

24 August 2003

ENGLISH ONLY

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

CONFERENCE OF THE PARTIES

Sixth session

Havana, 25 August – 5 September 2003

INDEPENDENT EVALUATION OF THE GLOBAL MECHANISM

**Final Report to the World Bank Development Grant Facility
Submitted by the Evaluation Team on 26 June 2003**

Note by the secretariat

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ICCD/COP(6)/MISC.1
GE.03-70352

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Preface

This evaluation faced a formidable challenge. It was charged with assessing the results and impacts of the Global Mechanism (GM), a small institution charged with an enormous task: to mobilize substantial resources for arresting land degradation in affected countries. Fulfilling this mandate in isolation is a task impossible; the networks and partnerships integral to the GM's operations are the key to meeting the challenge.

The GM was conceived as an international broker to help the UNCCD member countries, particularly the poorest countries, and find the resources needed to arrest the downward spiral of land degradation and resulting poverty. The GM's role is common within the private sector, a key role to link supply and demand, but until the GM's creation such institutions were non-existent in international development circles. The GM's creation was indeed a unique step, but emerged more from compromise than from a clear international intent to forge and test a new tool.

This evaluation is nevertheless an opportunity to review the effectiveness and efficiency of a broker within the cultural environment of bilateral and multilateral public agencies. It is also the occasion to assess the actual and potential capacity of this type of broker to construct complex partnerships, combining both public and private actors, with a view to fight land degradation and resulting poverty.

The evaluation task demanded innovation, as there is no precedent of this type. The GM's short existence (less than five years) required the team to look not only backward to assess intermediate results, but also forward to consider key adjustments for enhancing GM operations as it continues to develop. While it is too early to assess impact on the ground, this complementary task will be needed in the future. Finally, the evaluation was undertaken within a short period of time, with only limited visits to countries served by the GM.

Nevertheless key factors contributed to make this challenging evaluation a positive experience. First, I was fortunate to be associated with a team of high professional competence and wide international experience. Second, we had the opportunity to meet many key actors, physically and virtually, from developing and developed countries, all of whom provided excellent feedback about GM activities. Third, we were well supported by members of the Facilitation Committee, particularly the World Bank, which triggered this evaluation, IFAD, which has hosted the GM since its inception, and the UNCCD Secretariat.

We were very impressed by the high level of motivation and dedication of the small GM team and their candor in both raising the issues that they faced and sketching out possible solutions. The results of this evaluation were significantly influenced and made possible through the positive spirit, remarkable openness and wide range of helpful responses from which the team benefited.

François FALLOUX
Team leader

List of Acronyms

| | |
|----------|---|
| AFESD | Arab Fund for Economic and Social Development |
| BCF | BioCarbon Fund (World Bank) |
| CDCF | Community Development Carbon Fund (World Bank) |
| CGIAR | Consultative Group on International Agricultural Research |
| CIDA | Canadian International Development Agency |
| COP | Conference of the Parties |
| DGF | Development Grant Facility (World Bank) |
| FAO | Food and Agriculture Organization of the United Nations |
| FIP | Peruvian-Italian Fund |
| GDP | Gross Domestic Product |
| GHG | Greenhouse gas |
| GM | Global Mechanism |
| IDRC | International Development Research Centre |
| IFAD | International Fund for Agricultural Development |
| IGAD | Intergovernmental Authority on Development |
| ILWI | Integrated Land and Water Management Initiative |
| IsDB | Islamic Development Bank |
| LADA | Land Assessment in Drylands Areas |
| NAP | National Action Program (for UNCCD) |
| ODA | Official Development Assistance |
| OECD | Organization for Economic Cooperation and Development |
| OECD/DAC | OECD Development Assistance Committee |
| OPEC | Organization of Petroleum Exporting Countries |
| PDF | Project Development Fund (of the GEF) |
| PCF | Prototype Carbon Fund (World Bank) |
| RAP | Regional Action Program (for UNCCD) |
| RIOD | International NGO Network on Desertification |
| SRAP | Sub-regional Action Program (for UNCCD) |
| UNCBD | UN Convention on Biological Diversity |
| UNCCD | United National Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa |
| UNDP | United Nations Development Program |
| UNEP | United Nations Environment Program |
| UNFCCC | UN Framework Convention on Climate Change |
| US CHC | United States Congressional Hunger Center |
| WB | World Bank |
| WFP | World Food Programme |
| WSSD | World Summit on Sustainable Development |

Executive Summary

Background and Context

This independent evaluation examines the operations of the Global Mechanism (GM) over the course of its first five-years. It fulfills a request of the World Bank, which through its Development Grant Facility (DGF) has provided substantial funding to the GM.

