



Convention to Combat Desertification

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Improving the procedures for communication of information as well as the quality and format of reports to be submitted to the Conference of the Parties

Consideration of best practices in the implementation of the Convention

Draft format and methodological guidelines for reporting on best practices on funding and resources mobilization

Draft format and methodological guidelines for reporting on best practices on funding and resources mobilization*

Note by the secretariat

Summary

The present document provides a conceptual framework for the identification of best practices on financing and resource mobilization (see decision 13/COP.9, annex V). Criteria are proposed for identifying, classifying and making the best use of such practices in the Convention process. The document builds on the review and compilation of best practices in sustainable land management technologies, including adaptation, which was the first step towards systematic use of best practices in the United Nations Convention to Combat Desertification context and particularly in the context of the 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018) (The Strategy). It acknowledges the proposals made in document ICCD/CRIC(9)/9, while also making a new proposal on the knowledge management system for best practices on financing and resource mobilization (theme 6). The Committee for the Review of the Implementation of the Convention may wish to consider the options presented in this document, and make relevant recommendations to the Conference of the Parties at its tenth session (COP 10).

* The document is submitted as received from the Global Mechanism, without formal editing. The content and the opinions expressed in this document do not necessarily reflect those of the secretariat.

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction and background	1–6	3
II. Proposed definition of best practices	7–11	5
III. Proposed classification of best practices	12–14	6
IV. Illustrative examples and lessons learned from experience	15–17	7
V. Principles and structure for reporting on best practices	18–21	9
VI. Making use of the information on best practices	22–29	10
VII. Conclusions and recommendations	30–33	12

I. Introduction and background

1. The 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018) (The Strategy) established that one of the key functions of the Committee for the Review of the Implementation of the Convention (CRIC) in reviewing the implementation of The Strategy is to document and disseminate best practices from experiences in implementing the Convention. Systematic documenting and dissemination of best practices was set as one of the priorities of the programme of work of the CRIC.¹ This was confirmed in the new terms of reference of the CRIC, adopted by the Conference of the Parties at its ninth session (COP 9), which state that the CRIC shall, among other functions, “review and compile best practices on implementation of the Convention and forward this information for consideration by the COP with a view to disseminating it”.²

2. The COP, in establishing the performance review and assessment of implementation system (PRAIS) of the Convention and of The Strategy,³ decided that review and compilation of best practices on the implementation of the Convention constitutes one of the four elements of the PRAIS.

3. The CRIC, at its seventh session, concluded that the secretariat should develop a common framework for the definition and selection of best practices for consideration by Parties. Based on a proposal formulated by the secretariat,⁴ Parties at COP 9 decided that best practices should be collected at the level of the CRIC according to the following seven thematic topics or “themes”:⁵

- (a) Sustainable land management (SLM) technologies, including adaptation;
- (b) Capacity-building and awareness-raising;
- (c) Desertification, land degradation and drought (DLDD), and SLM monitoring and assessment/research;
- (d) Knowledge management and decision support;
- (e) The policy, legislative and institutional framework;
- (f) Financing and resource mobilization;
- (g) Participation, collaboration and networking.

¹ ICCD/COP(8)/16/Add.1, decision 3/COP.8, annex, paragraph 16 (c) (iii).

² ICCD/COP(9)/18/Add.1, decision 11/COP.9, annex, paragraph 2 (c).

³ ICCD/COP(9)/18/Add.1., decision 12/COP.9.

⁴ ICCD/CRIC(8)/5/Add.5, paragraph 8.

⁵ ICCD/COP(9)/18/Add.1, decision 13/COP.9, annex V.

