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Assessment of Implementation: Strategic objectives 1 to 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 submitted by the country Parties on UNCCD strategic objective 5 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 country Parties provided information on the four progress indicators of strategic objective 5. Overall, the analysis of the information provided by the country Parties reveals that development assistance for UNCCD implementation has remained stable over the reporting period while an increasing trend was observed by countries in domestic resources. However, these resources are indirectly geared towards combating land degradation and desertification. The report shows that the number of co-financing partners has either increased or remained stable. In terms of the number of innovative sources of financing, there was a high number of Parties whose information was not reported.

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I. Introduction

1. This document summarizes and analyses the information submitted by the country Parties on UNCCD strategic objective 5 (SO5) of the UNCCD 2018–2030 Strategic Framework (The Strategy). Decision 7/COP.13 adopted The Strategy based on five SOs, including SO5: “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”. Decision 15/COP.13 also requested the secretariat to simplify the reporting templates and other reporting tools for future reporting processes. This included making the Performance Review and Assessment of Implementation System (PRAIS) more user-friendly. In response to this decision, the Global Mechanism (GM) developed a simplified reporting template in collaboration with the secretariat, and pre-filled it with default data, where feasible, for SO5.

2. The process of reporting benefitted from the support of the Global Support Programme II (GSP II) that assisted Parties in fulfilling the requirements of the 2017–2018 reporting cycle. The GSP II is funded through the Global Environment Facility (GEF), implemented by the United Nations Environment Programme (UNEP) and executed by the GM.

3. The document is structured as follows: Chapter I is an Introduction, Chapter II presents the methodology for reporting on financial flows; Chapter III analyses the information provided by Parties related to SO5 on financing for the implementation of the Convention; Chapter IV presents the general conclusions; and Chapter V proposes recommendations for the possible consideration of Parties at the seventeenth session of the Committee for the Review of the Implementation of the Convention (CRIC 17).

II. Objective and Methodology

4. This document analyses financial flows on the basis of the data submitted by Parties in the 2017–2018 reporting cycle. SO5 has four underlying progress indicators:

A. SO5-1: Trends in international bilateral and multilateral Official Development Assistance

5. Progress indicator SO5-1 reflects the amount of bilateral Official Development Assistance (ODA) committed annually during the period 2012–2016. ODA¹ is defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) as government aid that promotes and specifically targets the economic development and welfare of developing countries. In addition, the OECD–DAC defines desertification-related development finance as “activities that aim to combat desertification or mitigate the effects of drought in arid, semi arid and dry sub-humid areas through prevention and/or reduction of land degradation, rehabilitation of partly degraded land, or reclamation of the desertified land”.²

6. The analysis of SO5-1 relies on Developed Country Parties (DCPs) acting as contributors of resources to the implementation of the Convention. Additionally, a number of Parties having received resources reported under the indicator.

¹ <www.oecd.org/dac/stats/What-is-ODA.pdf>.

² <[www.international.gc.ca/development-developpement/partners-partenaires/bt-
oa/sectorcoding_policy-codageprojets_politiques.aspx?lang=eng](http://www.international.gc.ca/development-developpement/partners-partenaires/bt-
oa/sectorcoding_policy-codageprojets_politiques.aspx?lang=eng)>.

7. For Parties that are members of the DAC,³ progress indicator SO5-1 was pre-filled with data on desertification-related finance as reported in the respective Rio marker of the OECD. This Rio marker indicates the flows related to each Rio Convention. Whereas the default data was shared with Parties, countries were advised to review and amend the information, if necessary. In the case of data amendments, references for the revised data were specified. Parties that are not DAC members were requested to report their bilateral ODA commitments for activities relevant to the implementation of the Convention. Parties wishing to specify relevant information were requested to provide the information in the “Complementary Information” section of the report.

B. SO5-2: Trends in domestic public resources

8. Progress indicator SO5-2 provides an overview of the trends observed in the expenditure of domestic public resources for the activities relevant to the implementation of the Convention between the years 2012–2016.

