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GLOBAL MECHANISM

**Review, pursuant to article 21, paragraph 7, of the Convention,
of the policies, operational modalities and activities of the
Global Mechanism, and the provision of guidance to it**

Note by the secretariat

Article 21, paragraph 7 of the Convention stipulates that the COP shall, at its third ordinary session, review the policies, operational modalities and activities of the GM accountable to it pursuant to article 21, paragraph 4, taking into account the provisions of article 7, and that, on the basis of this review, it shall consider and take appropriate action. By its decision 9/COP.3, the COP decided, among other matters, that the second review of policies, operational modalities and activities of the GM would take place at the sixth session of the COP in 2003. At the request of the President of COP 5, an independent evaluation of the GM has been undertaken and its results are contained herein.

SUMMARY

The president of the Conference of the Parties (COP) of the United Nations Convention to Combat Desertification (UNCCD) has requested an independent evaluation of the Global Mechanism (GM). The evaluation team (ET) proceeded to perform a desk review, formulate questionnaires, conduct interviews, and analyse available data. To avoid duplication and to ensure efficiency, the ET chose to cooperate with the World Bank's Development Grant Facility (WB DGF) evaluation team and to share ideas on looking forward. This report contains a systematic analysis of COP decisions and of GM documentation of its operations, an assessment of the context in which the GM operates, a review of the role of GM-related institutions, and a series of detailed recommendations.

The main findings of this independent evaluation of GM operations are the following:

(a) The GM has received many definitions and directions from the COP about its mandate, some apparently contradictory;

(b) The GM has operated in a context of stagnating official development assistance (ODA) and a lack of clear commitment to the UNCCD by developed countries as well as a lack of clear UNCCD prioritization in developing countries;

(c) The GM has chosen to focus its activities on the demand side - that is, it has supported the formulation of national action programmes (NAPs) and the mainstreaming of these NAPs in developing country Parties strategies. Meanwhile, it has developed few activities in the donor community, whether bilateral or multilateral, and almost no activities with non-ODA/non-multilateral sources. Concentrating its resources on process activities, the GM has stimulated or focused demand in developing country Parties in a way that is appreciated by many of them. Yet it has not been able to mobilize new sources of financing.

Looking forward

In a context of stagnating ODA flows, the GM should modify both its priorities and the way it operates by enhancing its partnership with the International Fund for Agricultural Development (IFAD) through improved integration, with the UNCCD secretariat through a joint work programme, and with the Facilitation Committee (FC) by formulating focused requests and by building a global network. It should also revitalize its relationship with non-governmental organizations (NGOs). In addition, the GM must work on the supply side of the financing equation by securing commitments to the UNCCD from bilateral and multilateral institutions and by exploring the untapped resources of the private sector, foundations and non-ODA/non-multilateral donors, including emerging carbon financing.

A clearer understanding of UNCCD interveners could enhance the efficiency of the GM if the UNCCD is presented as a development convention rather than as an environmental convention, if the GM concentrates on multiplying the sources of funding, and if the GM begins to channel monies toward substantive activities rather than process-related activities.

The GM Partners can also uphold their support in order to improve the relevance and impact of the GM.

(a) The host institution should better integrate the GM and should follow up on its commitment to allocate US\$ 100 million annually for UNCCD implementation through support of NAP-related projects;

(b) Developed countries must facilitate access to Global Environment Facility (GEF) funds for the UNCCD;

(c) Developing countries must assess the present relevance of their use of environmental institutions in trying to secure ODA;

(d) The COP should reiterate that the UNCCD is a development tool, consistent with Millennium Declaration obligations, World Summit on Sustainable Development (WSSD) orientations, and the World Bank's Poverty Reduction Strategy Paper (PRSP) principles;

(e) FC members should adopt a systematic strategy toward supporting the GM.

CONTENTS

	<u>Page</u>
I. BACKGROUND INFORMATION	5
II. METHODOLOGY	5
III. THE MISSION OF THE GLOBAL MECHANISM WITHIN THE UNCCD FRAMEWORK.....	6
IV. THE OPERATIONAL MODALITIES OF THE GLOBAL MECHANISM	7
V. THE GLOBAL MECHANISM IN THE RESOURCES MOBILIZATION CONTEXT.....	9
VI. THE GLOBAL MECHANISM IN THE INSTITUTIONAL FRAMEWORK: PARTNERSHIPS AND COLLABORATION.....	11
VII. LOOKING FORWARD: BACK TO BASICS - RESOURCE MOBILIZATION	13
VIII. ASSESSING THE DYNAMICS OF UNCCD INTERVENERS.....	16
IX. CONCLUSIONS AND RECOMMENDATIONS	16
<u>Annexes</u>	
I. Bibliography	19
II. Summary of stakeholder consultation.....	20