4. All reporting entities (affected and developed country Parties, entities reporting on the implementation of subregional and regional action programmes, United Nations agencies and intergovernmental organizations, the Global Environment Facility (GEF), the secretariat and the Global Mechanism (GM)), as well as accredited civil society organizations (CSOs), are invited to submit their best practices for consideration by the CRIC and the COP.⁶ Templates and reporting guidelines developed by the secretariat for reporting of all entities that are expected to submit reports in the period 2010–2011, include the template and reporting guidelines for submission of best practices on the theme selected for that reporting cycle.⁷

5. At its meetings on 1–2 March 2010 and 21–22 June 2010, the CRIC Bureau decided that:

(a) All seven themes identified in decision 13/COP.9, annex, for reporting on best practices (see paragraph 3 above) should be reviewed within the time frame of The Strategy;

(b) The theme to be addressed for the review of best practices at CRIC 9 will be “Sustainable land management (SLM) technologies, including adaptation”;

(c) The theme to be addressed for the review of best practices at CRIC 11 will be “Financing and resource mobilization”;

(d) A schedule for the review of best practices according to other themes will be established by the COP at its tenth session.

6. The CRIC Bureau also decided that:

(a) Deliberations of the committee on best practices should not focus on assessing and/or adopting a given practice as a “good” or “best practice”, but rather discuss how to support replication of best practices and aim to find ways for the knowledge presented to be distilled and translated into policy orientations for the COP to consider and adopt, as appropriate;

(b) A broad consultation process driven by civil society should be facilitated on how to effectively use information on best practices compiled for review by the CRIC; how to ensure their wide diffusion; and how to translate lessons learned into policy recommendations. The consultation process should be launched at CRIC 9, making use of an interactive format as much as possible, and should lead to further deliberations on how to handle best practices at COP 10;

(c) An evaluation of the first review on best practices should take place at CRIC 11.

⁶ Pursuant to decisions 11/COP.9, annex and 13/COP.9, attachment, accredited CSOs are also invited to organize themselves to prepare collaborative reports on their work for the implementation of the Convention for transmission to the sessions of the CRIC held between ordinary sessions of the COP and the focal points of the countries. At its meetings on 1–2 March 2010, the CRIC Bureau decided to invite accredited CSOs to report to CRIC 9 on best practices using the same template and guidelines as those being devised for the other reporting entities.

⁷ ICCD/CRIC(9)/INF.2, ICCD/CRIC(9)/INF.3, ICCD/CRIC(9)/INF.4, ICCD/CRIC(9)/INF.5 and ICCD/CRIC(9)/INF.8.

II. Proposed definition of best practices

7. Document ICCD/CRIC(8)/5/Add.5 provides definitions for ‘practice’, ‘good practice’ and ‘best practice’. These definitions are included in the common glossary to be referred to by Parties and other reporting entities when reporting to the United Nations Convention to Combat Desertification (UNCCD), in accordance with decision 13/COP.9, paragraph 8.

8. The theme “Financing and resource mobilization” addresses issues of best practices which contribute to strategic objective 4 (SO-4) and to operational objective 5 (OO-5) of The Strategy. Based on the definition of best practices in the context of the UNCCD, “best practices on financing and resource mobilization” can therefore be defined as the measures, methods or activities that are considered successful in terms of achieving outcomes 5.1, 5.2, 5.3 and 5.4 and contributing to expected impact 4.1 of The Strategy.

How financing and resource mobilization (theme 6) contribute to The Strategy⁸

Strategic objective 4	Operational objective 5
To mobilize resources to support implementation of the Convention through building effective partnerships between national and international actors	Financing and technology transfer
Expected impact 4.1: <u>Increased financial, technical and technological resources</u> are made available to affected developing country Parties, and where appropriate, Central and Eastern European countries, to implement the Convention.	<p>Outcome 5.1: Affected country Parties develop <u>integrated investment frameworks</u> for leveraging national, bilateral and multilateral resources with a view to increasing the effectiveness and impact of interventions.</p> <p>Outcome 5.2: Developed country Parties provide substantial, adequate, timely and predictable <u>financial resources to support domestic initiatives</u> to reverse and prevent desertification, land degradation and mitigate the effects of drought.</p> <p>Outcome 5.3: Parties increase their efforts to <u>mobilize financial resources from international financial institutions</u>, facilities and funds, including the Global Environment Facility (GEF), by promoting the UNCCD/sustainable land management (SLM) agenda within the governing bodies of these institutions.</p> <p>Outcome 5.4: <u>Innovative sources of finance and financing mechanisms</u> are identified to combat desertification, land degradation and mitigate the effects of drought, including from the private sector, market-based mechanisms, trade, foundations and civil society organizations (CSOs), and other financing mechanisms for climate change adaptation and mitigation, biodiversity conservation and sustainable use and for hunger and poverty reduction.</p>

