



Convention to Combat Desertification

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Review of financial flows for the implementation of the Convention

Preliminary analysis of information contained in reports from affected and developed country Parties, United Nations agencies and intergovernmental organizations and the Global Environment Facility on financial flows for the implementation of the Convention

Information Note on financial commitments and investments related to the implementation of the Convention, as reported by country Parties and other reporting entities through the Standard Financial Annex (SFA) and Programme and Project Sheet (PPS)

Note by the Secretariat*

Summary

The present document was prepared by the Global Mechanism (GM) to complement the information contained in document ICCD/CRIC(9)/8 “Preliminary analysis of information contained in reports from affected and developed country Parties, United Nations agencies and inter-governmental organizations, and the Global Environment Facility on financial flows for the implementation of the Convention”. The two documents should therefore be read in conjunction.

The introduction of this report provides background information. The second section illustrates the scope and coverage of the analysis contained in the report, as well as its constraints and limitations. The third section provides updated financial statistics, tables and charts that complement the information contained in document ICCD/CRIC(9)/8. The fourth section contains conclusions and recommendations for consideration by the Parties at the ninth session of the CRIC.

* This document is submitted as received from the Global Mechanism.

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List of abbreviations

CBD	Convention on Biological Diversity
CEE	Central and Eastern Europe
COP	Conference of the Parties
CRIC	Committee for the Review of the Implementation of the Convention
CRS	Creditor Reporting System
CSO	Civil Society Organization
DAC	Development Assistance Committee of the OECD
DLDD	Desertification, Land Degradation, and Drought
FIELD	Financial Information Engine on Land Degradation
GDP	Gross Domestic Product
GEF	Global Environment Facility
GM	Global Mechanism of the UNCCD
LAC	Latin America and the Caribbean
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PPS	Programme and Project Sheet
PRAIS	Performance Review and Assessment of Implementation System
RAC	Relevant Activity Code
RM	Rio Marker
SFA	Standard Financial Annex
UNCCD	United Nations Convention to Combat Desertification
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars

I. Introduction

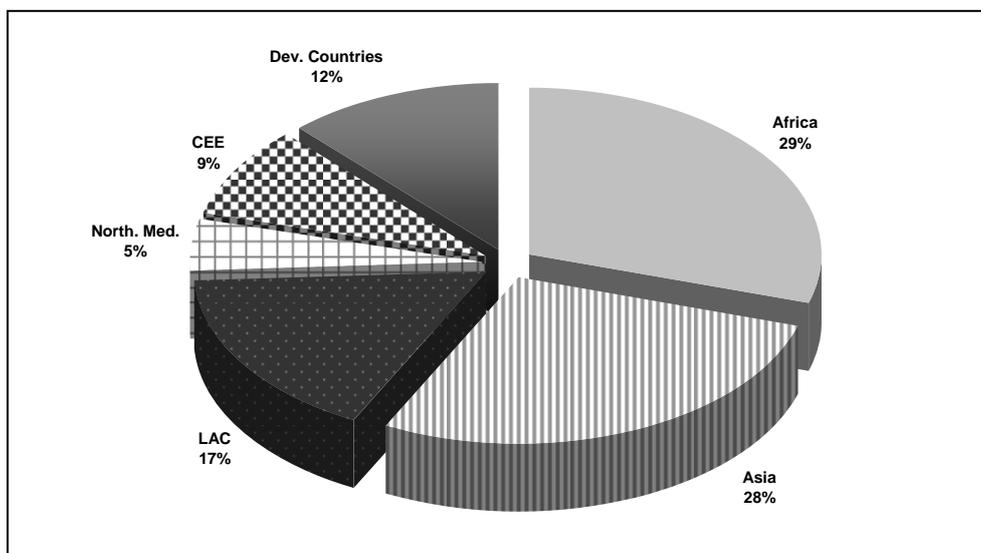
1. The overall objective of this Information Note is to complement the preliminary analysis of financial flows for the implementation of the Convention as contained in document ICCD/CRIC(9)/8. The two documents should therefore be read in conjunction.
2. The present document provides updated information on some of the main characteristics of financial commitments and investments related to the implementation of the Convention, as reported by country Parties and other reporting entities through the Standard Financial Annex (SFA) and Programme and Project Sheet (PPS) for the 4th UNCCD reporting cycle.
3. This document was prepared by the GM in collaboration with Unisfera – a non-profit organization dedicated to the advancement of sustainable development.

II. Scope and limitations of the analysis

4. Following the preliminary analysis produced in December 2010, the Global Mechanism continued to work on the data on financial commitments and programme/project investments made available by country Parties and other reporting entities in the PRAIS system in order to identify additional characteristics of the financial flows reported for the 2008-2009 biennium and further refine the findings of the preliminary analysis through a more systematic verification and validation of data.
5. A total of ninety-seven (97) reports were submitted by country Parties and other reporting entities within the official deadline of 12 November 2010¹. This included eighty-four (84) reports from affected country Parties, eleven (11) reports from Developed country Parties, one report from the Global Environment Facility (GEF) and one report from the GM. Subsequently, the COP Bureau decided to accept the reports of six (6) additional country Parties which were submitted shortly after the deadline because of technical issues with the PRAIS portal. This led to a total response rate from country Parties close to 50%. The regional coverage is illustrated in Figure 1 below.

¹ Officially set for 15 October 2010, the final official deadline for the reporting process was postponed until 12 November 2010 (or more precisely, 13 November 2010 at 6AM CET) by decision of the COP Bureau.

Figure 1
Regional coverage as of 12 November 2010

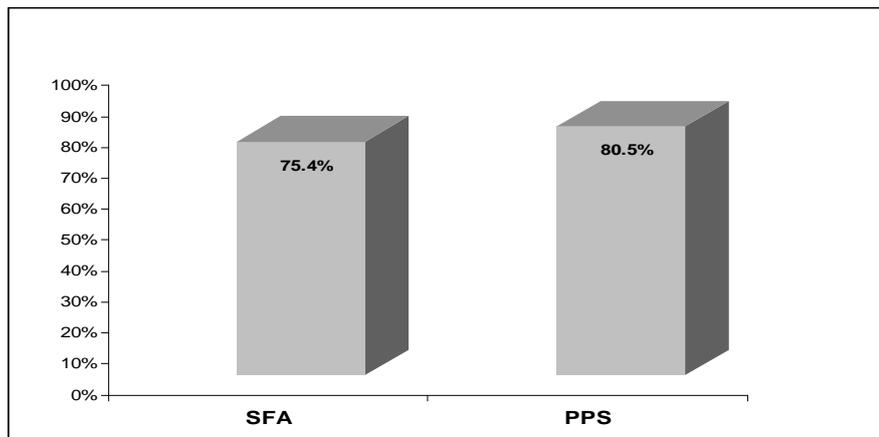


6. Several other reports were submitted by affected country Parties after the official deadline. As of 20 January 2011, the total number of reports submitted reached hundred-nineteen (119). Of this, all but four were submitted using the PRAIS portal. This is illustrated in more detail in Table 1 of the Annex to this document. In addition, twenty (20) reports were submitted by Civil Society Organizations (CSOs).

