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**Linking the GEF Land Degradation Focal Area
Strategy and the UNCCD Ten-year Strategy to
Streamline Investments in Sustainable Land
Management¹**

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¹ Please note that this document is issued as received with minor adjustments to the format and without further editing.

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List of Acronyms

COP	Conference of the Parties
CRIC	Committee for Review of Implementation of the Convention
GEBs	Global Environmental Benefits
GEF	Global Environment Facility
LDCF	Least Developed Countries Fund
LDFA	Land Degradation Focal Area
NAP	National Action Program
PRAIS	Performance Review and Assessment of Implementation System
RBM	Results Based Management
REDD	Reducing Emissions from Deforestation and Forest Degradation
SCCF	Special Climate Change Fund
SFM	Sustainable Forest Management
SLM	Sustainable Land Management
SO	Strategic Objective
STAR	System for a Transparent Allocation of Resources
UNCCD	United Nations Convention to Combat Desertification

Introduction

1. The Land Degradation Focal Area was approved by the GEF Assembly in October 2002 and operationalized by the GEF Council in May 2003. Around the same time, the GEF was accepted as a financial mechanism of the UNCCD by the Conference of Parties, thereby ensuring that GEF projects addressing desertification are linked with objectives of the Convention. This was followed by a Memorandum of Understanding between the COP and GEF (decision 6/COP.7) to foster collaboration in supporting countries. The collaboration is founded on commitment by all stakeholders to prevent, control and reverse desertification and land degradation while contributing to the reduction of poverty in the context of sustainable development.

2. Establishment of the Land Degradation Focal Area coupled with formal designation of the GEF as financial mechanism of the UNCCD offered a major boost to the GEF's investment in SLM projects. The GEF as financial mechanism of the UNCCD directly contributes to implementation of the Convention, including its Ten-year (2008–2018) Strategic Plan and Framework adopted by the Conference of Parties during the Eight Session (decision 3/COP.8). This responds directly to paragraph 24 of the Strategy, which specifically states that *“the COP may invite the GEF to take into account this strategic plan and to align its operations accordingly in order to facilitate effective implementation of the Convention.”*

Background and Rationale

3. Achieving goals of the UNCCD Ten-year Strategy will require coordinated effort at all scales, including international cooperation and partnerships that occur in tandem with local level actions. The UNCCD notes that achieving its objectives of the Ten-year Strategy, *“will involve long-term integrated strategies that focus simultaneously in affected areas, on improved productivity of land and on the rehabilitation, conservation, and sustainable management of land and water resources, leading to improved living conditions, in particular at the community level.”* The GEF plays an important catalytic role in supporting efforts of Parties to mobilize resources for combating land degradation. This role is further reinforced by The Global Mechanism of the UNCCD, which helps Parties to develop investment plans and leverage resources from a wide range of sources.

4. During the last two UNCCD Conference of Parties (COP8 and COP9), the GEF submitted formal reports on financing in the Land Degradation Focal Area as a means to support implementation of the Convention. The reports outlined activities in the focal area portfolio including geographical trends and thematic activities financed by the GEF. The importance of reporting was further reinforced at COP9 (decision 10/COP.9), and especially taking into account programming and policy reforms for the fifth replenishment phase of the GEF (GEF-5).

5. GEF financing in the Land Degradation Focal Area has entered a new four-year phase GEF-5 that extends from 2010-2014, with several important reforms that include individual country allocations under the STAR. In order to fully leverage GEF financing to further advance implementation of the convention, countries are likely to benefit from an understanding of substantive areas of alignment between the GEF Land Degradation Focal Area and UNCCD ten-year Strategy. This document is intended to serve this purpose and to inform development of projects for GEF financing in the Focal Area. Links between the two important strategies will enhance effective programming of the GEF focal area resources to support implementation of the Convention by affected Parties. At the same

time, it will facilitate effective tracking of focal area investments at portfolio level and in accordance with GEF mandate, as well as detailed reporting to the UNCCD COP on GEF activities in the Focal Area.

GEF Financing in the Land Degradation Focal Area

6. Investing in sustainable land management was an important component of many GEF-financed projects during the first two phases of the GEF. The third replenishment phase or GEF-3 (2002-2006) was, however, the turning point for GEF financing to combat land degradation. In addition to cross-focal area investments, an allocation of \$250 million was approved by the GEF Council for financing efforts to combat land degradation, specifically *desertification* and *deforestation*. Allocation of funds to the Focal Area also marked the emergence of innovative investment strategies for combating land degradation, such as country partnership programs. At the close of GEF-3, the total GEF investment in combating land degradation was US\$396.16 million, leveraging US\$ 1.08 billion in co-financing. A major contribution of GEF during this phase was the LDC-SIDS portfolio project lead by UNDP, which was designed to assist 48 LDC and SIDS countries to develop individual, institutional, and systematic capacity for SLM.

7. The fourth replenishment phase or GEF-4 (2006-2010) represented another important milestone in GEF effort to combat land degradation. First, the Focal Area strategy was developed to address three major drivers of degradation in terrestrial ecosystems identified by the Millennium Ecosystem Assessment: *land use change, natural resources consumption, and climate change*. It was focused specifically on these drivers in the context of agriculture, forestry and mixed land use systems in production landscapes. Second, it was designed to address two principal barriers to effective action: weak policy and institutional environment at national level, inadequate recognition of potential development benefits of targeted SLM interventions at multiple scales. Two strategic objectives were established to guide GEF-4 investments:

- To develop an enabling environment that will place sustainable land management in the mainstream of development policy and practices at regional, national, and local levels.
- To upscale SLM investments that generates mutual benefit for the global environment and local livelihoods.