⁸ The outcomes under OO-5 and the expected impacts under SO-4 considered in relation to best practices are only those explicitly referring to financing and resource mobilization, as proposed in ICCD/CRIC(9)/9.

9. In defining best practices for theme 6, it is important to differentiate between the term “financing” which refers to the delivery of funds and hence of financial resources, and the term “resources” which may refer to financial resources, as well as to human, technical and knowledge resources. Best practices on this theme could therefore refer to:

(a) *The financing procedures* which financing institutions use to deliver financial resources especially targeting SLM and UNCCD implementation (e.g. national institutions, bilateral and multilateral organizations, GEF, etc.);

(b) *The resource mobilization process*, which aims to mobilize resources in the broader sense, and therefore including financial, human, technical and knowledge resources (e.g. the Integrated Financing Strategy).⁹

10. **Best practices on financing procedures** can be identified using qualitative and quantitative information, which include among others:

(a) Source of finance (i.e. public or private, national budget or official development assistance, etc.);

(b) Terms and conditions for using these funds (e.g. loans or grants);

(c) Instruments and mechanisms used to deliver the funds (e.g. trust funds, budget support, basket funds, sector-wide and programmatic approaches etc.); and

(d) Quantity of funds delivered (i.e. amounts).

11. **Best practices on processes for resource mobilization** can also be identified using quantitative and qualitative information but may be more difficult to define because of the diverse nature of the resources involved, and in particular regarding:

(a) *Issues relating to the economic valuation of the resources*. While financial resources can be easily quantified, human, technical and knowledge resources can be measured through quantitative information (e.g. man/months, hours worked, number of knowledge events, etc.), but also entail intangible assets (e.g. experience, capacity, efficiency, etc.) which may be difficult to quantify, and yet be key determinants of success;

(b) *Issues of attribution of outcomes and impacts*. A process for resource mobilization requires partnerships and interaction between the diverse providers of the different resources, which make it difficult to establish a cause-effect relationship between the inputs to the process (which are provided by individual actors) and the outputs, outcomes and impacts produced by the same process (which may depend on different actors and factors, including those external to the process itself) since none of the actors involved has the overall control over the process, and the ensemble of the resources involved.

III. Proposed classification of best practices

12. In accordance with the best practice theme selected for review at CRIC 10, the methodological proposals put forward in document ICCD/CRIC(8)/5/Add.5 and the relevant COP decisions on this matter, this proposal will form the basis for the template on best practices relating to financing and resource mobilization to be uploaded onto the PRAIS as part of the next reporting cycle 2012–2013.

13. Best practices on “financing and resource mobilization” can be classified as follows:

⁹ See <http://www.global-mechanism.org/dynamic/documents/document_file/ifs_eweb.pdf>.

- (a) **By source of finance**, including internal (i.e. national budget), external sources (i.e. bilateral and multilateral donors), and the private sector;
- (b) **By implementing institution**, including government, international organizations, non-governmental organizations, and the private sector;
- (c) **By governance characteristics**, including best practices relating to the policy environment (e.g. sector policies, development frameworks, mainstreaming), and the institutional capacity to address SLM priorities;
- (d) **By technical and operational characteristics**, including the available resources (such as technologies, human resources and knowledge resources), and the partnerships involved in operations;
- (e) **By thematic areas addressed**, which may include crop land management and agriculture, rangeland management, woodland management, unproductive land restoration, human settlement, and others;¹⁰
- (f) **By innovative financial delivery mechanisms and instruments**, including climate change, trade, biodiversity, market-based mechanisms (e.g. subsidies, payment for environmental services (PES), eco-labelling, etc.) microfinance, eco-tourism, etc;
- (g) **By geographical scale**, including the extension of the area covered, the type of ecosystem(s) involved, the population targeted, etc.

