



UNITED
NATIONS



**Convention to Combat
Desertification**

Distr.
GENERAL

ICCD/CRIC(4)/4
4 August 2005

Original: ENGLISH

COMMITTEE FOR THE REVIEW OF THE IMPLEMENTATION OF THE CONVENTION
Fourth session
Nairobi, 18-21 October 2005
Item 3 (a) of the provisional agenda

GLOBAL MECHANISM

**Review, pursuant to article 21, paragraph 5(d), of the Convention, of the report
on activities of the Global Mechanism, and the provision of guidance to it**

Note by the Executive Secretary

1. Based on article 21, paragraph 5(d) of the Convention and pursuant to decisions 24/COP.1, 25/COP.1 and 10/COP.3, the Managing Director of the Global Mechanism (GM) is requested to submit to each ordinary session of the Conference of the Parties (COP), on behalf of the President of the International Fund for Agricultural Development (IFAD), a report on the activities of the GM, which will encompass the following:

- (i) Operations and activities of the GM, including the effectiveness of its activities in promoting the mobilization and channelling of the substantial financial resources to affected developing country Parties,
- (ii) Assessment of the future availability of funds for implementation of the Convention, as well as assessment and proposals for effective ways and means of providing such funds, and
- (iii) The activities of IFAD, the United Nations Development Programme (UNDP) and the World Bank as well as other relevant organizations in support of the GM.

2. In addition to this, a number of COP decisions introduced further obligations of the GM to report:

- (i) In its decision 9/COP.3, the COP recommended that the Managing Director of the GM report on the activities undertaken by the Facilitation Committee, the decisions taken and the results obtained in implementing them,
- (ii) By its decision 5/COP.6 on the review of the policies, operational modalities and activities of the GM, the COP requested the GM to report on progress made in carrying out the activities set forth in that decision.
- (iii) In its decision 5/COP.3, the COP requested the Managing Director of the GM (and the Executive Secretary of the UNCCD¹), in conformity with the provisions of the Convention, to assist affected African country Parties, upon request, in facilitating the convocation of consultative processes in order to negotiate and conclude partnership agreements based on action programmes. They were also requested to report on their role in facilitating these processes and on the results obtained.
- (iv) By its decision 3/COP.6, the COP requested the secretariat² and the GM, under the latter's Business Plan, to develop and implement a biennial joint work programme and to submit a report which should include the required support to affected developing country Parties and other country Parties covered by Regional Implementation Annexes of the UNCCD, as well as a common awareness-raising and information strategy, with the GM mandated to carry out resource mobilization tasks efficiently.
- (v) By its decision 29/COP.6, the COP decided to consider at its seventh session the progress made, *inter alia*, by the Global Mechanism, in mobilizing financial resources to support UNCCD implementation, in particular national action programmes to combat desertification.

3. In the light of paragraph 1(b) of the terms of reference of the CRIC, as annexed to decision 1/COP.5, which states that, at its sessions held during the COP, the CRIC shall, *inter alia*, regularly review the policies, operational modalities and activities of the GM, it is proposed that the matters (i) to (iv) be considered by the CRIC through its consideration of the report by the GM on its activities, prepared pursuant to article 21, paragraph 5(d) of the Convention, while the matter under (v) would be considered by the COP, in conformity with decision 29/COP.6.

4. The report by the Managing Director of the GM is attached hereto as received by the Executive Secretary, without formal editing.

¹ The information pertaining to this matter, as reported by the Executive Secretary of the UNCCD, is contained in document ICCD/CRIC(4)/2.

² Ibid.

**REPORT OF THE MANAGING DIRECTOR OF THE GLOBAL MECHANISM OF
THE UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION ON
BEHALF OF THE PRESIDENT OF THE INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT TO THE SEVENTH SESSION
OF THE CONFERENCE OF THE PARTIES**

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Abbreviations and acronyms

ACP	Africa, the Caribbean and Pacific
ADB	Asian Development Bank
ALA	Asia and Latin America
CABEI	Central American Bank for Economic Integration
CACs	Central Asian countries
CACILM	Central Asian Countries Initiative on Land Management
CES	Compensation for ecosystem services
CETP	Community exchange and training programme
CFP	Country financing partnership
CGIAR	Consultative Group on International Agricultural Research
CIDA	Canadian International Development Agency
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
COMIFAC	Conference of Ministers for the Forests of Central Africa
COP	Conference of the Parties (to the UNCCD)
COSOP	Country strategic opportunities paper
CPF	Collaborative Partnership on Forests
CPP	Country programme partnership
CRIC	Committee for the Review of the Implementation of the Convention
CST	Committee on Science and Technology
EC	European Commission
ECCAS	Economic Community of Central African States
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
ECP	Extended cooperation programme
EDF	European Development Fund
ERSW&EC	Economic recovery strategy for wealth and employment creation
FAO	Food and Agriculture Organization of the United Nations
FC	Facilitation Committee (of the Global Mechanism)
FIELD	Financial Information Engine on Land Degradation
GEF	Global Environment Facility
GM	Global Mechanism of the UNCCD
GTI	Inter-institutional Working Group
GTZ	German Technical Cooperation Agency
HIPC	Heavily indebted poor country
HPP	Harmonization of public policies
IACD	Inter-American Agency for Cooperation and Development
ICARDA	International Centre for Agricultural Research in Dry Areas
ICF	Interim cooperation framework
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IYDD	International year of deserts and desertification
JWP	Joint work programme
LDC	Least developed countries

LDRS	Law for sustainable rural development
MDG	Millennium Development Goal
MEA	Multilateral Environmental Agreement
NEMA	National Environment Management Authority
NAP	National action programme (of the UNCCD)
NEPAD	New Partnership for Africa's Development
NGOs	non-governmental organizations
OAS	Organization of American States
ODA	Official development assistance
OECD	Organization for Economic Co-operation and Development
OECD/DAC	OECD Development Assistance Committee
OP	Operational Programme
OPEC	Organization of Petroleum Exporting Countries
PDF	Project Development Fund (of the GEF)
PEAP	Poverty eradication action plan
PISLM	Partnership initiative on sustainable land management
PPP	Public-private partnership
PRS	Poverty reduction strategy
RAP	Regional action programme (of the UNCCD)
RIOD	International NGO Network on Desertification and Drought
SDC	Swiss Development Corporation
SDPRP	Sustainable development and poverty reduction programme
SIDS	Small island development States
SLM	Sustainable land management
SPA	Strategic partnership agreement
SRAP	Subregional action programme (of the UNCCD)
SSF	Subregional Support Facility
TPN	Thematic programme network (of the UNCCD)
UMA	Arab Maghreb Union
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFF	United Nations Forum on Forests
UNIDO	United Nations Industrial Development Organization
WANA	West Asia and North Africa
WB	World Bank