8. The innovative investment programs initiated in GEF-3 were expanded from national to regional and multi-country during GEF-4, but with a deliberate effort to harness opportunities for scaling-up SLM interventions. During GEF-4, the total amount of GEF resources invested in SLM was approximately US\$ 340 million, leveraging US\$ 2.3 billion. The GEF-4 investment involved 61 countries across all UNCCD affected regions, with a total of 91 projects including 42 in sub-Saharan Africa, 10 in Asia, 10 in Middle East and North Africa, 10 in Latin America and the Caribbean, and one in Central and Eastern Europe. Most of the investment was channelled through three programmatic approaches in Sub-Saharan Africa (SIP/TerrAfrica), Middle East and North Africa (MENARID), China (PRC-GEF Partnership on combating land degradation in drylands), and India (Sustainable Land and Ecosystem Management). Another important contribution during GEF-4 is the support provided to the fourth reporting and review process under the new Performance Review and Assessment of Implementation System (PRAIS) established by the UNCCD COP 9.

9. In addition to the GEF mandate on desertification and deforestation, GEF financing was specifically targeted to addressing land degradation problems in production systems: agriculture, rangeland, and forest landscapes. This emphasis ensured a strategic focus on

leveraging multiple global environmental benefits in the context of human livelihood and development priorities. The potential for global environmental benefits is increased through integrated approaches to natural resource management that is common to most projects financed under the Land Degradation Focal Area.

10. The geographical balance in GEF investments under the Land Degradation Focal Area also reflects the potential for leveraging human development benefits through SLM. This is due primarily to emphasis on combating land degradation in production systems - agriculture, rangeland, and forest landscapes. However, affected Parties in geographical regions with drylands, especially the sub-Saharan Africa and MENA regions, have tended to harness a significant proportion of GEF resources for SLM. Because the focal area mandate includes both desertification and deforestation, all affected Parties are well-placed to leverage GEF resources for implementing SLM at national and regional levels as appropriate.

Overview of the UNCCD and GEF Strategies

The UNCCD Ten-Year Strategic Plan and Framework

11. In 2007 at COP8 in Madrid, Parties to the Convention adopted the Ten-year (2008–2018) Strategic Plan And Framework to enhance the implementation of the Convention (decision 3/COP.8). The Strategy was developed in the spirit of harnessing new opportunities and developments in the global environment including for example, acceptance by the COP of the GEF as a financial mechanism of the Convention. As noted in Paragraph 7 of the Strategy document, it *“provides a unique opportunity to address some of the Convention’s key challenges, to capitalize on its strengths, to seize opportunities provided by the new policy and financing environment, and to create a new, revitalized common ground for all UNCCD stakeholders.”*

12. The Strategy is framed around a long-term vision for implementation of the Convention. As stated in The Strategy, *“the aim for the future is to forge a global partnership to reverse and prevent desertification/land degradation and mitigate the effects of drought in affected areas in order to support poverty reduction and environmental sustainability.”* Four strategic objectives were defined to *“guide the action of all UNCCD stakeholders and partners in the period 2008-2018”*. These are listed in Table 1 together with expected impacts, which are considered as the long-term effects intended by the strategic objectives. The objectives are very much consistent with overall goal of the GEF Land Degradation Focal Area, and therefore provide an opportunity for affected Parties to harness GEF resources for implementing the Convention.

13. In addition to the strategic objectives, the UNCCD strategy also identifies five operational objectives to guide short and medium term (3-5 year) actions that target the strategic objectives. Each of the operational objectives are accompanied by a series of outcomes. The operational objectives cover the following categories:

- Advocacy, awareness raising and education – To actively influence relevant international, national and local processes and actors in adequately addressing desertification/land degradation and drought-related issues
- Policy framework – To support the creation of enabling environments for promoting solutions to combat desertification/land degradation and mitigate effects of drought

- Science, technology and knowledge – To become a global authority on scientific and technical knowledge pertaining to desertification/land degradation and mitigation of the effects of drought
- Capacity building – To identify and address capacity-building need to prevent and reverse desertification/land degradation and mitigate the effects of drought
- Financing and technology transfer – To mobilize and improve the targeting and coordination of national, bilateral and multilateral financial and technological resources in order to increase their impact and effectiveness

14. During GEF-4, the GEF contributed financing for a full-sized project lead by UNEP to develop a knowledge management framework and build capacity for performance review and assessment of implementation of the UNCCD strategy based on these operational objectives. In partnership with the World Conservation Monitoring Centre (WCMC) and other stakeholders, the project will enable country Parties to report to the Committee for the Review of the Implementation (CRIC) using an on-line reporting tool called Performance Review and Assessment of Implementation system (PRAIS). The PRAIS will allow country Parties and other reporting entities, including the GEF secretariat, to report on *inter alia* performance indicators provisionally adopted by Parties at COP9.

