



---

**Committee for the Review of the Implementation of the Convention**

**Twenty-first session**

Samarkand, Uzbekistan, 13–17 November 2023

Item 3 of the provisional agenda

**Financial flows: strategic objective 5**

**Preliminary analysis – strategic objective 5: To mobilize  
substantial and additional financial and non-financial  
resources to support the implementation of the Convention  
by building effective partnerships at global and national level**

**Report by the Global Mechanism**

*Summary*

This document contains the synthesis and analysis of information reported by country Parties on strategic objective 5 (SO5) of the UNCCD 2018–2030 Strategic Framework related to the mobilization of financial and non-financial resources to support the implementation of the Convention. The analysis is in line with the improved indicators and updated templates for the current reporting cycle as requested by decision 11/COP.14. In this refined system, the country Parties provided information on five progress indicators of SO 5, four of which have quantitative components and one of which is exclusively qualitative in nature.

The document offers some conclusions on the status of activities relating to SO 5, such as a needs assessment, and includes recommendations for consideration by the Committee for the Review of the Implementation of the Convention.



## Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1–3	3
II. Analysis of the 2021–2022 reporting cycle.....	4–47	3
A. Progress Indicator 5-1: Bilateral and multilateral public resources .....	7–18	4
B. Progress Indicator 5-2: Domestic public resources .....	19–25	9
C. Progress indicator 5-3: International and domestic private resources.....	26–34	12
D. Progress indicator 5-4: Technology transfer .....	35–43	14
E. Progress indicator 5-5: Future support for activities related to the implementation of the Convention.....	44–47	16
III. Needs assessment .....	48–50	17
IV. Conclusions and recommendations .....	51–58	18
A. Conclusions .....	51–57	18
B. Recommendations.....	58	18

## I. Introduction

1. Country Parties to the United Nations Convention to Combat Desertification (UNCCD) are mandated to report every four years against five strategic objectives. This document highlights the findings of the revised reporting system for strategic objective 5 (SO 5). The revised reporting template was introduced by the Global Mechanism (GM) and included sections on qualitative and quantitative data required from Parties based on decision 11/COP.14. SO 5 reporting helps the secretariat, GM and Parties understand global trends in financial flows for UNCCD implementation. These trends can help support an analysis of the current geographical distribution of resources against perceived need and help Parties develop appropriate national resource mobilization policies and other interventions.

2. The 2021–2022 reporting cycle was the first since the introduction of the revised reporting system for SO 5. Although quantitative data received through this reporting cycle is still limited, it can be used to illustrate some indicative trends against the progress indicators. UNCCD expects that the quality of information and data will be further enhanced in the future reporting cycles.

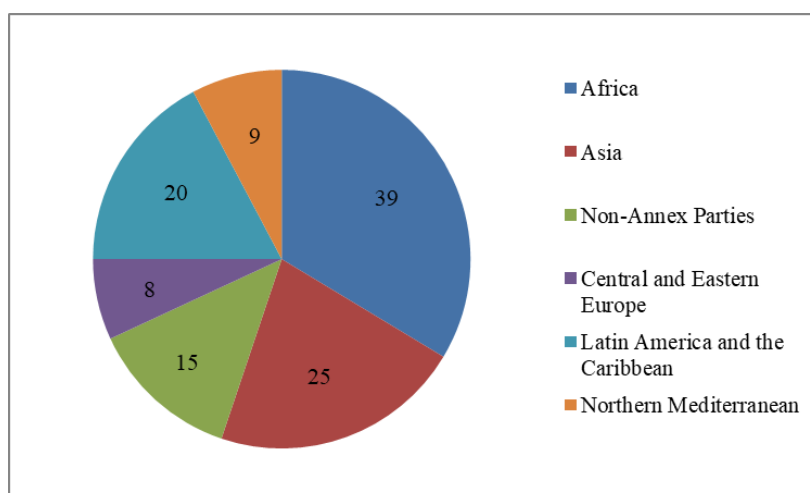
3. The GM is developing a methodology for a thorough needs assessment that will build on the work undertaken by Parties during the reporting cycle and will further contribute to identifying resource gaps for UNCCD implementation.

## II. Analysis of the 2021–2022 reporting cycle

4. Country Parties were requested to provide quantitative information for the period 2016–2019 against four progress indicators. Quantitative data is complemented by trends and descriptive information for each indicator. Progress indicator SO 5-5 on planned resource mobilization and resource needs envisaged only a narrative format.

5. Of the 197 Parties to the UNCCD, a total of 126 reports were submitted to the UNCCD by 28 February 2023. A total of 116 national reports included information on SO 5, representing a Party response rate of 59 per cent. Seventy-five per cent of Northern Mediterranean (NMED) countries reported on SO 5, as did 74 per cent of African countries, 73 per cent of Central and Eastern European countries, and 43 per cent of countries that do not belong to a Regional Implementation Annex. Figure 1 below shows the regional composition of national reports submitted on SO 5.

Figure 1  
Number of Parties reporting on strategic objective 5



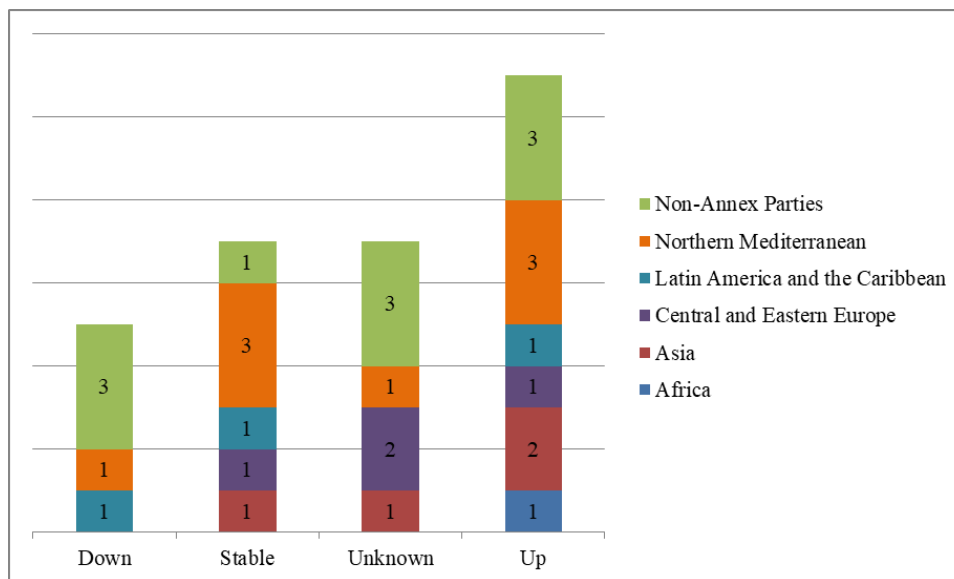
6. The revised reporting system encouraged a bottom-up methodological approach. As Parties partly used their national data sources and applied different definitions for relevant

international flows, domestic expenditures/revenues, and technology transfer, the comparability of data is low and the aggregation of amounts should be considered an approximation.

