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Report on enhanced implementation of the obligations of the Convention

**Report on enhanced implementation of the obligations of the Convention**

Note by the secretariat\*

**Addendum**

**Options for financing targets relating to combating  
land degradation and desertification**

*Summary*

This report, requested by decision 4/COP.7, was prepared by the Global Mechanism (GM) in consultation with the Bureau of the Committee on Science and Technology (CST). It sets out options for financing key processes, instruments and tools to monitor and guide national progress in relevant biophysical, socio-economic and financial domains relating to implementation of the United Nations Convention to Combat Desertification (UNCCD). The financing options described are based on the experience of the GM in promoting resource mobilization for the implementation of national and subregional action programmes, and on a number of case studies, experiences and lessons learned by different countries and organizations. The report also includes an overview of the international financial architecture that drives the allocation of resources for development and an analysis of emerging financing opportunities in the public and private sectors. It elaborates on the significance and potential of these developments for UNCCD financing and recommends alternative options for policymakers. Although this report contains references and examples stemming from national experiences, it does not necessarily reflect the views of the countries concerned. The report is reproduced without formal editing by the secretariat.

\* The submission of this document was delayed due to the short time available between the fifth session of the Committee for the Review of the Implementation of the Convention and the eighth session of the Conference of the Parties.

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## I. Executive summary

1. This report provides an overview of options for financing the achievement of targets related to combating desertification and land degradation. In line with the provisions of decision 4/COP.7, the targets and indicators referred to in this paper were provided by the Committee on Science and Technology (CST) in the light of consultations held between the Bureau of the CST, the scientific community and the Global Mechanism (GM).
2. These targets were derived from a subset of all available indicators currently in use at the national and international level for measuring progress in the implementation of the Convention. Rather than referring to a long-term horizon, these targets were developed for a shorter timeframe of about two to three years. They are therefore to be regarded as immediate objectives, instrumental for guiding action by the various stakeholders aimed at attaining such mid-term and longer-term objectives and development outcomes as may be specified in strategic and operational plans or programmes to implement the Convention at the national and (sub)regional level.
3. The selected indicators cover three essential domains related to combating desertification and land degradation, namely the biophysical, socio-economic and financial domains. In this respect, the indicators reflect the preliminary outcomes of the discussions held within the Ad Hoc Working Group (AHWG) to improve procedures for communication of information and the Intersessional Intergovernmental Working Group (IIWG) to develop a draft ten-year strategic plan and framework to enhance the implementation of the United Nations Convention to Combat Desertification (UNCCD).
4. The choice of focusing on immediate targets was made for the following reasons. First, these targets are meant to remain within the boundaries of the established long-term goals and principles of the Convention (arts. 2 and 3, UNCCD). Second, at the time of writing this report, the IIWG had not completed its work on targets, benchmarks and indicators for the draft ten-year strategic plan to enhance the implementation of the UNCCD. And third, the CST could not have a formal session to formulate a comprehensive response to decision 4/COP.7. Rather than final, exclusive and all-embracing, the suggested list of targets should therefore be taken as a first step towards stimulating further reflection and discussion aimed at defining a more comprehensive list of benchmarks and targets.
5. Likewise, the financing options described in this paper are indicative of the many opportunities and constraints that countries typically encounter in implementing national action programmes. Although based on real experiences and concrete examples collected at the national and international level, these options are neither prescriptive nor comprehensive but rather intended to facilitate knowledge-sharing, promote aid effectiveness and stimulate policy dialogue on the issue of financial resource mobilization, which is critical to the success of UNCCD implementation.
6. In this connection, a selection of innovative financing options is brought to the attention of the COP. Some, but not all, of these proposals build on innovative approaches and modalities for funding the Millennium Development Goals (MDGs) and other sustainable development targets recently discussed by the international community.

## II. Introduction

7. Article 10 of the UNCCD calls upon affected country Parties to include in their national action programmes the development of measures to monitor progress in the implementation of the Convention. Article 16 explicitly requires all Parties, according to their respective capabilities, “to integrate and coordinate the collection, analysis and exchange of relevant short term and long term data and information to ensure systematic observation of land degradation in affected areas and to understand better and assess the processes and effects of drought and desertification”.

8. In the spirit of the Convention, the ability to monitor relevant variables, the presence of early warning systems, an understanding of the linkages between desertification and other phenomena, and the capacity to assess – and prevent – the impacts of desertification are regarded as integral components of the holistic and strategic approach required to effectively combat desertification and land degradation in a long-term perspective.

9. Central to this effect is the identification of appropriate physical, biological, socio-economic and financial indicators that permit the measurement of progress against agreed objectives or targets. Within the framework of the UNCCD, a bottom-up approach, grounded on local knowledge, country case studies and practical experience, has been followed in identifying key benchmarks and indicators.

10. During the Intergovernmental Negotiation Committee (INCD) process, a report was presented which proposed indicators to monitor UNCCD implementation and included a first set of recommendations for the development of impact indicators. In particular, the tenth and final session of the INCD noted that “only a limited number of indicators should be selected. They should be adapted to problems of implementing the Convention. They should also be representative of the zone under consideration, taking into account national, subregional and regional factors, particularly local socio-economic conditions. The indicators should be simple and readily usable by the parties concerned.”

11. This work was completed by two ad hoc panels that contributed common elements for a methodology to define impact indicators (ICCD/COP(1)/CST/3/Add.1) and to implement them (ICCD/COP(2)/CST/3/Add.1). In particular, it was recommended, inter alia, to “focus on a few key issues that need to be identified and prioritized together with the expected results”, and “to select indicators for which data are already available or can be obtained at reasonable costs”.

12. Since then, significant progress has been made at the regional level in terms of harmonization of benchmarks and indicators thanks to the work coordinated by several thematic programme networks (TPNs), and as a result of the work carried out by the GM on the development of standard methodologies to collect and analyse information on relevant financial resources and investment flows.

13. Noting the important progress achieved on benchmarks and indicators by the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) and the Sahara and Sahel Observatory (OSS) in Africa and by Parties belonging to the Latin American and Caribbean Group (GRULAC), the COP requested these organizations to submit a progress report to the

CST. This report underlined the importance of having tools available to measure efforts, identify gaps and ensure full implementation of action programmes at all levels.

14. According to the above-mentioned report, this would require the “establishment of national multi-source, multi-scale georeferenced data collection, processing and observation systems that contribute to the development of monitoring-evaluation of action programmes to combat desertification”. More specifically, a comprehensive monitoring and evaluation (M&E) system for desertification control would necessarily have to include: (i) desertification assessment (i.e. focusing on changes in land degradation, i.e. covering ecological monitoring and observation); (ii) impact assessment (i.e. covering biophysical, socio-economic, institutional and behavioural changes); and (iii) process assessment (i.e. measuring action programme implementation, including respect for commitments made).

15. The above report further recognized that “cooperation with foreign institutions that possess indispensable data on natural resources in the desertification stricken countries is vital to the M&E (monitoring and evaluation) exercise”.

16. By decision 17/COP.6, the COP encouraged the Parties and all interested organizations to continue their initiatives aimed at developing benchmarks and indicators for implementation of the Convention, taking into account the observations and recommendations made by the CST and its Group of Experts during the sixth session. By the same decision, the COP encouraged the Parties to develop, test and use appropriate benchmarks and indicators, especially those which target the local level and the involvement of civil society, and in particular to develop indicators for implementation of the Convention to be used in the national action programmes (NAPs), and to report on the results to the CST at its seventh session.