I. BACKGROUND INFORMATION

1. The GM, as stipulated in Article 21, paragraph 4 of the UNCCD, was established to increase the effectiveness and efficiency of existing financial mechanisms for implementation of the Convention. It was also mandated to promote actions leading to the “mobilization and channelling of substantial financial resources, including the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties”. The terms of reference for the GM (Article 21, paragraph 5) specify the tasks to be undertaken.
2. In accordance with Article 21, paragraph 7, of the Convention, the COP was to review policies, operational modalities and activities of the GM at its third session. The first review was therefore undertaken at COP 3, on the basis of the report submitted by the President of IFAD (ICCD/COP(3)/11). The report included an assessment of the actions undertaken by the GM during the period under review in order to facilitate the review by the COP. Some recommendations were made on this occasion, including on the GM’s operational strategy and its relationships with its main stakeholders. These recommendations are set out in decision 9/COP.3. Decision 9/COP.3 also stipulates that this review exercise be repeated at COP 6 in 2003.
3. It is within this context that this independent study is undertaken, with a view to providing the COP with the elements it needs to inform its second review of the policies, operational modalities and activities of the GM. It is expected that the COP will use all the information made available to it for this review, including yearly reports presented to the COP by the president of IFAD. The report presented here was commissioned under the aegis of the COP president. As per standard practice, the GM should be submitting a report on its activities at COP 6.

II. METHODOLOGY

4. In proceeding with its task, and in conformity with the terms of reference of the evaluation, the independent evaluation team, composed of Mr. Pierre Marc Johnson (lead evaluator), Mr. Youba Sokona (evaluator), and Mr. Karel Mayrand (adviser), decided to work in a complementary manner with the WB DGF evaluation team. This decision was taken to avoid duplication in interview processes, to increase efficiency in data gathering, and to share a common database as well as analytical concepts in terms of forward-looking activities of the GM.
5. As required by the terms of reference applicable to this study, a documentary analysis was conducted to compare the mission of the GM, as defined in Article 21 of the UNCCD and relevant COP decisions, with GM activities and operational modalities. This analysis was performed to assess the relevance and impact of GM activities, as well as the suitability, sustainability and adequacy of GM operational modalities since the inception of the GM.
6. In addition, extensive consultations were conducted with stakeholders throughout the evaluation to assess the relevance and impact of GM activities and to collect stakeholders’ perceptions of the role and activities of the GM. The methodology used by the two evaluation teams involved consulting all UNCCD focal points through a short questionnaire and conducting interviews with selected country and institutional stakeholders. Country stakeholders were selected with the intention of obtaining a balanced regional representation. In addition to UNCCD focal

points, various country stakeholders were consulted, including NGOs. A comprehensive questionnaire was sent to country stakeholders before interviews were conducted with them.

7. Overall, 141 short questionnaires were sent to UNCCD focal points, and 32 responses were received; 43 comprehensive questionnaires were sent and 20 responses received. With regard to the interviews, 117 were conducted with client countries, bilateral and multilateral donor institutions, GM staff, the UNCCD secretariat, members of the COP Bureau, members of the Committee for the Review of the Implementation of the Convention (CRIC) Bureau, members of the FC and other stakeholders. A summary of these consultations is presented in the annex to this report.

III. THE MISSION OF THE GLOBAL MECHANISM WITHIN THE UNCCD FRAMEWORK

8. The mission, role and functions of the GM, as provided in Article 21 of the UNCCD, were detailed or clarified by a series of COP decisions. More precisely, Article 21, paragraph 4 of the Convention defines the core mission of the GM in the following manner:

In order to increase the effectiveness and efficiency of existing financial mechanisms, a Global Mechanism to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties, is hereby established. This Global Mechanism shall function under the authority and guidance of the Conference of the Parties and be accountable to it.

9. Accordingly, decision 24/COP.1 defined the functions of the GM, reiterating the GM's mission to promote actions leading to the mobilization and channelling of substantial financial resources in order to increase the efficiency and effectiveness of existing financial mechanisms. Decision 24/COP.1 sets out four core functions of the GM:

- 1) Collecting and disseminating information;
- 2) Analysing and advising on requests;
- 3) Promoting actions leading to cooperation and coordination;
- 4) Mobilizing and channelling financial resources.

10. The vast majority of stakeholders consulted believed that of the four functions, the fourth, mobilizing and channelling financial resources, was the most important, followed by functions 3 and 1. Function 2 generally scored lowest in stakeholders' rankings.

11. Decision 25/COP.1 established a series of core operating principles to guide the GM. The first of these principles is that the GM should be *demand-driven, but also pro-actively responsive to the needs and priorities of Parties*. The other operational principles call for the GM to be:

- oriented towards issues of finance (including for the transfer of technology);
- non duplicative of existing mechanisms and facilities, but adding value to these;
- non-monopolistic and geared towards promoting multi-source, multi-channel financing;
- highly flexible in operations, responding to emerging opportunities;
- lean and efficient, drawing on other institutions.

12. Article 21 of the Convention and subsequent decisions made at COP 1 established the GM as a broker/facilitator for channelling of financial resources for the implementation of the UNCCD, with the aim of increasing the effectiveness of existing resources. These decisions positioned the GM at the intersection of supply (donor countries) and demand (affected developing countries). The perception of several stakeholders, according to the survey and interviews conducted, is that the GM did not position itself as originally intended by the COP, choosing instead to focus on the demand side.