The evaluation addresses the following questions:

1. *Context*: what are the external circumstances in which the GM is operating, and what are the impacts on the GM's work?
2. *Activities and results*: has the GM fulfilled its mandate effectively and efficiently as a broker to mobilize resources and channel them to desertification-affected countries?
3. *Operational framework*: are the GM organization, management and partnerships well adapted to its broker activities?
4. *Overall assessment of GM services*: has the GM carried out its activities in a sustainable manner and contributed to institutional development?
5. *Recommendations*: what are the key adjustments that the GM and its partners should do to improve their performance in servicing the desertification-affected countries?

1. Context

The GM is not an autonomous institution, but rather a brokering process established within the legal framework of the UNCCD. The GM is accountable to the COP and its decisions. It works closely with its three Founding Members (IFAD, its hosting institution, UNDP, and the World Bank) and the other member of its Facilitation Committee (FC)². The context within which the GM works presents a mix of opportunities and constraints as presented in the following table.

| Opportunities | Constraints |
|--|---|
| Increasing private investment capital flows to developing countries; nearly 6 times Official Development Assistance (ODA) | Private investment mainly flows to larger, medium-income developing countries, much less to Africa where it focuses on oil and minerals producing countries |
| Strong synergy between UN Framework Convention on Climate Change (UNFCCC) and UNCCD with potential to stimulate investment through emerging carbon markets | Carbon money has flowed primarily to larger developing countries and economies in transition and potential synergies between the two Conventions have not been realized |
| Declarations from the World Summit on Sustainable Development (WSSD) promise increase in ODA financing and priority attention to rural development and UNCCD | ODA funding remains stagnant and increased attention toward UNCCD implementation is not yet evident |
| The GM is aligned with powerful and well-positioned agencies, primarily IFAD and the Facilitation Committee | Partner institutions are not sufficiently aligning practices and policies in support of UNCCD |

² The COP endorsed collaborative institutional arrangements with IFAD, UNDP and the World Bank at its first session, establishing the GM Facilitation Committee (Decision 25/COP1). In addition to these founding members, the Facilitation Committee now includes the UNCCD Secretariat, the GEF Secretariat, FAO, UNEP, the African, Asian and Inter-American Development Banks. The Consultative Group on International Agricultural Research (CGIAR) has been, at the suggestion of the World Bank, closely associated to GM efforts, as are the NGOs and their relevant networks.

More constraints have emanated from the initial conception of the Convention itself:

- The UNCCD initial position as an environment Convention has overshadowed its key link to agriculture and rural development;
- National Action Programs (NAPs), initially expected to be key for financing the Convention, have not been adequate for resource mobilization, even though some have played a strategic role in framing national actions to fight land degradation;
- OECD Parties, initially expected to increase their support to the Convention, have not fully met their financing obligations (Article 20), nor have practices of major lending institutions been influenced toward Convention objectives; and
- Responsibility for Convention implementation, expected to involve country key decision-makers, have usually operated outside national financing and development policy streams.

Moreover the Conference of Parties (COP) has sent mixed signals to the GM through many detailed directives, emphasizing the GM's obligation to be fully "demand-driven" while concurrently requesting it to set priorities. This has made prioritization and attention to influencing major financial flows difficult.

While the GM can be fully demand driven in providing information on request, it does not have the capacity to respond to all demands for financing large desertification-related projects. It is in this area that "demand-driven" must be coupled with a system of prioritization that allows the GM and its partners to respond first to those countries most in need, with capacity to respond and the political will for action. As well, while the COP directed the GM to mobilize resources for national implementation of UNCCD, it did not concurrently consider the match between the GM directives and capacity of the countries to respond.