**A. Progress indicator 5-1: Bilateral and multilateral public resources**

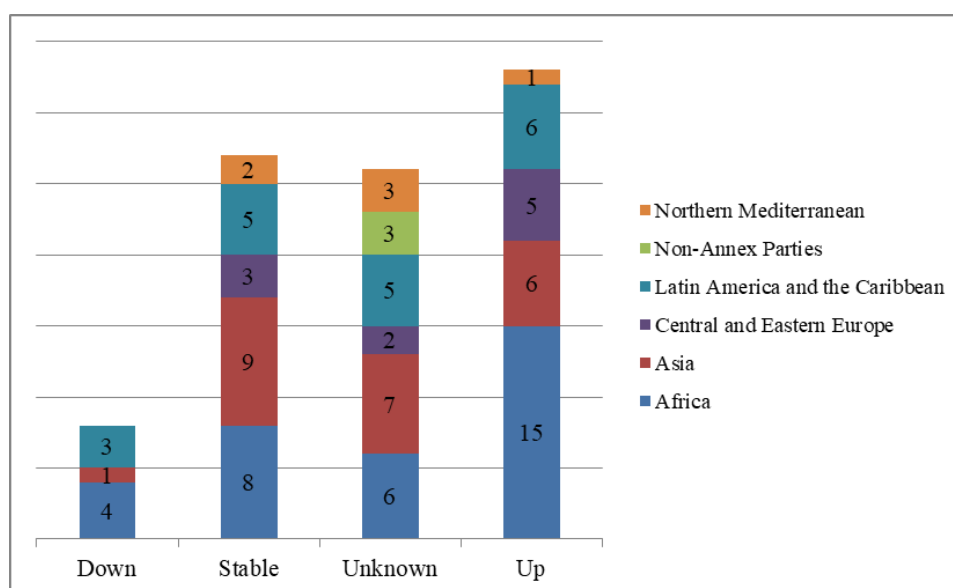
7. Thirty provider countries reported on trends in bilateral and multilateral public resources provided. As displayed in figure 2, most countries (37 per cent) reported increasing trend, while 23 per cent reported an unknown trend and another 23 per cent of Parties’ trends remain stable. Only 17 per cent indicated decreasing trends resources provided.

Figure 2  
Trends in financial resources provided by region (number of countries, 2016–2019)



8. Ninety-four countries, mostly in Africa, indicated trends in resources received. The largest number (35 per cent) reported an increase in the resources received during the reporting period, while only 8 per cent reported a downward trend (see figure 3).

Figure 3

**Trends in financial resources received by region (number of countries, 2016–2019)**

9. Countries provided complementary information related to mobilizing international public resources, both from the recipient and provider perspective. The main observations concern:

(a) The role of national strategies, cross-cutting and environmental development strategies and plans, climate finance strategies, and biodiversity, desertification, climate, oceans, natural capital, forest and pastures plans in mobilizing resources for the implementation of the Convention including drought management. Of note, there are examples of the establishment of specific investment frameworks for sustainable land management (SLM) (Ghana) and the creation of funds and adoption of resource mobilization strategies (Namibia);

(b) The importance of the programmatic documents of national development agencies as key policy references for mobilizing resources;

(c) The importance of multilateral channels and United Nations agencies in mobilizing funds and implementing projects and programmes, namely the Global Environment Facility (GEF) (especially its Small Grants Programme), Green Climate Fund (GCF), Least Developed Countries Fund (LDCF), United Nations Environment Programme (UNEP), Food and Agriculture Organization of the United Nations and the Adaptation Fund;

(d) The role of national regulatory policies, also targeted at the broader economy and different sectors, in creating enabling environments for the mobilization of national and international resources in recipient countries.

10. In Tier 2 reporting, Parties were requested to provide quantitative amounts for support provided and received, both in an aggregated and disaggregated manner.

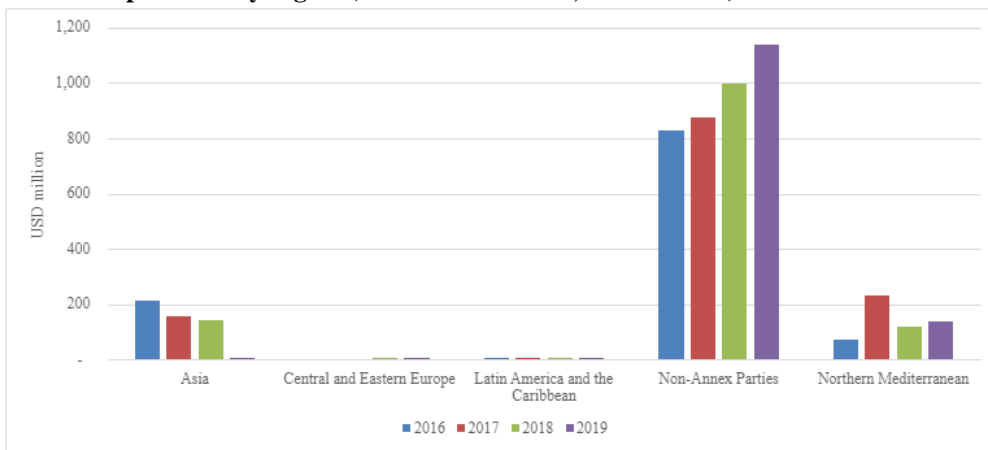
11. For resources provided, 26 Parties compiled the summary table with figures for the entire four-year period or on selected years. Eighty-one Parties reported amounts of resources received. Amounts of resources provided confirm the upward trend over the reporting period. Data shows that 22 Parties committed USD 4.73 billion over the four-year period (USD 1.18 billion annual average), confirming a slight increase over the years (+4.3 per cent in 2017, +8.2 per cent in 2018 and +14 per cent in 2019). Twenty-three Parties<sup>1</sup> reported amounts disbursed for a total of USD 4.93 billion in the same period (USD 1.23 billion annual

<sup>1</sup> Australia, Austria, Belgium, Canada, Czechia, Finland, Germany, Greece, Guyana, Hungary, Israel, Italy, Lesotho, Lithuania, Mexico, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Switzerland, United Kingdom.

average).<sup>2</sup> Mexico is one of the affected country Parties that is also disbursing resources to other affected country Parties. Looking at the regional distribution, most of the provision of bilateral and multilateral resources comes from countries not belonging to a Regional Implementation Annex.

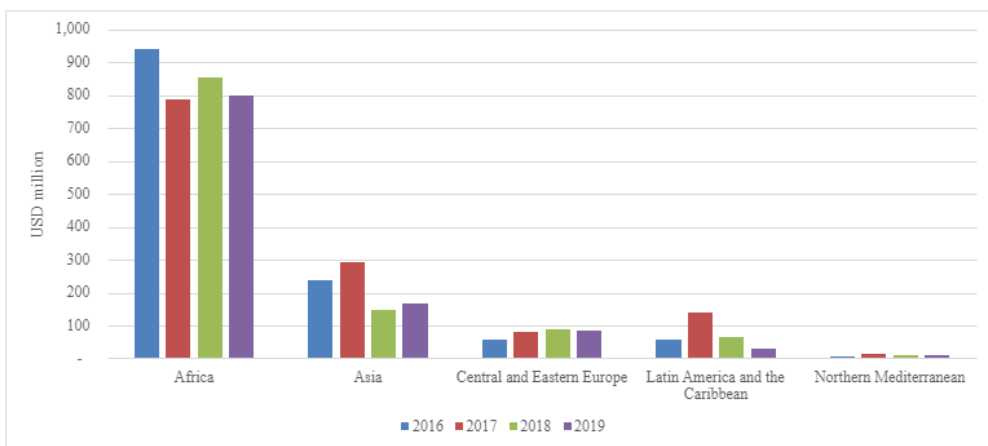
12. Based on the amounts reported, the funds are mostly provided by five Parties (Australia, Canada, Germany, Italy and the United Kingdom of Great Britain and Northern Ireland) for a disbursed amount of USD 4.3 billion (figure 4) from USD 4.5 billion in commitments. The largest disbursement comes from Germany (USD 2.44 billion disbursed), followed by the United Kingdom (USD 649.7 million) and Australia (USD 515.8 million), which is the only provider reporting in the Asia-Pacific.