17. Further to that, by its decision 4/COP.7, the COP decided that work on benchmarks and indicators would be the most urgent activity for the next two-year period for the CST. It therefore encouraged the CST to continue efforts, with the support of the international community, for promoting benchmarks and indicators, which should result in quantified, time-bound and costed targets relating to combating land degradation and desertification in a long-term perspective and requested the GM to prepare a document on options for financing instruments, institutions and processes for international and domestic finance for financing these targets, starting with NAPs and possible future consideration of subregional and regional action programmes, in collaboration with the members of its Facilitation Committee, and to report to the COP at its eighth session.

18. In response to decision 4/COP.7, the GM prepared this report in consultation with the Bureau of the CST. The report is based on the know-how and experience of GM as the financial mechanism mandated to promote resource mobilization for action programme implementation, as well as on the experience of countries and organizations in developing and using benchmarks, indicators and M&E systems for desertification control. The report also includes references to recent literature on development finance.

### III. Indicators of progress in combating desertification

19. Pursuant to the above-mentioned COP decisions and recommendations, the CST has distilled a set of indicators that can be used to monitor progress and develop targets to guide action at all levels aimed at combating desertification and land degradation. Most of these indicators, which reflect the main outcomes of the discussion on UNCCD benchmarks and indicators within the international scientific community, have already been pilot-tested and used by various countries and organizations. Examples of application of these indicators are provided in annex II.

20. The indicators cover three areas or domains that should be monitored in order to address some of the main barriers to and drivers of sustainable land management recognized by the international community, namely in the biophysical, socio-economic and financial domains. In line with the guidelines of the Ad Hoc Panel on Benchmarks and Indicators appointed by the COP, a limited number of indicators (two) have been selected for each of the above-mentioned domains.

#### A. Biophysical indicators

##### 1. Classification and measurement of affected areas based on UNCCD definitions and/or available national definitions

21. This indicator is to be used to monitor the type and extent of degraded lands within a country and/or at sub-national level. It should be noted that article 1 of the UNCCD defines *affected areas* as “arid, semi-arid and/or dry sub-humid areas affected or threatened by desertification”. In the same article, arid, semi-arid and dry sub-humid areas are defined as “areas, other than polar and sub-polar regions, in which the ratio of annual precipitation to potential evapotranspiration falls within the range from 0.05 to 0.65”.

22. This ratio, called an aridity index (AI), has been adopted by the United Nations Environment Programme (UNEP) in the World Atlas of Desertification to define the following classification of climatic zones:

- Hyperarid areas:  $AI < 0.05$ ;
- Arid areas:  $0.05 < AI < 0.20$ ;
- Semi-arid areas:  $0.20 < AI < 0.50$ ;
- Dry sub-humid areas:  $0.50 < AI < 0.65$ ;
- Humid areas:  $AI > 0.65$ .

##### 2. Monitoring and forecasting of drought-related occurrences

23. This indicator is about measuring climate conditions and precipitation patterns in order to forecast and keep track of drought-related risks and occurrences. In this connection, it is worth recalling that the UNCCD defines *drought* as “the naturally occurring phenomenon that exists when precipitation has been significantly below normal recorded levels, causing serious hydrological imbalances that adversely affect land resource production systems”. According to the UNCCD, mitigating the effects of drought means “activities related to the prediction of

drought and intended to reduce the vulnerability of society and natural systems to drought”. This indicator is therefore particularly relevant for combating desertification in the spirit of the Convention.

24. It may be worth noting that drought risk is based on a combination of the frequency, severity, nature and spatial extent of drought and the degree to which a population or region is vulnerable to it. Vulnerability, in turn, depends on the environmental and social characteristics of the region and can be measured by its ability to anticipate, cope with, resist and recover from drought.<sup>1</sup>

## **B. Socio-economic indicators**

### 1. Quantification of economic losses resulting from desertification, land degradation and/or drought, including opportunity costs and losses in natural, human and social capital

25. One important factor in reducing vulnerability to desertification and drought is the ability to understand their impacts. It is common knowledge that drought and desertification have negative impacts or effects not only on the environment but also on the economy and thus on society as a whole. This indicator is about measuring the adverse impacts of desertification on the different sectors of the national and global economy. These include local impacts as well as off-site, cross-border or trans-regional impacts. In other words, the indicator is related to the quantification of the costs of inaction. This implies that the linkages between desertification and the economy are well understood and modelled to reflect the country-specific situation.

26. As was suggested at a recent workshop on the costs of inaction,<sup>2</sup> a comprehensive evaluation of the impacts of desertification should be expressed in terms of opportunity costs or revenue losses in natural, human and social capital.

### 2. Quantification of returns on investment in projects for combating desertification and land degradation and mitigating the effects of drought

27. This indicator is related to evaluation of the positive impacts or outcomes of measures taken to prevent, control or reverse desertification as defined by the Convention. According to article 1 of the UNCCD, *combating desertification* includes “activities which are part of the integrated development of land in arid, semi-arid and dry sub-humid areas for sustainable development which are aimed at: (i) prevention and/or reduction of land degradation; (ii) rehabilitation of partly degraded land; and (iii) reclamation of desertified land.”

28. As in the case of the previous indicator, the analysis should include the off-site, economic, institutional and social impact of projects to combat desertification. This implies that the factors contributing to project success and the linkages between expected outcomes and inputs are well understood and modelled to reflect the country-specific situation.

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<sup>1</sup> Adapted from the definition used by the National Drought Mitigation Centre (NDMC), United States of America <http://www.drought.unl.edu/> .

<sup>2</sup> International Workshop on the Cost of Inaction and Opportunities for Investment in Arid, Semi-Arid and Dry-Sub-Humid Areas, FAO, 4-5 December 2006.

## C. Financial indicators

### 1. Monitoring of the resources invested in relevant activities

29. Insufficient financing has been recognized by the United Nations Joint Inspection Unit (JIU) as a limiting factor that has prevented the optimal deployment of this Convention. Several analyses have confirmed the need for increased financing, including the situational analysis that informed the work of the IIWG.<sup>3</sup> Using the best available data, some recent studies and publications have calculated the additional investment needed over the next few years to remove the barriers to sustainable land management and prevent further land degradation.<sup>4</sup> Other studies have concentrated on the development of a coherent and harmonized methodology for identifying relevant activities related to UNCCD implementation and for reporting on the associated financial commitments and investment flows.<sup>5</sup>

30. This indicator refers to the identification and monitoring of investments in activities related to UNCCD implementation, including all domestic, external, public and private investments, using such harmonized and consistent methodologies, criteria and formats as may be recommended by the Ad Hoc Working Group.

### 2. Knowledge of funding options, constraints and opportunities available for NAP implementation or related to land degradation

31. This indicator is about the financial resources available for the implementation of action programmes to combat desertification and mitigate the effects of drought. It also refers to information on opportunities, risks and barriers to UNCCD financing that are specific to the activity, programme, country or region.

32. In conformity with article 20 of the UNCCD, financial resources to be monitored include all national, bilateral and multilateral funding sources and mechanisms, and in particular: (i) grants and concessional loans; (ii) new and additional funding from the Global Environment Facility; (iii) resources to facilitate the transfer of technology, knowledge and know-how; and

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<sup>3</sup> “The JIU suggests three reasons for this financing gap. First, developed country Parties have not made a clear commitment to provide stable resources to UNCCD implementation. Second, developing country Parties have experienced mixed success in mainstreaming UNCCD objectives into national development plans and in mobilizing national resources. Third, development partners have failed to mainstream UNCCD programmes and activities into their programmes and projects.” Report prepared for IIWG 3 by Unisféra and Integrated Environmental Consultants Namibia (IECN).

<sup>4</sup> One such study, called “Resource Mobilization and the Status of Funding of Activities Related to Land Degradation”, jointly prepared by the GM and the Global Environment Facility (GEF) in 2006, estimated that an additional investment of 10-15 per cent annually, including in domestic resources, would be necessary to achieve all the benefits of sustainable land management at the local, national and international level.