7. The present Information Note was originally intended to provide an analysis of financial flows that would also include the information contained in the reports received after the deadline. However, the GM was advised by the Secretariat to limit the scope of the analysis to the reports submitted by the cut off date of 12 November 2010, in conformity with the decision of the COP Bureau. The findings can therefore be considered as broadly indicative only of global or regional level patterns.

8. It should be noted that almost 20% of reports did not include any information in the SFA or PPS sections of the PRAIS portal, as illustrated in Figure 2 below. This made the extrapolation of sub/regional or global characteristics and patterns of financial flows even more arduous and incomplete.

Figure 2
Percentage of reports containing SFA/PPS data



9. As indicated in document ICCD/CRIC(9)/8, due to often missing mandatory fields, the analysis could only focus on a limited variety of dimensions. For instance, roughly one third of financial commitments entered in the SFA specified the commitment date. This did not allow a meaningful comparison of commitments made between 2008 and 2009.

10. A similar issue affected the analysis by recipient countries, as only 38% of the financial commitments contained information on recipient or beneficiary countries or organizations, thus making it difficult to identify the geographical distribution of commitments and the amounts received by each beneficiary country. Furthermore, only 59% of the projects entered in the PPS contained financial data.

11. Because of inconsistencies in the use of the “recipient country” field, a number of commitments reported through the SFA, representing approximately USD 8 billion, could not be assigned to any specific country or region.

12. Similarly, the analysis of PPS revealed significant gaps in the “Beneficiary Country” field. This lack of information prevented the current analysis to be comprehensive and fully representative of the geographical distribution of investments made in this biennium.

13. Some commitments were reported with a “0” Rio Marker, indicating that they would not be relevant for the UNCCD. The corresponding amounts were therefore excluded from the analysis. This suggests that countries may have adopted different criteria for the Rio Marker scoring, or used a different interpretation of the definitions provided in the guidelines. This is an aspect that will have to be addressed in future capacity building initiatives in order to guarantee a harmonized approach in future reporting exercises.

14. Relevant Activity Codes (RACs) inform on commitments made by countries towards the specific type of intervention financially supported. It should be noted that the classification of financial commitments and investments by RACs depends on the reporting entity’s own appreciation and categorization. As a result of the analysis, some of the RACs appear as over or under represented, with each RAC rarely representing more than 5% of the total number of RACs reported.

15. The identification of co-funders was incomplete in the data received, donor organizations being scarcely identified in the SFA. The “Identification Code” field did not facilitate the matching of co-funders and donors and recipients since the data entered in this field was very heterogeneous.

16. Despite the above-mentioned limitations, the data extracted from PRAIS was verified against some of the reports filed by country Parties and other reporting entities. In

this regard, Unisfera, on behalf of the GM, contacted a number of UNCCD Focal Points to verify and/or correct, wherever appropriate, data that appeared as erroneous. Amounts reported by Algeria and Burkina Faso, for example, were confirmed to be higher than their actual level. Where discrepancies were encountered, corrections were made to the figures, and the financial analysis was adjusted accordingly. In other cases, erroneous amounts were excluded from the analysis.

17. It should be noted that, due to the short timeframe available to conduct these revisions, not all Focal Points contacted were in a position to respond to the enquiries in time to be taken into account for the present analysis. Therefore, a complete data integrity/quality verification and adjustment could not be undertaken. As a result, some inaccuracies in the underlying data may still be present.

III. Financial resources for the implementation of the Convention

A. Analysis of inputs

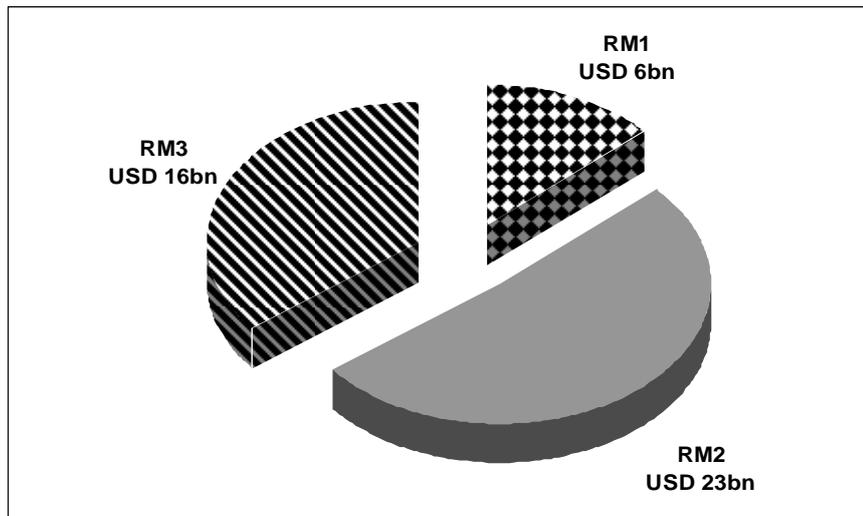
1. Global level of commitments

18. Global commitments reported for the 2008/2009 biennium through the SFA amounted to a total of approximately USD 50 billion, as illustrated in Table 3 of the Annex to this document. This was the total amount committed by all funding countries – both developed and developing. It corresponds to an average level of 0.14% of their respective countries' GDP.

19. Amounts weighted according to the Rio Marker score indicate that an amount of approximately USD 34 billion was committed for activities directly relevant in the fight against desertification. On average, this corresponds to 0.09% of GDP.

20. The majority (47%, USD 23 billion) of commitments was made towards activities targeting desertification as a principal objective. In other words, without that objective the activity would not have been undertaken. Activities in support of an action programme represented approximately 33%, or USD 16 billion. Activities scored as a significant objective represented approximately 13% of total commitments, or USD 6 billion. The remaining 7% of commitments, corresponding to approx. USD 3 billion, were reported as “not targeting” desertification.

Figure 3
Total financial commitments 2008-2009 (USD bn): breakdown by Rio Marker.



21. The commitments made by funding countries were mostly done using sectoral budget support, grants and mandatory budget authorities as financing instruments. These three most used instruments involve the financial participation of recipient countries, and can be seen as a relatively high commitment of these states in the financing of the programmes.

22. The analysis of the RACs reveals that the largest part of financial commitments was invested in ten main sectors: Capacity Development and Planning (36% of activities), Community Development, Social Development, Resource Management, Sustainable Land Management, Land conservation, Water conservation, Agriculture, Drought mitigation and Environment Restoration. In terms of number of activities concerned, the following RACs are the most often targeted: Resource Management (40% of activities), Capacity Development and Planning (36%), Capacity-building (16%), Sustainable Land Management (10%), Natural Resource Management (9%) and Monitoring and Research (9%).