Figure 4  
Resources provided by region (disbursed amounts, USD million)



13. From the recipient perspective, 78 Parties received an aggregate amount of USD 4.86 billion<sup>3</sup> (USD 1.2 billion annual average) from 21 providers; the largest recipient over the period is the Africa region (USD 3.4 billion), with Ethiopia receiving USD 759 million in disbursed funds (USD 529.5 million committed), followed by Burkina Faso and Mali (figure 5). The fourth largest recipient is Mexico, which confirms its dual role in the desertification/land degradation and drought (DLDD) international cooperation landscape. Asia is the second-largest recipient region with USD 845 million disbursed over the period.

Figure 5  
Resources received by region (disbursed amounts, USD million)

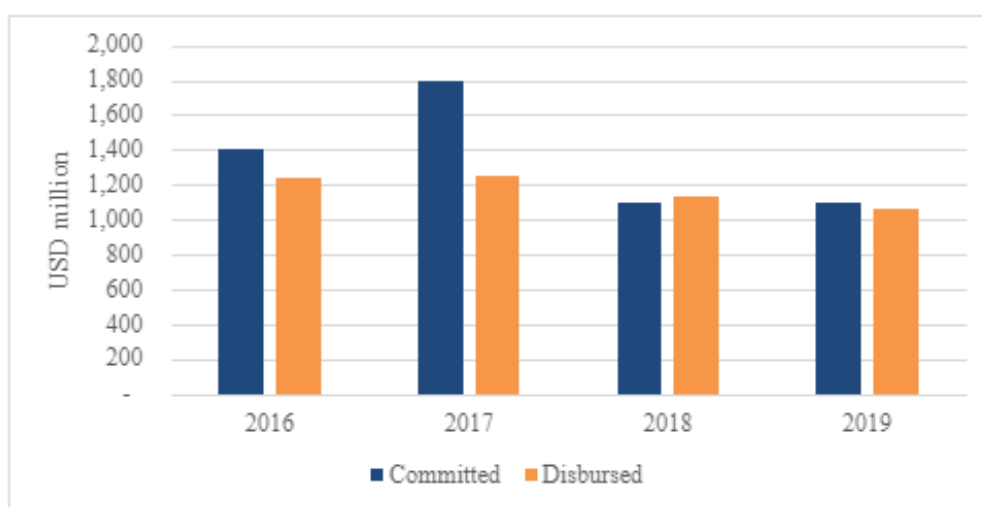


<sup>2</sup> The difference between commitments and disbursement are inherent to the nature of the different points of measurement, in particular the different timing of commitments with respect to disbursements, as well as for methodological reasons (as in the case of Belgium).

<sup>3</sup> Amount disbursed.

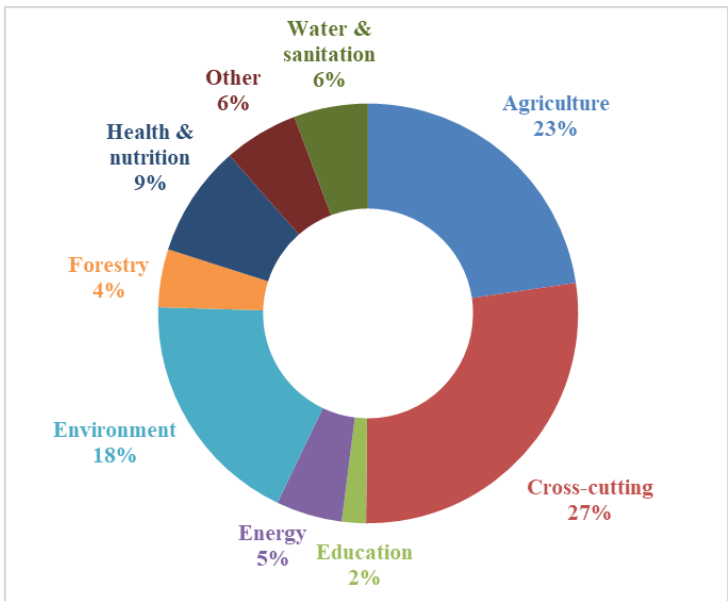
14. Globally, the trend in resources received is increasing (see figure 6), but numbers only partially reflect this. A slight increase in the committed and disbursed amount was observed in 2017, which decreased in the following two years. However, not all providers or recipient countries reported quantitative amounts, and Parties used different methodologies to account for activities directly or indirectly relevant to DLDD. Moreover, some Parties provided amounts for selected years and not for the whole reporting period, and multilateral contributions were not included in the default data, which most countries did not report in detail. Additionally, some Parties reported contributions in constant prices, and a high portion of countries reported unknown trend. Finally, the group of recipient countries who reported is smaller than those addressed by the providers' funds.

Figure 6  
Resources received across the years (committed and disbursed, USD million)



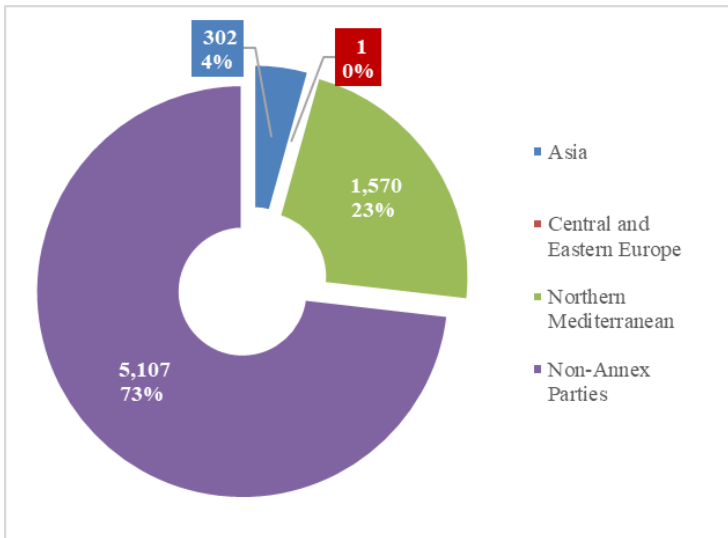
15. Overall, 18 provider countries reported 10,966 projects with USD 5 billion in disbursed funds. Fifty per cent of these projects are in agriculture or are cross-cutting (see figure 7), funded by 11 high-income countries through 5,107 projects (see figure 7). After agriculture and cross-cutting issues, the environmental sector is where most resources are disbursed, totalling USD 509.8 million across 809 projects.