<sup>5</sup> The GM, for example, has prepared a paper called “Toward harmonization and standardization: a methodological guide to improve financial reporting under the UNCCD”, which was submitted in May 2007 to the AHWG.

(iv) innovative resources, including those of foundations, non-governmental organizations and other private sector entities.

#### **IV. UNCCD targets**

33. Although the above list contains only a subset of all available indicators related to combating desertification and land degradation, it provides a good basis for determining a set of quantified, time-bound and costed targets, as specified in decision 4/COP.7. In a results-based framework, the scope and scale of targets depend on the timeframe for delivery and means of implementation. Thus, results achievable in the short run are at the same time outputs and inputs in a multi-phased roadmap leading to the achievement of longer-term results (see Figure).

34. The targets that have been formulated in preparation for this report follow this logic. With a long-term perspective in mind, a number of targets have been formulated for a short timeframe of about two to three years. These targets are to be considered as immediate objectives, the achievement of which will facilitate the attainment of intermediate objectives and, in turn, longer-term or higher-scale strategic objectives in a broadly additive manner. Immediate, intermediate and long-term targets or goals are essential components of the overall results framework.

35. Pending the deliberations of COP 8 on the draft Strategic Plan formulated by the IIWG, this report provides a basis for reflection and presents a results chain approach that it is hoped will stimulate further work and a more comprehensive analysis at COP 8 and beyond.

##### **A. Long-term targets**

36. Long-term targets or goals concerning the implementation of the Convention are explicitly indicated in the text of the Convention. Article 2 of the UNCCD states that: "The objective of this Convention is to combat desertification and mitigate the effects of drought in countries experiencing serious drought and/or desertification, particularly in Africa, through effective action at all levels, supported by international cooperation and partnership arrangements, in the framework of an integrated approach which is consistent with Agenda 21, with a view to contributing to the achievement of sustainable development in affected areas."

37. In order to achieve this objective, the Convention establishes a number of guiding principles that call upon country Parties *inter alia* to: (i) adopt a participatory approach that involves populations and local communities; (ii) create an enabling environment to facilitate action at national and local levels; (iii) improve cooperation and coordination at subregional, regional and international levels; (iv) establish a better understanding of the nature and value of land and scarce water resources in affected areas and work towards their sustainable use; and (v) take into full consideration the special needs and circumstances of affected developing country Parties, particularly the least developed among them.

38. A report on impact indicators prepared by the CST<sup>6</sup> suggested distinguishing between global objectives (i.e. combating desertification; mitigating the effects of drought; and

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<sup>6</sup> ICCD/COP(1)/CST/3/Add.1.

contributing to the achievement of sustainable development), contributing objectives (i.e. improving land productivity; rehabilitating, improving and sustainably managing land and water resources; and improving living conditions at the community level) and specific objectives (to be defined in the action programmes).

### **B. Intermediate targets**

39. While long-term targets refer to the overall vision and development impact that is expected as a result of the implementation of the UNCCD at all levels, intermediate targets refer to the operational objectives to be reached in a shorter timeframe.

40. Intermediate targets have to do mainly with the establishment of an enabling environment to facilitate the scaling-up and replication of sustainable land management (SLM) and other virtuous measures to prevent land degradation and reduce vulnerability of affected areas and populations to desertification and drought. It should be noted that specific benchmarks and targets for the next ten years may be part of the draft ten-year strategic plan and framework to enhance UNCCD implementation that resulted from the work of the IIWG.

41. Although it has not been finalized at the time of writing this report, the draft Strategic Plan delineates five priority areas of action that are broadly considered instrumental to supporting the attainment of the long-term vision and strategic objectives of the UNCCD. These areas are (i) awareness raising, (ii) policy framework, (iii) science and knowledge management, (iv) institutional capacity-building, and (v) finance and technology transfer.

42. Work on each of these areas of action is expected to lead to the attainment of specific operational objectives within four to six years.

### **C. Immediate targets**

43. In line with the results-based framework illustrated in this report, immediate targets refer to key processes, instruments and tools that are essential for successful UNCCD implementation at the national level. Being important milestones, they should catalyse the immediate attention of all concerned stakeholders and guide their action towards effective governance, mainstreaming and subsequent upscaling and implementation of programmes to combat desertification and mitigate the effects of drought.

44. Stemming from the list of indicators set out in chapter III, the immediate targets that have been formulated for this report are as follows:

(a) Land degradation monitoring and assessment systems in place at country level and used to identify critical areas or issues and to update the country profile contained in national reports to the UNCCD;

(b) Early warning systems (EWSs) for drought preparedness and drought management in place at country level and used to guide contingency planning and emergency response;

(c) Direct and indirect (including off-site and cross-cutting) impacts of desertification/land degradation/drought on the national economy that are understood, regularly assessed by the country using methodologies validated by the international scientific community (including economists), and set out in national reports to the UNCCD in terms of both absolute value and percentage of gross domestic product (GDP) or in other terms, as available;

(d) Benefits of dryland ecosystem goods and services, sustainable land management activities and other relevant projects undertaken in the country, analysed using methodologies validated by the international community, quantified by the country and set out in national reports in terms of both absolute value and economic rate of return;

(e) Harmonized financial monitoring system in place at country or agency level, regularly updated with information on relevant investments (commitments/disbursements), and used to generate portfolio reviews and standard financial annexes to be included in national reports to the UNCCD;

(f) Comprehensive national financing strategies developed at country level and used in support of efforts to mobilize financial resources for NAP implementation from domestic, external and innovative sources of finance.

45. The table set out in annex I, which was submitted to the GM by the Bureau of the CST in May 2007, offers a synoptic view of the selected indicators and targets. These targets are designed for a time horizon of about two to three years. Examples of work undertaken by countries to achieve these targets, including information on costs incurred, funding sources, stakeholders involved and lessons learned, are provided in annex II.

## **V. Options for financing UNCCD targets**

46. A variety of sources of funding are theoretically available for financing the achievement of UNCCD-related targets. They primarily include public resources originating either from domestic budgets (i.e. central government and decentralized authorities) or from external sources (i.e. official development assistance – ODA). An increasing role could be played by private and semi-private sources, including foundations, private corporations, market-based mechanisms, trade and civil society organizations, particularly with regard to on-the-ground investments, once enabling conditions are in place.

47. Funding options differ from country to country and depend on the type of activity. For the purpose of this document, a distinction is made between options for financing the following activities:

- (a) Establishment of M&E systems (i.e. immediate targets);
- (b) Upscaling activities (i.e. intermediate targets); and
- (c) On-the-ground investments (i.e. long-term targets).