13. Decisions and recommendations made at subsequent sessions of the COP added precision to these functions and principles. They emphasized the importance of supporting the needs of the affected developing country Parties, especially in the development and implementation of NAPs as primary tools of the Convention.

IV. THE OPERATIONAL MODALITIES OF THE GLOBAL MECHANISM

14. The context of the establishment of the GM was thus one of anticipated challenges in obtaining new and additional resources as well as one of a limited institutional base. The GM began to function in late 1998, and it gradually became operational as the staffing process progressed. The GM's staff resources were fully deployed only in 2002 when it employed 15 permanent professionals, nine of whom are financed by COP contributions. This recent and gradual institutional development is an important element of an assessment of the impacts of the GM since its inception.

15. Sixteen affected developing country Parties had already developed their NAPs when the GM was established. Since then, 47 Parties to the UNCCD have completed their NAPs and several of these have submitted assistance requests to the GM. The GM has received nearly 100 requests for support for NAPs, subregional action programmes (SRAPs) and regional action programmes (RAPs) since 1999. Responding to this demand has constituted an important challenge for such a new institution. Most stakeholders consulted believed that the GM had not been able to respond to all requests in a timely fashion, although several expressed doubts about its capacity to satisfy such an overwhelming demand.

16. The GM's approach to trying to respond to the demand was crystallized in the adoption of an operational strategy. In response to a request made by the COP in decision 9/COP.3, this operational strategy was presented at COP 4. The strategy was organized around three main axes - demand, supply, and outreach - and it was intended to facilitate the matching of supply and demand by intervening in each of the three axes.

17. The analysis conducted for this evaluation of GM activities reveals that the GM invested most of its resources in the demand side. This decision was based on its assessment that the existing policy environments in most affected developing country Parties were inadequate for attracting financing for UNCCD projects, notably because of insufficient mainstreaming of NAPs into national and sectoral planning frameworks. Consistent with this assessment, the GM has made mainstreaming activities, and the strengthening of NAPs as policy tools, the cornerstone of its strategy.

18. The GM based its approach on three operational concepts: partnership building, mainstreaming and multiplier effect. Concretely, these principles and strategic orientations were implemented through three types of activities:

- collection and dissemination of information;
- support for enabling activities;
- provision of catalytic resources.

19. The GM undertook to fulfil its mandate as an information broker through the development of the Financial Information Engine on Land Degradation (FIELD). FIELD is “an interactive knowledge management system for searching, collecting and disseminating information relating to UNCCD financing”. The GM also initiated a series of enabling activities designed to support the formulation of NAPs and to facilitate their implementation through mainstreaming activities. Toward this end, the GM developed a *Generic Road Map for Partnership Building and Resource Mobilization*. The road map is a methodology for supporting affected developing countries in mobilizing stakeholders, mainstreaming desertification in national strategic development frameworks, and defining appropriate financial mechanisms for priority areas to combat desertification.

20. The road map approach was expected to improve the funding environment and attract substantive resources to affected developing countries. But there is little evidence yet that this approach has generated concrete results in terms of resource mobilization. The perception of several stakeholders consulted is that the road map approach is resource-intensive and not sustainable in the long run at the GM’s current levels of staff and financial resources. In addition, many affected developing country stakeholders believe that this approach is adding an unnecessary burden to their efforts towards UNCCD implementation.

21. The GM also intervened through the provision of catalytic resources from its own budget. The rationale for such an intervention was that seed funding would generate the multiplier effect and attract significant investments. The GM anticipates that the multiplier effect will be measurable in terms of substantive investments and, first and foremost, will lead to qualitative improvements in the financial environment and increased resource mobilization. The GM also used its resources to support the development of projects to be financed by the GEF.

22. Consulted stakeholders who received support from the GM were generally satisfied with the services they received, although most mentioned that the GM interventions had not led to the mobilization of resources for substantive activities. Other stakeholders stressed that the GM had been unable to deliver services in a timely and consistent manner. Many stakeholders also expressed doubts about the relevance and impact of the provision of process-related funding.

23. The general perception among stakeholders is that in spite of dedicated efforts, the GM has failed to find its niche and has expanded the range of its services and activities beyond the scope of its original core mission. This perceived lack of focus and strategic vision is reflected in the inability of the GM to develop a clear and concise business plan more than five years after its creation in 1998.

V. THE GLOBAL MECHANISM IN THE RESOURCES MOBILIZATION CONTEXT

24. Although it is often referred to as an environmental convention, there is an increasing recognition among development actors - reflected in consultations with stakeholders - that the UNCCD is in essence a sustainable development convention - that is, a convention that addresses the linkages between land degradation and poverty in rural drylands. In that context, the plan of implementation of the WSSD referred to the UNCCD as one of the strategic tools for eradicating poverty. The report called for “the provision of adequate and predictable financial resources to implement the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, as one of the tools for poverty eradication” (A/CONF.199/20).