Figure 7  
**Sectoral distribution of provided bilateral and multilateral resources (percentage of disbursed amounts)**



16. In total, there are 6,980 projects addressing gender equality; 99 per cent of them are funded by grants, and 1,989 of those include a capacity-building component. Germany provided the largest disbursement of USD 1.97 billion for 2,488 projects addressing gender equality (see figure 8).

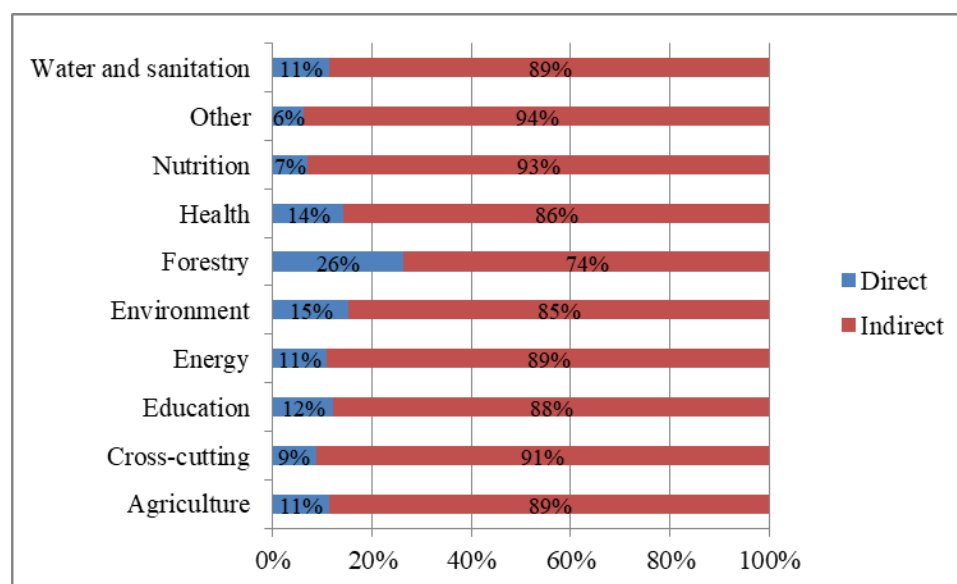
Figure 8  
**Projects addressing gender equality (number of projects with funding disbursed)**



17. Moreover, data show that most projects reported are indicated as indirectly related to DLDD (figure 9). Most projects directly related are in the forestry sector (26 per cent) and in the environment sector (concerning environmental policies and biosphere conservation).



Figure 9

**Share of resources directly and indirectly related to desertification/land degradation and drought (by sector)**

18. From a methodological perspective, the use of default data by Parties enabled the amounts to be aggregated. Different methodologies have been used to identify support directly and indirectly related to DLDD. Parties made efforts to clarify the methodologies used, but further clarity and completeness are needed to avoid misinterpretation on currency, units, price measurement, weight applied to amounts of activities indirectly related to DLDD, and use of grant equivalent.

## B. Progress indicator 5-2: Domestic public resources

19. This section analyses progress indicator SO 5-2 related to the mobilization of domestic public resources as one of the sources to finance activities to combat DLDD. The analysis is derived from information provided by countries on national circumstances and policies, financial instruments, domestic expenditures and subsidies, as well as government revenues and environmental taxes. The approaches employed by countries with the purpose of mobilizing domestic resources are grouped into the following four categories: (i) policy frameworks, institutions, programmes and projects; (ii) regulations, standards and performance frameworks; (iii) fiscal policies; and (iv) financial instruments. These four approaches are developed in the remaining of this section.

20. Through international and national strategic frameworks, institutional developments, and programmes and projects, countries have planned and endorsed a variety of actions aimed at combating DLDD. Multiple countries have mentioned the commonly recognized institutions involved in addressing issues related to DLDD, while several other have additionally alluded to the establishment of new institutions focusing on specific thematic areas such as the creation of drought units. National and international strategic frameworks have also played a significant role in designing actions for the implementation of the Convention, covering thematic development areas that directly or indirectly contribute to combating DLDD such as: agricultural policies, rural development, climate change, biodiversity, environmental protection, drought, poverty reduction, development, urbanization, and private sector investment. The development of specific programmes and projects aimed at addressing aspects related to DLDD have also been identified as one of the

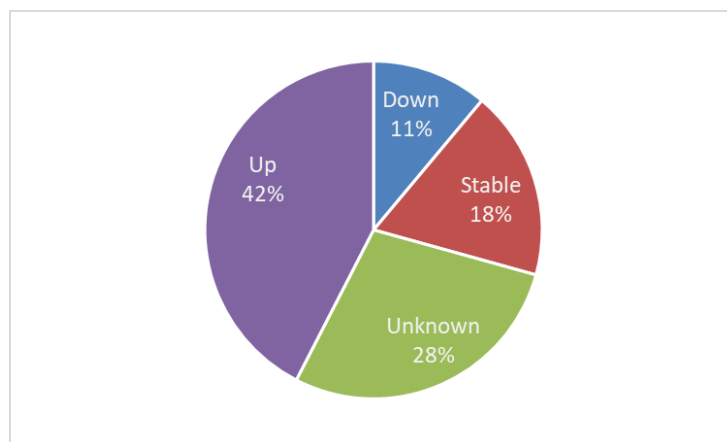
policy options mentioned by countries in their reporting. Such activities have been covering a wide range of thematic areas.<sup>4</sup>

21. Countries have also referred to the use of environmental regulations, standards, and performance frameworks as some of the main tools used in their efforts to tackle DLDD issues. Countries have for instance enacted laws to regulate soil waste management, establish land cover frameworks, develop forest management permits, enable restoration activities, and implement monitoring and control mechanisms, with the purpose of safeguarding land resources. In addition to these measures, the utilization of international certifications and the application of international environmental and social safeguard frameworks have been identified as significant tools for regulating the impact of activities.

22. Fiscal policies in the form of relevant expenditures and taxes are among the policy tools used by countries to align economic activities with objectives related to combating DLDD. To incentivize the adoption of environmentally friendly practices, countries also referred to practices related to the utilization of subsidies and tax exemptions as financial incentives. Examples of these measures include the implementation of tax exemptions in barren lands, efficient irrigation systems, water and soil conservation, river sediment extraction, and initiatives converting farmland into forests. In-kind support mechanisms are also employed to aid in these endeavours. Moreover, according to information from 99 countries that reported on indicator SO 5-2 (Tier 1) on domestic public expenditures (including subsidies), these resources have been ‘increasing’ in 42 per cent of the countries that responded on this item; remained ‘stable’ in 18 per cent of the countries; ‘decreased’ in 11 per cent of the countries; and are ‘unknown’ in 28 per cent of the countries(see figure 10).