EXECUTIVE SUMMARY

1. During the biennium 2004 – 2005, the GM has fulfilled its mandate to promote actions leading to the mobilization and channeling of substantial financial resources. GM's operations were guided by its Operational Strategy endorsed by the COP (ICCD/COP(4)/4/Add.1(A)). The strategy highlights the importance of aligning national action programmes (NAPs) with overarching national development frameworks and building partnerships between developed and developing country Parties.
2. GM's support to resource mobilization through the initiation of policy dialogues and creation of partnerships has contributed to: (i) facilitation in the development of an enabling policy, legislative and institutional environment, (ii) improved governance, (iii) shared recognition of direct links between poverty and the degradation of the environment, (iv) enhance coordination of ministries in order to harmonise policies across various sectors, and (v) secure increased allocation of funds for sustainable land management from a broad range of domestic and international sources. Additionally, the GM has improved its communication and information services, has consolidated its cooperation with partners within and outside its Facilitation Committee (FC) and has successfully interacted with the private sector, academia and non-governmental organizations (NGOs). The account of GM's operations is given in chapter I.
3. The changing approaches in resource allocation for development, as outlined, *inter alia*, in the Monterrey Consensus, create challenges which need to be met by new approaches and strategies in support of affected countries. Multilateral development institutions, including the World Bank and regional development banks as well as bilateral donor agencies have developed new policies and procedures in resource allocation, which is reflected at the national level through greater emphasis on country leadership. This trend, briefly outlined in chapter II, opens opportunities for country partners to mainstream UNCCD-related issues into overarching development agendas such as Poverty Reduction Strategy Papers (PRSPs).
4. The strategic response of the GM to this trend is a consolidated strategy and an enhanced approach to mobilising resources, pertaining to core elements such as NAP processes, support to mainstreaming, comprehensive instruments for national financing and partnership facilitation. The mobilisation of financial resources needs to be more comprehensive taking into account the development of an enabling environment for investments and finance for sustainable land management. The strategy and approach of the GM, as outlined in chapter III, will be refined based upon COP deliberations and will be the foundation for the new Business Plan of the GM for 2006 – 2010.
5. The envisaged consolidated strategy and enhanced approach of the GM will impact on its operations. The GM will consistently allocate increased human and financial resources into more targeted activities. In this regard, the GM will strive to clarify and strengthen cooperation patterns, in particular with the UNCCD secretariat and other member organizations of the FC, to increase synergies and actions for the future support to developing countries.

6. As briefly outlined in chapter IV, the core business of the GM will be operationalized through three types of interventions: (i) long-term support to interested country partners, (ii) strategic small-scale interventions at national and regional level, and (iii) collaboration in regional processes in support of coordination and policy work such as TerrAfrica.

7. In addition to its core business, the GM will strengthen its thematic and strategic activities, with a view to sharpen the GM's role as a broker of information and knowledge and to increase the impact of its interventions. However, the GM will keep its scope of a facilitating body which means that it will not develop profound in-house expertise, but make available related services from sources outside the GM. These activities will support and create synergies with the GM's core business and thus further improve its services to country partners. A new quality policy and an effective monitoring and evaluation system will govern GM's future interventions.

INTRODUCTION

8. According to the Rules of Procedure of the UNCCD (ICCD/COP(1)/11), the GM as one of the subsidiary bodies of the Convention is called upon to report on its operations to the CCOP. This report to the seventh session of the COP to be held in Nairobi, Kenya between 17 and 28 October 2005 contains a summary of GM' activities since COP 6.

9. The GM has been guided by decisions and recommendations of the COP and two external evaluations carried out in 2003. These contributions governing the course of the GM have underlined, *inter alia*, that the GM, in fulfilling its mandate in financial resource mobilization, needs to work in partnership with a broad variety of constituencies and partners at all levels.

10. The consolidated strategy and enhanced approach of the GM for the future is firmly based on its mandate given by the Convention and on previous COP decisions. Consequently, the foundation of GM's interventions remains to be the country focus and the close collaboration with the UNCCD secretariat, the member organizations of its Facilitation Committee (FC) and bilateral donor agencies. However, a necessary change in GM's focus will have a bearing on its operations in continuing to deliver valuable services to country partners also at the regional level.

11. In response, the GM will strengthen its longer-term commitments to interested country partners and will increase its support to the analysis and synthesis of UNCCD implementation processes, the application of instruments such as NAPs and relevant strategic issues. In order to adjust and improve its services, the GM will contribute through additional thematic foci such as financing instruments, trade and market development, ecosystem services and forestry as well as public education. Additionally, the GM will enhance its cooperation with the private sector and NGOs fostering public-private partnerships and innovative interactions with the NGO community.

I. PROGRESS IN IMPLEMENTATION: ACHIEVEMENTS AND EXPERIENCE SINCE THE SIXTH SESSION OF THE CONFERENCE OF THE PARTIES

A. Global Mechanism operations in the different regions

12. Based on experience, the GM's approach and operations are continuously evolving in order to reflect changes in the national and the international environment in which it works. In line with its mandate, the GM supports national, subregional and regional action programmes in Africa, Asia, Latin America and the Caribbean. GM operations are guided by its operational strategy endorsed by the COP (ICCD/COP(4)/4/Add.1(A)), which highlights the importance of aligning NAPs with overarching national development frameworks and building partnerships between developed and developing country Parties.

13. The GM has used the NAP as a vehicle for engaging a broad spectrum of stakeholders in a policy dialogue. With the UNCCD national focal point institutions, the GM has successfully forged partnership involving technical ministries such as ministries of Agriculture, Environment, Health and Social Development and non-technical ministries such as ministries of Finance, Planning and External Cooperation. Dialogues and partnerships contributed to: facilitate the development of an enabling policy, legislative and institutional environment; a shared recognition of direct links between poverty and the degradation of the environment; enhance coordination of ministries in order to harmonise policies across various sectors; and secure increased allocation of funds for sustainable land management from a broad range of domestic and international sources.

North Africa

14. Subsequent to integration of Tunisia's NAP into the 10th Socio-Economic Development Plan, the NAP Financing Plan developed by Tunisia, GM, United Nations Development Programme (UNDP) and German Technical Cooperation (GTZ), has led to investments of approximately US\$ 14 million in grants and a US\$ 100 million in loans for financing NAP projects. In addition, the GM together with the International Fund for Agricultural Development (IFAD) co-financed and developed a Global Environmental Facility-Project Development Fund B (GEF-PDF-B) project, which proposes a financing package of US\$ 29 million including a GEF grant of US\$ 5 million. The project was approved for GEF pipeline entry.

15. Together with the Tunisian government and GM's partners, a new phase of NAP implementation was launched in early 2005 to consolidate the mainstreaming process concluded in the first phase and to adopt a process that will ensure integration of local-level needs into the regular planning process. This entails the formulation of subregional action programmes (SRAPs) at district level which will function as vehicles for articulating local level land degradation issues and facilitate their integration into the 11th National Socio Economic Development Plan (2006-2011).