25. In addition to having this environment/poverty focus, the UNCCD is in essence an instrument designed to foster bottom-up approaches in defining support for poor drylands communities. Several provisions of the Convention support this observation because they refer to stakeholder consultation and mobilization, the active participation of NGOs, and an overall participatory approach to the formulation and implementation of NAPs. These characteristics of the UNCCD make it a primary tool for fighting poverty and land degradation in the drylands.

An overview of financial flows toward desertification-related activities

26. Despite the UNCCD’s strengths as a strategic tool aiming at both protecting the environment and eradicating poverty, the level of financial support for desertification-related activities has stagnated during the past decade. This stagnation is in keeping with the overall trend of official development assistance (ODA) during the past decade. In 2002, members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) reported a collective commitment of US\$ 57 billion in ODA (OECD, 2003). In nominal terms, ODA flows have been stable for the last 10 years.

27. According to a report presented by DAC members at the WSSD, 18 DAC members allocated US\$ 2.2 billion to 2,814 desertification-related projects in 1998–2000 (OECD, 2002). These projects focused mainly on water supply, agriculture, forestry, environmental protection and rural development. This sum represents an average of US\$ 700 million a year in bilateral ODA flows toward countries affected by desertification. Only three countries - Germany, the Netherlands and Japan - accounted for 70 per cent of this commitment. In addition, most of these ODA flows were channelled outside the UNCCD framework. Indeed, out of the 2,814 desertification-related projects, none of the 943 directly targeting UNCCD issues as their primary goal referred to NAPs.

28. Between 1996 and 2001, almost 75 per cent of all financial resources directed toward desertification-related activities were allocated by multilateral financial institutions (MFIs) (OECD, 2000). During these five years, MFIs allocated more than US\$ 20 billion to desertification-related activities, or 22.4 per cent of their total aid portfolios, compared with US\$ 6 billion, or only 3.3 per cent from bilateral donors over the same period. Taken together, the private sector, NGOs, and private foundations accounted for only 1 per cent of aid flows toward desertification-related activities (OECD DAC: 2002).

29. The donor community also contributed to the institutional development of the Convention through its support of the secretariat and of the GM. This contribution took the form of support for administrative expenses or for specific activities such as workshops, seminars or the work of external consultants. Voluntary contributions to the second and third accounts of the GM totalled US\$ 12,071 million between 1998 and 2002. For 2002, this figure was US\$ 4.1 million.

30. Despite this ongoing support of the UNCCD process, no change is observable in the general trend of ODA directed toward substantive activities in areas affected by desertification. Indeed, more than six years after the entry into force of the Convention and five years after the effective creation of the GM, there has been no increase in the channelling of financial flows toward desertification-related activities in affected developing countries. In addition, many of the stakeholders consulted expressed concerns that support for the implementation of NAPs has not met expectations. This situation is impeding the sustainable progress of the Convention.

Causes of the stagnation of ODA flows toward drylands

31. Several causes can be put forward to explain this stagnation in ODA flows toward desertification-related activities. First, the Convention does not call expressly for new and additional resources. Rather, it requires the Parties to: “mobilize substantial financial resources, including grants and concessional loans, in order to support the implementation of programmes to combat desertification and mitigate the effects of drought” (Article 20, paragraph 2(a)). Expectations were raised but not met.

32. Second, the UNCCD is only one of many mechanisms for channelling aid flows toward development activities in rural drylands. Figures published by OECD DAC reveal that some ODA resources are allocated to desertification-related activities, but they are usually channelled outside the UNCCD framework and without formal links to the NAPs. This finding suggests that the mainstreaming of the UNCCD has not been completed within OECD countries. It can be safely assumed that the UNCCD has penetrated OECD development agencies at the policy level, but has not yet reached regional divisions or country offices.

33. The situation in affected developing countries mirrors the situation observed in developed countries. Indeed, it seems that in their communications with donors, few affected developing countries mention desertification or NAPs among their priorities, suggesting that the UNCCD has not reached the planning and development authorities in most affected developing countries. This observation is confirmed by consultations conducted with bilateral and multilateral donor agencies.

34. Finally, if, on the one hand, the UNCCD is perceived primarily as an environmental convention, such a perception decreases its appeal as a tool for development and poverty alleviation. On the other hand, if the UNCCD is perceived as a development convention, it appears awkward to various parties that it should be administered by government environmental institutions because they are not the usual conduits of development money flows. This situation limits access to an important pool of financial resources that are not primarily directed toward environmental issues, but which could have significant impacts on development in the drylands if they are increasingly channelled into the UNCCD framework.

35. These factors converged to stall the mobilization of substantial financial resources toward the implementation of the Convention. As a result, the GM ended up in a difficult situation; it was

receiving multiple demands from affected developing countries to finance the formulation or implementation of NAPs in a financial environment in which few resources were being made available for implementation of the UNCCD. In addition, although most NAPs may be of interest as strategic policy documents resulting from extensive stakeholder consultations, very few if any of them have appeared to be adequate financing instruments in the view of donor agencies.