Figure 10

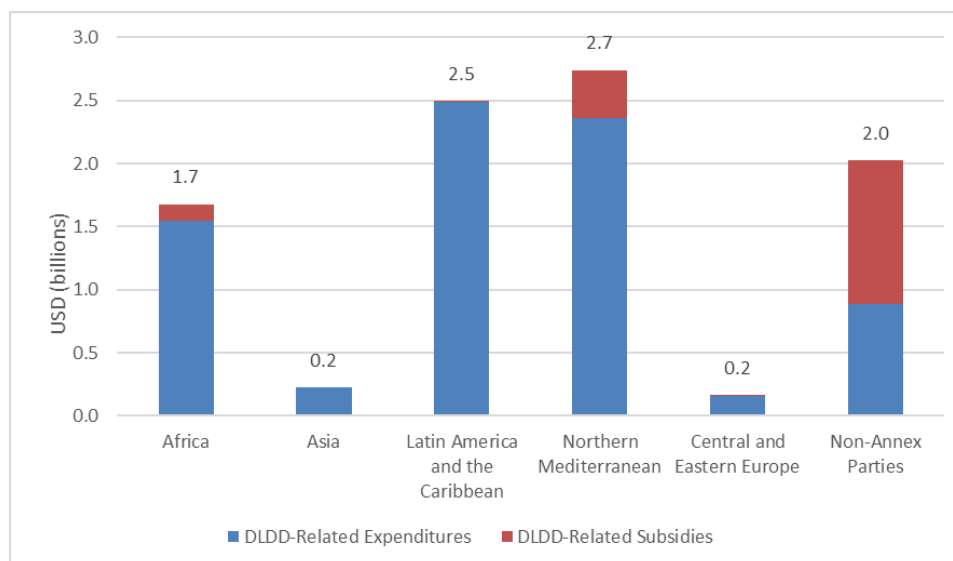
**Trends in domestic expenditures for DLDD (percentages)**



23. Regarding quantitative trends in domestic resources consisting of expenditures and subsidies, the analysis of the reporting highlights that annually USD 9.3 billion are targeted to activities related to DLDD. Most of these resources (82 per cent) are reported under expenditures, while the remaining 18 per cent are channelled through subsidies. This information is derived from data submitted by 46 countries under progress indicator SO 5-2 (Tier 2). Figure 11 further illustrates the breakdown of these trends by regions.

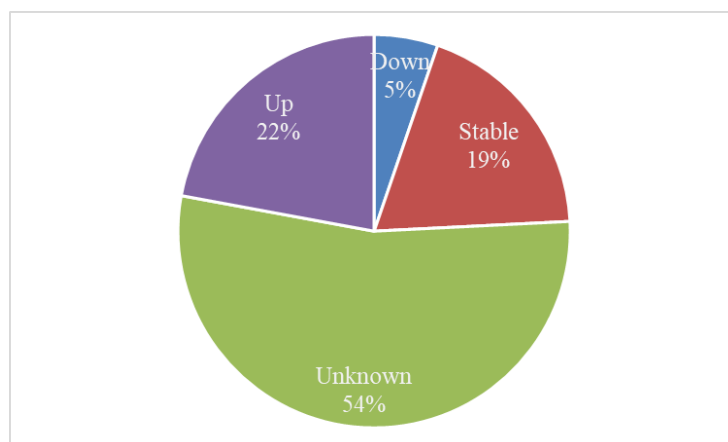
<sup>4</sup> Programmes and projects mentioned in the reporting have been covering the following thematic areas: forests; management and restoration of coastal-marine ecosystems; SLM; gender; land degradation neutrality; environmental monitoring; disaster risk management; restoration and rehabilitation; conservation agriculture; rangeland management; sustainable livestock development; research and development; sand and dust storms; sustainable soil management; integrated water resource management; integrated landscape management; biodiversity conservation; climate change adaptation and mitigation; environmental and social resilience; environmental remediation and reclamation; restoration and rehabilitation of degraded ecosystems; and capacity-building.

Figure 11  
**Domestic resources by region – expenditures and subsidies to combat desertification/land degradation and drought (USD billion)**



24. Tax levies on forestry activities and mining are some of the experiences shared by countries regarding the use of this policy instrument. In some cases, resources obtained through taxation are subsequently allocated to funds for financing activities aimed at combating DLDD. Countries further reported that trends in domestic public revenues from activities related to the Convention were ‘increasing’ in 22 per cent of the countries; ‘stable’ in 19 per cent of the countries; ‘declined’ in 5 per cent of the countries; and are ‘unknown’ in 54 per cent of the countries. A total of 95 countries reported under indicator SO 5-2 (Tier 1) (see figure 12). Moreover, in relation to the quantitative analysis of the domestic revenues associated with DLDD activities, including relevant environmental taxes, countries reported that a total of USD 2.1 billion were mobilized under this item, based on data reported by 14 countries.

Figure 12  
**Trends in domestic revenues from desertification/land degradation and drought-related activities (percentages)**



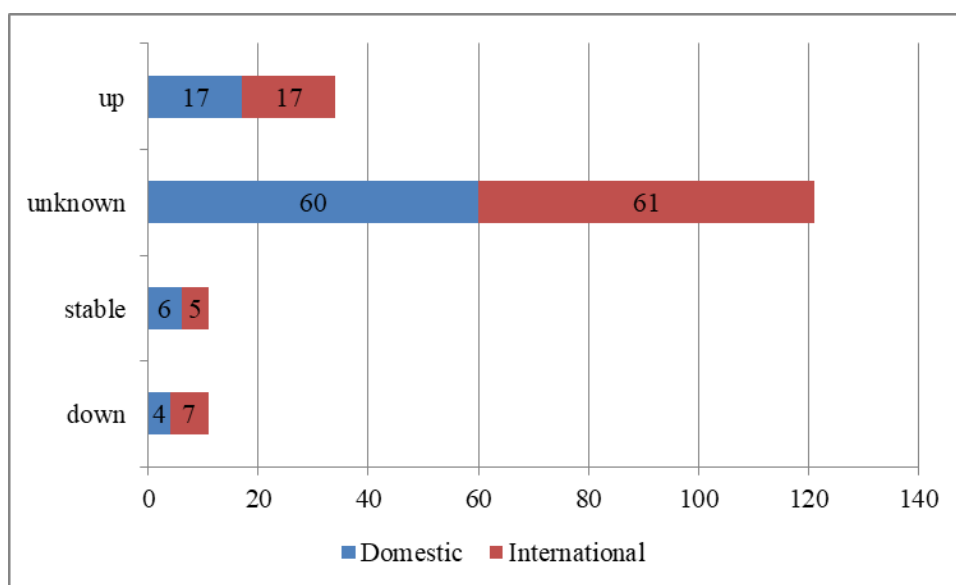
25. Country reporting referred also to several financial instruments employed by countries, including the establishment of new national funds addressing thematic areas like land rehabilitation, sustainable forest management, climate change, drought, disaster risk reduction, environment, development, agropastoral land, conservation and urban development. Additionally, green bonds, schemes and permits such as REDD+, payments

for ecosystem services and carbon markets were also mentioned. Public-private partnerships (PPP) for co-financing projects and programmes was another prevalent approach for mobilizing resources. Furthermore, dedicated grants and concessional loans were utilized to support women and youth as well as small farmers through microfinance initiatives. With the increasing frequency and intensity of drought events, compensation schemes have also been stated in this context.