16. Morocco's NAP priority project portfolio was presented at a Country Financing Partnership (CFP) forum in September 2004. Fifty-three projects were presented to development partners. As a consequence, Spain committed to support a project costing US\$ 1.5 million. In addition, the GM and IFAD co-financed the elaboration of a GEF PDF-B project in collaboration

with United Nations Industrial Development Organization (UNIDO) with a financing package of US\$ 16 million including GEF grant financing of US\$ 6 million. The project was approved for pipeline entry by the GEF in October 2004.

17. At subregional level, GM support to the SRAP-Arab Maghreb Union (UMA) focused on strengthening civil society involvement in NAP implementation and contributed to the mobilisation of US\$ 75,000 through IFAD's Extended Cooperation Programme (ECP).

West and Central Africa

18. In Western Africa, eight out of 13 countries have received GM technical and/or financial support to implement actions leading to resource mobilisation. In Benin, Burkina Faso, Cape Verde, the Gambia, Ghana, Mali, Mauritania, Niger, Senegal and Togo, the GM intervention has focused on national partnership and mainstreaming NAP into national development frameworks. Consequently, the preparation of a country-driven operational programme (OP) has been fostered. Achievements include, *inter alia*: in Burkina Faso (a) agreement by the majority of stakeholders on the OP and its integration into the PRSP three-year (2004-2006) action programme; in Senegal (b) country financial partnerships established, (c) funding secured for two projects; (d) effective political support for and awareness of UNCCD implementation; (e) funds allocated from the national budget in support of UNCCD implementation; in Mauritania (f) a draft OP submitted to Government approval; in Togo (g) funding collaboration between the GM and UNDP office leading to successful implementation of four pilot Community Exchange and Training Programme (CETP) projects, partnership- building and mainstreaming UNCCD objectives into development frameworks; in Benin (h) collaboration on mainstreaming with CILSS since early in 2005; in Niger (i) contribution to the establishment of the National Environment and Desertification Fund and preparation of a donor consultative meeting on environment and desertification. In Guinea, Guinea-Bissau and Sierra Leone the GM has supported NAP elaboration in collaboration with UNDP/GEF and local partners.

19. In Burkina Faso a preliminary grant of US\$ 130,000 has secured US\$ 175 million under the PRSP framework for a three-year action programme comprising a broad range of desertification activities. Furthermore, the ongoing GEF funded CPP co-led by UNDP and IFAD is expected to drain a US\$ 10 million allocation, not including US\$ 500,000 already mobilised to implement the CPP PDF-B.

20. At the subregional level effective collaboration has been established with subregional institutions: the Economic Community of West African States (ECOWAS) and the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS). The Subregional Facility Fund (SFF) is set up, hosted by CILSS. Countries have already benefited from its financial and technical support. The SFF will also support West African NGOs in their subregional strategic action programme development, partnership building and networking including with NGOs from developed countries.

21. In Central Africa GM supported the organization of the Libreville, Gabon, workshop held in July 2003 in collaboration with the UNCCD secretariat and CILSS. Financial support was provided to the Conference of the Ministers for the Forests of Central Africa (COMIFAC) on behalf of member States of Economic Community of Central African States as Subregional

Facility Fund to initiate SRAP formulation. In total, funding mobilised for NAP processes in the two subregions has exceeded US\$ 2.1 million excluding the technical assistance provided.

East and Southern Africa

22. In the East and Southern Africa subregions, the GM provided about US\$ 1.2 million in catalytic funding to facilitate paramount actions enumerated below.

23. GM is supporting Angola to formulate and mainstream its NAP into relevant development frameworks of the country such as the PRSP. Working closely with IFAD, UNCCD concerns will be reflected into Angola's Country Strategic and Opportunities Paper (COSOP), which is currently under formulation. The COSOP will take into consideration the threat of land degradation to agricultural productivity and poverty alleviation and propose measures to address this threat in IFAD's future programming.

24. Mainstreaming of UNCCD/NAP into national development and planning frameworks, such as poverty reduction strategies, continue to underpin GM's work in East and Southern Africa. Grants have been provided to five countries – Eritrea, Ethiopia, Kenya, Tanzania and Uganda to mainstream NAPs within their respective PRSPs and relevant sector policies and strategies, and also forge partnerships for NAP implementation.

25. Under Government leadership, GM is supporting Ethiopia to mainstream its NAP into the Sustainable Development and Poverty Reduction Programme (SDPRP). Support is being provided to the country to prepare a five-year investment plan as part of the mainstreaming into the SDPRP. GM's positive interactions with the Government of Norway, Ethiopia's *Chef de File*, and other development partners is galvanising support for NAP implementation in a more comprehensive, coherent and coordinated manner.

26. GM is supporting Eritrea to mainstream its NAP into the PRSP whilst concurrently working with IFAD to ensure that Eritrea's COSOP recognizes the threat of land degradation to agricultural productivity and poverty alleviation efforts.

27. In Tanzania, GM is in discussion with the World Bank (WB) to leverage additional support for mainstreaming through the Danish Trust Fund. The resources earmarked for Tanzania under this Fund builds on GM's work in the country.

28. The Government of Uganda has been supported to mainstream and make the NAP a priority in the Poverty Eradication Action Plan (PEAP). Today, Uganda's mainstreaming is proven successful and is providing a strong basis for SLM investments. Following the mainstreaming, a notable number of projects and programmes that address UNCCD concerns are emerging through the framework of the Programme for the Modernization of Agriculture, a multi-donor support programme to promote growth and alleviate poverty in Uganda.

29. In Kenya, the Economic Recovery Strategy for Wealth and Employment Creation (ERSW&EC) provides a strategic entry point for resource mobilization for NAP implementation. The ERSW&EC, Kenya's equivalent of the PRSP, provides a strong basis for donor support particularly due to the donor community's increased focus on alignment and aid harmonization.

GM is providing guidance to the National Environment Management Authority (NEMA) to translate the NAP into tangible investments through the ERSW&EC.

30. Ghana is being supported to mainstream its NAP into the PRSP. As part of this process, GM and key partners organized a consultative meeting to discuss coordination amongst stakeholders and additional resources for NAP implementation.

31. Two grants were awarded to the Intergovernmental Authority on Development (IGAD) Secretariat. Through the support, a subregional support facility (SSF) to support the implementation of the IGAD SRAP has been established. The SSF is creating linkages that complement member states' national level activities. A grant was also awarded to UNCCD secretariat to launch the Africa Regional Thematic Programme Network on Renewable Energies (TPN 5). With GM support, a web site and CD-ROM for TPN 5 have been developed. Additionally, a five-year action plan and three project proposals have been elaborated.