36. In fact, activities flowing from NAP funding must compete with many other priorities at the developing country level as well as at the donor community level. The limited resources of the GM are thus in a territory chartered and occupied by considerable human resources and specialized agencies in the field of development. As a result of both this context and the GM's operational strategy, the GM's interventions have produced limited tangible, measurable results in terms of financial support for substantive activities to combat desertification, including in countries and regions where the mainstreaming process has been a success.

VI. THE GLOBAL MECHANISM IN THE INSTITUTIONAL FRAMEWORK: PARTNERSHIPS AND COLLABORATION

37. The GM operates in a complex institutional environment that has significant potential for collaboration and synergetic actions. The Convention created what was intended to be a lean, efficient instrument designed to foster, nurture and execute facilitation and mobilization toward increased flows in order to fulfil the objectives of the Convention. These characteristics are a central element in defining the GM's operational role - its niche - within the existing institutional structure. In addition, given the modest size of the GM and the nature of its mission, it must promote synergies and partnerships in order to maximize impacts in terms of resource mobilization and efficiency.

Status of the Global Mechanism within IFAD

38. The "Memorandum of Understanding between the Conference of the Parties of the UNCCD and the International Fund for Agricultural Development Regarding the Modalities and Administrative Operations of the Global Mechanism" (ICCD/COP(3)/10)) provides that "[w]hile the Global Mechanism will have a separate identity within the Fund, it will be an organic part of the structure of the Fund directly under the President of the Fund". The organic relationship between the GM and IFAD is an essential feature and an important asset for the GM.

39. The memorandum of understanding (MOU) between the COP and IFAD regarding the modalities and administrative operations of the GM (ICCD/COP(3)/20/Add.1) provides that the GM functions "under the authority of the Conference and [is] fully accountable to the Conference". The GM's reporting requirements are defined in very broad terms in the MOU. More precision could be added to these reporting requirements to allow a closer examination and monitoring by the COP of the GM's impact on the mobilization and channelling of substantial financial resources. The use of benchmarks, timelines and indicators could be useful in that regard.

40. In its revised proposal to host the GM presented at COP 1 in 1997, IFAD offered to provide US\$ 100 million from its lending programme in support to the UNCCD process. In the proposal IFAD stated that it would " earmark US\$ 100 million of its overall annual financial assistance to drylands of US\$ 250–300 million, as well as institutional capacity, for investment in NAPs and

their associated projects in conjunction with other donors. It is expected that this amount of US\$ 100 million would leverage between US\$ 100 to 150 million of resources from other sources of finance". This proposal has still not been fully deployed.

41. In its first years of existence, the GM found in IFAD an appropriate and committed host institution. However, some difficulties in fostering programmatic convergence led to a lower level of resource commitment by IFAD. A deeper integration of the GM into the structure of IFAD could strengthen the organic aspect of their relationship and lead to a higher commitment of resources.

The relationship between the Global Mechanism and the UNCCD secretariat

42. From the entry into force of the Convention in December 1996 to the deployment of the GM's activities in 1998-1999, the UNCCD secretariat assumed responsibility for providing support to affected developing country Parties for the formulation of their NAPs. This support involved financial and technical assistance for enabling activities such as workshops, seminars, and national NAP processes. This effort by the secretariat helped to initiate the formulation of NAPs and to mobilize affected developing Parties for implementation of the Convention.

43. Although the missions of the secretariat and the GM are well defined in the Convention, the GM's operational deployment led to some overlaps in mandates and activities, especially with regard to financial and technical support for the development and implementation of NAPs. This situation led to some confusion among Convention stakeholders about each organization's role, and a perception that there was a lack of coordination among them. After a period of adjustment, this situation evolved, and the operational collaboration between the secretariat and the GM has significantly improved in the past year.

The Facilitation Committee

44. The Facilitation Committee (FC) was created to coordinate the support from the GM's partner institutions¹. More precisely, the role of the FC is to support and advise the Global Mechanism on how to develop its operations and scope, and to further collaboration and forge systematic links between the institutions collaborating to support the GM (ICCD/COP(1)/11/Add.1). The FC and its members play a central role, on a collective and individual basis, in supporting the fulfilment of the GM's mission as defined in Article 21, paragraph 4, of the UNCCD. However, there is a general perception among consulted stakeholders, including FC members, that the FC has not yet played this role fully, having so far adopted essentially a wait-and-see approach.

45. Enhanced FC support would require improved programmatic convergence and a stronger commitment from member institutions to facilitate a greater flow of resources toward drylands. Within its mandate, the FC could seek to strengthen operational synergies and programmatic convergence among member organizations in land degradation activities, with the objective of better incorporating the UNCCD and the work of the GM in activities from policy level down to field level. The GM could also benefit from partnerships with financial institutions and from a

¹ The FC is composed of the World Bank, the regional banks, the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNEP), the International Fund for Agricultural Development (IFAD), the International Center for Agricultural Research in the Dry Areas (ICARDA), the Food and Agriculture Organization (FAO) of the United Nations, the Consultative Group on International Agricultural Research (CGIAR), the Global Environment Facility (GEF), and the UNCCD secretariat.

greater collaboration with GEF implementing agencies in the development of actions and projects relating to the new GEF window on land degradation.