15. Beginning in 2012, affected countries will also report on impact indicators. At COP9, Parties decided to provisionally accept a set of eleven impact indicators to measure progress on the achievement of strategic objectives 1, 2 and 3 of The Strategy. A sub-set of two impact indicators (land cover status and proportion of the population in affected areas living above the poverty line) was identified as the minimum required for reporting by affected countries. The remaining nine impact indicators, while recommended, were considered optional for inclusion in reports. They will be subject to a further process of refinement using an iterative process, which will include, among others, scientific peer review of the relevance, accuracy and cost-effectiveness of the impact indicators and pilot tracking exercises at the national level.

16. For the purpose of linking with GEF priorities in the Land Degradation Focal Area, only the Strategic Objectives in the Ten-year Strategy are considered since they more directly underpin the GEF's role as financial mechanism for the UNCCD. It is clear, however, that GEF financing will enable countries to actively pursue activities related to the Operational Objectives, and ultimately report to the CRIC based on the relevant performance indicators. Such activities will be more effectively tracked at the project level within each country.

Table 1 – Strategic Objectives and Expected Impacts of the UNCCD Ten-year Strategy

Strategic Objectives	Expected Impacts (EI)
SO1 To improve the living conditions of affected communities	EI 1.1 People living in areas affected by desertification/land degradation and drought to have an improved and more diversified livelihood base and to benefit from income generated from sustainable land management EI 1.2 Affected populations’ socio-economic and environmental vulnerability to climate change, climate variability and drought is reduced
SO2 To improve the conditions of affected ecosystems	EI 2.1 Land productivity and other ecosystem goods and services in affected areas enhanced in a sustainable manner contributing to improved livelihoods EI 2.2 The vulnerability of affected ecosystems to climate change, climate variability and drought is reduced
SO3 To generate global benefits through effective implementation of the UNCCD	EI 3.1 Sustainable land management and combating desertification/land degradation contribute to conservation and sustainable use of biodiversity and mitigation of climate change
SO4 To mobilize resources to support implementation of the Convention through building effective partnerships between national and international actors	EI 4.1 Increased financial, technical and technological resources are made available to affected developing country Parties, and where appropriate Central and Eastern European countries, to implement the Convention EI 4.2 Enabling policy environments are improved for UNCCD implementation at all levels

The GEF-5 Land Degradation Focal Area Strategy

17. The focus on sustainable agriculture and forest management as the GEF proposed approach to combat land degradation during GEF-3 and GEF-4 is now recognized as an effective contribution to stabilizing ecosystem services and increasing carbon stocks as well as sequestration. For GEF-5, more focus and positive incentives are needed to enhance the Land Degradation Focal Area portfolio with ideas that meet emerging challenges and opportunities in rural production landscapes such as:

- management of competing land uses (e.g. food production vs biomass production) and resulting changes in land cover and ecosystem dynamics,
- exploitation of natural resources for short-term economic gain at the cost of ecological and social sustainability (e.g. measures to reduce grazing pressure on rangelands),
- potential of sustainable land management for climate change mitigation (e.g. increasing total system carbon); and
- adaptation to climate change (e.g. change to ‘conservation agriculture’, diversification of smallholder systems).

18. As noted earlier, these emerging issues are consistent with the three major direct drivers for terrestrial ecosystem degradation identified by the Millennium Ecosystem Assessment: *land use change*, *natural resources consumption*, and *climate change*. These direct drivers are also emphasized in the Ten-year Strategy of the UNCCD, and therefore a major factor in development of the GEF-5 strategy in the Land Degradation Focal Area. This addresses the COP decision inviting the GEF “to take *The Strategy into account when*

planning and programming for the next replenishment period, in order to facilitate the effective implementation of the Convention (paragraph 35, decision 3/COP.8).”

19. The GEF-5 strategy in the Land Degradation Focal Area has the following high level goal: *To contribute to arresting and reversing current global trends in land degradation, specifically desertification and deforestation.* GEF financing will be guided by a results based-management framework that includes four main objectives, each with target outcomes (Table 2). The objectives reflect a need for addressing ecosystem service flows in agricultural (crop, livestock), rangeland/pastoral, and forest landscapes (Objectives 1 and 2), enhancing integrated land use at scale (objective 3), and increased portfolio learning to strengthen GEF’s catalytic role in the focal area (objective 4).

Table 2 – Objectives and Target Outcomes in the GEF-5 Land Degradation Focal Area Strategy

Objective	Target Outcomes
1. Maintain or improve flow of agro-ecosystem services sustaining the livelihoods of local communities	Sustainable management of 120 million hectares of crop, livestock and silvo-pastoral landscapes, including in drylands and transboundary areas
2. Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people	Sustainable management of 300,000 hectares of forest production landscapes, including in drylands and transboundary areas
3. Reduce pressures on natural resources from competing land uses in the wider landscape	Demonstration results support integrated management of 150 million hectares of production systems and natural habitats, including in drylands and transboundary areas
4. Increase capacity to apply adaptive management tools in SLM	<ul style="list-style-type: none"> • 75% of GEF projects financed under Objective 1, Objective 2, and Objective 3 address priorities identified in UNCCD Ten-year Strategy and national reporting process • 50% of GEF projects financed through the LD FA that take up emerging knowledge from targeted research projects or projects with targeted research component

20. The target outcomes are intended to reinforce the need for anchoring GEF investments in appropriate contexts where project interventions can demonstrate measurable global environmental and development benefits. Accounting for Land Degradation Focal Area investments in spatially quantifiable manner will foster a more accurate picture of GEF’s contribution to combating land degradation globally.