14. The classification of best practices shall also take into consideration their relevance to The Strategy and to the UNCCD implementation framework. Therefore, the following elements also need to be taken into account:

- (a) Contribution to the strategic objectives of The Strategy (decision 3/COP.8);
- (b) Synergistic impact on the objectives of the other Rio conventions;
- (c) Thematic areas as defined in the Declaration on the commitments under the Convention to enhance implementation of the obligations of the UNCCD;¹¹
- (d) Linkages with the other themes of best practices as contained in decision 13/COP.9, annex V.

IV. Illustrative examples and lessons learned from experience

15. The GM is the UNCCD subsidiary body especially mandated “to increase the effectiveness and efficiency of existing financial mechanisms...[and] ...to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties”.¹²

16. The integrated financing strategy (IFS) is an example of best practice for resource mobilization which the Global Mechanism has been using in several countries in order to identify, assess and mobilize resources for SLM and implementation of the Convention. Building on the lessons learned from the IFS, a best practice on resource mobilization is a process that:

¹⁰ See thematic areas proposed for the classification of best practices for sustainable land management, including adaptation (ICCD/CRIC(9)/9, table 1).

¹¹ ICCD/COP(4)/11/Add.1, decision 8/COP.4, annex.

¹² Article 21 of the Convention.

- (a) Encompasses all the different types of resources, including financial, technical, human and knowledge resources;
- (b) Is flexible enough to enable continuous adjustments while taking into consideration the specific national context and the partners involved. For example the IFS aligns with the national budgeting process, and with the poverty reduction strategy paper and national development plans;
- (c) Is country-driven, and based on a consultative process with broad-based participation which serves to ensure ownership and commitment;
- (d) Builds on solid partnerships with different types of actors and stakeholders, including national governments, donors, development partners, civil society organizations, research institutions, etc.;
- (e) Is open to testing and mainstreaming innovative solutions for financing and supporting the implementation of the UNCCD, for example by engaging new sectors (e.g. trade) and actors (e.g. private sector).

17. Box 1 and box 2 below provide examples of how the IFS has helped to mobilize resources for SLM in Ethiopia and Cameroon.

Box 1

Example of the integrated financing strategy in Ethiopia

The combination of the TerrAfrica (TA) country investment strategic framework (CSIF) and the GM's IFS to create the Ethiopia Strategic Investment Framework (ESIF) for SLM, has proven to be a best practice worth replicating in other countries.

As part of the TerrAfrica Initiative, GM supported the ESIF formulation process by undertaking financial diagnostics to map out the sources and delivery mechanisms of different financial resources and instruments that could be mobilized to finance the ESIF based on effective mainstreaming, partnerships, alignment of partners' support with the ESIF, evidenced-based advocacy, achieving political buy-in at the highest level.

Financial sources identified for ESIF financing included budgetary resources (both domestic and overseas development assistance) with private sector and innovative resources also being identified. In addition, the requisite actions to promote an enabling environment for resource mobilization were spelled out and so were the human and institutional capacity requirements.

The ESIF is now being implemented with financial resources from government and development partners with over USD 100 million invested to date in the ESIF implementation from these sources.

Box 2

Example of the integrated financing strategy in Cameroon

In Cameroon, the IFS was validated by stakeholders in March 2011. It provides the national UNCCD focal point institution and other SLM stakeholders with an in-depth analysis of the financial flows for SLM and maps out key activities suggested to increase finance for SLM and NAP implementation. Following capacity enhancement and stakeholder consultation workshops organized by the UNCCD focal point institution in 2009, a multi-disciplinary team has been established to assess the costs of land degradation, the institutional context, the mainstreaming of SLM in national policies and the possibilities of mobilizing internal, external and innovative sources of finance. All

studies have been presented and discussed during national and provincial stakeholder consultation workshops and synthesized in the IFS. The implementation of the IFS is expected to strengthen coordination of SLM stakeholders, to improve the enabling environment and to develop a more efficient use of existing financial resources for SLM and NAP implementation and the mobilization of additional such resources.