Bilateral donors

46. Bilateral donor agencies also constitute for the GM a prime source of support. They can contribute to the fight against desertification through their land degradation activities as well as through their direct support of UNCCD implementation. Since the entry into force of the Convention, bilateral donors have provided the GM, the secretariat of the UNCCD and affected developing country Parties with some resources to support the formulation of NAPs and SRAPs through the organization of stakeholder consultations and other enabling activities. This involvement has been key in the formulation of 63 NAPs in six years.

47. However, as revealed by OECD DAC data, the channelling of existing bilateral ODA resources toward the implementation of UNCCD-related projects has not met expectations, suggesting that the UNCCD mainstreaming process is also incomplete within most OECD development agencies. The GM could explore, in collaboration with its donor country partners, strategies for fostering a greater transmission of UNCCD objectives and strategies from policy level to operational level.

48. There is also some potential for strengthening collaboration and synergy among bilateral donors. Given the stagnation of ODA resources, increased convergence in bilateral ODA flows to land degradation activities could increase the impacts of current resources. The GM, in collaboration with its donor country partners, could intensify actions to promote the conclusion of multipartite partnership agreements in those affected developing country Parties which demonstrate a high commitment to the UNCCD.

VII. LOOKING FORWARD: BACK TO BASICS - RESOURCE MOBILIZATION

49. Almost seven years after the entry into force of the Convention and nearly five years since the effective creation of the GM, lessons can be drawn about the mobilization of resources for UNCCD implementation. Indeed, it appears essential to look forward towards those strategies and approaches that might increase the level of resources available for UNCCD implementation. The GM can play a significant role in increasing financial flows for such implementation, provided that it adopts an innovative and strategic approach to doing so.

Defining a new understanding of the UNCCD

1. A sustainable development convention

50. In the first years of its existence, the UNCCD has suffered from the perception that it is in essence an environmental convention. The WSSD clearly recognized it to be a convention designed to contribute to sustainable development and to be a primary tool for fighting poverty in the rural drylands through combating desertification. In that context, the GM, in collaboration with members of the FC and bilateral donor agencies, should work to improve access to development resources for UNCCD-related projects.

2. *A new focus on the supply side*

51. The UNCCD gives formal recognition to the existence of an important demand for resources to fight poverty and land degradation in affected developing countries. However, the Convention also indicates that this demand - by and large - will have to be satisfied within the limits of existing ODA resources. As a consequence, the GM must “increase the effectiveness and efficiency of existing financial mechanisms” (Article 21, paragraph 4) and mobilize new and additional resources outside the traditional ODA.

52. Until now, the GM has focused on the demand side of the financing equation, trying to improve the policy context in affected developing countries in order to create the conditions under which resources would be mobilized for UNCCD implementation. In doing so, it has invested much of its resources in supporting the refinement and upgrading of NAPs through what are known as mainstreaming and road mapping activities. This process-oriented approach has turned out to be a resource-intensive and low-impact strategy that is not sustainable in the long run. The GM should therefore refocus its strategy and its resources onto mobilizing the supply side in order to generate the maximum impact, leaving to the affected developing countries the responsibility for mainstreaming activities flowing from the NAPs in their national planning and development activities.

3. *From process to substantive action*

53. Combating poverty and land degradation requires improving agricultural and pastoral practices, irrigation, the use of natural resources and land management. It also implies community empowerment and local development. These substantive activities must be carried out in the affected developing countries. It is more necessary than ever, therefore, to channel resources into these countries in an effective and efficient manner. This will require incorporating the UNCCD into the development arena. All UNCCD partners, including the GM, the secretariat, members of the FC, the COP, the CRIC, and developed and affected developing country Parties, as well as NGOs, have a duty to participate in this undertaking.

Building partnerships

54. Based on a clearer definition of what is to be expected of the GM and a clearer vision of the UNCCD as a development tool rather than strictly an environmental convention, a new impetus should be given to UNCCD implementation. Not only should existing ODA resources be immediately channelled into desertification-related activities, but also new resources should be mobilized from NGOs, the private sector and foundations. Moreover, a collective effort is needed to foster financing for UNCCD’s substantive implementation activities - beyond the funding of process activities. The strengthening and deepening of existing partnerships between the GM and other UNCCD actors will be key in this regard.

1. *A deeper integration within IFAD*

55. The GM, by virtue of its relationship with IFAD, its host, is well positioned. It should capitalize on this intimate relationship and develop greater synergy with IFAD in terms of resource allocation and programming. IFAD contributed significantly to the establishment of the GM by offering institutional support to the new organization. It should now collaborate more closely with

the GM to develop an organic relationship which would provide the GM with a greater catalytic impact on resource mobilization through synergetic action with its host organization. In this regard, IFAD should fully implement its commitment to allocate US\$ 100 million annually to UNCCD implementation through support of NAP-related projects.

