM programme and IFAD; the recognition of IFAD as a potential partner in the region and recognition for IFAD's involvement in the UfM development process. The UfM representatives also expressed interest in the Global Mechanism's activities under SolArid as a bridge between the UfM and the sub-Saharan countries. With regard to French decentralized cooperation, PN and the Global Mechanism agreed to build partnerships with the French Ministry of Foreign Affairs and Agence Française de Développement in order to promote decentralized cooperation in rural development and SLM in North Africa.

E. Asia and Pacific programme

31. In the Near East,⁶ the Global Mechanism's partnership with the Ministry of Agriculture of Lebanon and the United Nations Development Programme (UNDP) country office has led to the formulation of an SLM umbrella programme defined by the establishment of integrated investment frameworks. The programme is a portfolio of projects financed by Australia, Brazil, Finland, German Agency for

⁶ The Near East region falls within the scope of the Global Mechanism's Asia and Pacific programme.

Technical Cooperation (GTZ), Spain, Sweden, UNDP/Drylands Development Centre (DDC) and IFAD amounting to approximately US\$26 million.

32. In Jordan, the IFS was launched in March 2009 by the Ministry of Planning and International Cooperation and the Ministry of Environment. The first initiative under the IFS is a US\$29 million project for Jordan to mainstream sustainable land and water management practices, developed by IFAD and the Global Mechanism and cofinanced by the OPEC Fund for International Development and the GEF under the Program on Integrated Nature Resources Management in the Middle East and North Africa Region. (The Jordan GEF/land degradation (LD) operation was designed by IFAD in 2006/2007 and endorsed by the GEF in August 2008.)
33. The Global Mechanism provided substantive inputs to and participated in the annual performance review workshop organized by IFAD and convened in Bangkok, Thailand, in March 2009.

F. Latin America and the Caribbean programme

34. In Peru, the IFS process is managed by an inter-ministerial working group led by the newly-created Ministry of Environment. A first draft of the IFS document has been finalized and a broad consultation process has been set under way to endorse the IFS approach and design a corresponding action plan.
35. In Ecuador, the Global Mechanism supports the design of an IFS focused on better positioning SLM issues in the country's new policy framework through the national development plan. Innovative financing mechanisms are being developed using microfinance schemes at the provincial level in those areas most affected by land degradation, which should foster linkages with IFAD's planned interventions in the country.

G. Climate change finance programme

36. The Global Mechanism and IFAD have worked together towards the overall objective of increasing the national capacity of developing countries to access investments and financial flows to address climate change. Joint initiatives have focused on:
 - (a) Integrating climate change into IFAD's COSOPs. Cooperation with PA hinges on facilitating and enhancing the access of countries in Western and Central Africa to supplementary funding from climate change financing designated for scaling up pro-poor SLM activities. A first tangible example is the input provided to the Chad COSOP in mainstreaming climate change adaptation and mitigation measures through SLM practices.
 - (b) Capacity-building for the formulation and implementation of financially feasible mitigation and adaptation projects in the agricultural, rural and land use sectors. Building on the "Mitigating the Impact of Climate Change and Land Degradation through IFAD's COSOP for Viet Nam" initiative, the Global Mechanism and IFAD's Asia and the Pacific Division (PI) jointly organized a special session on climate change during PI's 2009 annual performance review. The session undertook an initial screening of the impact of climate change on PI's portfolio of projects and identified adaptation and mitigation measures to address this in future project design.
37. The Global Mechanism participated in the policy reference group on climate change led by IFAD's Policy Division, which was established in 2007 with the aim of reaching a common understanding on climate change, defining IFAD's position, fostering a more conducive environment to position IFAD on key global issues, and developing products, instruments and partnerships to help IFAD address the adverse impacts of climate change on its target population.
38. In terms of knowledge-sharing, the Global Mechanism prepared regional fact sheets for the Asia and the Pacific region and subregional fact sheets (Pacific Islands,

Central Asia, South-East Asia, South Asia) on the impacts of climate change in the main sectors (agriculture, forests, water and coastal zones) for the PI annual performance review, which have been published in the relevant sections of IFAD's website.

39. In addition, discussions have been held with IFAD's Global Environment and Climate Change (GECC) Unit on potential cooperation in future joint activities related to the strengthening of IFAD's in-house knowledge on climate change issues in the context of rural development.