**C. Progress indicator 5-3: International and domestic private resources**

26. Ninety countries indicated a trend for SO 5-3. Despite most countries including descriptive information, the trend of private resources is widely unknown (figure 13). Among countries that know, the majority indicated an increasing trend (51 per cent for international and 63 per cent for domestic private resources).

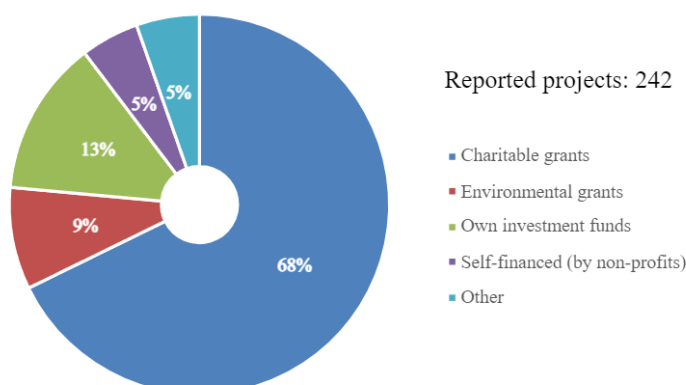
Figure 13  
Trends in international and domestic private financial resources (global, 2016–2019)



27. Parties provided information on the innovative sources of finance, which were also monitored during the previous reporting cycle.<sup>5</sup> Some Parties (Armenia, Bhutan, Dominica, United Kingdom) referred to specific PPP funds established at national level in a range of sectors channelling private resources (especially in the fields of forestry, water and management of protected areas) and leverage green finance, also with the support of earmarked international funds, United Nations agencies (i.e. UNEP, GEF, GCF, Land Degradation Neutrality Fund (LDN Fund)) and bilateral donors. As an innovative source of international private finance, Bhutan cited foreign direct investments (FDIs) and remittances as significant in volume. Other Parties highlighted the lack of innovative and private funding in their country.

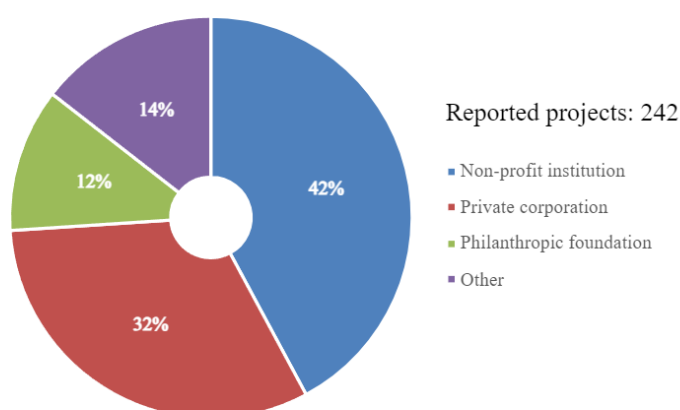
<sup>5</sup> The former progress indicator provided some insights on how to define innovative sources of finance but without being prescriptive on the approach to be taken. See [https://prais.unccd.int/sites/default/files/helper\\_documents/2-Manual\\_EN\\_1.pdf](https://prais.unccd.int/sites/default/files/helper_documents/2-Manual_EN_1.pdf).

Figure 14  
**Private resources mobilized by financial instrument (global, 2016-2019)**



28. Parties reported projects, examples and best practices, mostly funded through grants from non-profit institutions and private corporations (see figures 14 and 15), in the agriculture, forestry, sand industry, nature conservation and water sectors. Italy reported on the role of its national development bank in leveraging private funds and engaging both the domestic and international private sector.

Figure 15  
**Type of private funding institution**



29. The private sector provides funds and contributes through advocacy actions, specific public activities, in-kind contributions and voluntary partnership agreements. Other Parties mentioned the involvement of local communities as key actors for the co-management of natural resources and the implementation of projects.

30. The role of non-governmental organizations (NGOs) and civil society organizations is relevant in mobilizing resources, raising awareness, and collecting funds to carry out demonstration projects. The role of academia in providing in-kind and co-financing contributions is also mentioned.

31. PPPs are successfully mobilizing resources in relevant sectors and activities (sand dune stabilization, water harvesting, agriculture for degraded lands, pasture stations and forests, well drilling). The private sector also funds relevant activities independently from the public sector and the policies in place. It combines its business with land restoration

actions or makes desertification control its core business. Projects and activities are undertaken in sectors related to soil and water protection, climate change, ecosystem and land restoration, agroforestry and land allocation, timber production, mining, and biodiversity conservation.

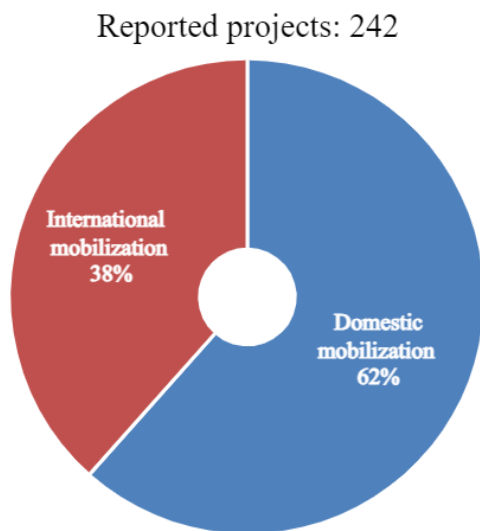
32. Twenty-nine countries indicated that policies and measures have been implemented at national level to incentivize the private sector to support the fight against DLDD, such as structural reforms improving the enabling environment and business climate, and sectoral regulation of the markets (e.g. timber production, mining, forestry); regulatory instruments (legislation and planning, and adoption of PPP laws); economic instruments (FDIs and remittances, fiscal and financial incentives, environmental compensation); and information instruments (guidelines, roundtables and dialogues, awareness-raising activities). Some countries indicated that no policies are currently being implemented or no resources are being mobilized from the private sector; other countries are in the process of developing instruments for the engagement of the private sector.

33. Eighteen countries reported on Tier 2 for SO 5-3 by presenting best practices and good examples of private sector engagement. Some Parties, like China and Italy, provided a more extensive list of activities, reporting 56 and 93 projects, respectively, that involve NGOs and private corporations in activities related to DLDD.

34. A total of 149 projects are implemented domestically, with most funds provided by private corporations. Non-profits contributed to all 93 projects via international mobilization of resources (see figure 16).