2. *A closer working relationship with the secretariat*

56. As two instruments created by the Convention, the secretariat and the GM must deepen and intensify their working relationship, both at the strategic managerial level and at the operational level. These steps could be taken through a joint work programme formulated by the two organizations with a view to maximize the impact of resources and actions, avoiding duplication and overlaps, and tapping into the expertise, added value and network of each organization in a collaborative manner as NAPs and SRAPs or parts of them are implemented.

3. *Greater NGO involvement*

57. The second COP requested the Global Mechanism “to establish an ongoing process for consultation and collaboration with non-governmental organizations as well as with the private sector” (decision 18/COP.2). The GM has worked with NGOs through the Community Exchange and Training Programme (CETP), which was conceived to promote the sharing of expertise at the community level. Although this initiative is valuable, the GM should also invite NGOs to act as key partners in the mobilization of resources and their channelling to local communities. In fact, NGO involvement should go beyond information sharing and become a central aspect of the GM’s work. For example, the FC should offer seats to a limited number of NGO observers. These observers could bring to the FC their valuable networking expertise and experience, raising awareness about the Convention in donor countries and promoting the involvement of alternative financial resources to ODA, such as foundations and the private sector.

4. *Building a global network of partners within institutions*

58. The new partnership proposed between the GM and its partner institutions could be implemented through the development of a global network of GM focal points and correspondents within partner institutions. As a small and lean organization, the GM must, in order to be efficient, build on the resources, expertise and network of its partners, especially the members of the FC and international NGOs. In addition, bilateral donors and *chefs de file* could appoint GM correspondents at the country level. This approach would contribute to the outreach and impact of the GM and support the mainstreaming of the Convention at global, regional and national levels.

Finding a niche for the GM

59. The GM must play the role of a neutral and efficient financing and information broker. In order to do so, it must position itself at the intersection between the donor community (supply) and the affected developing countries (demand). This delicate positioning exercise may require some adjustments in the current strategy and staff profile of the organization. Closer collaboration with its partners will also be required in order to define the adequate position for the GM within the financing system.

60. The overall objective of the GM as a broker should be to add value to existing resources while reducing transaction costs, thereby maximizing the efficiency and the impact of existing resources. The GM can add value to existing resources by facilitating co-financing and attracting new sources of financing such as private capital, foreign direct investment and grants from private foundations. Synergism in the implementation of the global conventions should also be explored as a strategy to mobilize financing, particularly in the context of the new GEF window on land degradation. The GM can also support the development of national desertification funds, microcredit, or small grants for community-based organizations through a community development fund. By supporting such initiatives, the GM could foster the mobilization of financial resources for UNCCD implementation.

VIII. ASSESSING THE DYNAMICS OF UNCCD INTERVENERS

61. This evaluation of the GM's activities and operational modalities has led to a series of findings. First, the Parties' intention was to create through the GM a small, flexible organization that would stimulate both the channelling of existing ODA resources and the emergence of new, non-ODA resources for implementation of the Convention. In retrospect, the GM has not accomplished the primary goal of resource mobilization and diversification. Instead, it has made the choice to focus on demand side structuring through its "mainstreaming" approach.

62. Other factors have also contributed to the lack of adequate financial flows for implementation of the Convention:

- Developed country Parties have in general limited their contributions to the provision of process money.
- Developing countries have generally not integrated NAPs into the national planning strategies on which they base their requests for ODA funding.
- By requesting the GM to respond to the demands of the affected Parties, the COP has in many instances encouraged the multiplication of GM activities while not ensuring that adequate financing and resources are made available for such an extension of the GM's mandate.
- The FC, while a useful forum, has not been effective in accelerating money flows toward implementation of the Convention.

63. This situation has created inertia at the project deployment and implementation levels in affected developing countries. If nothing is done to reverse this trend, the Convention will be confined to a dormant or marginalized role in addressing what the Parties have defined as a global issue of land degradation, particularly in the drylands, and the severe poverty associated with it.

IX. CONCLUSIONS AND RECOMMENDATIONS

64. The experience and expertise accumulated since 1994 when the Convention was adopted in Paris are the foundation on which its further implementation and deployment can be built. Significant progress will require the following steps:

1) The GM must focus its resources on activities directly relating to increases in money flow and diversification. It must also expand its reach through networking approaches, particularly on the supply side of the equation. More specifically, the GM should:

- a. Enhance collaboration and improve programmatic convergence in the deployment of bilateral ODA flows toward UNCCD-related substantive actions;
- b. Enhance collaboration with the FC and its members in order to improve programmatic convergence in the deployment of their activities within the UNCCD framework. It should also enhance collaboration with GEF implementing agencies in developing actions and projects relating to the new GEF window on land degradation;
- c. Offer information, advice and technical support to affected developing countries on issues relating to financing. It should target catalytic efforts toward small and medium-size countries with a high commitment to the UNCCD;
- d. Strengthen its organic relationship with IFAD with a view to generating programmatic convergence, and increase the channelling of IFAD resources toward implementation of the UNCCD;
- e. Adopt a joint work programme with the secretariat with the aim of maximizing the impact of resources and actions, avoiding duplication and overlaps, and tapping into the expertise, added value, and network of each organization in a collaborative manner as NAPs and SRAPs or parts of these are implemented;
- f. Mobilize new sources of financing, such as private capital, foreign direct investment, carbon financing and grants from private foundations. It should also support the development of national desertification funds, microcredit or small grants for community-based organizations through a community development fund;
- g. Develop a closer relationship with NGOs as key partners for the mobilization and channelling of resources to local communities.