H. Market access and trade programme

40. Arabic gum is one of Mali's trade development priorities, as defined in the country's diagnostic trade integration study and the related action plan developed under the Integrated Framework for Trade-Related Technical Assistance. In view of the high priority placed on the Arabic gum sector, there is a need to streamline trade, agriculture and environment-related investments around the implementation of the Arabic gum sector strategy.
41. In October 2009, the Global Mechanism initiated discussions with IFAD's national coordination office in Mali on the potential engagement of the Fund in supporting the country's Arabic gum sector. The Global Mechanism is assisting the Government in the development of a strategic investment framework for SLM. Within this framework, the Global Mechanism has been supporting the development of the Arabic gum sector to channel trade-related resources to the SLM investment framework.

I. Portfolio reviews

42. The joint portfolio review of IFAD's SLM investments (2005-2006) revealed that IFAD programmes and projects that had supported UNCCD objectives amounted to the equivalent of US\$1.8 billion for loans and US\$118.7 million for grants, 63 per cent of the total value of IFAD's portfolio. The methodology that was developed by the Global Mechanism and IFAD has now been expanded for the review of the SLM portfolios of the AfDB and the World Bank in the Africa region, which is being undertaken by the two organizations under the umbrella of TerrAfrica in collaboration with the Global Mechanism.
43. During a meeting organized by the Global Mechanism to discuss the preliminary findings of the SLM portfolio reviews undertaken with the World Bank and AfDB in March 2009, IFAD shared the outcomes and results of its own portfolio review. IFAD revealed that all three specific objectives of the review – internal SLM mainstreaming, external SLM mainstreaming, and use of the SLM portfolio review methodology by other organizations – have now been achieved.
44. In terms of policy influence, IFAD's portfolio review has been instrumental both in the development of an innovative methodology for the identification of relevant projects and in the elaboration of a learning note "Mainstreaming UNCCD objectives in IFAD operations (strategies and programmes)". Furthermore, the review was associated with a number of internal reform processes that have led to the adoption of new corporate policies and strategies, such as the updated environment and natural resource management policy, and the new climate change strategy, both due in 2010. In addition, the portfolio review has generated interest in the integrated assessment of the economics of land degradation – an initiative that the Global Mechanism has spearheaded since May 2009.

J. Facilitation Committee

45. The Facilitation Committee was conceived as a demand-driven advisory body to the Global Mechanism, providing guidance on the Global Mechanism's operations and fostering collaborative institutional arrangements between the Global Mechanism and institutions with relevant technical and financial expertise. As one of the three

founding members of the Committee, IFAD, together with other Committee members, supported the Global Mechanism in 2009 by providing strategic advice, particularly during the two Committee meetings held in Rome, Italy, in June and in Buenos Aires, Argentina, in October on the margins of the UNCCD COP. These meetings produced significant outcomes, which constitute milestones for the Facilitation Committee in terms of its strategic role, IFS development and implementation, and in support of joint portfolio reviews. The next steps are outlined in section VII of this report.

K. Global Donor Platform for Rural Development

46. The Global Mechanism and IFAD are both members of the Global Donor Platform for Rural Development, which aims to reduce poverty and promote economic growth in rural areas of developing countries through increased and more effective aid for agriculture and rural development. It supports donors and partner-country governments alike, in adjusting to and implementing the principles established by the Paris Declaration on Aid Effectiveness (2005) and the Rome Declaration on Harmonization (2003). As a platform member, the Global Mechanism has contributed to several meetings and thematic working groups (e.g. on climate change) alongside other members such as IFAD. IFAD and the Global Mechanism will jointly host the next Annual General Assembly and Board Meeting of the Platform in January 2010.

L. Communications activities

47. In 2009, the Global Mechanism cooperated with IFAD on a series of communications initiatives. IFAD's Communications Division designed a special exhibition area for the Governing Council, allocating the Global Mechanism an integrated space where visitors could consult publications and watch video documentaries coproduced with IFAD, United Nations Environment Programme, the Swiss Agency for Development and Cooperation and others for the International Year of Deserts and Desertification.
48. IFAD's media relations team provided the Global Mechanism's communications group with valuable guidance in developing a number of press releases and assisted in issuing them through IFAD media channels. The communications coordinator was invited to explain desertification and climate change and their impacts to a group of primary schoolchildren visiting IFAD.
49. IFAD and the Global Mechanism are now cofinancing a documentary project produced by the Free University of Amsterdam entitled "More People, More Trees", which will illustrate past and present environmental conditions in parts of Burkina Faso and Kenya. Focusing specifically on land, the documentary provides evidence of long-term actions undertaken by local farmers with the support of development projects and programmes to improve their environments and livelihoods.
50. IFAD's Office of the Secretary provided input for the trilingual glossary of most commonly used terms currently being developed by the Global Mechanism's content management staff to facilitate the work of staff and partners writing on finance to combat desertification and land degradation.