V. Principles and structure for reporting on best practices

18. A best practice on financing and resource mobilization will have demonstrated success by significantly and measurably improving financial flows for SLM, and/or the engagement of human, technical and knowledge resources to promote SLM practices. A best practice should be able to be documented so as to adapt the best practice to different countries and/or regions to allow replication and up-scaling.

19. Reporting on best practices builds on the development of processes that detect and address problems and mainstream improvements in a timely manner. Such practices will provide continuous feedback on the efficient implementation of the process in achieving the expected results.

20. The following principles could be used to recognize a best practice on financing and resource mobilization and should therefore be taken into consideration when reporting on this topic:

(a) Financing and resource mobilization activities are constantly monitored and analysed in order to improve them;

(b) Focus on problems hindering the mobilization of finance and other resources, and on the potential cause of the problems and possible ideas for solving them;

(c) Changes designed to solve the problems and to facilitate access to funds and other resources are tested on a small or pilot scale first;

(d) Criteria for selecting solutions are established and solutions generated to address the root cause of problems;

(e) Solutions are shared, accepted and supported by the key actors and stakeholders affected by the desired changes;

(f) Solutions are implemented on a trial or pilot basis, and monitored continuously to verify that they actually contribute to the desired financing and resource mobilization objectives;

(g) Changes are implemented on a larger scale only if the trial or pilot experimental changes prove successful;

(h) All the actors and stakeholders affected by the changes cooperate in implementing them on a larger scale;

(i) A process of ongoing monitoring and feedback from experience is in place to ensure continuous and incremental improvements to refine the solutions;

(j) If the change leads to a desirable improvement or outcome, the solutions can be considered for replication in a different area.

21. In order to facilitate reporting on best practices on financing and resource mobilization through the PRAIS portal, the following draft guidelines are proposed:

- (a) **Describe the context** *Describe the context in which the best practice was developed. What type of project does the best practice refer to? Is the project part of an SLM investment framework?;*
- (b) **Identify the problems to be addressed** *Define the problems related to financing and resource mobilization, the related needs, and the areas for improvement. Identify the root causes of the problems;*
- (c) **Objectives** *What did you want to achieve through the best practice?;*
- (d) **Approach** *Describe the implementation of your successful approach to financing and resource mobilization. Outline specific information on activities carried out including relevant information on any key factors such as partnerships, timeframes, costs, etc.;*
- (e) **Challenges** *Were there significant challenges that you encountered in implementing your approach? If so, how did you overcome them?;*
- (f) **Results** *What were the results of your approach and how well did the outcome meet your goals? By what measure do you see this approach as successful?;*
- (g) **Recommendations** *How easily could this approach be adopted or adapted by other countries/regions? What recommendations do you have for other countries/regions looking to address a similar issue?;*
- (h) **Conclusion** *What lessons did you learn from the implementation of your “best practice”/“successful approach?” What would you do differently? Is this approach still in effect or have you accomplished your target goal?;*
- (i) **Additional notes** *Note any information you feel is relevant that was not covered in any of the above sections;*
- (j) **Supporting documentation** *Note any documents that demonstrate your approach or samples of materials used in your implementation that you are willing to share.*

VI. Making use of the information on best practices¹³

22. The framework for best practices recommended to CRIC 8 in consultation with the Bureaus of the CRIC and the Committee on Science and Technology (CST),¹⁴ provides for a twofold use of best practices collected in the UNCCD process:

- (a) Establish an experience-sharing platform that will allow the CRIC to draw on commonly agreed standardized practices and advise on measures, including policy measures, to be taken by the COP;
- (b) Develop a knowledge management system that will assist in the collection, identification and selection of best practices, with a view to facilitating replication and scaling-up.