32. GM is promoting Public-Private Partnerships (PPP) in Kenya and South Africa. Encouraging results emanating from studies initiated by GM and the Governments of South Africa and Kenya, culminated in the official launch of PPP in the two countries. The Vice-President of Kenya launched the first PPP fund to combat desertification in May 2004. South Africa launched a partnership with the private sector in November 2004 and an agreement for Rand 500 million to support renewable energy initiatives under the NAP has been signed.

33. The IGAD subregion has been supported to devise a more effective mechanism for working with NGOs with the opening of a NGO window within the IGAD SSF. Support was also provided to Ethiopia in collaboration with an NGO to test a community-based approach to address wetland and catchments rehabilitation.

Asia and the Pacific

34. Since its inception, the membership of the Strategic Partnership Agreement for UNCCD implementation in Central Asian Countries (SPA) has grown; current members are the GM, Asian Development Bank (ADB), Canadian International Development Agency (CIDA), CCD Project of GTZ, Swiss Development Corporation (SDC), IFAD, International Centre for Agricultural Research in Dry Areas (ICARDA) and UNDP. A significant new development launched by the SPA, and led by ADB, is the GEF Country Programme Partnership (CPP) Central Asian Countries Initiative on Land Management (CACILM).

35. In January 2004, the GM, ADB and CCD Project of GTZ undertook a joint mission to the Central Asian Countries (CACs) and undertook extensive consultations for developing CACILM. The CACILM concept was further refined during a series of consultative meetings financed by the GM and ADB and a consensus was reached on its strategic vision.

36. CACILM will be implemented over a ten-year period (2005–2014) and will support a sequenced set of priority activities identified in National Programming Frameworks under development. Activities will include: (i) strengthening the enabling policy, legislative and institutional frameworks for pursuing SLM, (ii) capacity building of key institutions, and (iii) identifying priority investments and technical assistance.

37. CACILM aims to leverage US\$ 700 million over 10 years from the respective countries, GEF and multilateral and bilateral sources. Current earmarked financing for programme implementation includes respectively US\$ 450 million of ADB's programming resources over 10 years and US\$ 20 million from GEF's third replenishment. The GEF Secretariat approved the PDF-B application in early 2005 and made available US\$ 700,000; co-financing from the Central Asian Countries (CACs), ADB, GM and others amount to US\$ 1.6 million. The project design phase was initiated in April 2005; the full project is scheduled for submission to GEF Council in May 2006.

38. In 2004, the GM entered into an agreement with the Government of Jordan for developing a resource mobilization strategy for NAP implementation. To launch the process, the GM and IFAD co-financed and developed a GEF OP15 PDF-B proposal. The project seeks to enhance ecosystem services and to improve the enabling policy, regulatory and institutional frameworks. The GEF Secretariat approved the proposal and provided US\$ 350,000 for undertaking the design phase; co-financing from the Government, GM, IFAD and others total US\$ 335,000. The expected total financing for this project is US\$ 39.3 million including a GEF grant of US\$ 6.5 million. The GEF project will constitute a substantial input to resource mobilisation strategy under development.

39. Drawing on the GM's mainstreaming and resource mobilisation experience, a capacity-building initiative is being developed under the Regional Programme for Sustainable Development of the Drylands of West Asia and North Africa (WANA). The initiative seeks to enhance the capacity of national stakeholders to elaborate and implement national and multi-country strategies for mobilizing finances for UNCCD implementation. This initiative is being financed by the SDC and the Organization of Petroleum Exporting Countries (OPEC) Fund.

Latin America and the Caribbean

40. The GM has been supporting NAP implementation in Peru through: (i) the mobilisation of financial resources of approximately US\$ 800,000 from the Peru-Italy debt swap Trust Fund to develop a project in line with NAP priorities, and (ii) the establishment of a Country Financial Partnership seeking to enhance programmatic convergence. In order to strengthen the national financing process the GM has also contributed to the development of the National Desertification Fund financed by the Government of the Netherlands.

41. The GM, in close collaboration with IFAD and the Government of Argentina has mainstreamed UNCCD priorities into IFAD's operations in the country. In 2004, IFAD approved a new lending portfolio for US\$ 25 million to directly support the UNCCD and rural development in the Patagonia region. The GM, in partnership with Italy, has mobilized EUR 150,000 for the elaboration of a EUR 3.5 million project for the Centre-West region.

42. The Border Action Plan (PAN-FRO) in the Dominican Republic with the support of the GM and FAO has been successful in mainstreaming UNCCD priorities into: (i) national policy and institutional frameworks through the establishment of an Inter-institutional Working Group, (GTI), comprising ministries (including Planning and Finance), international cooperation agencies such as the Food and Agriculture Organization of the United Nations (FAO), GM, UNDP, CIDA, GTZ, and organized civil society, and (ii) the transboundary projects financed by

bilateral cooperation of Canada and Germany to serve as a baseline for a bi-national GEF OP 15 Full Size Project.

43. GM's catalytic support to Haiti has led to the formalization of a partnership between UNDP-GTZ-FAO/GM which has been a key element in the mainstreaming of the UNCCD as Priority no. 2 of the Environment Programme of the Interim Cooperation Framework (ICF). As a result, the European Commission (EC) and Spanish and Canadian Cooperations have expressed their interest in supporting the partnership.

44. The GM has promoted a high-level policy dialogue conducive to strengthening the regulatory and institutional frameworks through the joint UNEP/GM Harmonization of Public Policies (HPP) initiative in Mexico. As a result, a Federal Law for Sustainable Rural Development (LDRS) has been prepared and approved which includes the establishment of the National System for Combating Desertification. With the HPP project, collaboration between GM and IFAD in Mexico (under the framework of the Law for Sustainable Rural Development) has increased the financial allocations from the domestic budgets which in turn have contributed to the streamlining of IFAD's support to Mexico amounting US\$ 40 million.

45. In support to the Caribbean Small Island Development States (SIDS) the GM, in close collaboration with UNEP, has facilitated the establishment of the Partnership Initiative on Sustainable Land Management (PISLM) involving also FAO, CARICOM Secretariat, the University of the West Indies, civil society (RIOD), GTZ and Caribbean SIDS.

46. Complementary between the GM and GEF agencies can be highlighted through the following initiatives which have successfully entered GEF pipeline: (a) a US\$ 6 million GEF component linked to an IFAD- project in north-east Brazil, (b) in Venezuela a US\$ 4 million initiative has been developed linked to the IFAD PROSALAFSA project, (c) in Argentina, the GM provided catalytic support for the development in partnership with UNDP of a US\$ 6 million GEF project for the Patagonia region, which complements IFAD's new portfolio in the area, (d) the GM in partnership with UNEP has supported the development of a full size GEF project in El Gran Chaco Americano for US\$ 4 million. In complementarity with the GEF initiative the GM has contributed to the mobilization of US\$ 350 000 from the Inter-American Agency for Cooperation and Development (IACD), (e) the English Speaking Caribbean subregion where a project for US\$ 6 million is being developed by UNEP, and (f) in partnership with UNEP and CATIE the GM is supporting the initiation of activities relating to trinational OP15 project in the Golfo de Fonseca (El Salvador, Honduras and Nicaragua).