**Figure. Indicative UNCCD targets and funding options**

BUILDING M&E CAPACITIES		UPSCALING ACTIVITIES		ON-THE-GROUND INVESTMENTS	
INPUTS/ ACTIVITIES	IMMEDIATE TARGETS	INPUTS/ ACTIVITIES	INTERMEDIATE TARGETS	INPUTS/ ACTIVITIES	LONG-TERM TARGETS
<ul style="list-style-type: none"> <li>• Biophysical indicators</li> <li>• Socio-economic indicators</li> <li>• Financial indicators</li> </ul>	<ul style="list-style-type: none"> <li>• Land degradation monitoring and assessment systems</li> <li>• Early warning systems</li> <li>• Macro-economic assessment systems</li> <li>• Impact evaluation systems</li> <li>• Financial tracking systems</li> <li>• National financing strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Advocacy, awareness-raising and education</li> <li>• Policy and institutional framework</li> <li>• Science, technology and knowledge</li> <li>• Capacity-building needs assessment</li> <li>• Finance and technology transfer</li> </ul>	<ul style="list-style-type: none"> <li>• Increased awareness and communication</li> <li>• Enabling environment</li> <li>• Partnerships and networks</li> <li>• Synergies with other multilateral environmental agreements (MEAs)</li> <li>• Robust scientific and technical knowledge</li> <li>• SLM/UNCCD mainstreamed</li> <li>• Innovative sources of finance and financing mechanisms identified</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable land and water management programmes</li> <li>• Drought mitigation programmes</li> <li>• Drought insurance schemes</li> <li>• Climate change adaptation programmes</li> <li>• Renewable energy programmes</li> <li>• Environmental education programmes</li> <li>• Other relevant sectoral programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Living conditions of affected populations improved</li> <li>• Conditions of affected ecosystems improved</li> <li>• Global benefits generated from SLM</li> <li>• Substantial resources generated to support UNCCD implementation</li> </ul>
FUNDING OPTIONS		FUNDING OPTIONS		FUNDING OPTIONS	
<ul style="list-style-type: none"> <li>• Public sources (domestic/foreign)</li> <li>• GEF</li> <li>• GM</li> </ul>		<ul style="list-style-type: none"> <li>• Public sources (domestic/foreign)</li> <li>• GEF</li> <li>• GM</li> </ul>		<ul style="list-style-type: none"> <li>• Public sources (domestic/foreign)</li> <li>• GEF</li> <li>• Private sources</li> <li>• Public-private partnerships</li> </ul>	

UNCCD-driven inducement process

self-sustaining process

NOTE: The information included in this table is indicative only. It is expected that quantified, time-bound and costed targets will be defined in the context of the draft ten-year strategic plan and framework to enhance the implementation of the UNCCD

48. This chapter is intended to provide a broad overview of all available options for financing these activities. A number of potential funding sources are described in this chapter, based on real case studies and country experiences (some of which are included in annex II). Besides this report, which is intended to provide generic guidelines, more in-depth and national-level analyses are required to identify the actual funding opportunities available to meet a country's specific needs.

49. Given that the intermediate and long-term targets were still under review by the IIWG at the time of writing this report, the following analysis focuses on options for financing immediate targets.

#### **A. Establishment of monitoring and evaluation systems**

50. All the immediate targets presented in chapter IV are related to the establishment of monitoring and evaluation (M&E) systems pertaining to combating desertification and mitigating the effects of drought. Be it in the biophysical, socio-economic or financial domain, these systems must be put in place in order to increase the capacity of affected countries to prepare plans, to prevent and control land degradation and drought phenomena and to design more effective and efficient responsive measures.

51. These types of capacity-building activities, directed at central government institutions, decentralized authorities and local communities in affected areas, are typically financed from public sources, particularly domestic budgets. Additional resources can be obtained from external public sources (i.e. bilateral and multilateral development agencies). Given the changing modalities for aid allocation, it is essential for this purpose that the above-mentioned capacity-building activities be included in the investment frameworks that define national development priorities within overarching development platforms.

52. Aside from domestic budgets and mainstream development finance, few options are available for financing capacity-building activities related to the early phases of UNCCD implementation at country level. These consist mainly of UNCCD-specific financial mechanisms, instruments, facilities and funds.

53. As the financial mechanism established by the UNCCD, the GM has a major role to play in assisting affected countries in the mobilization of substantial financial resources for the achievement of these – and longer-term – targets. While collaborating with partners who specialize in technical, scientific, socio-economic and policy aspects, the GM offers its comparative advantage as a specialized advisor on finance. For at least two of the above-mentioned targets, namely target no. 5 (establishment of a financial tracking system) and target no. 6 (national financing strategy), the GM has developed in-depth knowledge and expertise that is already used to generate valuable spin-off effects at the national and international level.

54. With financial support from the World Bank, the Financial Information Engine on Land Degradation (FIELD) has been upgraded into a comprehensive source of high-quality authoritative information on funding sources, financial opportunities and investment flows related to UNCCD implementation. It also offers an innovative analytical methodology to

generate information and financial reports on resources mobilized and used for the implementation of the Convention.

55. With regard to national financing strategies (NFS), the GM assists countries in the analysis of domestic budget processes and other potential financing instruments to ascertain how best to engage stakeholders in mobilizing domestic and international resources. This leads to the definition of a comprehensive investment framework that reflects the priorities and objectives of UNCCD national action programmes.

56. Another financial mechanism for the UNCCD is the GEF, which is providing incremental grant financing to assist developing countries and countries with economies in transition in addressing land degradation within the context of sustainable development. In particular, through its Operational Programme on Sustainable Land Management (OP15), the GEF supports capacity-building at the local, national, and regional levels, inter alia to: (i) establish systems for development planning, drought preparedness and other extreme climatic events; (ii) strengthen participatory institutional mechanisms and capacity for integrated land use planning and implementation; (iii) incorporate SLM practices into systems developed for drought preparedness and for other extreme climatic events; (iv) strengthen information management systems to support decision-making; and (v) disseminate and replicate good management practices, technologies and lessons learned.<sup>7</sup>

57. Specific technical support for the achievement of immediate UNCCD targets is provided by a subsidiary body of the UNCCD, the CST. In addition to promoting harmonization, standardization and effective use of these M&E systems, the CST and the GM can facilitate access to the required international expertise in the biophysical, socio-economic and financial domains.

58. Finally, a number of United Nations organizations and research institutions (such as FAO, UNEP, Consultative Group on International Agricultural Research (CGIAR) centres, etc.), which have already developed and are currently managing M&E systems in areas of relevance to the above targets, could also be requested to provide technical assistance and in-kind support for the establishment of national M&E systems.

## **B. Upscaling activities**

59. Given the nature of the activities required to scale up SLM and UNCCD objectives within the development agenda, most of the options for financing these activities remain confined within the public sphere. However, despite a repeated call to action, no substantial increase has been registered in resources allocated to “upscaling activities” over the last decade.

60. It has been argued that substantial resources could be leveraged by exploiting the funding potential of sectors and actors that are currently inaccessible to the UNCCD. This requires the development of solid and rigorous arguments to make the case for SLM investments. Such a process, widely referred to as “mainstreaming”, entails an increased contribution from the CST in terms of better modelling of the interactions between the biophysical and socio-economic

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<sup>7</sup> Operational Programme on Sustainable Land Management (GEF, 2003).

dimensions of desertification, and in terms of the generation of useful guidelines and recommendations for monitoring and policymaking. A better understanding of these aspects is an essential prerequisite for successfully integrating SLM principles into national development frameworks and for promoting effective national financing strategies for UNCCD implementation.

61. As a contribution to this process, the GM has intensified its collaboration and networking efforts with the financial and scientific development community with a view to promoting further research on and analysis of issues of critical importance for the formulation of a compelling SLM-for-development agenda.

62. At country level, the UNCCD must be positioned and recognized in the broader context of development programming. This requires a better understanding of the changing international financial architecture and domestic budget allocation processes as well as an increased ability of UNCCD focal point institutions to contribute to country development priority-setting in the context of donor harmonization and alignment.

63. Through its Operational Programme on SLM (OP15), the GEF provides incremental financing for the mainstreaming of SLM into national development priorities. This includes baseline actions related to the formulation of a national development plan, poverty reduction strategy paper (PRSP) or Comprehensive Development Framework (CDF).

