

Management response: Evaluation of the project “Development of the LDN Fund”

Overview

The evaluation report concerning the development of the Land Degradation Neutrality (LDN) Fund focuses on selected activities that were funded through a grant from the Rockefeller Foundation. As these activities are part of broader efforts, the report, in many of its findings and conclusions, provides also an indication of the overall progress made in developing the LDN Fund. It succeeds in reflecting the activities under consideration - and the LDN Fund development in general - against a larger context of evolving global development priorities and approaches to meet and monitor them.

The evaluation provides solid evidence-based information of what has worked best and what has been learned, and offers fresh “outsider’s” views and suggestions to the possible next steps. It is a timely input to the ongoing internal considerations of the Global Mechanism and Mirova on the further development of the LDN Fund.

The Global Mechanism particularly appreciates the findings that the development of the LDN Fund has been well planned and executed; and that the way that the relationship with Mirova is organized offers an example of a meaningful, deep engagement between a UN system entity and the private sector.

Recommendations

Evaluation recommendation 1. *The GM and Mirova should develop a more institutionally and geographically diverse portfolio of sourcing partners. This should include partners that are in a position to identify very early stage projects.*

Management response: Partially accepted. The joint GM/Mirova team has already identified more than 70 investment opportunities to date, collected from a variety of governmental, non-governmental and private sector entities. To further expand the pipeline of well-crafted, targeted projects that could be supported inter-alia by the LDN Fund, the GM will focus its efforts on the development of a project preparation facility in collaboration with other partners. This facility will, ideally, support project preparation for all three Rio Conventions. In addition, the GM will continue to promote the development of LDN-relevant projects in the countries where it operates and, through the LDN Target Setting Programme (TSP), strive to broaden the portfolio of sourcing partners, as recommended in the evaluation report.

Evaluation recommendation 2. *The GM and Mirova should develop a strategy for ensuring that project-level monitoring data is aligned with and formally fed in to the relevant national statistical systems. This strategy will need to be supported by clear guidance for project teams.*

Management response: Rejected. The LDN Fund will finance projects globally; its funding may be provided to any country of the world. The monitoring data from projects funded through the LDN Fund is more significant in the global context than from the viewpoint of national statistics of individual countries, although this data may contribute to countries' reporting to the UNCCD and monitoring of the Sustainable Development Goals (SDGs), in particular SDG target 15:3.

Evaluation recommendation 3. *The GM and Mirova should develop additional, portfolio-level KPIs and/or commission periodic evaluations to support measurement of the LDN Fund's broader influence on the LDN investment environment.*

Management response: Accepted. Portfolio-level KPIs will be adopted by Mirova as part of its fund management operational procedures and will publish impact reports on a regular basis. The GM welcomes any periodic evaluations that will be commissioned by Mirova or other stakeholders to assess the LDN Fund's broader outcomes and impacts in the LDN finance landscape.

Evaluation recommendation 4. *The GM and Mirova should consider redeveloping the original communications strategy, focussing specifically on the immediate demands of the next 12 months. This may benefit from the support of external communications expertise.*

Management response: Accepted. A revised communication strategy will be prepared prior to the launching of the LDN Fund.