47. The GM has explored opportunities for resource mobilisation through private-public partnerships. For example, (i) an initiative in partnership with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) to foster a consultative process between the stakeholders of the PUNA SRAP and the mining companies with operations in the area, and (ii) the GM, in collaboration with several partners (FAO, GTZ, Organization of American States (OAS), Ecosecurities, Central American Bank for Economic Integration (CABEI) and IFAD is supporting the integration of Compensation for Ecosystem Services (CES) mechanisms into NAP implementation through the different financing mechanisms such as the Carbon Management Funds of the World Bank in Nicaragua, and the border area between Peru and Ecuador.

B. Information and communication

48. The GM is engaged in the development of an information and awareness-raising strategy with the UNCCD secretariat and other FC member organizations, including initiatives and events to celebrate the 2006 International Year of Deserts and Desertification (IYDD) (decision 3/COP.6). This process is part of the deliberations on an increased cooperation between the GM and the UNCCD secretariat with regards to coordinated interventions at all levels based on the Joint Work Programme (JWP).

49. The GM Financial Information Engine on Land Degradation (FIELD), developed since 1999, was technically updated in 2004. Currently it contains over 10,000 cross-referenced records, including about 5,500 projects and 1,700 reports or publications related to the implementation of the Convention as well as over 400 profiles of financing organizations. FIELD offers a detailed analysis of Official Development Assistance (ODA) flows of finance using the Rio Marker data of Organization for Economic Cooperation and Development (OECD). A recent FIELD stakeholder survey conducted by the GM within all UNCCD constituencies has clearly showed that the reliability of financial data could greatly benefit from the improvement of national reporting. Bilateral and multilateral data on finance would be more comprehensive, if Rio Markers would be used consistently.

50. During the period 2004-2005, the GM web page registered a 50 percent increase in visitors ranging from an average of 12.000 to over 18.000 visitors monthly from over 140 countries worldwide. This is a clear demonstration of the importance of a user-friendly information base on the Internet.

C. Networking and partnerships at the international level

51. Given the limited capacity of the GM in terms of its human resources and the nature of its mission, networking and partnerships are crucial in order to maximize impacts. To this end, the GM cooperates closely with member organizations of its FC, bilateral agencies, including the EC and the OECD/Development Assistance Committee (DAC), NGOs and the private sector.

52. The GM collaborated closely with the UNCCD secretariat based on a Joint Work Programme (JWP), which is increasingly turned into an effective and shared management tool, in particular in support of NAP elaboration and implementation in almost all countries of GM's interventions. Meanwhile, discussions on cooperation patterns and distributions of roles at all levels of the UNCCD secretariat and the GM need to be finalized by December 2005, in order to focus the JWP on targeted interventions drawing upon the comparative advantages of the UNCCD secretariat and the GM.

53. With regard to IFAD, a GM Advisory Group, chaired by the Assistant President of the Programme Management Department has been established dealing with GM-IFAD interaction and cooperation, which has led to more systematic and regular cooperation. The GM and IFAD are now working together in countries in all regions.

54. Since the decision of October 2002 to designate land degradation as one of its focal areas, the GEF and its executing agencies are complementary partners of the GM, sharing common objectives in increasing catalytic finance, partnerships and mainstreaming which is further strengthened through the Country Programme Partnerships (CPPs) approach.

55. Since 2000 the GM has supported the participation of NGOs in combating desertification through the Community Exchange and Training Programme (CETP). A comprehensive review of the CETP undertaken in 2004-2005 indicated the importance of capacity of the civil society in developing countries for an effective and sustainable NGO contribution to the UNCCD process.

56. The GM has received widespread interest from the private sector of both developing and developed countries. Recognizing the need for partnerships that facilitate the mobilization of new and innovative sources of funding, the GM is promoting public-private partnerships.

57. Increasingly, the international-level cooperation between the GM and other global players is leading to more concrete joint undertakings such as the CACILM process in Central Asia and the TerrAfrica initiative of which the GM is one of the partners.

D. Conclusions

58. The GM has delivered a variety of products and services. It has been able to improve its networking and collaboration at all levels. Whilst core funding has helped meeting personnel costs, supplementary funding has been essential to cover GM operations at the country, subregional and regional levels. Responding indiscriminately to varied and not always structured requests has proven to be highly demanding on GM human resources, administration, planning and management capacities.

II. CHANGING ENVIRONMENT

A. Policy developments at the international level

59. Global consensus and agreements such as the Millennium Development Goals (MDGs) and the changing understanding of resource allocation for development as outlined, *inter alia*, in the Monterrey Consensus create challenges which need to be met by new approaches and strategies in support of affected countries. Being designed as an overarching and cross-sectoral legal instrument, the UNCCD is excellently positioned to contribute to the achievements of national development goals, as well as the MDG, particularly Goals 1 and 7³.

60. The GM has been working within this changing international context and has been emphasizing the poverty/environment nexus in line with the spirit of the Convention. However, recommendations for “improving aid effectiveness through strengthening countries development strategies and operational frameworks, aligning aid with country priorities, eliminating duplication” (Paris Declaration of the High-Level Forum on Aid Effectiveness) have not yet been turned into a more coherent approach to resource mobilization.

³ 1: Eradicate extreme poverty and hunger, and 7: Ensure environmental sustainability.

61. Multilateral development institutions, including the World Bank and regional development banks as well as bilateral donor agencies have developed new policies and procedures in resource allocation as a result of experiences in country-level operations and global policy guidance. For example, the new modalities in the International Development Association (IDA) of the World Bank Group, heavily indebted poor countries (HIPC) initiatives and other cancellations of public debts to international lenders such as the recent debt relief package of the G8 for 18 African countries offer new opportunities for the UNCCD to increase financing for land rehabilitation and sustainable land management.

62. Moreover, long-standing funding instruments for development cooperation such as the European Development Fund (EDF) for developing countries in Africa, the Caribbean and Pacific (ACP) countries and the bilateral technical and economic cooperation of the European Community with the developing countries in Asia and Latin America (ALA), the Mediterranean countries (MEDA) and with countries in transition (TACIS) are well established instruments which could increasingly support UNCCD implementation if combined and interlinked with innovative instruments such as the “new” IDA and bilateral instruments such as basket funding and direct budget support.

B. Implications at country level

63. For the national level, the call for country leadership and for the country-driven identification of development priorities through, *inter alia*, PRSPs, mirrors the current changes in resource allocation procedures by international organizations and bilateral donor agencies. As a result, resource allocation is increasingly subject to national-level negotiations within the government as well as between the government and the international community. As donors are increasingly aligning their priorities with those of the recipient countries, articulating land degradation as one of the development priorities becomes crucially important. The importance of domestic public budget allocations increases considerably through new approaches such as basket funding and direct public budget support. As a consequence, the level of finance for UNCCD implementation will depend increasingly on the political will of governments to identify land rehabilitation and sustainable land management as a national priority.