64. An example of a successful initiative to promote SLM is TerrAfrica, which is a multi-partner platform that seeks to provide an enabling framework for mainstreaming and scaling up the financing of effective and efficient country-driven SLM approaches. While TerrAfrica is not a programme or a fund, it seeks to mobilize a coalition of partners to advocate a common vision of SLM, to share analyses, to set the foundations for strengthening and harmonizing policy dialogues and strategies, and to improve coordination at all levels. In particular, it supports the harmonization of M&E activities, the mainstreaming of SLM and the channelling of knowledge in support of investments on the ground.<sup>8</sup>

### **C. On-the-ground investments**

65. The availability of resources for on-the-ground investments to address land degradation is increasingly subject to the presence of an enabling environment to ensure good governance, transparency and consistency. In this connection, governments are introducing frameworks for comprehensive forecasting of revenues and available resource envelopes (including external assistance from donors) and resource allocation, such as medium-term expenditure frameworks (MTEFs). The application of MTEFs, which is often combined with other budget reforms, entails a fundamental shift in the way in which sector expenditures are determined. Sector expenditure ceilings are determined through the allocation of centrally determined resource envelopes for aggregate government expenditures, including donor contributions, according to the government's strategic spending priorities.

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<sup>8</sup> Source: [www.terrafrica.org](http://www.terrafrica.org)

66. ODA allocation is thus increasingly subject to national-level negotiations within government, as well as between governments and the international community, in the context of the national development framework, e.g. the poverty reduction strategy paper (PRSP). In some countries, the harmonization of donors' efforts and the expanding dialogue between donors and the government result in the development of joint assistance strategies (JAS) to support the government in implementing the PRSPs. The JAS initiatives are based on the commitments made in the Paris Declaration and lay out a path towards increased assistance through national budgets, fewer parallel implementation structures and increased use of governments' public financial management systems.

67. The changing international financial architecture offers new opportunities for the UNCCD which should be effectively explored in support of rural development and poverty reduction. This includes new aid approaches such as general budget support (GBS), sector budget support (SBS) and pooling fund arrangements under the sector-wide approach (SWAp).

68. Long-standing multilateral and bilateral funding instruments could increasingly support UNCCD implementation at the country level if combined and interlinked with these innovative instruments. Multilateral development institutions, including the World Bank and the regional development banks as well as bilateral donor agencies, have developed new policies and procedures for resource allocation. These include the new modalities of the International Development Association (IDA) of the World Bank Group, the European Development Fund (EDF) of the European Commission and the Heavily Indebted Poor Countries (HIPC) Initiative, the Multilateral Debt Relief Initiative (MDRI) and other cancellations of public debt with international lenders.

69. Other examples include the International Fund for Agricultural Development (IFAD), which is working to better operationalize environmental concerns by integrating SLM into its ongoing programmes. In so doing, IFAD enhances country ownership by aligning its results-oriented country strategies with national poverty reduction strategies and development plans.

70. The Adaptation Fund under the United Nations Framework Convention on Climate Change (UNFCCC) will soon start to receive the first financial resources from the issuance of certified emission reductions or related payments, as well as potentially additional (voluntary) funding from Parties to the UNFCCC and the private sector. The sectors where adaptation to climate change is necessary and for which measures will be funded are water resources, agriculture and coastal management.

71. GEF incremental financing for on-the-ground investments typically covers interventions to improve both livelihoods and economic well-being of local people (baseline actions) and to preserve or restore ecosystem stability, functions and services through SLM (GEF incremental actions). Examples of such interventions include sustainable agriculture, sustainable rangeland/pasture management, sustainable forest and woodland management, and targeted research aimed at generating a better understanding of the policy and institutional failures that drive land degradation, or at facilitating the refinement and adoption of innovative SLM practices and technologies. The fourth GEF Replenishment (GEF-4) concluded in June 2006 proposed several changes to GEF's outlook for the future not only with regard to the land degradation focal area but also with regard to the other focal areas.

72. It is expected that the private sector will play a major role in financing on-the-ground investment to combat desertification. The private sector broadly includes private and semi-private corporations, foundations, market-based mechanisms, trade, civil society organizations, farmer organizations, households, etc. It can only be the private sector in the long run that determines a shift from a subsidized public process to a self-sustained virtuous process. To this effect, an enabling environment must be created to influence the investment climate and attract private capital into SLM activities. This might take different forms, including philanthropic donations, but it is mainly through local private investment and foreign direct investment (FDI) that the long-term targets of the UNCCD can be achieved.

73. In a number of countries, the private sector is already investing heavily in sectors and activities that contribute to SLM, such as sustainable bioenergy. In addition, there are various examples of successful public-private partnerships, market-based mechanisms and other voluntary initiatives, such as endowment funds and ethical mutual funds based on corporate social and environmental sustainability policies and practices. These examples should be upscaled and replicated.

## **VI. Conclusions**

74. As requested by decision 4/COP.7, this report illustrates options for financing the achievement of targets related to the implementation of the UNCCD. Since the discussion on benchmarks, indicators and targets is ongoing, particularly within the framework of the draft ten-year strategic plan proposed by the IIWG, this report is intended to provide generic guidelines rather than precise instructions. In particular, it focuses on a list of immediate targets provided by the Bureau of the CST in relation to a minimum set of biophysical, socio-economic and financial indicators.

75. These targets refer to the establishment of monitoring and evaluation (M&E) systems to enable affected countries to prepare plans, to prevent and control land degradation and drought phenomena, and to design more effective and efficient responsive measures. Resources to finance these types of capacity-building activities typically originate from public budgets, either domestic or foreign (ODA). Hence, this report urges countries to include these activities in the investment frameworks that reflect national development priorities and drive resource allocations.

76. Apart from domestic budgets and mainstream development finance, countries may also seek financial assistance from UNCCD-specific financial mechanisms, instruments, facilities and funds. Most of the affected countries, particularly in Africa, rely on these mechanisms. In this regard, the GEF and the GM have a complementary role that can generate valuable spin-off effects at national and international level.

77. Similar considerations apply to the financing of upscaling activities and on-the-ground investments. Based on observation of the changing international financial architecture and on analysis of emerging financing opportunities, this report suggests a two-pronged approach to resource mobilization for the achievement of these longer-term targets. This approach consists

of: (i) mainstreaming SLM/UNCCD objectives into national development frameworks; and (ii) establishing an enabling environment to improve the overall investment climate.

78. Through these measures, countries can secure predictable public resources from domestic and ODA budgets while at the same time creating favourable conditions for increasing private investment in SLM activities. In the long run, this will enable countries to progressively move from a subsidized public process to a self-sustained virtuous process.

79. Finally, this report recommends undertaking more in-depth and national-level analyses to identify the actual funding options available for individual countries in relation to their specific targets for combating desertification.

Annex I**Synopsis of UNCCD indicators and targets**

(submitted by the Bureau of the CST)

<b>DOMAIN</b>	<b>INDICATOR</b>	<b>TARGET</b>
Biophysical	Classification and measurement of affected areas (i.e. type/extent of degraded lands within the country/sub-national level), based on UNCCD definitions/available national definitions	Land degradation monitoring system in place at country level and used to update the country profile contained in national reports to the UNCCD  Assessment tools in place to identify critical areas or issues
Biophysical	Monitoring and forecasting of drought-related occurrences	Early warning systems (EWS) for drought preparedness and drought management in place at country level and used to guide contingency planning and emergency response
Socio-economic	Quantification of economic losses resulting from desertification/land degradation/drought (i.e. costs of inaction), including opportunity costs and losses in natural, human and social capital	Direct and indirect (including off-site and cross-cutting) impacts of desertification/land degradation/drought on the national economy that are understood, regularly assessed by the country using methodologies validated by the international scientific community (including economists), and set out in national reports to the UNCCD both in terms of absolute value and as a percentage of GDP or as available
Socio-economic	Quantification of returns on investment in projects for combating desertification/land degradation and mitigating the effects of drought	Benefits of dryland ecosystem goods and services, sustainable land management activities and other relevant projects undertaken in the country, analysed using methodologies validated by the international community, quantified by the country and set out in national reports in terms of both absolute value and economic rate of return
Financial	Monitoring of the resources invested in relevant activities	Harmonized financial monitoring system in place at country/agency level (e.g. based on the GM's FIELD system), regularly updated with information on relevant investments (commitments/disbursements), and used to generate portfolio reviews and standard financial annexes to be included in national reports to the UNCCD
Financial	Knowledge of funding options, constraints and opportunities available for UNCCD/NAP implementation or related to land degradation	Comprehensive national financing strategies developed at country level and used in support of efforts to mobilize financial resources for UNCCD/NAP implementation from domestic, external and innovative sources of finance

Annex II

[ENGLISH/SPANISH ONLY]

**Submission from Parties**

**1. Argentina: Land degradation and NAP monitoring system**

(excerpt from an letter sent to the GM on 18 May 2007)

En respuesta a la solicitud de información de la Decisión 4/COP.7 con respecto a Indicadores, me dirijo a Ud. Para elevar un informe sobre los avances de la República Argentina en este tema.