VI. Administrative support provided by IFAD to the Global Mechanism

A. Financial services

51. IFAD's FC Division provides services related to the Fund's administrative and operational expenses, such as payment of suppliers, staff payroll, consultants' emoluments, and travel. Additionally, FC oversees and manages staff medical insurance and compensation policy matters. FC has effectively supported the financial management of the Global Mechanism. The excellent cooperation between

FC and the Global Mechanism is recognized as having contributed to the consolidation of the Global Mechanism's financial situation.

B. Office of the General Counsel

52. The IFAD Office of the General Counsel (OL) provides substantive legal advice to the Global Mechanism, including on human resources matters. The excellent legal advice from OL has greatly enhanced and facilitated the Global Mechanism's operations, and the timely and professional recommendations provided by OL have been well received.

C. Multi-donor platform

53. The Global Mechanism has worked with FC and OL to establish a multi-donor platform (MDP). The aim of the MDP is to pool diversified voluntary resources and implement the Global Mechanism's results-based management system through its biennial programme of work and budget. The MDP consists of a system enabling more predictable financial flows through a "finance alliance" with donor agencies and international financial institutions, including IFAD, so as to be able to improve planning and budget voluntary contributions. The MDP was introduced as a result of the IFAD Executive Board decision of December 2006 (EB 2006/89/R.56) with regard to the "Procedures governing the Global Mechanism's Special Resources for the CCD Finance (SRCF) Account", which constitutes the MDP account, while the Global Mechanism's core budget provided by the UNCCD COP is held in the core budget administrative account (or first account) for separate budget administration and auditing by the COP.

D. Human resources

54. During 2009 IFAD's Human Resources Division has supported the Global Mechanism in a number of ways. It has ensured the timely and accurate issuance of approximately 80 consultancy contracts; it has also supported Global Mechanism fixed-term staff on issues relating to recruitment, secondment, remuneration, benefits, performance evaluation and in other areas such as alternative work arrangements and social security benefits.
55. IFAD has provided guidance to the Global Mechanism to ensure that all established human resources policies and procedures are adhered to according to the IFAD Human Resources Procedures Manual.
56. With regard to staff development and training, the IFAD staff development and training unit has, on a regular basis, notified the Global Mechanism of upcoming training and has encouraged full participation by Global Mechanism staff in all training opportunities. The Global Mechanism has undertaken a number of training modules through IFAD.

VII. Future cooperation between the Global Mechanism and IFAD's Programme Management Department

57. The assessment of the Global Mechanism at IFAD identifies joint work at the programmatic level as one of the key areas in which cooperation with IFAD could be stepped up. The following sections therefore illustrate the promising paths the Global Mechanism and IFAD are jointly exploring to strengthen the support both institutions provide in delivering their respective mandates.

A. Eastern and Southern Africa, and Western and Central Africa Divisions

58. Within the framework of the TerrAfrica initiative, in 2004 the GEF approved funding amounting to US\$150 million for a number of country-level SLM projects in sub-Saharan Africa under the general umbrella of the Strategic Investment Program (SIP) for Sustainable Land Management in sub-Saharan Africa.

59. Through its GECC Unit, IFAD has a leadership role in implementing SIP in six countries: Comoros, Eritrea, Ethiopia, Mauritania, the Niger and Swaziland. As part of the proposed enhanced cooperation between the Global Mechanism and IFAD, the Global Mechanism will work with IFAD's PA and Eastern and Southern Africa (PF) Divisions to raise further cofinancing for projects under SIP in which IFAD is taking the lead.
60. The Global Mechanism also intends to work closely with PA and PF in mainstreaming SLM and climate change into ongoing and future agricultural development programmes and projects in sub-Saharan Africa. The aim is to scale up SLM-driven climate adaptation and mitigation interventions on the ground, thereby ensuring countries' resilience to climate change and eventually enhancing/sustaining the productivity of activities in the agricultural and natural resources sectors.