2) Developed countries must ensure that the Convention's existence and objectives penetrate all levels of their international cooperation activities in order to address their Article 20 responsibilities systematically. More specifically, they should:

- a. Use the OECD DAC as a forum to establish priorities and coordinate action in implementation of the UNCCD;
- b. Adopt positions and undertake concrete actions that will facilitate access to GEF financing for affected developing country Parties;
- c. Channel more ODA flows destined for land degradation activities through the UNCCD framework;
- d. Improve the transmission of UNCCD objectives and strategies from the policy level to the operational level;
- e. To generate greater synergies, intensify actions to promote the conclusion of multipartite partnership agreements in affected developing country Parties which demonstrate a high commitment to the UNCCD;
- f. Appoint GM correspondents at the country level.

3) Developing countries must better integrate the NAPs substance into their central planning processes and specifically base requests to their ODA partners on NAP implementation activities. More specifically they should:

- a. Incorporate NAP objectives and relevant activities into their development planning processes;
 - b. Incorporate NAP objectives and relevant activities into strategic instruments for development, including World Bank PRSPs and other such documents;
 - c. Enhance the status of national focal points in national decision-making processes;
 - d. Contribute to the development and implementation of SRAPs;
 - e. Periodically review and assess NAPs with a view to improving their strategic impact.
- 4) The COP should monitor money flows toward implementation of the Convention and diversification of its sources. More specifically, it should:
- a. Formally reiterate that the UNCCD is a sustainable development convention with the dual goal of fighting poverty and land degradation in arid, semi-arid, and sub-humid zones;
 - b. Encourage and support the Parties in strengthening the role of UNCCD focal points in development decision-making;
 - c. Promote concrete efforts to improve access to development resources for NAPs and other UNCCD-related projects;
 - d. Promote the continual review and enhancement of NAPs as strategic planning instruments;
 - e. Encourage the realization of substantive activities to combat desertification.
- 5) The FC members should expand the FC's reach and help to stimulate the supply side of the equation. More specifically, the FC should:
- a. Foster the channelling of more financial resources for land degradation activities through the UNCCD framework;
 - b. Generate a stronger commitment from member institutions in terms of both resource allocation to, and support of, the GM at the policy and field levels;
 - c. Adopt a common plan of action in support of UNCCD implementation, with the goal of improving programmatic convergence and synergetic action;
 - d. Appoint GM focal points and correspondents within member institutions at the global, national and field levels;
 - e. Allow NGO observers to attend FC meetings.
- 6) As the host institution, IFAD should enhance collaboration with the GM in order to develop an organic relationship, programmatic convergence and improved synergetic actions that have a greater catalytic impact on resource mobilization. More specifically, it should:
- a. Fulfil its commitment to allocate US\$ 100 million annually to UNCCD implementation through support to NAP-related projects;
 - b. Review the GM operational modalities and staffing arrangements.

Annex I

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Annex II

SUMMARY OF STAKEHOLDER CONSULTATION

Comprehensive questionnaires sent by WB DGF evaluation team		
	Sent	Responses received
Sub-Saharan Africa	n/a	n/a
Asia	8	3
North Africa and Middle East	22	6
Latin America and the Caribbean	13	11
Total	43	20

Short questionnaires sent to focal points by COP evaluation team		
	Sent	Responses received
Africa	48	14
Asia	40	6
Europe	28	5
Latin America and the Caribbean	23	6
North America	2	1
Total	141^a	32

^a Some focal points could not be contacted because of inaccurate or nonexistent contact information.

Interviews conducted by both evaluation teams	
Client countries and regional stakeholders	66
Global Mechanism staff	7
UNCCD secretariat	17
Multilateral donor agencies	13
Bilateral donor agencies	8
Implementing agencies and other organizations	6
Total	117

Countries where focal points or other stakeholders were contacted			
Argentina	Cuba	Jamaica	South Africa
Armenia	Czech Republic	Mongolia	Swaziland
Benin	El Salvador	Morocco	Sweden
Bolivia	Ethiopia	Nepal	Syrian Arab Republic
Brazil	Finland	Niger	Tunisia
Burkina Faso	Germany	Norway	Turkmenistan
Canada	India	Pakistan	Uganda
Chad	Iran (Islamic Republic of)	Paraguay	United States of America
Chile	Italy	Peru	Venezuela

Institutions consulted		
Asian Development Bank	ICARDA	UNEP
IFAD	OECD (DAC)	UNDP
FAO	Southern African Development Community (SADC)	UNFCCC Secretariat
Global Mechanism	UNCCD secretariat	World Bank
Environment Council of Central America		