C. SO5-3: Trends in the number of co-financing partners

9. Progress indicator SO5-3 offers trends in the number of co-financing partners relevant to the implementation of the UNCCD.

D. SO5-4: Resources mobilized from innovative sources of finance, including from the private sector

10. Progress indicator SO5-4 provides an insight into how many of the mobilized investments come from innovative sources of finance, including the private sector. The reporting manual provides explanatory notes on the definition of innovative sources of finance.⁴

11. The analysis of trends for progress indicators SO5-2, SO5-3, and SO5-4 is based on qualitative information reported by Parties for the period 2012–2016. The response from all Parties was considered for analysis. Parties were requested to respond by indicating whether the respective trends have been increasing, have remained stable, have been declining or remain unknown. Parties were also requested to provide complementary information that supports the indicated trends, including driving factors, projects affecting the trends, or any other specific guidance for the interpretation of the data.

12. Quality and consistency checks were done for all reports. The received information was reported in several languages and translated into English. For ease of comparison, figures reported in SO5-1 were converted to United States Dollars (USD) based on the average annual exchange rate⁵ for the respective year.

³ The 30 members of the OECD–DAC are: Australia, Austria, Belgium, Canada, the Czechia, Denmark, the European Union, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, the Republic of Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

⁴ The reporting tools for the UNCCD reporting process are available at <https://prais.unccd.int/node/7>.

⁵ <https://unstats.un.org/unsd/snaama/dnList.asp>.

III. Analysis of the 2017–2018 reporting cycle on financial flows

13. Of the 197 Parties to the UNCCD (including the European Union) that were requested to report in the current 2017–2018 cycle, a total of 140 reports were submitted to UNCCD by 17 September 2018. This represents a Party response rate of 71 per cent. The percentages of reporting by regional annex are as follows: Africa (Annex I) 88 per cent; Asia (Annex II) 68 per cent; Latin America and the Caribbean (Annex III) 81 per cent; Northern Mediterranean (Annex IV) 80 per cent; and Central and Eastern Europe (Annex V) 75 per cent.

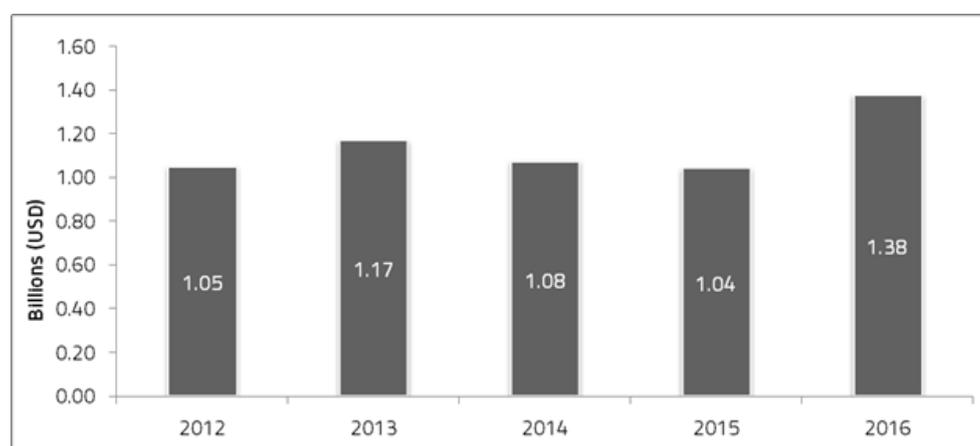
A. Progress Indicator 5-1: Trends in international bilateral and multilateral Official Development Assistance

14. Of 140 reports received from the country Parties, 47 countries reported on trends in bilateral and multilateral ODA, of which 13 are DCPs⁶ providing ODA as members of the OECD–DAC. The remaining 34 country Parties reported on the support received to combat desertification through national, bilateral or multilateral agencies.