2. Commitments per donor country/funding source

23. The reports indicate that relevant financial commitments were made by the governments of about 60 countries. With few exceptions, commitments rarely exceeded 1% of the respective countries' GDP.

24. The largest funding countries included OECD members such as the Netherlands, Germany, Spain, Italy, Mexico, and the European Commission, as well as affected countries from the South, such as India, China and the Syrian Arab Republic. The analysis of weighted levels of commitments reveals that the rank of the biggest contributors changes when the relevance of the projects is taken into account. As a percentage of Official Development Assistance (ODA), commitments did not exceed 0.5% of ODA outflows in most of the cases.

25. Institutional donors provided from 1 to 2.5% of the global level of commitments. This mainly consisted of International Financial Institutions (IFIs), such as the GEF and the World Bank, as well as national programmes and funds. International donors committed the biggest contributions, although the amounts committed were often matched or exceeded by the financial engagements made by national institutions or agencies.

26. The analysis by Rio Markers reveals that the majority of commitments were made towards activities targeting desertification as a principal objective (i.e. RM2), although 65% of financial commitments were reported as targeting desertification as a significant objective (i.e. RM1).

3. Commitments per recipient region

27. Financial commitments were reported as addressing activities taking place in all UNCCD regional annexes: Africa, Asia, Latin America and the Caribbean (LAC) and Central and Eastern Europe. According to the data collected from the reports, Asia received the majority of financial commitments. However, the analysis of the regional distribution of financial flows is partial due to the various data gaps and limitations, as explained in section II above.

28. Commitments for activities taking place in Africa were extended in different forms, but mainly through grants, credits and mandatory budget authority. Commitments for the LAC region mostly took the form of mandatory budget authority and sectoral budget support. Commitments directed to Asia and CEE were mostly provided through sectoral budget support instruments. However, a large number of financial commitments did not specify the type of funding or spending, and thus could not be included in the analysis.

29. In terms of Rio Markers, the majority of financial flows targeted the UNCCD as a principal objective (i.e. RM2) or in explicit support of an action programme established under the UNCCD (i.e. RM3).

4. Commitments per recipient country

30. On average, countries received USD 219 million in the form of financial commitments made in the 2008-2009 biennium, as reported in the SFA. However, large differences were recorded between the countries. The ten main recipients were, in this order: India, Spain, Syrian Arab Republic, Mexico, Romania, China, Philippines, Peru, Ukraine, Cuba. Together, they received more than 62% of the total financial commitments made worldwide.

31. These results slightly change when taking into account the different degree of relevance according to Rio Markers. After applying the weighting factors associated to the Rio Markers, the ten main recipient countries were the following: China, India, Mexico, Peru, the Philippines, Romania, Spain, the Syrian Arab Republic, Tunisia, and Vietnam.

32. The total amounts committed in the biennium generally represented between 0 and 1% of the recipient country's GDP, with the exception of India (2.4% of GDP) and the Syrian Arab Republic (4.2% of GDP)².

33. Activities that scored DLDD as a "significant objective" (i.e. RM1) were funded mainly in Brazil, Burkina Faso, India, Peru, and the Philippines. Activities that scored DLDD as a "principal objective" (i.e. RM2) were funded mainly in India, Peru, Romania, Spain and Viet Nam. Activities that scored DLDD as a "principal objective and in support of an action programme" (i.e. RM3) were funded mainly in China, India, Mexico, Spain, and the Syrian Arab Republic.

² At the time of writing this document, these findings were in the process of being verified in consultation with the Focal Points of the two countries.

B. Analysis of outputs

1. Volume of investments

34. Total investments reported in the PPS for the biennium 2008/2009 amounted to approximately USD 12 billion. This amount is reduced to USD 7 billion when weighted according to Rio Marker scores (see Table 4 in the Annex to this document). The average investment level is 222 million USD when taking into account all programmes and projects reported.

35. Most of the projects addressed desertification either as a “significant objective” (i.e. RM1, approx. USD 5 billion) or as a “principal objective and in support of an action programme” (i.e. RM3, USD 4 billion). Few investments (USD 39 million) were made towards activities that did not target desertification significantly.

36. The GM is the source of a significant share of global investments. The GM reported having invested more than 15 million USD in the 2008/2009 biennium, which represents around 0.13% of the total amount of investments for the same period. Having reported 29 projects active in the biennium, it is the organization financially engaged in the largest number of relevant programmes and projects. The average investment made by the GM in the programmes and projects it supported in the biennium was approximately USD 517000. The GM invested more in 2008 than in 2009, which follows a global trend observed in the biennium for all funding sources.

37. Analysis by RAC reveals that the majority of investments focused on Mitigation and Recovery, Capacity Development and Planning and Resource Management. More specifically, Water delivery, Wastewater management, Forest/scrub management, Forestry and land management were reported among the top 10 RACs in the PPS. This aspect is confirmed by the number of projects and their proportion of total RACs.

38. The analysis of the corresponding weighted commitments shows that the same order can be observed. Moreover, there is virtually no difference between nominal and weighted figures for activities such as Forest/scrub management, reforestation / afforestation and sustainable land management, which indicates a higher level of desertification relevance in these sectors.

2. Geographic distribution of investments

39. Most affected developing country Parties reported between 1 and 5 relevant investments using the PPS form, with many reporting a single programme or project. Brazil and Algeria reported 17 projects each, followed by the Dominican Republic (16 projects), the Philippines (12 projects), Lebanon (11 projects) and Burkina Faso (10 projects). Some developed country Parties, such as France, Germany and the Netherlands, reported a large portfolio of investments in their respective countries of concentration.

40. The analysis of the geographic distribution of investments per recipient country reveals that the largest amounts invested concerned, in decreasing order, the following affected country Parties: Brazil (USD 3.4 billion), Algeria (USD 2.1 billion), Spain (USD 2 billion), Romania (USD 910 million), Colombia (USD 519 million), Mexico (USD 388 million), Tunisia (USD 344 million), Lebanon (USD 296 million) and Kuwait (USD 255 million). Investments made towards other recipient countries did not exceed 140 million. Weighted amounts reveal a similar ranking.