The Evaluation Team (see Annex I for a list of Team members and biographies) has undertaken its task within the context of these constraints and opportunities. Information was gathered from two sources: 1) background documents related to the UNCCD, the GM and land degradation; and 2) a GM stakeholder³ survey through questionnaires and personal interviews.

2. Activities and Results

In assessing GM performance, and adequacy of the overall system, the Evaluation Team has found mixed results.

Mobilization of resources, key findings:

- The GM has succeeded in mobilizing resources for administration and planning processes while it has not yet succeeded in mobilizing substantial investment financing;
- The GM's involvement in implementation activities, in part to address issues that hamper funding potential, has detracted it from its core mandate to mobilize resources;
- The GM has worked essentially on ODA funding by marrying public partners but has not yet integrated private funds and sale of services into the funding mix;
- The GM has not yet focused adequately on the supply side.

The GM as financial broker. From 1998 through 2002, the GM raised and received \$16.6 million. Sources include bi- and multi-lateral agencies, regional development banks and the COP's core allocation. The top two contributors are FC founding members: IFAD, the GM's host institution, has contributed more than \$5.05 million; the World Bank has provided \$2.575 million. UNDP, the third founding member, has not made cash contributions.

³ Stakeholders include government and civil society representatives, GM Facilitation Committee members, donors, the private sector and GM staff.

Of the total \$16.6 million, 68% has been granted to client countries and for technical assistance (\$11.3 million), and 32% has covered administrative costs. Limited energy has been expended on innovative approaches to financing, including initial assessment of carbon market potential, more general opportunities with the private sector and debt swaps. The focus on potential new financial flows has not, however, been adequate to raise them to levels needed for Convention implementation.

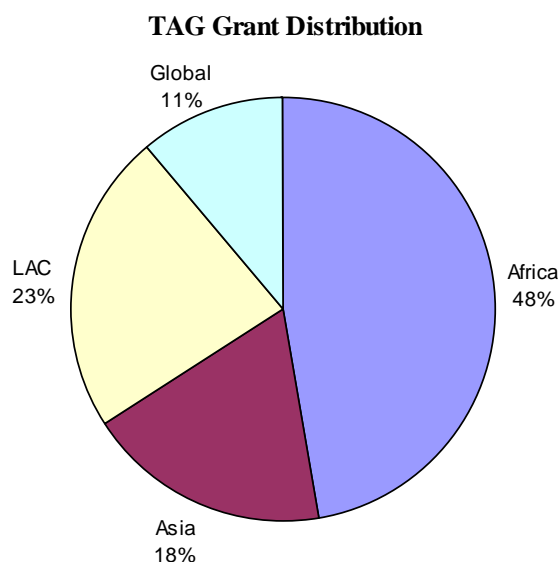
To support resource mobilization efforts, the GM has addressed issues that hamper funding potential (e.g., mainstreaming UNCCD objectives into development policy frameworks), even though they fall outside of its core mandate. While these activities are essential, other institutions (such as the World Bank and UNDP) are better equipped to carry them out *provided that they take the responsibility to do so*.

Direct funding to affected countries, key findings:

- The GM has responded well to the COP mandate by channeling small grants to affected countries (governments and NGOs);
- The proportion of GM grants that directly support activities in rural areas is too low as compared to grants that support planning processes;
- Missing are robust systems to monitor GM financing flows, and their impacts on the ground.

Direct funding to affected countries. Of the \$11.3 million granted to client countries and for technical assistance, 49% (\$5.5 million) has been allocated in small grants to affected countries, 4% to strategic initiatives (e.g., carbon sequestration and methodology for desertification monitoring) and the remaining 47% for technical advice (e.g., consultancies to support NAP elaboration). About \$2.1 million (19%) of the \$11.3 million has been allocated to targeted process or pilot investment financing⁴. This proportion is as yet too low to stimulate more substantial investment financing to implement the Convention.