¹³ This section, “Making use of the information on best practices” builds on the proposal already made in document ICCD/CRIC(9)/9 on the review and compilation of best practices in sustainable land management technologies, including adaptation. In particular, it acknowledges the twofold use of best practices, and reaffirms the role of the CRIC as described in the aforementioned document, while making a new proposal on the knowledge management system for best practices on theme 6.

¹⁴ See ICCD/CRIC(8)/5/Add.5, paragraph 24.

23. While the two proposed uses of best practices are obviously intertwined, and will necessarily feed into each other, the main difference lies in their different objectives. The former use will aim at facilitating the decision-making process and the translation of knowledge into policy recommendations whereas the latter use will provide stakeholders with evidence-based information of potential benefits in adopting such practices at the country and regional level. This framework can also be applied to the use of information on best practices on financing and resource mobilization.

24. The CRIC, according to its mandate, would use the compilation of best practices to extract from it the main principles emerging from the submissions made by Parties and other reporting entities, including through the PRAIS portal. The CRIC will formulate policy recommendations at global and regional levels, so that country Parties can translate best practices into national measures and policies facilitating large-scale application of those retained principles contained in the best practices. The intergovernmental process steered by the CRIC may also facilitate developing guidelines in order to address specific issues whose application by stakeholders including civil society and the business community will be voluntary in nature.

25. The CRIC and the CST already share the work relating to best practices. However, in the case of theme 6 on financing and resource mobilization GM would be better positioned to analyse best practices for the end purpose of facilitating replication and scaling up. In this regard, clear roles and responsibilities need to be defined by the COP.

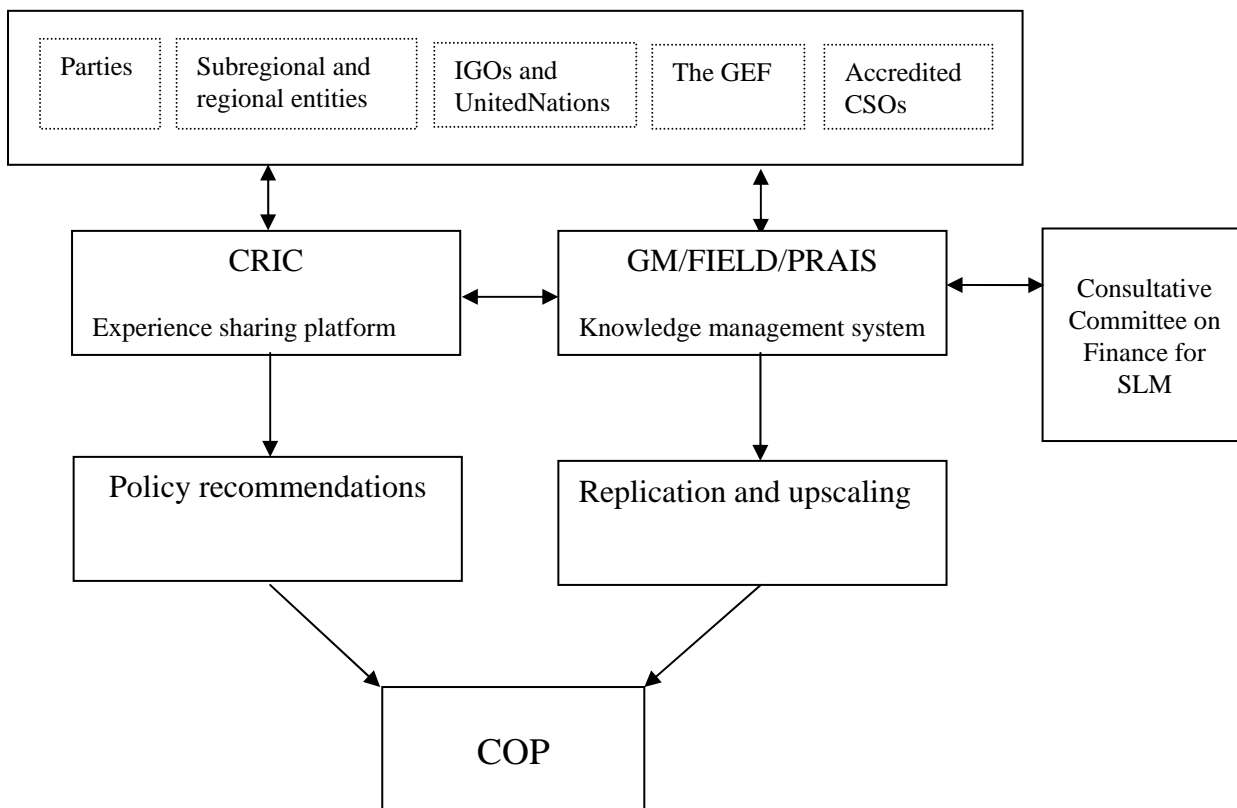
26. The PRAIS portal will be used as the primary source of information, given that it is populated with data originating from official communications to the UNCCD. Authoritative sources of information other than PRAIS should be used for cross reference and validity check, as well as for filling data gaps upon prior consent of the reporting entity as required.