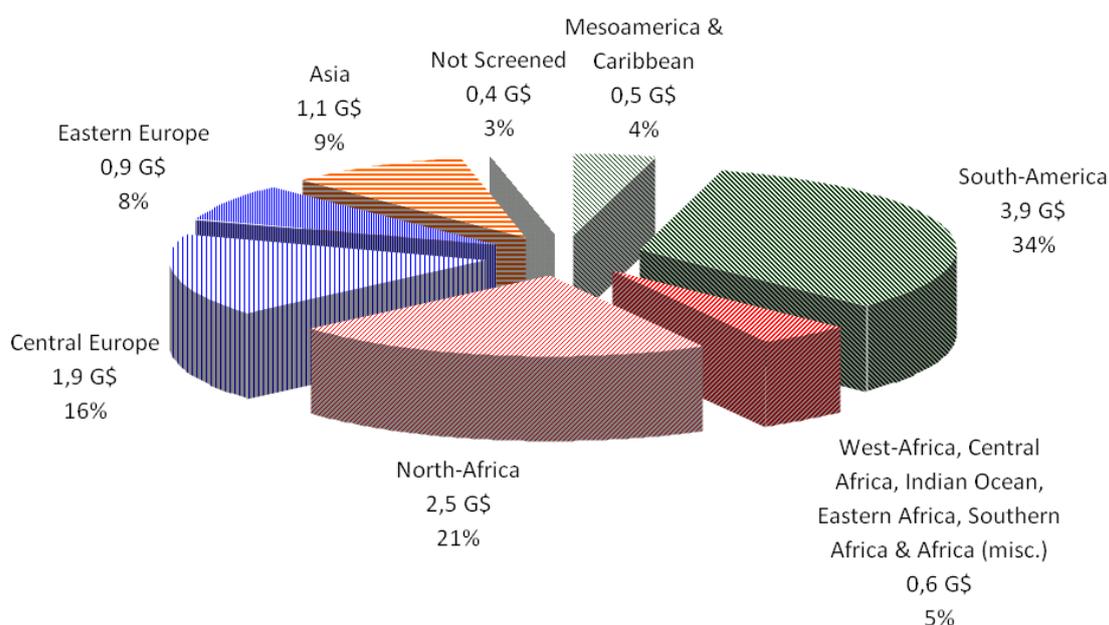
41. As illustrated in Figure 4, the regional distribution of investments indicates that LAC is the largest recipient region, with 39% of reported investments (USD 4.4 billion), followed by Africa, representing 27% of the total investments (USD 3.1 billion), Europe (USD 2.9 billion, or 25% of total investments), and Asia (USD 1.1 billion, or 9% of total

investments). When weighted, Africa becomes the largest recipient region, followed by LAC.

42. Africa is also the region where the proportion of programmes and projects that targeted desertification as a principal objective with explicit reference to the implementation of action programmes established under the UNCCD (i.e. RM3) is the highest, whereas the majority of projects taking place in the LAC region targeted desertification as a significant, but not principal, objective (i.e. RM1). The majority of programmes and projects in Asia and Europe were marked RM2.

43. In terms of number of projects, Africa reported the largest number of projects (94 projects) in the biennium, followed by LAC (60 projects), Asia (58 projects), Europe (17 projects) and Oceania (3) projects. The largest average investments realized per project for each region are the following: Europe: 171 million USD/project, LAC: 73 million USD/project Africa: 33 million USD/project, Asia: 19 million USD/project.

Figure 4
Distribution of investments by region, 2008-2009 (USD bn, current prices)



3. Sectoral distribution of investments

44. The largest amounts were invested in sectors such as Agriculture (USD 3.7 billion), Water supply and sanitation (USD 3.5 billion), Basic health infrastructure (USD 3.4 billion), and Waste management and disposal (USD 3.3 billion). Weighted amounts for Agriculture alone added up to USD 2.6 billion.

45. A few other sectors, such as Water resource protection, Forestry services/development, Food crop production, and Disaster prevention and preparedness, received investments in the order of USD 1 billion each. The majority of sectors received significantly smaller investments, in the order of USD 100 million. A relatively low level of investments was reported in sectors such as Energy, Tourism, General environmental protection, Health, Mining, Construction, Support to NGOs, and Other social infrastructures and services.

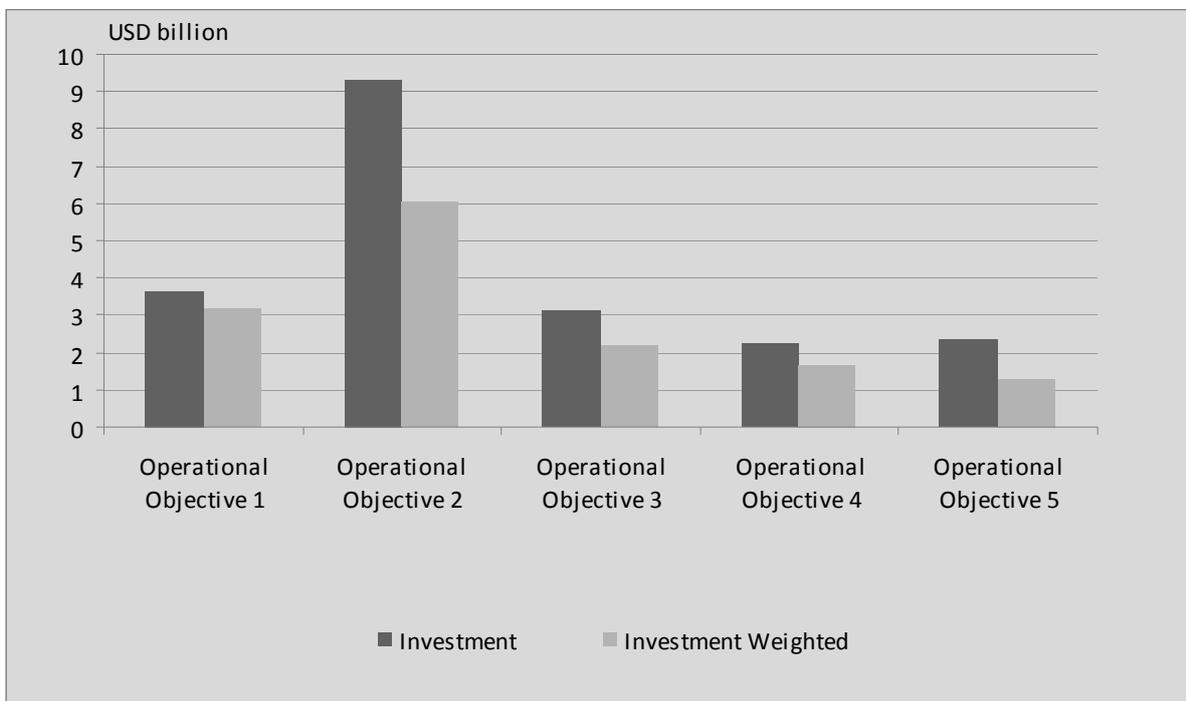
46. In terms of number of projects, the most represented sectors were Agriculture (53 projects, 19% of activities), Forestry Development (47 projects, 17% of activities), Agricultural Development (42 projects, 15% of activities), Agricultural Land Resources (38 projects, 14% of activities), Agricultural Water Resources (35 projects, 13% of activities), Forestry (32 projects, 12% of activities) and General Environmental Protection (29 projects, 10% of activities). Most of the sectors were addressed by less than 10 projects, each representing less than 4% of the total number of activities.

4. Distribution by objectives of the 10-Year Strategy

47. Many projects in the PPS were not associated with any UNCCD Strategic or Operational Objectives of the “10-Year Strategic Plan and Framework to Enhance the Implementation of the Convention (2008-2018)” adopted by Decision 3/COP8. This created an important caveat for this analysis. Furthermore, projects were often reported as addressing several objectives. Therefore, results of this analysis have to be taken as indicative, and as a basis for further study and analysis in future reporting cycles.