64. These developments call for changes in the approach of the GM to resource mobilization and demand improved instruments to meet the challenges ahead. More responsive and strategic support is needed in order to provide country partners responsible for UNCCD implementation with adequate tools to compete for the allocation of resources in this emerging “development market place” or to align with other sectors. This includes increased interactions with sectors or areas which have traditionally not been part of the UNCCD agenda and above all, identifying suitable entry points in PRSPs for desertification-related interventions.

C. Conclusions

65. Within the UNCCD context, more emphasis should be laid upon a conducive policy environment, legislative reforms, governance issues and institution building to support affected countries through policy guidance on resource mobilization. The strategic implications for the GM will be in the support of consolidating the existing processes like NAP, innovative partnerships and to contribute to the development of structured approaches to mainstreaming of the UNCCD into national development agendas. The changing environment for investments and finance for development at the national level also has implications for the cooperation of the GM with the FC and its member organizations.

III. CONSOLIDATED STRATEGY AND ENHANCED APPROACH FOR THE FUTURE

A. Introduction

66. Experiences of the past in UNCCD implementation and a changing policy environment at international and national levels call for a consolidated strategy and an enhanced approach of the GM which is firmly based on its mandate, the decisions taken by COP and the recommendations brought forward by the various aforementioned evaluations. The following sections address the core elements for a consolidated strategy and enhanced approach of the GM for the future.

B. Strengthening the national action programme process

67. In a demonstration of commitment to UNCCD implementation, many affected countries have elaborated their NAPs. Whilst in most cases NAPs have been able to broadly capture the technical aspects of desertification, many of them have been unable to effectively translate the principles of the Convention into a strategic and fundable programme of work aimed at mitigating the root causes of land degradation.

68. In general, NAPs have been elaborated as stand-alone action plans, as opposed to being embedded within overarching national development frameworks, such as PRSPs. Also, relevant NAP priorities have not been financed since they rarely feature in national budgetary discussions or in negotiations with donor agencies and development banks.

69. Furthermore, in many cases there are inconsistencies between the analysis of the root causes of land degradation and the proposed solutions - the latter usually documented as a list of projects. Solutions rarely call for reforms in the policy, legislative, institutional and incentive frameworks despite their significance on the decisions taken by the land-user. As a result, the NAPs have been less effective in providing strategic guidance for CCD implementation

70. Drawing on the GM's experience, it is increasingly evident that the "process" of NAP elaboration is equally important for securing financing as the NAP document itself. Successful NAP financing and implementation have begun to take place in countries where the processes have led to increased ownership and commitment for tackling the root causes of desertification.

71. These processes can be lengthy and could take between three to five years for designing a strategy that identifies substantial and predictable financing from both national and external sources. This process-oriented approach which the GM has been pursuing requires consolidated strategic approaches to financing that meet the long-term needs of the countries. However, this mid-term perspective should not pre-empt the GM support to countries striving to improve NAPs that are found to be difficult to finance and implement.

C. Revisiting mainstreaming

72. Mainstreaming, as generally applied in the UNCCD context is a process enabling affected countries to take into account UNCCD principles, NAP objectives and UNCCD-related priority activities in all relevant national policies and strategies with the objective to integrate sustainable land management into overarching development frameworks. It leads to increased recognition of the role of land management in development and could increase investments by the domestic public budget as well as by international financial contributions available at the country level. Mainstreaming implies changes in the way of doing business; e.g. policy reforms, changes in institutional and coordination arrangements, planning/budgeting/resource allocation modalities, etc.

73. To be more strategic and operationally responsive, the GM considers mainstreaming as a generic term for different action-oriented and continuing processes:

- Integrating UNCCD concerns/principles into policy frameworks;
- Engaging stakeholders and forging partnerships to implement UNCCD;
- Building up and disseminating knowledge to implement UNCCD; and
- Mobilising and allocating financial resources to implement UNCCD.

74. These processes are not independent one from the other and cannot be steered in isolation from the broader national policy processes. In order to ensure synergies and increase overall coherence, the processes therefore need to be managed and become an integral part of national decision-making.

75. It is the Governments' role to manage the different processes and build them into national decisions. The GM contributes to the effectiveness of these efforts and their inclusion into policy making by facilitating the mobilisation of resources. The GM helps identify, build up, organize and direct these resources, thus supporting the affected countries in their mainstreaming efforts.

76. Increasing financial resources is dependent on the mobilization of a range of resources. By "resources" the GM therefore does not mean only funds but:

- Instrumental resources: strategic frameworks, policy instruments and plans;
- Human resources: stakeholders, organizations and institutions;
- Knowledge and information resources; and
- Financial resources.

77. The GM considers both domestic and external resources. The GM takes for granted that resources exist at different levels (not only international or national levels), evolve over time, and can be built up and organized to achieve UNCCD objectives.

D. Supporting domestic approaches to sustainable land management financing in drylands

78. The evolving processes and modalities for financial resource allocation also call for an enhanced and consolidated approach for mobilization of both domestic and international resources at the national level. Based on its experience in resource mobilisation for NAP implementation, the GM will develop a concept for national financing strategies as an instrument to support and service the NAP processes. These strategies will be closely linked to wider macro-economic and policy processes. A national financing strategy could contribute to broaden the scope of planning processes beyond specific sectors and include comprehensive coordinating arrangements between different financing sources, instruments and mechanisms. The objective would be to improve the investment climate and create a stable, predictable and enabling environment to ultimately increase investments in sustainable land management.

79. The strategy will identify the complementary roles of the different sources of financing - domestic, foreign, public and private. Major sources of financing include national budgets, community household investments, bilateral cooperation, the World Bank, EC and the GEF. Understanding donor policies and the modalities for accessing bilateral and multilateral funds is crucial. Implications for UNCCD financing of recent developments in international cooperation such as debt relief, direct budget support and performance-based allocations, will also be evaluated.

80. The concept will include indicative elements such as implications of macroeconomic reform and fiscal policies on land rehabilitation. The strategy will also explore both incentives and barriers for investment, provided through policy, legislation and institutional frameworks as well as through financial and market conditions. Key issues would be related to public financial management and budget processes. An understanding of the budget processes can only be obtained by considering the accompanying processes of policy and planning. This will involve examining the ways in which the structure of decision-making within the budget process affects the distribution of public resources. Other mechanisms and instruments for financing will also be considered, including the potential for public-private partnerships and innovative financing sources such as payment for environmental services.

81. Recognizing the limited resources of the GM, the development of the concept will be undertaken in close collaboration with members of the FC and other relevant partners.