En primer lugar cabe destacar, que actualmente el país se encuentra en la fase de ejecución del proyecto (PDF A) *“Evaluación de la Degradación de Tierras en Zonas Áridas” LADA*, en conjunto con la FAO, el PNUMA y otros cinco países involucrados (China, Cuba, Túnez, Senegal y Sudáfrica).

Un elemento central de este proyecto es la identificación y construcción de indicadores de la Desertificación para generar un sistema de monitoreo nacional de este proceso, con una metodología replicable a otras regiones de características similares.

En la primer etapa (PDF B) del proyecto, se realizó la revisión de los indicadores seleccionados en el marco de otros proyectos y se consolidó un set de indicadores para ser validados a campo en 7 áreas piloto representativas del país. Estos indicadores se encuentran organizados dentro del marco conceptual y ordenador Fuerza Motriz, Presión, Estado, Impacto y Respuesta y divididos en categorías, como ser, biofísicos, socioeconómicos, institucionales entre otros.

En función de la tabla adjuntada a su nota, considero que la metodología adoptada por el país puede dar respuesta a la misma, considerando que los indicadores de presión y Estado, son lo que permiten evaluar el estado del proceso; mientras que los de Respuesta e Impacto den idea de que medidas paliativas (en el marco de la implementación del PAN) se adoptan y como estas generan nuevas fuerzas motrices que retroalimentan todo el proceso. Cabe aclarar que los indicadores de impacto, para la construcción de este set, son considerados como posteriores a la respuesta, ya que se considera que pueden constituirse en un parámetro para medir la eficiencia de las políticas y acciones implementadas.

Teniendo en cuenta lo expuesto, se anexan a la presente nota, la matriz de indicadores adoptada por el país, aunque es necesario aclarar que este trabajo es un proceso que, además de ser mejorado, esperamos culmine, luego de la validación a campo y en laboratorio, con un set reducido de indicadores, comparables temporal y espacialmente, fáciles de monitorear y sensibles a los cambios de las variables que lo componen. Adicionalmente se anexa un resumen del proyecto, en donde se detalla, entre otra información, la ubicación y caracterización de los sitios piloto (casos de estudio) en donde se está realizando la validación de los indicadores.

En segundo lugar, y referido específicamente al monitoreo del proceso de implementación del PAN, Argentina hizo una primer aproximación con el apoyo de la GTZ, mediante Talleres para la discusión de una metodología de M&E (monitoreo y Evaluación de los PAN). Este proceso se encuentra en su fase inicial y en búsqueda de financiamiento para continuar con las actividades y arribar a los primeros resultados.

Para este punto, se anexa un segundo informe con los resultados del Taller realizado el diciembre de 2004 con la participación de Puntos Focales de la región y otros profesionales que trabajan en la temática.

También tenemos a disposición dos CD interactivos preparados con la colaboración de la GTZ para enviar por correo a Ud. A la Dirección postal que nos indique. Estos incluyen diferentes trabajo sobre el M&E. El primero de ellos (Monitoreo de Impacto Participativo), contiene información sobre el *Proyecto “Desarrollo Sustentable de las Zonas Áridas y Semiáridas en Argentina”*, ejecutado en forma conjunta entre la Secretaría de Ambiente y Desarrollo Sustentable de la Nación, el Instituto Nacional de Tecnología Agropecuaria y la GTZ. En la fase final de este proyecto, ya culminado se desarrolló una metodología participativa para la evaluación del impacto del proyecto. Si bien la escala abordada es menor a la que correspondería al PAN puede constituirse en una importante línea de base para desarrollar una herramienta de seguimiento de los PAN.

## 2. China: Economic assessment of desertification impacts

(excerpt from an e-mail sent to the GM on 11 May 2007)

The study conducted by Mr. Zhang Yu and Ning Datong in early 1990s shows that the estimated total economic lost caused by desertification was 54.1 billion RMB Yuan, including 29.2 billion lost result from reduce of arable land resources taking up 54.1% of the total, 31.4% of the total result from decrease of land quality, 12.3% from rangeland degradation.

The latest study by Dr. Zhang Kebin and Liu Tuo shows that the total economic lost is roughly 64.2 billion RMB Yuan.

The assessment and estimation methodologies applied in the both studies above are similar, which are shadow price engineering, substitution market value, market value and recovery and protection cost. The mathematic expression is:

$$M_i = f / (Q, P, V)$$

M, lost in currency; Q refers quantity of damage; P refers unit market price of the product or service under impact of desertification; V refers variables

### **3. Dominican Republic: Development of biophysical and socio-economic indicators**

(excerpt from an e-mail sent to the GM on 22 May 2007)

#### Descripción del proceso

El proceso que se está llevando a cabo en la República Dominicana sobre la definición y desarrollo de indicadores y metas y el cumplimiento de estas últimas está íntimamente vinculado al proceso de elaboración del programa de Acción Nacional (PAN). El PAN dominicano se finalizó a finales del 2006 y se encuentra en actualidad en una etapa de internalización de parte de las instancias oficiales.

En el caso de la República Dominicana, se orienta a desarrollar las bases para seguir el fenómeno de la desertificación y simultáneamente, evaluar los impactos de componentes relevantes del PAN y los efectos de la inacción. El PAN se propone aprovechar la experiencia regional y desarrollar un proceso conducente al diseño definitivo de un sistema de seguimiento de los procesos asociados a la desertificación y al fin y propósito del PAN incluyendo la definición de indicadores, a través de las siguientes fases:

- a) Formalizar una hipótesis sobre el fenómeno de la desertificación que permita identificar con propiedad los factores que influyen y/o incentivan los procesos de degradación de la tierra, los factores o variables que explican el fenómeno.
- b) Establecer una línea base – el panorama de la situación actual – al menos en una primera aproximación razonable en las zonas más afectadas o propensas, considerando su proyección “sin PAN” a efectos de poder evaluar los impactos imputables al PAN y/o los efectos de la inacción.
- c) Sobre la base de la experiencia regional de América Latina y el Caribe, diseñar un sistema de indicadores viables, significativos en cuanto representan los factores o variables que explican los procesos conducentes a la desertificación, considerando la preparación de manual y protocolos.
- d) Adaptación de programas computacionales para los fines de seguimiento e instalación de los equipamientos necesarios.
- e) Capacitación en los aspectos conceptuales, técnicos y operacionales del sistema de seguimiento.