21. During GEF-5, the Land Degradation Focal Area will continue to advance the landscape approach as means to integrate management of natural resources (land, water, and vegetation). The landscape approach embraces ecosystem principles as well as the connectivity between ecosystems, and takes into account processes that provide people with ecosystem services at multiple scales from local to global. By advocating an integrated approach to natural resources management, the GEF also drives an agenda for multiple global environmental benefits in the Land Degradation Focal Area, including those related to the protection and sustainable use of biodiversity, climate change mitigation and adaptation and the protection and sustainable use of international waters.

Enhancing implementation of the UNCCD Ten-year Strategy through incremental financing in the GEF Land Degradation Focal Area

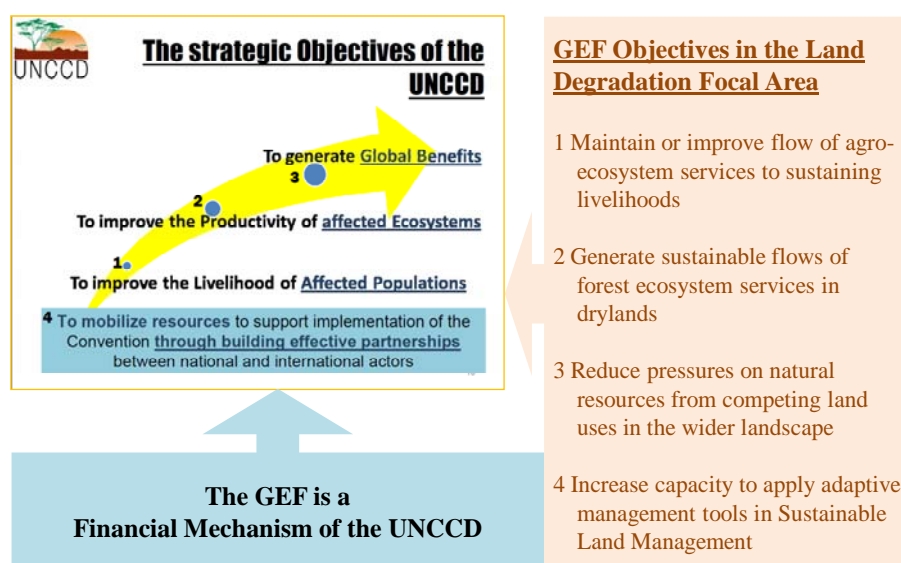
22. In its decision on the ten-year Strategy (decision 3/COP.8), the UNCCD Conference of Parties recognized that the implementation of The Strategy “*requires the mobilization of adequate, predictable and timely financial resources at both national and international level for its effective implementation and, in this context, invites the GEF to consider simplifying its funding procedures in order to ease the access by developing countries to GEF funding, and to report back to the COP on progress in this regard.*” An important step in this regard is to demonstrate clear linkages between the GEF and UNCCD Strategies. The UNCCD Strategy was already approved at the time a Technical Advisory Group was convened to develop the GEF-5 strategy for financing under the Land Degradation Focal Area.

Substantive areas of linkage for leveraging GEF investments by Parties

23. Although the two strategies have very different time-frames, there are strong alignments at multiple levels. At the highest level, both strategies identify the long-term goal of arresting and reversing land degradation, with emphasis on *desertification*. The GEF mandate under the Land Degradation Focal Area also extends to *deforestation*, while the UNCCD vision includes an explicit focus on mitigation of drought effects in affected areas. Both strategies also recognize the underlying importance of global environmental sustainability and human livelihoods, albeit at different levels of hierarchy.

24. The shared aspirations are further reinforced by the consistency between objectives of the two strategies (see Fig. 1). For both the UNCCD and GEF, three objectives are focused on substantive aspects of combating land degradation. The fourth strategic objective of the UNCCD focuses on resource mobilization and partnerships, which anchors the role of GEF as a financial mechanism. On the other hand, the fourth objective of the GEF Land Degradation Focal Area strategy reinforces the need for sustainability and adaptive management in combating land degradation.

Fig 1. The GEF and UNCCD: Investing in Land Stewardship for Human Livelihoods and a Sustainable Global Environment



25. Substantive areas of linkage are best defined by the first three objectives of the two strategies. While the UNCCD strategic objectives are focused on achieving long-term benefits for *affected populations* (SO1), *affected areas* (SO2), and for the *global environment* (SO3), the GEF-5 strategy emphasizes actions and innovations that generate human livelihood and global environmental benefits (ecosystem services) from *agricultural systems* (Objective 1), *forest landscapes* (Objective 2), and *mixed land uses* (Objective 3). Although the GEF financing phase is only four years (2010 – 2014), the Land Degradation Focal Area objectives are clearly designed to enhance long-term benefits from integrated approaches to SLM.

26. GEF incremental financing enables countries to leverage GEF resources in a manner that also enhances long-term delivery of UNCCD strategic objectives. The actual nature of environmental and development benefits depends on the type of project, level of investments, and spatial and temporal scale of interventions. An important aspect of linking the strategies is therefore related to the outcomes, impacts and associated indicators, all of which serve to inform project design by all stakeholders. Annex 1 is an attempt to link the expected impacts (and proposed indicators) of the UNCCD strategic objectives with the results-based management framework of the GEF Land Degradation Focal Area. The GEF Focal Area objectives are each formulated to enhance multiple benefits for affected populations, affected areas, and the global environment.