B. Asia and the Pacific, and Latin America and the Caribbean Divisions

61. The second instalment (US\$1.25 million) of the IFAD grant for the Programme for Designing Integrated Financing Strategies for UNCCD Implementation in Selected Countries in Asia and the Pacific, and Latin America and the Caribbean, was approved by IFAD's Executive Board at its ninety-seventh session in September 2009. The programme addresses emerging challenges and builds on opportunities, in particular with regard to adaptation to climate change in least developed countries affected by desertification and drought. For the implementation of the second instalment, the Global Mechanism will prepare country-specific intervention sheets in collaboration with country programme managers detailing major activities and joint tasks agreed upon for the selected countries. Phase II, which will have a total duration of two years (2009/11), has five components:
- (a) Support for the implementation of the IFSs of Brazil, Cambodia, Ecuador, Nepal, Peru, Sri Lanka, Thailand and Uruguay;
 - (b) Design of national IFSs for Bhutan, Chile, the Dominican Republic and the Lao People's Democratic Republic;
 - (c) Delivery of capacity-building programmes on climate change financing in selected countries;
 - (d) Mobilize supplementary funds for IFAD programmes and projects through the development and implementation of climate change/SLM components under the IFS; and
 - (e) Manage knowledge to document best practices for replication in other regions.

C. Near East and North Africa Division

62. The Global Mechanism will continue working with PN, both under the framework of the UfM and in strengthening collaboration with French decentralized cooperation. With regard to the UfM, IFAD and the Global Mechanism will be involved in the organization of the 1st Euro-Mediterranean Ministerial Meeting on Food Security, Agriculture and Rural Development, scheduled for 2010, and will be invited to participate in the 4th Euro-Mediterranean Ministerial Meeting on Water (13-14 May 2010). With regard to French decentralized cooperation, the Global Mechanism and IFAD have invited the representative of the French Ministry of Foreign Affairs to Rome in order to establish formal partnerships for joint support to local communities in the Near East and North Africa region.

D. Technical Advisory Division

63. The Global Mechanism will continue to engage with IFAD in the future on SLM portfolio reviews. During the twenty-first meeting of the Facilitation Committee in September 2009, the Global Mechanism proposed engaging the Committee in the review of the programmatic portfolios of its member organizations with a view to

measuring their investments in SLM. The proposal builds on the analytical approach and methodology developed by the Global Mechanism in collaboration with IFAD, TerrAfrica, AfDB and the World Bank.

E. Facilitation Committee

64. At the recent Facilitation Committee meeting on the margins of the UNCCD COP in Buenos Aires (September 2009), the Committee agreed that the implementation of IFSs – the Global Mechanism’s main tool for resource mobilization at the country level – will be linked to and build upon Committee members’ programming and operations at the national level, including IFAD’s country programmes. This outcome was motivated by the development of an IFS template by the Global Mechanism to enhance IFS implementation. The template attempts to respond to the increasing demand for Global Mechanism support from developing countries and envisages the Global Mechanism working in tandem with bilateral and multilateral donor agencies, with the agencies supporting the IFS directly at the country level.
65. The Facilitation Committee also agreed to redefine its role as a strategic advisory group in support of the Global Mechanism. This requires a more substantive approach towards collaboration that focuses on strategic issues and draws on the comparative advantage of each Committee member. This will facilitate greater synergy among members and engender new cooperative modalities, with Committee members operating as collaborative partners rather than simply as facilitators of the Global Mechanism’s work. It is envisaged that the implementation of the redefined role of the Facilitation Committee will commence fully with IFAD as Chair in 2010.
66. Moreover, based on the successful outcomes of the IFAD portfolio reviews, a proposal has been developed by the Global Mechanism to engage the Facilitation Committee in the review of the programmatic portfolios of its member organizations with a view to measuring their investments in SLM. This approach is supported by IFAD and other Committee members as a means of measuring and comparing levels of investment in SLM; assessing contributions to the achievement of corporate, national and international goals and priorities; identifying opportunities for leveraging potential synergies and complementarities; and establishing baseline values against which to measure future patterns and trends.

F. GECC Unit

67. The Global Mechanism is further enhancing its participation in and contribution to the policy discussions on the post-2012 climate change regime to increase resource mobilization and investment opportunities for climate change mitigation and adaptation in developing countries affected by desertification. Examples of Global Mechanism-IFAD collaboration and joint initiatives, with the overall objective of increasing the national capacity of developing countries to access investment and finance flows to address climate change, are illustrated below.
68. Joint activities will be undertaken with IFAD country programme managers and private-sector carbon financing specialists to develop and implement climate change/SLM components that can be integrated into IFAD programmes and projects, including the delivery of initiatives to build capacity in accessing climate change mitigation/adaptation financing.
69. Partnership financing platforms will be established, bringing together governmental bodies, NGOs, the private sector and donors, to enter into financing agreements. Work will continue on climate change/SLM projects for countries with advanced IFS development processes.
70. In terms of the linkages between climate change and land degradation, all IFS processes being initiated in the selected countries have a strong component to harmonize UNCCD implementation with ongoing national strategies related to climate change. Particular emphasis has been placed on mechanisms that link

climate change financing with support for SLM in sustainable rural development projects.