Figure 16

**Domestic and international private resource mobilization**



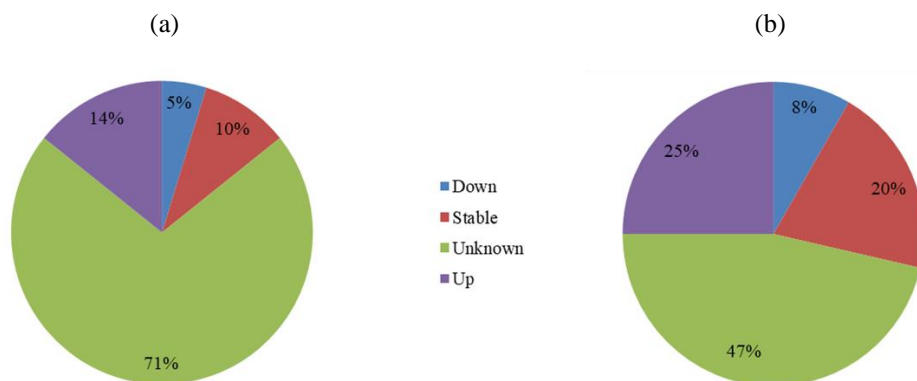
**D. Progress indicator 5-4: Technology transfer**

35. Twenty-one provider countries indicated a trend in international resources provided, and 84 countries indicated a trend in resources received for technology transfer.<sup>6</sup> While most countries included descriptive information, the trend is mostly unknown (figure 17). Among countries that know, 50 per cent of provider countries and 47 per cent of recipient countries

<sup>6</sup> Similar to progress indicator SO 5-1, there is a reason to assume that several countries might have reported on trends in financial resources provided with a different interpretation than the one suggested. Exclusively recipient countries might have reported on their assessment of the trend of the support provided to them instead of reporting on the resources provided by them to other developing countries.

indicated an increasing trend of the resources provided/received for the transfer of technologies.

Figure 17  
**Trends in international resources provided and received for technology transfer (global 2016–2019)**

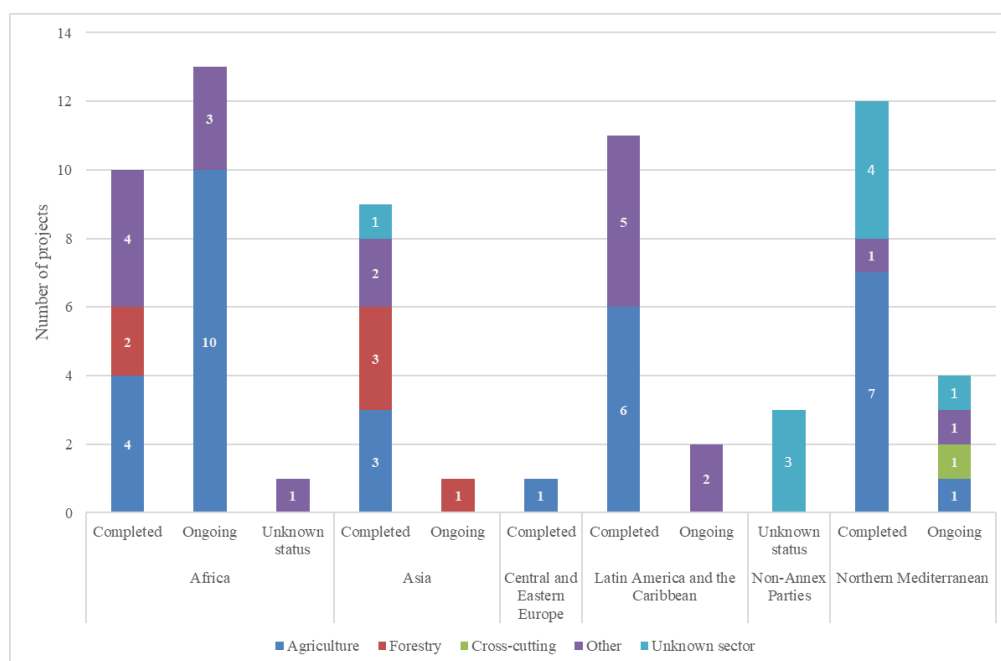


Notes: (a) Share of provider countries; (b) Share of recipient countries.

36. For progress indicator SO 5-4, only Belgium, Israel and Italy reported quantitative amounts attached to projects funded in a third developing country, while five Parties reported amounts for projects transferring technologies within the country. Therefore, an aggregation of amounts is not conducted.

37. Parties reported 67 technology transfer projects, and many of these projects addressed “other” and “unknown” sectors, as illustrated by figure 18. Africa is where most activities are ongoing at the time of reporting, and the region with the most completed projects is NMED at 18 per cent of total reported projects.

Figure 18  
**Status of technology transfer projects by sector and region**



38. Sixty-six countries did not provide descriptive information, but both provider and recipient Parties reported examples and best practices in the transfer of technologies. Recipients elaborated on technologies required, while few provider Parties reported substantial information on this progress indicator overall.

39. United Nations agencies and environmental funds, especially the GEF (and its Small Grants Programme), have often been indicated as important channels of support for technology transfer, besides funding from bilateral sources.

40. Some recipient Parties reported on policies and measures to encourage and enable innovation and technology transfers from the private sector. Parties referred to most technology transfer projects in the agriculture, forestry and water sectors. Parties also addressed corporate taxes and standards for technology transfer services, while some mentioned national plans relevant to technologies, not necessarily dedicated to DDLDD.

41. One provider and one recipient Party highlighted that technology transfer is often built into each of the supported projects. Parties signalled that technologies are often aimed at supporting public decision-making, especially in monitoring, mapping and data collection. Capacity-building activities are often the main objective, or an integrated part of, activities addressing the transfer of technologies.

42. Countries reported extensively on technologies required to address DLDD, with large similarities in terms of technology needs (as follows):

(a) Monitoring and tracking: systems to determine the causes of degradation and land use change/cover, capacity-building on geographic information system (GIS) and remote-sensing, data collection and training in the use of performance review and assessment of implementation system (PRAIS), inventories of forest resources, digital soil mapping, drone technologies and drought early warning systems;

(b) Water management technologies and irrigation and water harvesting systems;

(c) Climate-smart/resilient agriculture, organic farming, adaptive agricultural practices, agroforestry, agroecology and sustainable agricultural production;

(d) SLM practices: desertification stabilization, rehabilitation of classified forests and knowledge-sharing;

(e) Research and studies: studies on degraded or sensitive areas, quantification of the carbon content in the soil, studies on sandstorms, and research on drought-tolerant species;

(f) Resource efficiency and energy technologies: wind energy and resource efficiency in buildings;

(g) Policies for the conservation of national resources: management of protected areas and knowledge transfer on digital technologies.

43. Countries also reported on challenges in acquiring or developing technologies, the most significant being the lack of financial capacity of the public sector (both at national and local level), the lack of capacity in the use of technologies (e.g., GIS), and the lack of data and equipment.

## **E. Progress indicator 5-5: Future support for activities related to the implementation of the Convention**

44. Out of 116 countries, 53 reported substantial information under this progress indicator. In most cases, Parties did not provide specific estimated amounts of future resources, but listed ongoing projects or programmes in the pipeline, or policies and regulatory instruments aimed at mobilizing resources, including from the private sector.

45. Future domestic resources allocated to the implementation of the Convention (progress indicator SO 5-5.1) include ongoing activities mostly in agriculture, rural development, forestry, water management, natural resources protection and conservation, waste management and disaster risk management. Some Parties referred to the importance of synergies with the other Rio conventions, especially the United Nations Framework



Convention on Climate Change, which often leads the planning and strategic landscape for resource mobilization. Recent developments under the Convention on Biological Diversity also had significant impact in stepping up the commitment to mobilize resources. Reports include information on various countries' domestic (provisional) budgets and initiatives related to agriculture, land degradation, and environmental management, as well as on the promotion of sustainable land management and the preservation of biodiversity. Several countries have adopted legislation, policies and economic instruments to address DLDD, for instance payments for ecosystem services to farmers. Several countries plan to increase funding for sustainable farming practices, habitat restoration, water quality improvement, flood and drought resilience, tree planting, carbon reduction, and climate change adaptation, as well as for the expansion of the technical knowledge and evidence base for the development of specific policies and the development of capacities and increased awareness.