E. Coordinated support by Facilitation Committee members⁴ and bilateral organizations

82. To further improve programmatic convergence between the FC members, the FC established, for 2004, detailed JWP with the GM based on recommendations of the external evaluations of the GM. However, an FC analysis indicates that the instrument of JWP has not proven to be sufficiently effective. The FC has developed a new approach through the establishment of a generic JWP which gives flexibility and decreases administrative planning and aims at contributing to a global strategic vision. With regard to the collaboration with the UNCCD secretariat, the instrument of a JWP with the GM remains unchanged.

83. The focus of this enhanced coordination will be the coherence between NAPs and national development programming under PRSP and other overarching policy frameworks. The FC members are also invited to join deliberations on thematic and strategic issues for a more effective and coordinated support to UNCCD implementation at the national and regional level.

84. For the GM to be able to position itself more effectively, it is also important that cooperation with FC members leads to an improved understanding of procedures, modalities and policies of these organizations. An example is IFAD's new Strategic Framework and Operating Model currently being implemented. Another example is the aforementioned revised modalities and procedures for IDA support to Least Developed Countries (LDCs).

85. With regards to the Committee on Science and Technology (CST), the cooperation within the FC, in particular with the Consultative Group on International Agricultural Research (CGIAR), could contribute to reinforce the scientific edge of the Convention through more strategic partnerships for applied research and corresponding resource mobilisation. This would add to enhance the scientific profile of the Convention and its implementation work.

86. The GM has collaborated with bilateral agencies through various forms of donor coordination and partnership building exercises within the context of UNCCD implementation, in particular at the national level. The GM will seek to involve these partners more strategically in the future, through specific initiatives at the subregional level related to the thematic and strategic foci.

F. Partnerships of the future

87. The GM will continue as a broker institution for partnerships at all levels. To ensure the delivery of its mandate, GM builds on the comparative advantage of partners including, *inter alia*, bilateral and multilateral development partners, governments, business and civil society.

88. Notwithstanding the above, the increasingly changing global economy calls for new and effective partnerships that would significantly impact on resource mobilization and allocation. Also, the diversity of partners and the cross-sectoral nature of the partnerships require new capacities and skills.

⁴ The Facilitation Committee of the GM comprises IFAD, UNDP and the World Bank, as the three founding members, as well as the UNCCD secretariat, FAO, UNEP, the GEF secretariat, the CGIAR and the regional banks, namely the African Development Bank, the Asian Development Bank and the Inter-American Development Bank.

89. In light of the above, the GM will engage in new forms of collaboration and strategic alliances in order to take advantage of the changes in development financing. This would include:

- Broadening the partnership base to include new actors such as the media;
- Initiating innovative PPPs and NGO cooperation; and
- Exploring new sources of finance such as through philanthropic contributions, trade and education and payments for environmental services.

90. To this end, the GM is fully involved as a partner in the initiative TerrAfrica, has joined the Global Donor Platform for Rural Development, is joining the Landscape Restoration Partnership and is engaging in The High Level Commission on Legal Empowerment of the Poor launched by the Nordic Countries. All these new engagements are based on the long-standing cooperation with FC members as well as other institutions like the OAS, African Union, the New Partnership for Africa's Development (NEPAD), the United Nations Regional Economic Commissions, amongst others.

G. Conclusions

91. Based on accumulated experience, it is now time for the GM to crystallize its corporate strategy and adopt enhanced approaches while keeping with its mandate and COP recommendations. Keeping the NAP process at the centre, the GM will, with consistency and constancy, pursue consolidated approaches to finance mobilization. The different aspects of mainstreaming will be addressed systematically. The mobilisation of financial resources will be always examined comprehensively at the national level, taking into account in particular the enabling conditions produced by other instrumental, human and knowledge resources. Increased networking and cooperation with FC members and bilateral organizations will be sought for. In cooperation with the Parties to the Convention and its partners, in particular with the FC member organizations, the GM will further elaborate upon the consolidated strategy to be included in the new Business Plan of the GM for 2006 – 2010 after the seventh session of the COP in Nairobi, Kenya in October 2005.

IV. FOCUSING GLOBAL MECHANISM'S OPERATIONS

A. Introduction

92. The envisaged consolidated strategy and an enhanced approach of the GM will impact on GM's operations. In this regard, the GM needs to adapt its cooperation patterns and its instruments to the needs of the developing countries in line with policies and modalities of financing institutions. The GM will focus its support of mainstreaming of the UNCCD into national development programming as one of the major activities in NAP implementation. Based on its specific mandate, the GM will clarify its role, particularly with regard to the close cooperation with the UNCCD secretariat and other member organizations of the FC to determine its future support to developing countries. Additionally, the GM will allocate human and financial resources in order to place emphasis on more targeted activities as well as improved performance and advisory services. The GM needs to increase its activities in analyzing and

synthesizing experience and to assist in the further development of strategies and approaches such as NAP, as well as partnership approaches such as the CPPs at regional as well as international levels. Opportunities for interactions in this regard are in particular regional processes such as CACILM and TerrAfrica. Through such analytic work, the limited interventions of the GM will have a broader impact and will assist in fostering the implementation of the UNCCD.

B. Basic operational features

1. Country partner support and cooperation at regional level

93. For its core business planning, the GM will support three types of interventions along the line of its mandate.

(a) In a limited number of interested countries, the GM will deploy its operations in a way that allows for longer-term interventions (3-5 years). The main focus will be mainstreaming and partnership building, addressing governance issues, institutional development, comprehensive policy environment and national financing strategies in view of improved resource mobilisation at the country level.

(b) On a demand-basis, smaller-scale and targeted interventions at national and regional levels will continue to support a variety of initiatives. The foundation for smaller-scale interventions should also be (i) mainstreaming, (ii) partnership building, and (iii) creating an enabling environment for resource mobilization.

In this regard, the GM will take into account the recommendations of the third session of the Committee for the Review of the Implementation of the Convention (CRIC), *inter alia*, on the mobilization of financial resources to affected country Parties of Africa which have not yet elaborated their NAPs.

(c) At the regional and international levels, the GM will support policy processes and operational partnerships, e.g. TerrAfrica and CACILM etc. and the development of a common understanding on relevant policy and strategic instruments, operational approaches and benchmarks for successful implementation of the UNCCD. In this regard, the GM will increasingly contribute by synthesized information and analysis, *inter alia* through the organization of expert consultations on particular issues deriving from mainstreaming processes. Such analytic focus of the GM will also contribute to the preparation of policy guidance of the COP.

2. Strategic and thematic foci

94. The GM has in the past contributed rather little to thematic and strategic issues of importance for UNCCD implementation. On the other hand, the GM has identified a variety of thematic and strategic issues which are essential for its future work under the consolidated strategy and the enhanced approach. GM's support to a broad variety of activities has yielded profound knowledge and experience which need to be inserted into NAP processes and strategy development at all levels. In order to support its core business and to further improve its services

to country partners, the GM will strengthen its thematic and strategic foci. Leadership for different foci will be taken over by Programme Managers and their Associates as well as additional staff in the context of the aforementioned core operations. It should be underlined, however, that the GM will keep its scope of a facilitating body which means that the GM will not develop profound in-house expertise, but make available knowledge, information and advisory services from sources outside the GM. The foci will, in particular, support the GM in its longerterm interventions as referred to above.