27. At the portfolio level, projects and programs implemented under the Land Degradation Focal Area strategy are expected to contribute to the following agreed global environmental benefits and expected national socio-economic benefits:

- (a) Agreed global environmental benefits:
- Improved provision of agro-ecosystem and forest ecosystem goods and services
 - Reduced GHG emissions from agriculture, deforestation and forest degradation and increased carbon sequestration

- Reduced vulnerability of agro-ecosystem and forest ecosystems to climate change and other human-induced impacts
- (b) Expected national socio-economic benefits:
- Sustained livelihoods for people dependent on the use and management of natural resources (land, water, and biodiversity)
 - Reduced vulnerability to impacts of climate change of people dependent on the use and management of natural resources in agricultural and forest ecosystems

28. These benefits are consistent with those of the UNCCD and serve as basis for designing GEF projects by countries. Furthermore, they reinforce the need for effective monitoring in GEF-financed activities under the Land Degradation Focal Area. An indicative listing of activities for GEF project support in relation to the four objectives is presented in Annex 2.

Leveraging Land Degradation Focal Area Resources

29. GEF-5 has introduced several important reforms to strengthen country ownership and improving effectiveness and efficiency of the GEF Network. A letter from the GEF CEO to the UNCCD COP Bureau in early 2011 provided a detailed outline of the reforms and their implications for the UNCCD relations. The reforms have added new opportunities for GEF role as financial mechanism of the UNCCD, especially in the following areas that will be crucial for streamlining investment in SLM : i) an improved resource allocation system that includes the Land Degradation Focal Area; ii) focal area set-aside fund that includes support for Enabling Activities under the Convention.

System for Transparent Allocation of Resources (STAR)

30. The STAR is an improved system for allocating GEF resources to its eligible countries. It is an effective means to promote priority setting and strategic programming of GEF resources. STAR covers the Land Degradation Focal Area, along with Biodiversity and Climate Change, and provides indicative allocations for a total of US\$ 324 million for 144 countries in GEF-5 to use in activities related to combating land degradation and desertification. The country allocations were derived based on relevant criteria in the Land Degradation Focal Area: the extent of drylands, area affected by land degradation, and population affected by land degradation. These criteria are consistent with priorities of the UNCCD, and thus represent an important opportunity for countries to direct GEF resources toward implementation of the Convention and its Ten-year Strategy.

31. The STAR introduced an allocation floor, which has been set at US\$ 0.5 million for the Land Degradation Focal Area. This means that each country has at least US\$ 0.5 million to program for projects addressing land degradation. Most of the countries have considerably higher indicative allocations. The STAR has also built in flexibility for certain countries to use the total of their allocations across all and any other focal areas during GEF-5 cycle.

Land Degradation Focal Area Set-aside Funds

32. Outside of the STAR resources, the GEF will provide additional funding from the Land Degradation Focal Area set-aside resources to support activities under the focal area and in accordance with priorities of the UNCCD. The total focal area set-aside is US\$ 61

million to be programmed according to the following guidance, which has already been communicated to all Parties:

- *Enabling Activities:* For the first time ever, all GEF eligible and affected Parties to the UNCCD can access up to US\$ 150,000 each for enabling activities to support implementation of the Convention and the Ten-year Strategy, which specifically targets alignment of NAPs and Reporting.
- *Regional and Thematic Priorities:* An allocation of US\$ 26 million will serve as an incentive for eligible countries to link nationally-developed projects on the basis of: 1) thematic issues that will deepen and reinforce the focal area agenda; 2) the potential for spatial and geographical integration at appropriate scales (including transboundary areas) for transformational impact.
- *Knowledge Exchange:* An allocation of US\$ 10 million as an incentive to engage in knowledge sharing and transfer on sustainable land management technologies and approaches through south-south exchanges and practitioner at regional and global scales.

Enhancing synergies with other GEF Focal Areas and Funding Windows

33. One of the major strengths of the GEF as a financial mechanism is its ability to support activities in recipient countries that can meet their commitments to more than one global convention within the context of their sustainable development needs. As noted earlier, the Land Degradation Focal Area offers an important entry point for addressing complex interacting drivers of terrestrial ecosystem degradation and their impacts on functions and services that underpin environmental sustainability - biodiversity, water, and above- and below-ground carbon stocks. Investment in sustainable land management enhances the provisioning, regulatory, and supporting services in agro-ecosystems, which in turn sustain the production practices on which rural and coastal communities depend for their livelihood.

34. While GEF strategies are articulated focal area by focal area, approaches to development, design and implementation of projects to combat land degradation can enhance synergies and connections across the different focal areas. Such approaches would normally embody landscape and ecosystem management principles, and reflect the actual needs of recipient countries in addressing national priorities and generating global environment benefits. The potential for designing “multi-focal” area projects therefore represents a major opportunity for leveraging resources in other focal areas, especially Biodiversity, Climate Change, and International Waters.

35. In addition to the focal areas, another priority area for harnessing synergies is through the Sustainable Forest Management (SFM) Program. The SFM Program draws resources from three GEF Focal Areas – Biodiversity, Climate Change, and Land Degradation – to provide incentive financing for generating multiple environmental benefits from improved management of all types of forests. The incentive program also addresses land use, land use change and forestry (LULUCF), and reduced emissions from deforestation and degradation (REDD+). The financing focuses on two main objectives:

- (a) enable countries to generate multiple environmental benefits through the protection of forest habitats, ecosystem services flows, and mitigation of climate change, thereby reflecting the transversal nature of forests globally; and

- (b) reduce pressures on forest resources and generate sustainable flows of forest ecosystem services through the introduction of SFM frameworks and tools.