15. Based on the reporting of the 13 DCPs, ODA financing for the implementation of the Convention has remained relatively stable, with an average of around USD 1.1 billion per year during the period 2012–2016. The total reported desertification-related financing for reporting period (2012–2016) reached 5.7 billion. In the last year of the reporting period, there was a 27 per cent increase in desertification financing with respect to the average of previously reported years (2012–2015) (see figure 1). The main reason for this increase is greater financing from France, Czechia, Germany and Belgium.

Figure 1

Reported bilateral and multilateral Official Development Assistance by 13 country Parties (in current USD)



16. According to the reported figures, the top five donors in terms of total bilateral and multilateral ODA for 2012–2016 are: Germany with USD 1,840 million (equivalent to 32 per cent of the total desertification-related ODA reported by Parties); France with USD

⁶ These 13 Parties are: Austria, Belgium, France, Portugal, Spain, Czechia, Germany, Poland, Switzerland, Hungary, Italy, the Republic of Korea and Japan.

1,787 million (31 per cent); Japan with USD 733 million (13 per cent); Switzerland with bilateral ODA of USD 445 million (8 per cent of the total bilateral ODA in desertification); and Italy with USD 438 million (8 per cent of the total bilateral ODA in desertification).

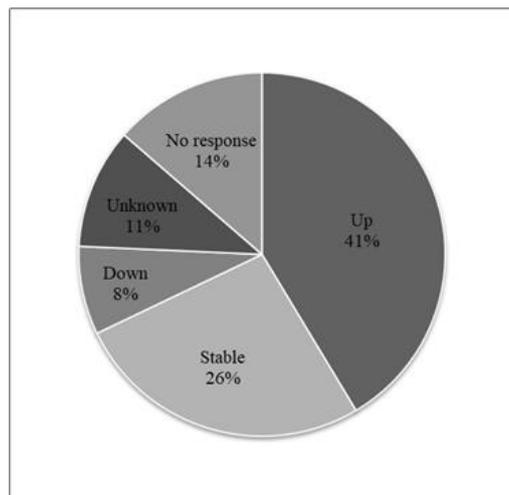
17. The OECD–DAC database reports that a total USD 13.1 billion in funding was committed to combating desertification-related issues by the 30 OECD–DAC members in 2012–2016.⁷ Similarly, the ODA contribution by OECD–DAC members for 2007–2011 was USD 11.6 billion. Compared to 2007–2011, the ODA contribution in 2012–2016 shows an increase of 12 per cent.

B. Progress Indicator 5-2: Trends in domestic public resources

18. Of the 140 reports received from the country Parties, 121 Parties (86 per cent) reported on progress indicator SO5-2. Fifty-eight countries (41 per cent) reported increasing trends, 37 countries (26 per cent) reported stable trends, 11 countries (8 per cent) reported declining trends and 15 countries (11 per cent) reported unknown trends (see figure 2). The reported trends are largely based on national sources of information such as ministries, government accountability/performance reports, public expenditure reports, and National Statistical Offices.

19. With respect to distribution by UNCCD regional annex, 25 countries in Africa (equivalent to 53 per cent of countries that reported in the annex), 17 countries in Asia (46 per cent), ten countries in Latin America and the Caribbean (37 per cent), one country in the Northern Mediterranean (11 per cent) and five countries in Central and Eastern Europe (42 per cent) showed an increasing trend in public domestic resources. On the other hand, five countries in Africa (11 per cent), one country in Asia (3 per cent), one country in Latin America and the Caribbean (4 per cent), one country in the Northern Mediterranean (11 per cent) and two countries in Central and Eastern Europe (17 per cent) showed declining trends in public domestic resources.

Figure 2
SO5-2 Trend in domestic public resources (percentages calculated based on the 140 reporting Parties)



⁷ This figure includes the average amount of the 13 DCPs that provided data in this reporting cycle (USD 1.1 billion) as well as the remaining 17 country members of the OECD–DAC.

20. According to the reports collected from Parties, some African country Parties reported that the increase is due to the growth in the government budget allocation. In addition, Parties highlighted that the majority of the projects are integrated adaptation projects with UNCCD-related components. The Latin American and Caribbean countries highlighted the increase in the general expenditure budget of agriculture development and/or environmental protection as a major factor in the increasing or stable trends.