#### Actores involucrados

Tomando en consideración de que son varias las causas que generan el proceso de Desertificación y que para enfrentarlo se requiere de una amplia participación de todos los sectores y actores/as de la sociedad. Se ha considerado que en la implementación del PAN, haya una amplia participación de las instituciones gubernamentales y no gubernamentales, el sector privado, los gobiernos locales, las universidades, de los gremios y de forma especial las organizaciones comunitarias de base que trabajan en las zonas afectadas y expuestas al proceso de desertificación. Para la implementación del PAN se cuenta con un órgano de coordinación nacional, que es el Grupo Técnico Interinstitucional (GTI), quien trabaja en estrecha colaboración con todos/as los actores/as y sectores nacionales involucrados/as en el proceso, ya sea de forma directa o a través de las organizaciones e instituciones que representan.

En este proceso de implementación del PAN, habrá una amplia participación de las instituciones del Gobierno, las cuales se involucrarán de forma directa en la ejecución de programas y proyectos de lucha contra la desertificación y mitigación de la sequía. Estas instituciones cuyo marco legal les dan potestad para ejecutar programas y proyectos, tendrán a su cargo la implementación del Programa de Acción Nacional. Estas instituciones son: la Secretaría de Estado de Medio Ambiente y Recursos Naturales (SEMARN), Secretaría de Estado de Economía, Planificación y Desarrollo (antiguo STP-ONAPLAN), Secretaría de Estado de Agricultura (SEA), Secretaría de Estado de Educación (SEE), Secretaría de Estado de la Mujer (SEM), Secretaría de Estado de la Juventud (SEJ), Instituto Nacional de Recursos Hidráulicos (INDRHI), Oficina Nacional de Meteorología (ONAMET), Instituto Agrario Dominicano (IAD), Dirección General de Desarrollo Fronterizo (DGDF), y la Dirección General de Minería (DGM), Organizaciones No Gubernamentales (ONG's y Organizaciones Comunitarias de Base), Sector Privado, las universidades, los gremios, los Gobiernos Locales, los Consejos de Desarrollo y los Consejos de Cuencas.

#### Costos-Recursos financieros

El plan de acción debe incorporar las acciones propias del mecanismo de planificación y contemplar los recursos para su instalación y operación. La implementación de los componentes especificados anteriormente, requieren de recursos económicos y humanos, tiempo materiales y algunos recursos tecnológicos para la instalación y operación de las instancias permanentes de conducción del mecanismo, representadas, básicamente, por una Unidad Técnico Administrativa bajo fiscalización del GTI, realización de estudios orientados al levantamiento de las condiciones iniciales de las zonas afectadas, realización de los diagnósticos participativos, entre otros.

Si bien es cierto que el estado dominicano es el primero en ser llamado a contribuir con recursos financieros. La realidad indica que estos aunque necesarios nos son suficientes, por lo que la cooperación internacional debe y está apoyando el esfuerzo.

#### Socios

Para la exitosa consecución de lo anterior, se debe concretizar una alianza entre los diferentes actores-socios, donde cada cual aporte su fortaleza, sea esta técnica o financiera. En la República Dominicana existe un Acuerdo Interagencial, el cual está en fase de revisión y expansión para dar cabida a más socios.

En actualidad, el país está recibiendo el apoyo de la cooperación alemana a través del proyecto regional CCD y un Proyecto de Tamaño Mediano (MSP) del GEF-PNUD para trabajar el área de indicadores y metas.

#### Lecciones aprendidas

Existe un consenso existente en cuanto a la necesidad de aplicar esfuerzos adicionales al desarrollo, desde la perspectiva del fenómeno de la desertificación, de sistemas de información, que incluyan inventarios dinámicos de los recursos naturales, particularmente, de vegetación, suelo y agua, la identificación y evaluación de los procesos de transformación ambiental y sociales relevantes, particularmente aquellos cuya prevención o reversión son el fin de la

UNCCD, pasando por la selección de indicadores apropiados, y la zonificación agroecológica-socioeconómica de las áreas afectadas.

Este planteamiento genérico, reconoce la gran diversidad de las condiciones ambientales, socioeconómicas y demográficas que prevalecen en el país, y la necesidad de un mayor conocimiento del fenómeno por razones variadas, incluida la urgencia de ilustrar objetivamente a las autoridades nacionales sobre la manifestación, ya sea difusa o localizada, de la desertificación, y de informar sobre los procesos que conducen a ella y sobre los grados de vulnerabilidad ambiental y social de ciertas zonas del país.

Por otra parte, también se plantea la necesidad de asumir el problema de la sequía y el seguimiento de sus efectos, de forma tal que permitan orientar mejor el diseño e implementación de sistemas de alerta temprana, planes de emergencia y metodologías de evaluación. Un atlas nacional, incluso binacional, de la desertificación y de los efectos de la sequía, que reúna toda la información sobre el medio físico-biológico y socioeconómico representaría un logro importante en el marco de la implementación de la UNCCD.

#### **4. Lebanon: National financing strategy**

(excerpt from an e-mail sent to the GM on 17 May 2007)

##### Strategy Development

The strategy was developed over a period of eleven working months, spanning from March 2006 to June 2007. The Ministry of Agriculture recruited on behalf of the Global Mechanism an environmental consulting firm including a team of environmental, financial, and legal experts to jointly carry out the task.

The methodology adopted in developing the strategy started with an analysis of NAP thematic areas and priorities, followed by analyses of national planning and budgetary processes, and bilateral and multi-lateral programming priorities as a means to develop a comprehensive resource mobilization strategy for UNCCD/NAP implementation in Lebanon. Stakeholder participation included one-to-one meetings, consultation workshops and a multi-stakeholder validation and dissemination workshop. The strategy was developed on the following pillars:

- The National Context, which outlines the legal, institutional, financial, and human resource environments in which the strategy will need to function.
- Internal sources of funding, which focuses on an analysis of the public budget. It includes a description of the public budgeting processes including present budget laws, financing modalities, and budget breakdown.
- External sources of funding, which examines donor (bilateral, multilateral and Arab) funding priorities and modalities.
- Innovative sources of funding, which explores potential financing mechanisms that Lebanon can put to use in mobilizing additional finances.

An action plan accompanies the strategy. The action plan summarizes the activities recommended to be undertaken for effective resource mobilization, detailing actions, assigning responsibility, budget and time frame and was used to formulate bankable work programmes.

##### Stakeholders Involved

The Ministry of Agriculture was the promoter of the strategy. Important stakeholders consulted include the Ministry of Environment, Ministry of Energy and Water, Ministry of Social Affairs, Ministry of Finance, and the Council for Development and Reconstruction. The main external partners are the Global Mechanism and UNDP. Other donors were also consulted.

##### Costs incurred

The development of the Resource Mobilization Strategy was made possible through seed funding provided by the Global Mechanism. The grant for \$27,000 covered most of the expenses of the strategy preparation (this was a highly underestimated and a more realistic budget would be between \$40 000 – 50 000).

##### Co-financiers

No co-financing was sought for this initiative.

Lessons Learned

- i) The concept of the strategy should be clarified and its contents outlined to stakeholders to ensure proper understanding at the onset of strategy development
- ii) Stakeholders should be approached early on to avoid delays and misconceptions
- iii) Coordination tasks should be handled by the national authority
- iv) Easy-to-update tools should be incorporated to allow for modifications as the context of the strategy changes.

## 5. Morocco and Tunisia: Monitoring and evaluation system

(excerpt from an e-mail sent to the GM on 11 June 2007)

### Background

Entitled « Setting up Monitoring-Evaluation Systems of the Action Programmes of Maghreb Countries », a project on M&E of NAPs implementation was designed by OSS and the National Coordination Institutions (ONC) of the Action Programmes for Combating Desertification of Morocco and Tunisia, together with the UMA (Union of the Arab Maghreb) Secretariat as a focal point of the Sub-Regional Action Programme (SRAP) for North Africa. The overall objective of the project was to assist the North African countries in setting up an operational system for the monitoring-evaluation of the impact of the Action Programmes for Combating Desertification, on national and sub national levels.