36. Finally, because of their emphasis on production systems and vulnerability of human livelihoods, three major funding windows focused on climate change adaptation are particularly invaluable in the context of UNCCD. The GEF recognizes that adaptation programs should not operate in a vacuum. For example, the need to address impacts from drought and floods can be pursued through integrated land and water resources management with multiple benefits. Such integrated approaches will have significant beneficial impacts on community livelihoods, food security, and a high potential to sequester carbon. Therefore, GEF eligible countries focusing on activities to combat land degradation (desertification and deforestation) can take full advantage of the adaptation funds being managed by the GEF: the *Least Developed Countries Fund (LDCF)* and the *Special Climate Change Fund (SCCF)* under the UN Framework Convention on Climate Change (UNFCCC); and the *Adaptation Fund* under the UNFCCC's Kyoto Protocol.

Tracking GEF Investments in Sustainable Land Management

37. Focal area tracking tools are an important component of projects submitted to the GEF for incremental financing. These tools are invaluable for monitoring results of GEF operations in the various focal areas, including progress towards achieving the GEF mandate on global environmental benefits. The GEF results-based management framework establishes the basis for monitoring and institutional learning.

38. Portfolio level monitoring of GEF investments is conducted annually based on indicators and targets set out in each focal area results framework. Monitoring at the portfolio level focuses on results achieved during project implementation rather longer-term impacts, which are better captured through evaluations. Portfolio level monitoring, however, requires information on key indicators at the project level that are amenable to aggregation.

39. The Portfolio Monitoring and Assessment Tool (PMAT) has been finalized and introduced as the LDFA tracking tool effective from GEF-5. Starting from fiscal year 2011 all projects funded by the focal area will submit tracking tools three times during project lifetime: at CEO Endorsement, mid-term review and terminal evaluation. Because these tools contain information on key indicators at the project level amenable to aggregation, they are invaluable for monitoring results of GEF operations related to land degradation and desertification. They are particularly important to demonstrate progress towards achieving targets on GEBs set out in the LDFA results-based management.

40. The data from the tracking tools will be used to:
- Demonstrate GEF's catalytic role as a strategic partner for implementing/up-scaling SLM interventions to combat land degradation, specifically desertification and deforestation
 - Monitor GEBs from GEF investments in production systems (agricultural, rangelands, and forest landscapes), including multi-focal area synergies involving biodiversity, international waters, and climate change
 - Report effectively and reliably on GEF financing for implementation of the UNCCD by Parties, including the 10-year Strategy
 - Enhance portfolio level management and accountability for the LDFA

Conclusion

41. The GEF as financial mechanism of the UNCCD is well placed to support efforts of affected Parties to implement the Convention and its Ten-year Strategic Plan and Framework. In order to facilitate this, it is essential for the affected Parties to invest in SLM projects that harness linkages between the GEF Land Degradation Focal Area strategy and the UNCCD Ten-Year Strategy. This document is an attempt to highlight important areas for achieving such links during the design of projects to be submitted for GEF incremental financing. It is hoped that such an effort will also strengthen future opportunities for leveraging GEF resources in other focal areas and funding windows as a means of up-scaling SLM.

GEF Land Degradation Focal Area			UNCCD Ten-year Strategy
Objectives	Expected Outcomes and Indicators	Core Outputs	Expected Impacts (EI) and related Indicators ¹
<p>LD-1: Agriculture and Rangeland Systems: Maintain or improve flow of agro-ecosystem services sustaining the livelihoods of local communities</p> <p><u>Outcome Targets:</u> <i>Sustainable Management of 120 million ha production landscapes</i></p>	<p>Outcome 1.1: An enhanced enabling environment within the agricultural sector <i>Indicator 1.1 Agricultural policies support smallholder and community tenure security</i></p> <p>Outcome 1.2: Improved agricultural management <i>Indicator 1.2 Increased land area with sustained productivity and reduced vulnerability of communities to climate variability</i></p> <p>Outcome 1.3: Sustained flow of services in agro-ecosystems <i>Indicator 1.3 Flow of services in agro-ecosystems Maintained / increased</i></p> <p>Outcome 1.4: Increased investments in SLM <i>Indicator 1.4 Increased resources flowing to SLM from diverse sources</i></p>	<p>Output 1.1 National policies that guarantee smallholder and community tenure security</p> <p>Output 1.2 Types of Innovative SL/WM practices introduced at field level</p> <p>Output 1.3 Suitable SL/WM interventions to increase vegetative cover in agro-ecosystems</p> <p>Output 1.4 Appropriate actions to diversify the financial resource base</p> <p>Output 1.5 Information on SLM technologies and good practice guidelines disseminated</p>	<p>EI 4.2 Enabling policy environments are improved for UNCCD implementation at all levels</p> <p>Indicators: <i>S-8 Increase in the level and diversity of available funding for combating desertification / land degradation and mitigating the effects of drought</i> <i>S-9 Development policies and measures address desertification/land degradation and mitigation of the effects of drought.</i></p> <p>EI 3.1 Sustainable land management and combating desertification/land degradation contribute to conservation and sustainable use of biodiversity and mitigation of climate change</p> <p>Indicators: <i>S-6 Increase in carbon stocks (soil and plant biomass) in affected areas</i> <i>S-7 Areas of forest, agricultural and aquaculture ecosystems under sustainable management</i></p> <p>EI 2.1 Land productivity and other ecosystem goods and services in affected areas enhanced in a sustainable manner contributing to improved livelihoods</p> <p>Indicators: <i>S-4 Reduction in total area affected by</i></p>

¹ According to the Ten-year Strategic Plan and Framework document, the impact indicators are only indicative of the types to be established to provide information on the trends in affected areas. They are to be refined further by the Committee on Science and Technology (CST) capitalizing on existing sources of data, to form the baseline data trends for monitoring and impact assessment.