48. As illustrated in Figure 5 below, the distribution of investments by operational objectives appears as follows: Operational Objective 2: Policy Framework (USD 9.3 billion), Operational Objective 1: Advocacy, Awareness Raising and Education (USD 3.7 billion), Operational Objective 3: Science, technology and knowledge (USD 3.2 billion), Operational Objective 5: Financing and technology transfer (USD 2.3 billion), and Operational Objective 4: Capacity building (USD 2.2 billion).

Figure 5
Distribution of investments by Operational Objectives, 2008-2009 (USD bn, current prices)



49. In terms of number of projects, Operational Objective 2 was the most frequently targeted (54% of projects), followed by Operational Objective 4 (44%), Operational Objective 1 (42%), Operational Objective 3 (37%) and Operational Objective 5 (32%).

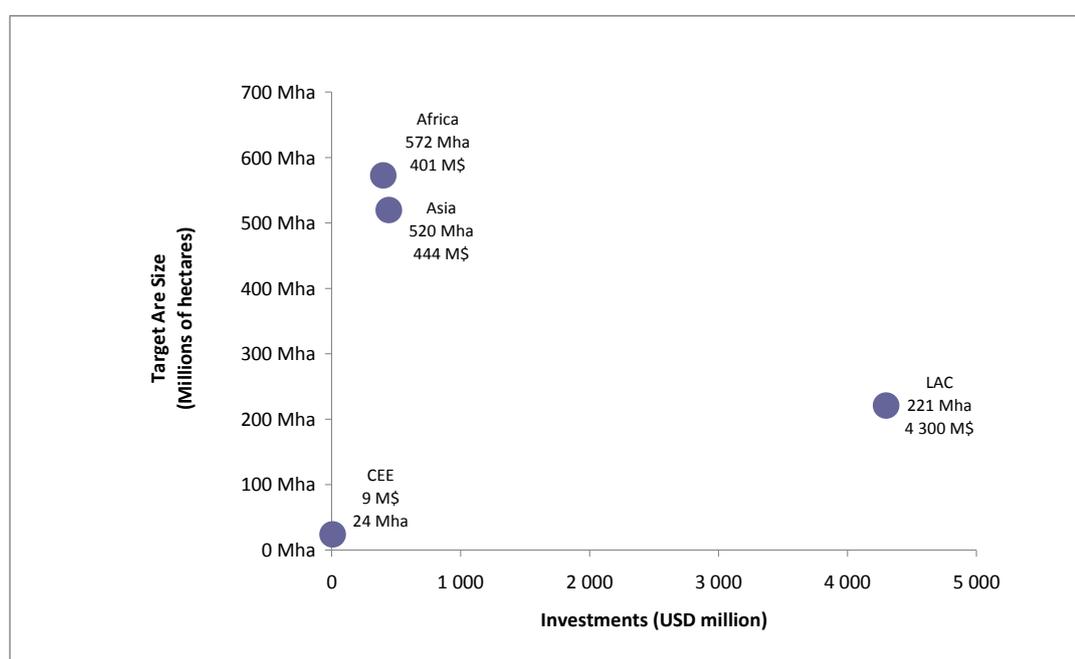
50. A regional distribution of investments across the five operational objectives is provided in Table 6 of the Annex to this document.

5. Target Areas

51. Africa and Asia are the regions where programmes and projects cumulatively covered the largest areas (i.e. more than 500 million ha in total), followed by LAC (221 million ha) and Europe (24 million ha). While areas may overlap, this provides an indication of the concentration of investments in each region.

Figure 6

Distribution of investments by areas, 2008-2009. USD billion, current prices



52. In terms of average surface covered by investment, the largest area per project was to be found in Europe (2.6 ha/ USD dollar invested), followed by Africa (1.4 ha/ USD dollar invested), Asia (1.2 ha/ USD dollar invested), and LAC (0.05 ha/ USD Dollar invested). Globally, each dollar invested was targeting an average area size of 0.26 hectares.

53. Weighting investments according to their UNCCD relevance using Rio Markers allowed the production of a similar regional rank. In this case, the global average surface area for each dollar invested was of 0.53 hectares.

54. In terms of average surface area covered by each project, the global average was found to be of 11 million ha/project. Regionally, the largest surfaces targeted per project were those in Asia (19 million ha), Africa (14 million ha), in Europe (6 million ha), in LAC (5 million ha) and Oceania (0.03 million ha).

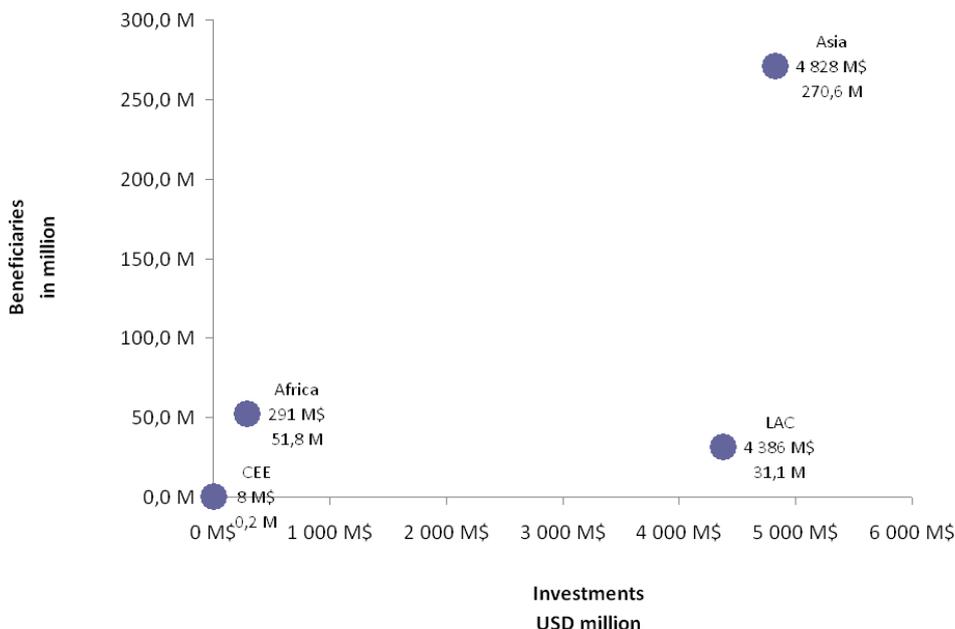
55. It has to be noted that only a small number of projects (118) specified target area size.

6. Beneficiaries

56. Programmes and projects in the biennium have cumulatively benefited a total of approximately 353 million beneficiaries worldwide. The largest number of beneficiaries of the investments made in the biennium was registered in the Asia region (cumulatively, 270.6 million beneficiaries), followed by Africa (51.8 million beneficiaries), LAC (31.1 million beneficiaries) and Europe (191000 beneficiaries).