27. Considering the institutional mandate of the GM, which makes it a facilitator of resource mobilization rather than a financing entity, a permanent consultative committee on financing and resource mobilization could be established under the COP to assist the GM in integrating best practices on theme 6 in the UNCCD knowledge management system. Such a consultative committee would gather the main financing institutions under the UNCCD (e.g. GEF, IFAD, etc.) as well as bilateral donors and beneficiary country representatives.

28. The committee could meet on a regular basis at each COP and CRIC to discuss the main challenges relating to finance for SLM under the UNCCD at country and subregional levels, and to jointly find possible solutions to address these challenges. Building on the best practices identified, the committee could also make proposals to the COP on how to facilitate replication and up-scaling of best practices on theme 6.

29. The diagram below illustrates the main actors, procedures and activities relating to the collection of best practices on financing and resource mobilization.

Diagram. Main actors, procedures and activities relating to the collection of best practices on financing and resource mobilization (theme 6)



VII. Conclusions and recommendations

30. The present document builds on the review and compilation of best practices on SLM technologies, including adaptation, which was the first step towards a systematic use of best practices in the UNCCD context, and particularly in the context of The Strategy, in line with the common template and guidelines for all reporting entities in 2010.

31. This document acknowledges the proposals made in document ICCD/CRIC(9)/9 with regard to the classification and use of information on best practices and it reaffirms the role of the CRIC as described in the aforementioned document while making a new proposal on the knowledge management system for best practices on financing and resource mobilization.

32. The recommendations below are provided in order to assist the development of a comprehensive framework on best practices to be established at COP 10.

33. To this end, Parties at COP 10 may wish:

- (a) To invite the reporting entities to continue reporting on best practices, irrespective of the expiry of the formal deadline for submission of reports on a particular theme, in order to increase the knowledge base of the Convention and the CRIC;

(b) To request the secretariat to continue working on the development of the PRAIS portal on best practices and request the GM to ensure that all submissions on best practices are classified and made available regardless of the date of submission;

(c) To recommend to the COP, at its tenth session, to endorse the classification of best practices for theme 6 as outlined in the present document ICCD/CRIC(10)/16;

(d) To recommend that a proposal be prepared for CRIC 11 to clarify the roles and responsibilities of the two subsidiary bodies in the work related to best practices for theme 6;

(e) To recommend that a consultative committee on finance for SLM should be established under the COP, and that the related terms of reference are drafted for CRIC 11;

(f) To invite relevant intergovernmental organizations, civil society organizations, international financing institutions, and United Nations bodies to provide their input to the consultation process in order to build a basis for the development of a knowledge management system that will serve for the replication and scaling-up of best practices for theme 6;

(g) To request the subsidiary bodies of the COP and the Convention institutions to include consideration of these recommendations in their respective 2012–2013 work programmes, following the results-based approach, with a view to providing the required assistance for the establishment of the UNCCD best practices system, according to their respective mandates.