Objectives	Expected Outcomes and Indicators	Core Outputs	Expected Impacts (EI) and related Indicators ¹
			<i>desertification/land degradation and drought</i> <i>S-5 Increase in net primary productivity in affected areas</i>
<p>LD-2: Forest Landscapes: Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people <u>Outcome Targets:</u> <i>Sustainable Management of 300,000 ha of forest production landscapes, including in dryland and trans-boundary areas</i></p>	<p>Outcome 2.1: An enhanced enabling environment within the forest sector in dryland dominated countries <i>Indicator 2.1 Forestry policies support smallholder and community tenure security</i></p> <p>Outcome 2.2: Improved forest management in drylands <i>Indicator 2.2 Increased land area under sustainable forest management practices</i></p> <p>Outcome 2.3: Sustained flow of services in forest ecosystems in drylands <i>Indicator 2.3 Increased quantity and quality of forests in dryland ecosystems</i></p> <p>Outcome 2.4: Increased investments in SFM in dryland forests ecosystems <i>Indicator 2.4 Increased resources flowing to SFM from diverse sources (e.g. PES, small credit schemes, voluntary carbon market)</i></p>	<p>Output 2.1 National policies that guarantee smallholder and community tenure security</p> <p>Output 2.2 Types of innovative SFM practices introduced at field level</p> <p>Output 2.3 Suitable SFM interventions to increase/maintain natural forest cover in dryland production landscapes</p> <p>Output 2.4 Appropriate actions to diversify the financial resource base</p> <p>Output 2.5 Information on SFM technologies and good practice guidelines disseminated</p>	<p>EI 4.2 Enabling policy environments are improved for UNCCD implementation at all levels Indicators: <i>S-8 Increase in the level and diversity of available funding for combating desertification / land degradation and mitigating the effects of drought</i> <i>S-9 Development policies and measures address desertification/land degradation and mitigation of the effects of drought.</i></p> <p>EI 3.1 Sustainable land management and combating desertification/land degradation contribute to conservation and sustainable use of biodiversity and mitigation of climate change Indicators: <i>S-6 Increase in carbon stocks (soil and plant biomass) in affected areas</i> <i>S-7 Areas of forest, agricultural and aquaculture ecosystems under sustainable management</i></p> <p>EI 2.1 Land productivity and other ecosystem goods and services in affected areas enhanced in a sustainable manner contributing to improved livelihoods Indicators: <i>S-4 Reduction in total area affected by desertification/land degradation and drought</i> <i>S-5 Increase in net primary productivity in affected areas</i></p>

Objectives	Expected Outcomes and Indicators	Core Outputs	Expected Impacts (EI) and related Indicators ¹
<p>LD-3: Integrated Landscapes: Reduce pressures on natural resources from competing land uses in the wider landscape <u>Outcome Target:</u> <i>Integrated management of 150 million hectares of production systems and natural habitats, including in drylands and transboundary areas</i></p>	<p>Outcome 3.1: Enhanced cross-sector enabling environment for integrated landscape management <i>Indicator 3.1 Policies support integration of agriculture, rangeland, forest, and other land uses</i></p> <p>Outcome 3.2: Integrated landscape management practices adopted by local communities <i>Indicator 3.2 Application of integrated natural resource management (INRM) practices in wider landscapes</i></p> <p>Outcome 3.3: Increased investments in integrated landscape management <i>Indicator 3.3 Increased resources flowing to INRM and other land uses from divers sources</i></p>	<p>Output 3.1 Integrated land management plans developed and implemented</p> <p>Output 3.2 INRM tools and methodologies developed and tested</p> <p>Output 3.3 Appropriate actions to diversify the financial resource base</p> <p>Output 3.4 Information on INRM technologies and good practice guidelines disseminated</p>	<p>E4.2 Enabling policy environments are improved for UNCCD implementation at all levels Indicators: <i>S-8 Increase in the level and diversity of available funding for combating desertification / land degradation and mitigating the effects of drought</i> <i>S-9 Development policies and measures address desertification/land degradation and mitigation of the effects of drought.</i></p> <p>EI 2.1 Land productivity and other ecosystem goods and services in affected areas enhanced in a sustainable manner contributing to improved livelihoods Indicators: <i>S-4 Reduction in total area affected by desertification/land degradation and drought</i> <i>S-5 Increase in net primary productivity in affected areas</i></p>