71. In Brazil, following consultations with the Government a targeted national DIFS workshop will be held to support the multi-institutional National Desertification Commission in developing an IFS targeting Brazil's northeast provinces, which are those most affected by desertification. A three-day follow-up workshop to the DIFS on the use of climate change financing mechanisms to support investments in SLM will also be designed. The training provided aims to identify mitigation and adaptation project opportunities for implementing the UNCCD in ways that will benefit rural poor populations by mitigating the negative impact of land degradation on livelihoods in the affected areas in selected countries. This will enable the strategic integration of climate change concerns into IFAD project design at an early stage and assist projects in capturing climate change financing by building in mitigation and adaptation components.
72. The Global Mechanism and IFAD are also discussing IFAD's potential engagement in the ongoing development of the Common Market for Eastern and Southern Africa (COMESA) carbon fund/facility supported by the Global Mechanism. The main key features and operational aspects related to this initiative are the mobilization of climate change-related investments into and from the COMESA region that promote SLM adaptation activities, and the identification and development of feasible and viable projects.
73. IFAD has expressed an interest in engaging in the implementation of the Global Mechanism's "Integrating Climate Change Finance into Sustainable Land Management Investment Strategies" project financed by the European Commission. The overall objective of the project is to ensure sustained adequate investment flows in SLM to benefit rural livelihoods through increased cofinancing from climate change financing mechanisms in nine selected countries (Ecuador, Guatemala, the Lao People's Democratic Republic, Mozambique, the Niger, Senegal, Rwanda, the United Republic of Tanzania and the West Bank and Gaza).
74. As members of TerrAfrica's Climate Change and Land Management Special Advisory Group, the Global Mechanism and IFAD's GECC Unit will contribute to the development of a programme of activities across the three TerrAfrica activity lines: (i) Coalition Building (development of a climate change flagship programme); (ii) Knowledge Management (support to the preparation of the International Food Policy Research Institute/World Bank paper "Land and Climate: The Role of Sustainable Land Management for Climate Change Adaptation and Mitigation in Sub-Saharan Africa"); and (iii) Investments.
75. Within this framework, the Global Mechanism intends to work closely with IFAD in 2010, mainstreaming SLM and climate change into ongoing and future agricultural development programmes and projects. The aim of this collaboration is to scale up SLM-driven climate adaptation and mitigation interventions on the ground, to ensure that countries are resilient to climate change and to enhance/sustain the productivity of activities in the agricultural and natural resources sectors.

G. Cooperation with the Global Environment Facility in the context of IFAD's portfolio

76. The Global Mechanism has worked with IFAD's GECC Unit in developing several GEF projects. Three of the GEF projects implemented under the MENARID initiative were developed in partnership with IFAD country programme managers and the GECC Unit. It is anticipated that collaboration between the Global Mechanism and the GECC Unit could lead to the development of a pipeline of synergistic GEF projects that address land degradation issues under the fifth GEF replenishment cycle.

Overview of voluntary contributions for the biennium 2008-2009

(United States dollars)

<i>Donor</i>	<i>2008</i>	<i>2009</i>	<i>Total</i>
IFAD	1 250 000	1 250 000 ^a	2 500 000
European Commission	4 106 295	- ^b	4 106 295
IBRD	205 000	-	205 000
Finland	155 001	263 000	418 001
Norway	3 428 495	-	3 428 495
Spain	638 000	-	638 000
Sweden	-	422 430 ^c	422 430
Others	-	13 843	13 843
Total	9 782 791	1 949 273	11 732 064

Note: IBRD = International Bank for Reconstruction and Development.

^a Second instalment of the US\$1.25 million grant approved by the IFAD Executive Board (EB 2008/97/R.15/Rev.1) at its ninety-seventh session in September 2009.

^b Contract for US\$3,395,951 agreed upon, finalization expected by the end of 2009.

^c Additional contract for US\$430,000 agreed upon, finalization expected by the end of 2009.