The GM has launched a small grant program with the assistance of a Technical Advisory Group (TAG)⁵. Through this program, the GM has allocated \$5.6 million to affected countries. Allocations by regions are presented in the following chart.



⁴ “Investment” grants lead directly to on-ground actions that address land degradation, “targeted process” grants are used to secure investment financing.

⁵ Some donors have chosen to establish granting funds within the GM. The TAG, comprising representation from the GM, IFAD, FAO and the UNCCD Secretariat then allocates small grants out to the countries (governments and civil society).

Moreover the GM has raised nearly \$1.5 million to support civil society participation in implementing the Convention⁶.

These GM small grant facilities have been a good and logical response to the COP directive to be “demand-driven”. However, their financial management and monitoring could be improved. The financial system mixes administrative, operating and granting funds, making it difficult to extract information about the type and focus of financial flows. No system is in place for monitoring the impact of these grants.

Indirect funding to affected countries, key findings:

- Efforts to catalyze small grants and services into investment financing are starting to show some promise, although final results are yet to be determined;
- There is no system to track and monitor these efforts, and to document results.

Indirect funding to affected countries. The GM’s catalytic activities aim to initiate investment financing from strategic placement of small grants and expert advice. Examples of initial success from this approach are found in Brazil, China and Tunisia. However, assessment of this role is difficult. Catalytic activities (e.g., capacity-building) are difficult to measure and there has not yet been sufficient time for the processes supported by the GM to mature. Again, the GM’s capacity to monitor impacts is lacking, an activity that could be outsourced.

Advice on request, key findings:

- The GM has responded efficiently to a large number of country and regional requests for assistance, providing funding in 71% of cases;
- While the GM has responded to requests for light services (information and advice), it has not been able to address all the demands for heavier financing services because of its limited capacity. Setting priorities is needed for the latter service, as recommended in this report.

Advice on request. One hundred three national governments and regional networks have requested GM assistance for NAP elaboration and implementation (20 requests came in 2003). The GM has responded with both technical and financial assistance. Small grants have been awarded in 73 cases (71%) totaling more than \$5.4 million. The GM has answered this difficult obligation well, in the first instance by building its capacity for small and catalytic grants.

The GM as information broker, key findings:

- The Financial Information Engine on Land Degradation (FIELD) database provides valuable and comprehensive information on funding sources, projects, land degradation and related policies, although its access and use is perceived as difficult by stakeholders in client countries;
- GM collaboration with various institutions on information gathering and dissemination has enhanced FIELD value, although partnerships to promote its use, particularly with IFAD, the World Bank and UNDP has not been pursued to potential;
- Resources for GM communications, information management and disseminations, are insufficient to meet expectation and need to serve as an information broker. Hence the need for the GM to partner with other institutions such as IFAD.

⁶ As mandated by Decision 18/COP2. The NGO funds are managed through three granting facilities, one managed through the TAG (see above), one managed by the GM and the third managed through IFAD.

The GM as information broker. FIELD is an on-line and CD-ROM resource on funding agencies and institutions, projects, Convention and technical information and general background about the GM. It has been established in collaboration with institutions such as OECD/Development Assistance Committee (DAC) and the World Bank. FIELD has been useful for the GM, OECD Parties and researchers to carry out analytical work. However, stakeholder responses from developing countries indicate that its purpose and potential are not yet well understood or applied mainly because of perceived difficult access.

Ensuring access for those who are technologically out of reach could be achieved by coupling a “human” rapid response system with FIELD. The FIELD capacity to analyze data at the country level provides the basis for such a service. Also at issue is the lack of a comprehensive promotion of FIELD. While a significant investment has been made to develop it, a parallel investment must now be made to maximize its potential to support UNCCD objectives. Finally, the resources allocated to information management and dissemination have been insufficient for an activity that is central to the GM’s mandate.