46. Few providers reported information on future international financial and non-financial resources (sub indicator SO 5-5.2). They listed their future contributions to multilateral funds (GEF, LDCF, LDN Fund) and to the UNCCD, as well as some bilateral commitments, for instance the bilateral Climate Portfolio in the Sahel (Belgium) and cooperation with neighbouring countries (China). Switzerland envisages a stable level of future resources, while the United Kingdom refers to plans for private sector mobilization, nature-positive bilateral finance and innovative approaches to protect nature. From the recipients' perspective, governments acknowledge that their resources alone are not sufficient to achieve LDN targets and SDGs. Therefore, international financial and non-financial resources are crucial for their success. Most developing countries are seeking support and funding to fulfil their obligations under the UNCCD, including for reporting. Several countries referred to the need for more PPPs.

47. For the sub indicator SO 5-5.3 on resources required, 39 countries reported substantial information. Resources are needed to prevent land degradation and address the lack of data, analyses and maps, which poses a challenge for decision-makers in planning and implementing restoration measures. Assistance is required for awareness-raising, capacity-building, the application of GIS mapping skills, and the development of methodologies and databases for calculating the Drought Vulnerability Index. Financial and technical support is needed for pilot projects, training, and experience exchange, while capacity-building is highly required for the development of bankable projects, assistance with GIS mapping, and the conservation of indigenous and traditional knowledge for soil and water conservation and sustainable agriculture. The estimated financial resources required vary from millions to billions of dollars, and are often attached to specific projects and initiatives, while few countries provide some aggregated assessment of needs, and these are mostly related to climate finance. The sources of funding mentioned include domestic resources, bilateral and multilateral cooperation, and climate financing mechanisms.

### III. Needs assessment

48. In the current reporting cycle, Parties made some important reflections on the volume of investment flowing to DLDD activities and the overall requirements to effectively realize the vision of the Convention and implement related development plans addressing DLDD issues, including LDN and national drought plans. Capacity-building, technology transfer and technical support were also consistently highlighted as unmet needs. There exists, however, limited understanding or systematic, consistent data on the full financial resources required or financing options available to effectively implement the wide range of actions and needs covering the thematic areas of the Convention. It was reported, for instance, that only about 30 per cent of countries have established targets for increasing and mobilizing domestic resources.

49. As requested by decision 13/COP.15, the GM is conducting a needs assessment to evaluate the full scale of the financial needs for the implementation of the Convention. Prior to the assessment being carried out, technical and informal consultation processes are envisioned to ensure feedback from experts and Parties, including an event at CRIC 21, and agreement on the methodological approach. The needs assessment methodology builds on the UNCCD 2018–2030 Strategic Framework and its five SOs, which are used as key pillars

to assess required investments across development plans, policy measures, and targets expressed by country Parties. The UNCCD 2022 reporting cycle also plays a pivotal role in the framework of the needs assessment, as it offers key trends to be considered.

50. Overall, it is expected that the needs assessment serves as a tool for understanding the scale of resources needed to realize the vision of the Convention; supporting the development of a resource mobilization strategy; identifying financial gaps; making a strong investment case regarding the prioritization and allocation of public resources; and showcasing prominent finance solutions and approaches for closing the financing gap, including issues related to green fiscal policies, emerging financial opportunities and financial enabling environments.

## **IV. Conclusions and recommendations**

### **A. Conclusions**

51. Drawing upon the provisionally adopted reporting framework on SO 5 as per decision 11/COP.15, it has become feasible to present a more comprehensive overview of the mobilized resources allocated for the Convention. This updated reporting framework facilitates the identification of emerging trends, both qualitatively and quantitatively, while considering other aspects such as institutional matters, fiscal policies, financing instruments, and other pertinent thematic areas.

52. Most bilateral resources are provided by a limited number of traditional high-income donors for African countries; these donors advance issues such as gender equality in DLDD projects.

53. The analysis also identified bilateral cooperation among nontraditional provider high- and middle-income countries, highlighting their dual role as recipients and providers of financial support.

54. National reports highlight approaches and common practices adopted by Parties to mobilize domestic and private sector financial resources covering issues such as institutional matters, regulations, standards and performance frameworks; public and private partnerships; fiscal policies; and financial instruments (including the establishment of funds, permits, and schemes).

55. Parties reported on policies and measures implemented to accelerate, encourage and enable innovation and the transfer of technologies by the private sector in the agriculture, forestry, mining and water sectors, as well as natural resource management and early warning systems. The newly introduced progress indicator on technology transfer highlights similar technology transfer needs among Parties, including technologies related to SLM practices, the utilization of resource-efficient technologies such as irrigation and water harvesting systems, the establishment of monitoring systems, and knowledge transfer on the utilization of GIS and climate-smart agriculture.

56. Parties identified support needs in the provision of capacity-building, technology transfer and technical support.

57. Significant additional financial investments may be necessary to successfully achieve the overarching objectives of the Convention and implement development plans associated with the Convention, including the voluntary LDN targets and the national drought plans. The needs assessment will provide insights into the financing gap and quantify the volume of investment that will be required.

### **B. Recommendations**

58. Parties at the twenty-first session of the CRIC may wish to consider this summary and the following recommendations with a view to initiating early consultations on draft decisions to be forwarded to the COP at its sixteenth session:

- (a) Encourage Parties to improve reporting capacity against the five progress indicators for SO 5, taking into consideration the respective guidelines and documentation background for this SO;
- (b) Request the GM to:
- (i) Continue strengthening the new reporting system on SO 5 to better capture financial resources targeting DLDD, including by adjusting the reporting template based on the feedback and queries received during the reporting period;
  - (ii) Provide supplementary assistance through adequate training and improved country-level coordination for data collection;
  - (iii) Continue developing definitions, methodologies and data options that provide country Parties with more information with the aim of having a more comprehensive overview of financial resources targeting DLDD;
- (c) Encourage Parties to foster continued bilateral cooperation as providers and recipients, especially on projects addressing gender equality issues;
- (d) Also encourage Parties to strengthen South–South cooperation to support the effective implementation of the Convention;
- (e) Further encourage Parties to share knowledge on best practices and lessons learned in technology transfer projects and successful models of innovative financing solutions for further resource mobilization;
- (f) Encourage Parties to enhance their capacities to effectively plan future needs of resources to be allocated to address DLDD issues. This entails identifying the necessary financial investments to implement their development plans and formulate national-level financing strategies to achieve their targets through processes such as the Land Degradation Neutrality Target Setting Programme 2.0;
- (g) Request the GEF Implementing Agency to consider including a specific SO5-related output in the project titled ‘Strengthening national-level institutional and professional capacities of country Parties towards enhanced UNCCD monitoring and reporting - GEF 7 EA Umbrella 1’.
-