

## Financing to combat desertification

### How much money is needed to combat desertification?

It is difficult to estimate just how much money will be needed to achieve the objective of the Convention to Combat Desertification. The cost will depend largely on the contents of the National Action Programmes (NAPs) through which affected countries will seek to implement the Convention. The United Nations Environment Programme (UNEP) estimates that an effective 20-year global effort would cost US \$ 10-22 billion per year. To put this estimate in perspective, UNEP also calculates that desertification currently causes affected countries to forego some US\$ 42 billion in income per year.

### What are the major sources of funding?

The largest source of funds is the affected countries themselves. The largest external source for Africa is bilateral official development assistance provided on grant or concessional terms. Multilateral bank loans made on a commercial basis are the major external source of funds for Latin America and Asia. Foreign

private investment is also important in these regions, although it has been largely untapped in Africa. The World Bank, the International Fund for Agricultural Development (IFAD), regional development banks, and other international financial institutions also play a prominent role, as do United Nations organizations and agencies. Non-governmental organizations (NGOs) are another significant source, particularly in Africa. Since the adoption of Land degradation as a GEF Focal area and ensuing Operational Programme on sustainable land management (OP.15) in 2003, the implementation of the Convention can rely on predictable financial resources never availed before. The GEF is therefore one of major sources of funding.

### What financial commitments do the Parties make?

Affected developing countries are expected to allocate adequate resources to the effective implementation of the Convention, given their circumstances and capabilities. Developed countries are to provide "substantial financial resources and other forms of support", including grants and

concessional loans, through both bilateral and multilateral channels. They also pledge to seek new and additional funding through the Global Environment Facility (GEF) for activities to combat desertification under its new OP.15. In addition to funding land degradation projects, this programme also envisages to fund the elaboration of action programmes and national reports under the Convention, through capacity building components. Action programmes have however proven to be costly. In this regard, collaborations with private sector and non-governmental organizations for implementation of actions such as debt swaps and other innovative means of reducing external debt burdens also need to be promoted. Over and above these commitments, any Party can voluntarily provide financial resources to affected developing countries.

### How will the flow of funding from donors to affected countries be coordinated in order to ensure maximum effectiveness?

At its first session in October 1997, the Conference of the Parties identified IFAD as the Host Institution of the Global



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Mechanism; its role is to promote actions leading to the mobilization and the channelling of substantial resources to affected developing countries, including the transfer of technology. With the new GEF focal area, the role of the Global Mechanism has been further strengthened as a financial broker, particularly regarding the co-funding resources required for GEF intervention.

**How will funding be channeled to the projects and activities where it is most needed?**

The Convention encourages the allocation of funds using an integrated “bottom-up” approach involving the full participation of local communities. The Regional Implementation Annex for Africa states that recipient governments establish policies and procedures for channelling resources more effectively to groups at the local level. They enable non-governmental organizations to assume an unprecedented role in ensuring that local communities obtain the external resources they need to carry out their own programmes. Governments also

provide a macroeconomic framework conducive to mobilizing financial resources and ensure that the financial package is fully integrated into their overall national development programme.

#### **Relevant parts of the Convention**

Articles 5, 6, 13, 20 and 21, plus Regional Implementation Annexes for Africa (Article 15), Latin America and the Caribbean (Article 6), Asia (Article 7), and Central and Eastern Europe (Article 7)