Figure 7

Beneficiaries of UNCCD-related investments in each region, 2008-2009



57. On average, programmes and projects in Africa benefited approximately 178 000 beneficiaries. Investments in Asia were reported to target 56 000 beneficiaries on average, in Europe approximately 25 000 beneficiaries, and in LAC approximately 7 000 beneficiaries.

58. While a regional or sub/regional analysis of the average amount invested per beneficiary would be of limited value due to the data gaps and limitations described in section II, at global level the average investment per beneficiary amounted to approximately 27 USD.

59. It should be noted that only a small number of projects (153) specified the number of beneficiaries.

C. Additional findings

60. Additional analyses have been undertaken in order to provide a more comprehensive overview of the financial resources employed in the 2008-2009 biennium for the implementation of the Convention. These analyses, which originated from a more detailed and thorough treatment and interpretation of the collected data, are intended to facilitate a deeper and more complete assessment of the main characteristics and patterns of the financial flows observed in the biennium.

61. Due to the significant gaps in data quality and quantity, the additional findings resulting from this analysis are to be considered as indicative only.

1. Investments as percentage of ODA

62. From an evaluation of the share of UNCCD-related investments as compared to annual ODA outflows or inflows per donor and recipient country, respectively, the following results were found:

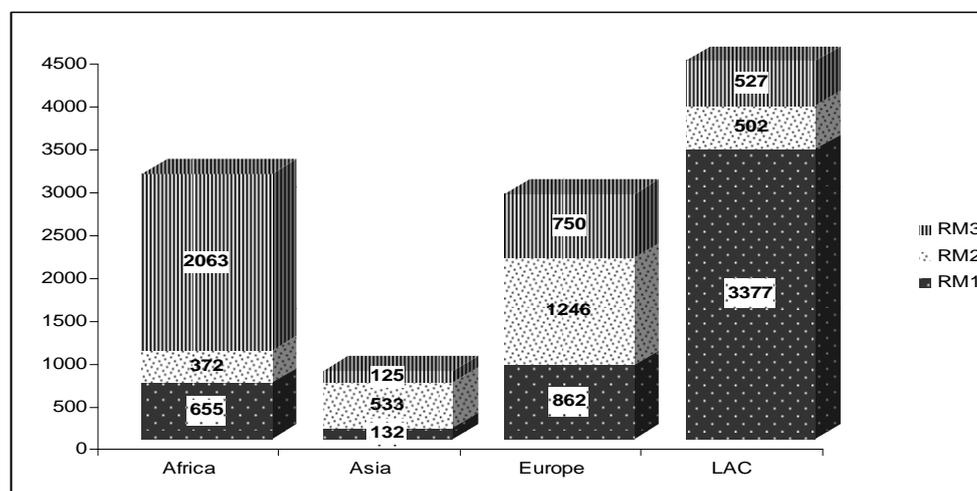
63. The countries investing more ODA on UNCCD-related activities in the biennium were: the Netherlands (53% of ODA outflow), Spain (39%) and Italy (26%). When taking into account the same commitments weighted according to UNCCD Rio Markers, the countries investing the most ODA were: Spain (30%), Italy (11%) and Australia (8%).

64. The countries receiving the largest amount of external funding for UNCCD-related activities in the biennium, proportionate to their annual ODA inflows, were: Armenia (21% of ODA inflow), Gabon (16%) and Tunisia (14%). When taking into account the same commitments weighted according to UNCCD Rio Markers, the countries receiving the most ODA were Armenia (21%), Tunisia (14%) and Djibouti (8%).

2. Regional distribution of investments by Rio Markers

65. Recipient regions were ranked on the basis of the proportion of investments received, differentiated by Rio Markers. This analysis provides an indication of the targeted nature of the financial resources mobilized in each region, according to the specific relevance of the investments made.

Figure 8
Regional distribution of investments per Rio Marker, 2008-2009. USD bn, current prices



66. This analysis reveals that investments in activities targeting UNCCD as a significant objective (i.e. RM1) mainly took place in LAC (Americas), accounting for 65% of total RM1 investments, followed by Europe (17%), Africa (13%) and Asia (3%). Investments in activities targeting UNCCD as a principal objective (i.e. RM2) mainly took place in Europe (47%), followed by Asia (20%), LAC (19%) and Africa (14%). Investments in activities targeting the UNCCD as a principal objective and in support of an action plan (i.e. RM3) mainly took place in Africa (60%), followed by Europe (22%), LAC (15%) and Asia (4%).

67. More details on this regional breakdown are illustrated in Table 5 of the Annex to this document.

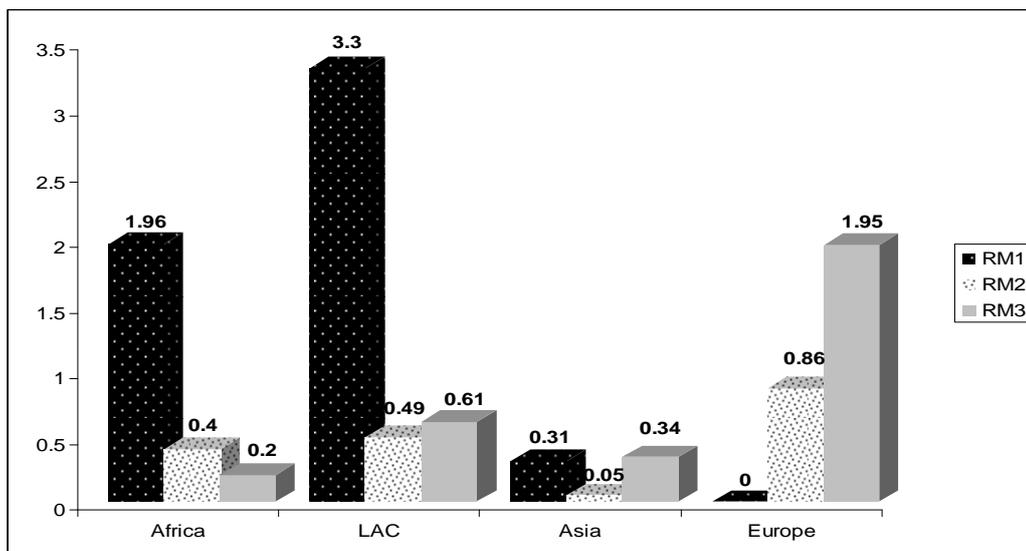
3. Synergies with the Convention on Biological Diversity (CBD)

68. This analysis provides an assessment of the regional distribution of reported investments according to their combined relevance for the UNCCD and the Convention on Biological Diversity (CBD). This information is obtained from the analysis of the CBD Rio Markers scores, as reported in the PPS.

69. As Table 7 in the Annex shows, almost half of the reported UNCCD-related investments do not target the CBD (i.e. marked as RM0 for the CBD). Conversely, 26% of UNCCD-related investments also target the CBD as a principal objective (i.e. RM2). A further 16% of UNCCD-related investments target the CBD as a significant objective (i.e. RM1).