C. Progress indicator 5-3: Trends in the number of co-financing partners

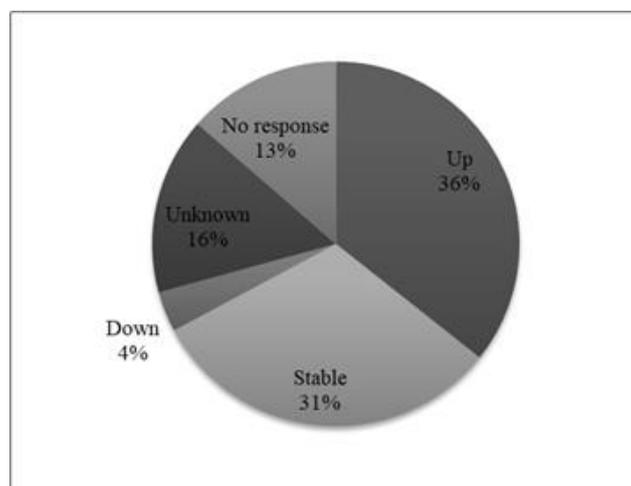
21. Of the 140 reports received from the country Parties, 121 Parties (86 per cent) reported on progress indicator SO5-3. Fifty countries (36 per cent) reported increasing trends, 44 countries (31 per cent) reported stable trends, five countries (4 per cent) reported declining trends and 22 countries (16 per cent) reported unknown trends (see figure 3).

22. As per the UNCCD regional annex, 21 countries in Africa (45 per cent), 13 countries in Asia (35 per cent), ten countries in Latin America and the Caribbean (37 per cent), two countries in the Northern Mediterranean (22 per cent), three countries in Central and Eastern Europe (25 per cent) and one country not belonging to the regional implementation annex⁸ (13 per cent) showed an increasing trend in the number of co-financing partners. On the other hand, two countries in Africa (4 per cent), one country in Asia (3 per cent), one country in Latin America and the Caribbean (4 per cent) and one country in Central and Eastern Europe (8 per cent)⁹ showed a declining trend in the number of co-financing partners.

23. The reports of various ministries, expenditure reviews and annual reports from national sources were the most commonly quoted information sources.

Figure 3

SO5-3 Trend in the number of co-financing partners (percentages calculated based on the 140 reporting Parties)



⁸ The countries not belonging to the implementation annex, <www.unccd.int/convention/regions>, were requested to report on this indicator. None of the countries in this region reported a declining trend.

⁹ None of the countries in the Northern Mediterranean region reported a declining trend in co-financing partners.

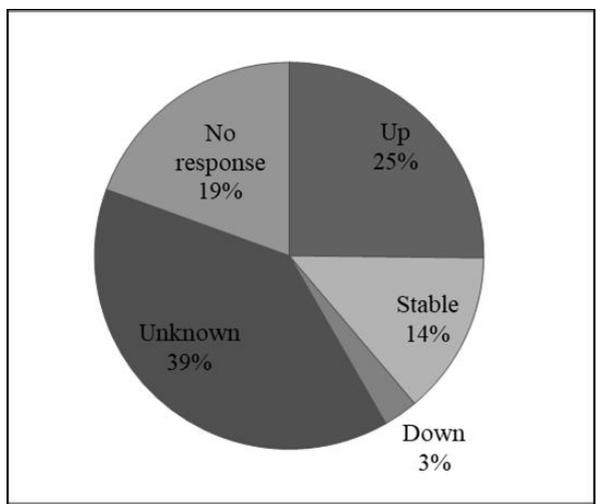
24. Some Latin America and Caribbean countries noted that the reason for this increase is enhanced land management capacities and the increasing interest and investment of private companies.

D. Progress indicator 5-4: Resources mobilized from innovative sources of finance, including from the private sector

25. One hundred and thirteen Parties (80 per cent) reported on progress indicator SO5-4. Twenty-five countries (25 per cent) reported increasing trends, 19 countries (14 per cent) reported stable trends, four countries (3 per cent) reported declining trends and 55 countries (39 per cent) reported unknown trends (see figure 4).