Based on a participatory, iterative and incremental approach, the project allowed national capacity building such as to set up a impact monitoring-evaluation system in Tunisia and Morocco, At the sub-regional level, the project set up an information sharing system on desertification and the environment as a tool for strengthening the national mechanisms of information sharing on desertification, and as a component of the Sub-Regional Action Programme (SRAP) for Combating Desertification.

The project reached the following results:

- The reference situation in matter of monitoring-evaluation of impact is established and analysed;
- The indicators of impact of the action programmes are identified, developed and usable;
- A system of information sharing on desertification on the national and regional levels is set up and used.

### The indicators identified in Morocco

The inventory of the data and indicators available in Morocco has allowed a listing of the indicators related to the issue of desertification These indicators are proposed in the Pressure – State - Response matrix of table 1 below, organized according to the natural resources concerned: A – Resource: Water; B – Resource: Forests; C - Resource: Rangelands; D - Resource: Crops lands. A particular effort was thus made to identify the various indicators in view of the logical framework Pressure – State – Response. This table is the outcome of an in-depth bibliographic work undertaken by the Moroccan team in charge of the project.

Many of these indicators are available and have already been calculated. For instance, Table 1 presents certain indicators relating to water which are regularly produced by the Moroccan statistical services Subsequent work consisted in identifying the indicators that are most representative of the desertification issue, which could be monitored within the framework of the implementation of the NAP/CD (National Action Programme for Combating Desertification). This work led to proposing a first set of indicators as follows.

**Table 1: Draft list of indicators selected by Morocco for M&E NAP implementation**

Topic	Indicator	Type
<b>Elimination of poverty</b>		
	Growth rate of total population	P
	Growth rate of rural population	P
	Rural population/ Total population Ratio	S
	Agricultural GDP/ inhabitant	S
	GDP/ inhabitant	S
	Illiteracy rate	S
	Active pop. In the agricultural sector/ Active rural population ratio	S
	Rural exodus flow	R
	Schooling rate (primary education)	R
	Rate of rural households with access to electricity	R
	Rate of rural households with access to drinking water	I
	Rate of rural population in Poor population.	I
	Rate of population below poverty threshold	I
	Rate of rural unemployment	
<b>Water resources</b>		
	Tapped surface water volume	R
	Tapped ground water volume	R
	Rate of silting up of dams	P
	Rainfall variance with respect to normal (mean value)	S
	Climatic aggressiveness (erosion factor)	S
	Rate of rural drinking water supply	R
	Drinking water consumption/ inhabitant	I
	Irrigation water consumption/ hectare	I
	Efficiency of irrigation networks	R
	Rate of recovery of irrigation water fees	R
	Water volume available per inhabitant	I
	General water quality index	R
	Portion of irrigated areas using water saving (efficiency) techniques	R
	Rate of filling of dams (September)	I
<b>Forests</b>		
	Cleared land area/ year	P
	Area affected by parasite waves	P
	Decay/ year	P
	Area affected by fire/ year	P
	Total forestry area (Mha)	S
	Area of degraded forestry (ha)	P
	Water erosion prone area (ha)	P
	Area definitely delimited/ year	R
	Area reforested/ year	R
	Area of protected zones	R
	Area treated against diseases/ year	R
	Area regenerated/ year	R
	Area treated against water erosion/ year (in the major catchment basins)	R
	Forest area/ 10 year	I
	Ratio of reforested area/ deforested area/ year	R
<b>Rainfed land</b>		
	Rate of farms of less than 5 ha in area	P
	UFS (Useful Farm Space) per rural inhabitant	P
	Portion of grain crops in USF	S
	Portion of fallow land in UFS	S
	Portion of cover crop area/ Total mechanised area	R
	Crop rotation structure (UFS structure)	R
	Plantation area	R
	Agricultural development budget allotted to the rainfed land zone	R
	Area grown in the framework of the national olive growing plan	R
	Area grown under the fruit tree DRS (soil protection and restoration) scheme	R

	Evolution of the yields of the main crops and tree plantations	S
	Average annual rainfall	S
<b>Irrigated land</b>		
	Rate of exploitation of available water resources	P
	Sale price of water/ Cost price of water	P
	Portion of areas of high water consuming crops	P
	Quantity of fertilisers and pesticides used	P
	Number of dried up wells	S
	Area affected by salinity	I
	Crop rotation structure	S
	Portion of area of irrigated zones	R
	Developed areas	R
	Number of AUEA	R
	Portion of the area affected by salinity/ Total irrigated area	I
	Evolution of yield of the major irrigated crops	I
	Water volume consumed by irrigation	P
	Production value of agricultural land/ PIBA	S
	Portion of areas of little water consuming crops (drought-resistant)	R
<b>Rangelands</b>		
	Population of small ruminants	P
	Land area cleared	P
	Livestock load per available fodder unit	P
	Area of degraded land	P
	Vegetation Index (NDVI)	S
	Portion of developed rangeland	R
	Number of equipped water points	R
	Number of operating pastoral organisations	R
<b>Oases</b>		
	Area affected by sand encroachment	S
	Area affected by salinity	S
	Number of desiccated palm trees	S
	Number of seedlings distributed in the framework of the oases restructuring plan	R
	Area of stabilised dunes	R
	Portion of the area affected by the degradation factors	S

### The Tunisian experience

The components of the monitoring-evaluation system and the typology of the monitoring-evaluation indicators of NAP/CD Tunisia are set in the following three classes:

- ✓ Indicators of the process of implementation of the NAP;
- ✓ Desertification indicators;
- ✓ Indicators of impact of the NAP.

The approach selected consisted in identifying the three key phases in establishing a performance chart for the monitoring of desertification:

- To draw up an issues table, i.e. a table where the major desertification-related issues are grouped;
- To identify indicators that inform about these various issues;
- To establish a performance chart on desertification monitoring.

**Table 2: Synthetic list of the 22 indicators selected for monitoring-evaluation of desertification in Tunisia**

- P = Pressure; S = State; R = Response; I = Impact

CCD Objectives	Specific Objectives of the Tunisian NAP	Indicators	Type of Indicator P-S-R-I*
Elimination of poverty	Sustainable rural development	Percentage of population living below the poverty threshold	S
		Total annual expenditure per person according to the environment (rural/ urban)	I
		Rural exodus situation	P
		Rate of contraceptive prevalence in rural and urban environment	S
Management of natural resources	Control over degradation of soils and of ecosystems	Farmland cover (occupancy) in Tunisia	S
		Farmland area/ Inhabitant	P
		Grain crop sown area / Steppes rangeland area in the Governorates of the Centre and of the South	P
		Grain crop sown area + tree plantations area/ Steppes rangeland area + rainfed farmland in the Governorates of the Centre and of the South	P
		Rate of steppes formations cover	S
		Biomass/ Vegetation index/ Albedo	S
		Rate of forestry formations cover	S
		Forest fires (area, number, A/N ratio)	P
		Rate of forest cover	S
		Budgets allocated to actions in the forestry sector and of Water & Soil Conservation	R
	Sustainable management of water and control over drought impacts	Rainfall map for crop year	S
		Rainfall for the months of September, October and November	S
		Water storage in dams as of 31 August/ Total storage capacity	S
		Index of exploitation of deep aquifers	R
		Rate of irrigated land equipped with water saving (efficiency) techniques with respect to total irrigated land	R
		Ratio of wastewater volume treated/ wastewater volume used	R
	Optimal functioning of wetlands	Area and distribution of wetlands	S
		Number and area of protected wetlands/ Number and area of total wetlands	R

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