(a) Strategic foci

Information, communication and knowledge management

In accordance with Objective 3 of the Business Plan for 2003-2006, the GM has developed a Communication and Knowledge Management Strategy. The Communication Strategy will contribute to increasing the awareness of land degradation issues and opportunities and facilitating interaction and dialogue among the stakeholders, engaging a broad set of supportive public and private entities, promoting consensus and partnerships. Broad set instruments will be used: Internet-based tools, thematic and strategic analyses, and regional/international expert consultations and publications.

In the implementation of the strategy the GM will establish collaboration with partners, in particular with the UNCCD secretariat, IFAD and the WB.

Private sector involvement

The GM will explore further collaboration opportunities arising from private corporations in developing and developed countries, as well as from foundations, including through public-private partnerships. The GM will explore further funding opportunities arising from private corporations, foundations, and carbon trading. A systematic approach to attract substantial domestic and international public/private investments to support affected countries will be developed.

NGOs involvement

Based on previous experience, the GM will scale up its efforts in support of civil society through NGO cooperation at all levels, including through innovative partnerships like the Landscape Restoration Partnership. The GM will strive to mobilize international and national NGO resources, in particular their outreach to communities in arid zones, their capacity to mobilize local knowledge and their negotiation skills. To this end, the GM will seek to develop partnerships with international NGO networks.

South –South cooperation

Within the framework of its mandate, the GM will contribute to this dynamic by playing a catalytic role in the promotion of new forms of collaboration and partnerships among South countries in order to reinforce regional solidarities and more actively meet

the priority needs of least developed countries. The GM will also seek to reinforce complementarities and synergies through its own knowledge management efforts.

(b) Thematic foci

Economics, fiscal reform and financing instruments

The ultimate goal of the GM involvement on this theme is to better position the UNCCD in the development marketplace and identify potential entry points in the national resource allocation. The GM will especially facilitate information and knowledge flows and the provision of services related to: (i) assessing the potential of macroeconomic reforms and fiscal policies on land rehabilitation, (ii) analyzing elements for an enabling policy and legislative environment for investments from all sources, (iii) understanding policies and modalities of the international donor community, and (iv) contributing to national financing strategies development.

Market access and trade

Market access and trade at local and national level carries the potential to increase the flow of financing for the implementation of the Convention. The role of the GM will be two-fold: highlighting the links between UNCCD implementation, market access and trade under national policy frameworks and increasing focus on resources mobilization and channelling investments towards micro-level growth and development in dryland areas. The goal is to strengthen the competitiveness of dryland products and services and influence related trade policies and decision-making processes.

Ecosystem services and forestry

The GM has initiated activities on how to consider Compensation for Ecosystem Services (CES) as a resource mobilization instrument. CES is a unique instrument to engage a variety of stakeholders: the communities and their organizations, local governments, corporate private sector, bilateral and multilateral organizations, central governments, and well positioned and experienced NGOs. In this regard, the forestry sector plays an important role. An enhanced approach of the GM in this regard is being developed in cooperation with FAO, the Secretariat for Low Forest Cover Countries and the Secretariat of the United Nations Forum on Forests (UNFF) as well as with the Collaborative Partnership on Forests (CPF) and other partners.

Public education

The GM will foster the development of curricula for primary schools with regard to SLM and enhance programmes in adult education through SLM issues. Programmes of the past, like in Tanzania, are in line with the overall sustainable development approach and substantive resources allocations are justified as investments into the future.

C. Monitoring and evaluation

1. Global Mechanism quality policy

95. The GM quality policy conveys its commitment to the UNCCD Parties' satisfaction and its intent to make continuous progress towards achieving excellence. The GM will assess and manage its results and performance more comprehensively and systematically with two quality objectives:

- improve the GM contribution to the implementation of the UNCCD in the affected countries; and
- identify the most effective paths, models and instruments of intervention for the GM, as an institution that interacts with a variety of stakeholders.

96. Benchmarking through criteria and indicators will allow a coordinated, consistent and systemic analysis of performance. It will also help identify the most effective interventions for achieving the targets and transfer good practices into a variety of situations, within and outside the GM. Benchmarking of quality of performance and interventions will provide inputs to the decision-making process. The GM quality policy is being developed in close cooperation with member organizations of the FC, *inter alia*, to clarify roles and mandates and cooperation mechanisms.

2. Tracking achievements at the country level

97. The GM will define simple and user-friendly indicators to measure progress along the chain of operations and decisions, to identify and correct weaknesses, to learn what works and what does not, and to demonstrate achievements and record experience. The assessment of achievements will necessarily involve the concerned partner country. Based on the information on results, the GM will take action and manage its operations and resources in such a way as to improve its own performance and delivery at the country level.

98. Outcome and impact indicators based on the MDGs and new international development agenda will be identified. Outcomes are not necessarily GM-specific and GM accountability in achieving or impacting on them may not be easily measurable. However, it will be important to be able to demonstrate plausibly that the GM is contributing towards achievements in a manner that is aligned with the country's priorities and harmonized with the efforts of other donors.

3. Improving Global Mechanism overall institutional performance

99. The GM will operate as a results-based institution. The collective use of indicators by the GM in the different regions and for the thematic activities will help develop a shared vision and accountability. It will also allow for dialogue, partnership and synergies between the GM staff involved in the different regions and in the GM thematic activities. Indicators for measuring the quality of GM' interventions will help assess beneficiary satisfaction and communicate the value of GM operations to the COP or the general public. At the corporate level, the systematic use of performance indicators will help GM's strategic planning.

Furthermore, the GM will assess its effectiveness as a partner in its role as a broker institution leaning much towards competence and knowledge of other institutions.

4. Monitoring and evaluation system

100. The quality management approach that systematically tracks the key processes over time and in the different regions will naturally lead to monitoring and evaluation as a core part of management. The monitoring and evaluation system will entail mixed internal and external exercises and ensure standard management oversight and accountability.

101. Through the monitoring and evaluation system, the GM will decrease detailed planning in order to enable the institution to react flexibly to changing requirements without losing accountability and transparency.

102. The GM monitoring and evaluation system will link up with the CST activities on research, monitoring and evaluation and indicators as related to the core business and strategic and thematic activities of the GM.

D. Conclusions

103. The GM will strengthen its role as a service provider of information, knowledge and competence. Governing national processes such as NAPs and establishing instruments such as national financing strategies under country leadership also means to support in-country capacity development in order to create a cadre of personnel for mainstreaming. The GM will also call upon the assistance of a selected number of advisors who will, in the future, contribute to GM' interventions as part of an outsourcing pool of human resources.