Objectives	Expected Outcomes and Indicators	Core Outputs	Expected Impacts (EI) and related Indicators ¹
<p>LD-4: Adaptive Management and Learning: Increase capacity to apply adaptive management tools in SLM/SFM/INRM by GEF and UNCCD Parties</p> <p><u>Outcome Target:</u> <i>At least 75% of GEF projects financed in GEF-5 address priorities identified in UNCCD 10-year Strategy and national reporting process;</i> <i>At least 50% of GEF projects financed through the LD FA take up emerging knowledge from targeted research projects or projects with targeted research component</i></p>	<p>Outcome 4.1: Increased capacities of countries to fulfill obligations in accordance with the provisions provided in the UNCCD. <i>Indicator 4.1: Improved quality and timeliness of reporting compliance by countries</i></p> <p>Outcome 4.2: Improved GEF portfolio monitoring using new and adapted tools and methodologies <i>Indicator 4.2 GEF-6 LD focal area strategy reflects lessons learned, and results of targeted research portfolio and implementation results from earlier replenishment periods</i></p>	<p>Output 4.1 At least 50 countries implementing UNCCD priorities with improved monitoring of impacts at national level Output 4.1 All country investments in LD Objectives 1-3 are linked to UNCCD action programs and national reporting process</p> <p>Output 4.2 GEF-financed projects contribute to SLM/SFM/INRM knowledge base</p>	<p>EI 4.1 Increased financial, technical and technological resources are made available to affected developing country Parties, and where appropriate Central and Eastern European countries, to implement the Convention EI 4.2 Enabling policy environments are improved for UNCCD implementation at all levels</p> <p>Indicators: <i>S-8 Increase in the level and diversity of available funding for combating desertification / land degradation and mitigating the effects of drought</i> <i>S-9 Development policies and measures address desertification/land degradation and mitigation of the effects of drought.</i></p>

Annex 2 – Potential project options for GEF Financing under Objectives of the GEF-5 Land Degradation Focal Area

Objectives	Project Support
<p>1. Maintain or improve flow of agro-ecosystem services to sustaining the livelihoods of local communities</p>	<ul style="list-style-type: none"> ● Capacity development to improve decision-making in management of production landscapes to ensure maintenance of ecosystem services important for the global environment and for peoples' livelihoods, and establish mechanism to scale up good agricultural practices. ● Improving community-based agricultural management including participatory decision-making and gender-related issues. ● Building of technical and institutional capacities to monitor and reduce GHG emissions from agricultural activities (including estimating and monitoring associated emissions and changes in carbon stocks). ● Implementing integrated approaches to soil fertility and water management; agro-forestry as an option for integrated natural resource management in crop-livestock systems, especially for smallholder farmers with limited options for improving farm inputs (e.g. fertilizers, seeds, tools); conservation agriculture. ● Improving management of impacts of climate change on agricultural lands (including water availability), diversification of crops and animal species in order to enhance agro-ecosystem resilience and manage risks; drought mitigation strategies, and other ecosystem-based climate adaptation strategies. ● Securing innovative financing mechanism based on valuation of environmental services (e.g. PES and other market-based mechanisms) to create sustainable finance flow for reinvestment in sustainable agriculture; this does not include direct support for PES or other mechanisms. ● Improving rangeland management and sustainable pastoralism, including regulating livestock grazing pressure to carrying capacity (adaptation to climate change), sustainable intensification, rotational grazing systems, diversity in animal and grass species; managing fire disturbance.
<p>2. Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people</p>	<ul style="list-style-type: none"> ● Capacity development: Forest policy and related legal and regulatory frameworks reformulation and improved decision-making. ● Sustainable management of forests and trees outside forests for timber and non-timber products. ● Reforestation and use of local species, including agro-forestry, successions to move from deforested areas to closed forest (if feasible). ● Valuation of environmental services from forest ecosystems and introduction of PES and other market-based/innovative financing mechanisms in demonstration projects for creating a sustainable finance flow to be reinvested in SFM; this does not include direct support for PES or other mechanisms. ● Management of impacts of climate change on forest lands, practices and choice of species used for reforestation. ● Mechanisms to scale up and out good practices through e.g. private sector, community-based organizations, extension services, and media.

Objectives	Project Support
<p>3. Reduce pressures on natural resources from competing land uses in the wider landscape</p>	<ul style="list-style-type: none"> • Capacity development to improve decision-making in management of production landscapes to ensure maintenance of ecosystem services important for the global environment and for peoples' livelihoods. • Avoiding deforestation and forest degradation, including land use changes affecting forest lands driven by expanding sectors (e.g. large-scale agriculture and mining). • Building of technical and institutional capacities to monitor and reduce GHG emissions from agricultural activities and deforestation (incl. estimating and monitoring associated emissions and changes in carbon stocks). • Developing innovative financing mechanisms such as PES for sustainable investment in SLM through sector-wide approaches and harmonized strategies; this does not include direct support for PES or other mechanisms • Improving management of agricultural activities within the vicinity of protected areas • Integrated watershed management, including transboundary areas where SLM interventions can improve hydrological functions and services for agro-ecosystem productivity (crop and livestock).
<p>4. Increase capacity to apply adaptive management tools in SLM</p>	<ul style="list-style-type: none"> • Results-monitoring of UNCCD action programs; • Alignment of national reporting with revised UNCCD action programs in the context of the UNCCD 10-year strategy; • Mainstreaming synergies and best practices for NRM through regional networks of excellence; • Development of improved methods for multi-scale assessment and monitoring of land degradation trends, and for impact monitoring of GEF investment in SLM; • Management of organic residues to optimize GEB in SLM (crop, livestock, wood residues); • Lifecycle analysis for organic agriculture, including potential GEB • Development of guidelines and tools for assessing ecosystem stability, resilience and maintenance of regulating services