Operational framework, key findings:

- The GM’s staff structure and expertise, while adapted for advice on request and small granting activities, does not position the GM to mobilize substantial investment financing;
- The GM’s financial management system does not adequately support the tracking of financial flows and the monitoring of GM grants and co-financing activities;
- The opportunities for synergies with the three GM founding members (IFAD, UNDP and the World Bank) have not been fully exploited. With IFAD, the host institution, cooperation could have been developed in areas such as resource mobilization, communications and information management, monitoring and evaluation;
- The relationship with the UNCCD Secretariat has been competitive rather than cooperative, but it is now improving;
- The Facilitation Committee members have not fully responded to UNCCD objectives to the extent needed and comparative advantages amongst the GM and the FC have not been used well to further Convention aims;
- The GM governance is not well enough clarified to provide clear and consistent strategic and operational directives to the GM.

3. Operational framework

The GM’s highly motivated and dedicated staff is well positioned to respond to client country needs through allocation of small grants. However its capacity and expertise for substantial investment mobilization, innovative financing, communications, monitoring and evaluation are insufficient. At the heart of this issue is the relationship with IFAD, one of the GM Founding Members and its host institution. GM and IFAD integration has not occurred at the extent envisioned or needed. Financial and personnel services are fully integrated. However cooperative efforts in the GM’s areas of weakness (e.g., some aspects of resource mobilization, communications, monitoring and evaluation) have been minimal and should be strengthened. Heightening these areas could significantly enhance the GM’s effectiveness. Moreover, the GM’s presence has had only limited impact on IFAD’s lending policies. The opportunities lost should be recaptured to the mutual benefit of both IFAD and the GM.

Synergy with the other two GM Founding Members (the World Bank and UNDP) could have been developed to a larger extent. While the World Bank has been a very supportive GM partner at the corporate level and through DGF, it could have done more in helping mainstream the CCD objectives in country policies and development frameworks together with UNDP. In some countries, GM operational partnerships with the World Bank and UNDP have worked efficiently and should pave the way to more systematic cooperation. This applies also in areas such as information gathering and dissemination

The expected supporting role of the Facilitation Committee has not been played at full capacity; most members have continued their “business as usual”. FC members recognize these shortcomings, and are enhancing efforts to mainstream their support of the GM process, and ultimately UNCCD implementation, throughout their respective institutions. An important step will be to implement cooperation and exploitation of comparative advantages, and move beyond *ad hoc* cooperation at the regional and country levels. At the same time, the GM’s governance structure, which includes the COP, to which the GM is accountable, IFAD which has oversight responsibility between COPs, and the FC, which serves an advisory role, has not operated in the strategic and efficient way that it might.

4. Overall assessment of GM services

Client satisfaction. The majority of client countries that have received GM support have rated the service positively. At the same time, some respondents felt that while the GM services have been helpful, they are not extensive enough, and have not yet led to the level of investment financing (grants, loans and environmental services) needed to implement Convention objectives. Facilitation Committee members and donors have been more critical on the type and amount of financing generated by the GM’s efforts. Their response has been mixed on the value of the GM’s process funding accomplishments, although in general it is recognized that this funding has value for recipients. Overall they feel that the GM has not focused adequately on significant investment mobilization, innovative financing mixing both public and private funding and tapping new and additional resources.

Stakeholder assessment of strengths and weaknesses: Stakeholder were asked to assess GM strengths and weaknesses. While the list of strengths and weaknesses is long, a few were heard consistently across all stakeholder groups:

- Strengths: flexible and independent structure, good for building partnerships; strong positioning within IFAD, good opportunities to exploit comparative advantages; dedicated and creative staff.
- Weaknesses: lack of vision and strategy; lack of expertise for the resource mobilization and broker roles; too many priorities = no priorities.

The Evaluation Team concurs with stakeholder views. The one departure is with stakeholders’ negative attitude toward the GM’s vision and strategy. The Evaluation Team believes that the GM has tried to build a strategy based on solid understanding of the issues and challenges. At the same time, however, the GM has attempted to respond to all demands, rather than setting a firm direction more appropriate to the task. As a result, attempts to become more strategic have been lost in the larger political debates about the GM’s role.

World Bank criteria. The Evaluation Team assessed the GM’s general performance and more specifically its use of DGF financial support against six criteria, as laid out by the World Bank.