70. The regional breakdown of these investments reveals that LAC is the region attracting the largest share (37%) of investments that are mutually supportive of UNCCD and CBD objectives, followed by Africa (25%), Europe (24%) and Asia (8%). When accounting only for those projects that address the CBD as a significant objective (i.e. RM2), Europe appears as the leading region (63% of investments), followed by LAC (20%), Asia (11%) and Africa (6%).

Figure 9
Regional distribution of investments by CBD Rio Marker, 2008-2009. USD bn, current prices



4. Synergies with the United Nations Convention on Climate Change (UNFCCC)

71. This analysis provides an assessment of the regional distribution of reported investments according to their combined relevance for the UNCCD and the UNFCCC. This information is obtained from the analysis of the UNFCCC Rio Markers scores, as reported in the PPS.

72. The analysis reveals that globally, the reported investments that targeted both Conventions focused mostly on activities targeting the UNFCCC as a significant objective (RM1, 38%), while 29% of investments were reported as targeting UNFCCC as a principal objective (RM2).

73. The regional breakdown of these investments indicates once again that the LAC region attracts the largest share (49%) of investments that are mutually supportive of UNCCD and UNFCCC objectives, followed by Africa (28%), Asia (13%) and Europe (10%).

IV. Conclusions and recommendations

74. The analysis of financial data produced for the 4th UNCCD reporting cycle provides a number of distinctive features and characteristics of the UNCCD-related investments and financial flows observed in the 2008-2009 biennium, which were outlined in document ICCD/CRIC(9)/8 and in the present Information Note.

75. Furthermore, the analysis and interpretation of its findings suggests a number of conclusions and recommendations for consideration by the Parties at the 9th session of the CRIC. In particular, with regard to the investment and financial flows, the following considerations can be made:

(a) An examination of the distribution of commitments and investments by Rio Markers shows that a relatively small proportion was allocated to activities explicitly aiming at implementing an action programme established under the UNCCD (i.e. marked as RM3). **It would therefore be recommended for the CRIC to analyze the reasons why the majority of investments related to the Convention do not contribute to the implementation of the main UNCCD instrument.**

(b) The investments that targeted simultaneously the UNCCD, the CBD and/or the UNFCCC were mainly concentrated in the LAC region, while the other regions attracted a much smaller share of these investments. **The CRIC may wish to recommend that synergistic implementation of the Rio Conventions be addressed more systematically in all regions, and all available financial instruments and opportunities be mobilized accordingly;**

(c) The majority of activities supported by national and international funders fall under the sectors of agriculture, water supply, forestry and general environmental protection. At the same time, most consultations and studies undertaken at national and international level indicate that the root causes of land degradation often reside in other sectors, as do the solutions. **The CRIC may therefore wish to promote the inclusion of a broader spectrum of activities in the realm of UNCCD reports, to be reflected through a higher proportion of investments in other sectors such as climate change adaptation, trade, education, energy, tourism, infrastructure and, in particular, improved governance;**

(d) A number of countries reported actions towards the implementation of Operational Objective 5 of the 10-Year Strategy, including through the adoption of

Integrated Investment Frameworks. **It would be recommended for these countries to systematically monitor the flow of financial resources mobilized for the implementation of the Convention as a result of the adoption of these measures, and to use these monitoring systems to facilitate future reporting under the UNCCD/PRAIS;**

(e) The analysis of the sources of funding does not reveal any significant financial support provided by non-traditional funding sources, beyond bilateral and multilateral Official Development Assistance. At the same time, an important role is played in this regard by Civil Society Organizations (CSOs), foundations and private sector entities. **Therefore, the CRIC may wish to call for a complementary study of financial resources invested by non-traditional donors and innovative financing sources, to be undertaken in all affected countries;**

(f) While confirming the important role played by International Financial Institutions (IFIs) and bilateral cooperation agencies in UNCCD financing, the present analysis showed that domestic finance is often found to match or even exceed external finance. Likewise, the analysis shows that several non-OECD countries are emerging as major donors in the framework of South-South cooperation initiatives. **The CRIC may therefore wish to call for the establishment of an *ad hoc* committee of the main funding sources to increase the interface between OECD and non OECD donor agencies and domestic institutions in developing countries with the purpose of exploring options for concerted, coordinated and more effective financial interventions at national and sub-regional levels.**

76. In addition to the above, a number of recommendations can be made in relation to the reporting process itself. These recommendations aim at improving the nature, quality and quantity of financial information gathered from UNCCD Parties in order to better analyze financial flows and to improve data collection, integrity and analysis processes. They can be summarized as follows:

(a) The constraints and limitations presented in section II of Document ICCD/CRIC(9)/8 and in this Information Note are illustrative of some of the main problems encountered in the analysis due to the data quality issues. **This underlines the need to refine the reporting templates in order to facilitate future data collection and analysis. This should be accompanied by the development of adequate PRAIS analytical modules and tools that would allow for easier access to the financial data reported through the PRAIS portal and a less complicated and time consuming process for data extraction, formatting and verification;**

(b) With regard to those issues that originated from gaps or inaccuracies in the data reported by countries and other reporting entities, **it is recommended that more importance and time be allocated to reporting and data integrity verifications. This also calls for the allocation of an adequate period of time for the analyses to be performed by the Global Mechanism and the Secretariat;**

(c) Feedback collected during the 4th reporting exercise suggests that the results in terms of number and content of reports submitted by the deadline could have been significantly better if more capacity building activities had been provided. **The CRIC may therefore wish to recommend that more resources be allocated for training and capacity building activities in future reporting cycles.**

Annex

Tables and figures

Table 1
Reports submitted as of 20 January 2011

	<i>Reports due</i>	<i>Reports received</i>	<i>%</i>
Affected country Parties	166	104	62.7%
Central Africa	9	8	88.9%
Eastern Africa	8	5	62.5%
Southern Africa	15	8	53.3%
Western Africa	15	13	86.7%
Northern Africa	6	4	66.7%
Annex I - Africa	53	38	71.7%
South East Asia	9	5	55.6%
West Asia	11	8	72.7%
Pacific	15	7	46.7%
Central Asia	5	5	100.0%
East Asia	3	2	66.7%
South Asia	8	4	50.0%
Annex II - Asia	51	31	60.8%
Mesoamerica	8	4	50.0%
Cono Sur	5	3	60.0%
Andean	5	3	60.0%
Caribbean	15	10	66.7%
Annex III - Latin America and the Caribbean	33	20	60.6%
Annex IV - Northern Mediterranean	11	5	45.5%
Annex V - Central and Eastern Europe	15	10	66.7%
Other affected country Parties	3	0	0.0%
Developed country Parties	42^a	12	28.6%
Other Parties not having indicated their status	2	0	0.0%
United Nations agencies	41	1	2.4%
Intergovernmental organizations (incl. GEF)	45	1	2.2%
Global Mechanism	1	1	100%

^a The number of reports due from Developed Countries includes countries, such as new EU member states from Central and Eastern Europe, which have never reported as Developed Parties during previous cycles.