Figure 4

SO5-4 Resources mobilized from innovative sources of finance, including from the private sector (percentages calculated based on the 140 reporting Parties)



26. As per the UNCCD regional annex, ten countries in Africa (21 per cent), thirteen countries in Asia (35 per cent), seven countries in Latin America and the Caribbean (26 per cent), one country in the Northern Mediterranean (11 per cent) and four countries in Central and Eastern Europe (33 per cent) showed increasing trends in the magnitude of the resources mobilized from innovative sources of finance. On the other hand, three countries in Africa (6 per cent) and one country in Latin America and the Caribbean (4 per cent) showed declining trends.

IV. Conclusions

27. A total of 140 submissions by the country Parties were analysed with respect to SO5 and associated progress indicators on financial flows for the implementation of the Convention.

28. During the period 2012–2016, 13 DCPs acting as providers of ODA committed USD 5.7 billion to bilateral and multilateral ODA (SO5-1) to combat desertification. OECD figures show that bilateral ODA on desertification-related issues amounted to USD 13.1 billion when contributions by other development partners are taken into

account. This ODA contribution of USD 13.1 billion for the period 2012–2016 shows a 12% increase when compared to the ODA contribution for the period 2007–2011 (i.e. USD 11.7 billion).

29. Regarding trends in domestic public resources (SO5-2) and the number of co-financing partners (SO5-3), two-thirds of Parties reported that flows have generally been increasing or remained stable. However, in the case of progress indicator SO5-4 – resources mobilized from innovative sources of finance – 39 per cent of Parties indicated increasing or stable trends.

30. Progress indicator SO5-4 received the highest level of unknown trends/no response from Parties (59 per cent) in comparison with 30 per cent and 24 per cent for SO5-3 and SO5-2 respectively.

31. Declining trends for progress indicators SO5-2, SO5-3 and SO5-4 are at relatively low levels with decreasing rates of 8 per cent, 4 per cent, and 3 per cent of Parties respectively.

V. Recommendations

32. The following are the conclusions and recommendations for possible consideration by the Parties at CRIC 17:

33. Request the secretariat and the GM to explore partnerships with the OECD, Multilateral Development Banks, national and international statistical offices and other data collection agencies to continue developing a more comprehensive and systematic approach to track financial flows for the implementation of the Convention.

34. Invite Parties to leverage the role of investing in land as an accelerator of other Sustainable Development Goals and targets in the context of the 2030 Agenda for Sustainable Development.

35. Ask the secretariat and the GM to continue their efforts to identify additional approaches to mobilize financial resources and to facilitate access to both existing sources of funding and new innovative sources of financing, including blended finance.

Annex

**Bilateral and multilateral Official Development Assistance by
country Parties (in millions of United States Dollars)**

<i>Country</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>Total</i>	<i>Average</i>
Germany	285.57	333.01	370.71	379.06	472.57	1,840.92	368.184
France	195.46	389.08	269.16	328.20	605.93	1,787.83	357.565
Japan	367.78	115.48	146.94	80.64	22.54	733.38	146.676
Switzerland	31.18	143.00	137.91	64.48	68.87	445.43	89.086
Italy	93.26	48.68	77.36	106.20	113.42	438.91	87.783
Belgium	28.90	40.57	29.52	28.13	34.86	161.99	32.398
Spain	22.62	35.70	24.16	18.71	21.34	122.53	24.506
Republic of Korea	7.60	34.59	9.52	28.27	29.24	109.23	21.845
Austria	13.33	21.79	4.30	7.92	8.11	55.45	11.091
Czechia	3.87	4.09	5.02	2.44	3.22	18.63	3.727
Poland *	-	4.26	0.41	0.21	-	4.87	1.624
Portugal	1.34	0.98	0.76	0.59	0.47	4.15	0.830
Hungary	-	-	-	-	0.68	0.68	0.684
Total	1,050.93	1,171.22	1,075.77	1,044.84	1,381.26	5,724.01	