Source: Adapted from WCMC, United Nations Environment Programme, Half Yearly Progress Report, January 2011.

Table 2
Reports containing the Standard Financial Annex (SFA) and/or Programme and Project Sheet (PPS)

<i>SFA</i>	<i>PPS</i>
Albania	Albania
Argentina	Algeria
Armenia	Argentina
Australia	Armenia
Bahamas	Australia
Belarus	Bahamas
Bhutan	Belarus
Brazil	Bhutan
Bulgaria	Brazil
Burkina Faso	Bulgaria
Burundi	Burkina Faso
Canada	Burundi
Central African Republic	Cape Verde
Chile	Central African Republic
China	Chile
Colombia	China
Congo	Colombia
Côte d'Ivoire	Congo
Cuba	Côte d'Ivoire
Czech Republic	Cuba
Democratic Republic of the Congo	Czech Republic
Denmark	Democratic Republic of the Congo
Djibouti	Denmark
Dominican Republic	Djibouti
Ecuador	Dominican Republic
El Salvador	Ecuador
Eritrea	El Salvador
European Community	Eritrea
France	European Community
Gabon	Fiji

<i>SFA</i>	<i>PPS</i>
Cape Verde	France
Germany	Gabon
Grenada	Germany
Guinea	Global Mechanism
Honduras	Grenada
India	Guatemala
Indonesia	Guinea
Iran (Islamic Republic of)	Honduras
Italy	India
Kazakhstan	Indonesia
Kenya	Iran (Islamic Republic of)
Kuwait	Italy
Kyrgyzstan	Kazakhstan
Lebanon	Kenya
Lesotho	Kuwait
Libyan Arab Jamahiriya	Kyrgyzstan
Madagascar	Lebanon
Mauritius	Lesotho
Mexico	Libyan Arab Jamahiriya
Mongolia	Madagascar
Morocco	Mexico
Myanmar	Mongolia
Namibia	Morocco
Nauru	Myanmar
Nepal	Namibia
Netherlands	Nauru
Niger	Nepal
Nigeria	Netherlands
Oman	Niger
Palau	Nigeria
Peru	Oman
Philippines	Palau

<i>SFA</i>	<i>PPS</i>
Republic of Moldova	Peru
Romania	Philippines
Rwanda	Portugal
Saint Lucia	Republic of Moldova
Saint Vincent and the Grenadines	Romania
Sao Tome and Principe	Rwanda
Saudi Arabia	Saint Lucia
Senegal	Saint Vincent and the Grenadines
Spain	Sao Tome and Principe
Sri Lanka	Saudi Arabia
Switzerland	Senegal
Syrian Arab Republic	Serbia
Tajikistan	Slovakia
Thailand	Spain
Togo	Sri Lanka
Tonga	Switzerland
Tunisia	Syrian Arab Republic
Turkmenistan	Tajikistan
Tuvalu	Thailand
Uganda	Togo
Ukraine	Tonga
United Arab Emirates	Tunisia
United Republic of Tanzania	Turkmenistan
Uzbekistan	Tuvalu
Viet Nam	Uganda
Yemen	Ukraine
Zambia	United Arab Emirates
	United Republic of Tanzania
	Uzbekistan
	Viet Nam
	Yemen
	Zambia

Table 3
**Ranked list of nominal and weighted financial commitments by region/sub-region
(USD bn, current prices)**

<i>Recipient Region/ Sub-Region</i>	<i>Commitment (USD billion)</i>	<i>Commitment Weighted (USD billion)</i>
Asia	35.12	27.01
CEE	3.66	2.52
Eastern Europe	1.13	0.57
Western Europe	2.53	1.95
LAC	2.18	1.64
Caribbean	0.27	0.04
Mesoamerica	1.37	1.36
South-America	0.55	0.24
Africa	0.65	0.52
Central Africa	0.02	0.02
Eastern Africa	0.02	0.01
Indian Ocean	0.07	0.05
North-Africa	0.21	0.21
Southern Africa	0.15	0.12
West-Africa	0.17	0.11
Not screened	7.91	1.89
Grand Total	49.52	33.58

Table 4

Ranked list of nominal and weighted investments by region/sub-region (USD bn, current prices)

Recipient Region/Sub-Region	Nominal Investments	Weighted Investments
Total Americas	4.41	1.97
South-America	3.93	1.68
Mesoamerica	0.39	0.26
Caribbean	0.08	0.04
Southern Africa	0.00	0.00
Not Screened	0.00	0.00
Total Africa	3.09	2.52
North-Africa	2.53	2.21
West-Africa	0.18	0.10
Not Screened	0.14	0.08
Central Africa	0.09	0.04
Indian Ocean	0.07	0.05
Eastern Africa	0.05	0.03
Southern Africa	0.03	0.01
South-America	0.00	0.00
Total Europe	2.86	1.86
Western Europe	1.94	1.52
Eastern Europe	0.91	0.34
Balkans	0.00	0.00
Not Screened	0.00	0.00
Total Asia	1.05	0.52
Total Oceania	0.00	0.00
Not Screened	0.41	0.16
Grand Total	11.82	7.03

Table 5
Regional distribution of investments by Rio Marker (USD million, current prices)

<i>Recipient Region</i>	<i>Rio Marker absent (i.e. not screened)</i>	<i>Rio Marker = 0</i>	<i>Rio Marker = 1</i>	<i>Rio Marker = 2</i>	<i>Rio Marker = 3</i>	<i>Total Investment</i>
Africa			655	372	2 063	3 090
Asia	260		132	533	125	1 051
CEE			862	1 246	750	2 858
LAC		2	3 377	502	527	4 409
Not Screened	410					410
Total	670	2	5 026	2 654	3 466	11 818

Table 6
Regional distribution of investments by Operational Objectives of the 10-Year Strategy (USD bn, current prices)

Region	<i>Operational Objectives</i>						Total (USD bn)
	1	2	3	4	5	Not Specified	
Africa	2,39	0,19	0	0	0	3,72	6,3
LAC	0,61	3,38	0,02	0,39	0	0,01	4,41
Asia	0,58	0,1	0,28	0	0		0,96
Europe	0	1,94	0,01		0,91		2,86
Not Specified	0,09	0,13	0,05	0,06	0	0,31	0,64
Total	3,67	5,74	0,36	0,45	0,91	4,04	15,17

Table 7
Regional distribution of investments by Rio Marker for the Convention on Biological Diversity (USD bn, current prices)

Region	<i>CBD Rio Markers</i>				Total (USD bn)
	0	1	2	Not Specified	
Africa	1,96	0,40	0,20	0,39	2,95
LAC	3,30	0,49	0,61	0,01	4,41
Asia	0,31	0,05	0,34	0,25	0,95
Europe	0,00	0,86	1,95	0,05	2,86
Not Specified	0,17	0,14	0,00	0,33	0,64
Total	5,74	1,94	3,10	1,03	11,81