Relevance: Stakeholder views varied as to GM relevance, from “relevant and essential” to “not relevant, an unnecessary layer”. This may be related to the persisting image of UNCCD as an environmental Convention and the resulting low priority given to the Convention by many developed and developing countries. More efforts should be made to promote the Convention and incorporate its objectives in development strategies.

Efficacy: The expectation that NAPs would lead to financing has not been realized. Consequently much of the GM’s activities to support NAP planning processes have not directly contributed to meet its core mandate. Extracting priority ideas from existing NAPs and helping to develop them into “bankable” projects would be more in line with the core mandate. The GM has initiated this change in its activities and should expand it.

Efficiency: The GM has attempted to be fully “demand-driven” while spreading itself too thin. Instead the GM should distinguish between types of demands by providing a “rapid response” information service while

prioritizing those related to full-service resource mobilization and enhancing resource mobilization capacity through a worldwide GM fundraising network.

Sustainability: UNCCD obligations and IFAD support assures sustainability at the operating level; however long-term sustainability necessitates the small GM to fully exploit comparative advantages of its partners.

Institutional development impact: Small grants and advisory services provided to affected countries have bolstered their capacity to respond to Convention obligations. Information service resources are well developed, however, they are not yet sufficiently accessible to benefit countries to the extent possible. Both developing and developed countries must elevate the UNCCD focus to the decision-making level while the GM concurrently enhances its capacity to deliver investment financing.

Process and implementation: GM support to affected countries has assisted national and regional planning processes with a high level of client satisfaction. Re-focusing on its broker role through partnership-building will significantly enhance the GM's ability to play a supportive role in both process and implementation.

With regard to the DGF, its financial support to the GM has been instrumental, particularly to develop the GM information capacity, and to bolster its small grant program for planning processes and civil society. While some of the DGF-financed activities which are still in progress cannot be fully assessed, the Evaluation Team believes that the DGF support has contributed to enhance the GM role and should be pursued.

5. Recommendations

Recommendation 1. Strengthen the capacity of the GM, particularly through stronger integration within IFAD and higher support from its key partners. This should help the GM:

- Develop resource mobilization expertise by:
 - Training current GM staff and hiring specialists in fund raising;
 - Establishing a worldwide GM resource mobilization network;
 - Integrating GM resource mobilization within the IFAD resource mobilization department.
- Work in tandem with IFAD's communications and information management divisions to:
 - Address the lack of visibility and political will toward land degradation issues and the UNCCD;
 - Strengthen FIELD and other tools, and their utility for target audiences.
- Build joint GM/IFAD expertise on UNCCD issues and their linkages to climate change and carbon financing through joint training and programming;
- Cooperatively develop joint ventures and networks with the bilateral and multilateral financial agencies to promote integration of UNCCD issues into development assistance and loan programs;
- Establish a monitoring and evaluation function, define baselines and set clear targets. Adapt the budget and accounting system to connect finances to program, and clearly delineate between administrative costs and funds used to support Convention implementation.

Recommendation 2. Refocus on the core mandate as a broker:

- Eliminate untargeted process funding, and focus on stimulation of investment funding. Fully exploit the resource mobilization network recommended above;
- Engage IFAD, the World Bank and other financial agencies to ensure UNCCD incorporation within their lending programs;
- Establish a system between GM, the World Bank and UNDP to systematically and cooperatively promote mainstreaming UNCCD objectives into development and policy frameworks;
- Engage all members of the Facilitation Committee in information gathering and dissemination activities, particularly IFAD, the World Bank and UNDP;

- Set firm priorities and lay the groundwork with the FC and the COP to ensure that the GM business plan corresponds to its capacity without being overspread by excessive demand.

Recommendation 3: Seize new opportunities in innovative financing mechanisms:

- Develop a joint venture with the World Bank and IFAD in carbon financing, using existing World Bank carbon funds (in particular the Biocarbon Fund and the Community Development Carbon Fund),
- Help promote bankable projects that build on the synergy between UNCCD and UNFCCC with support of the above funds, and financial support for adaptation measures to climate change;
- In collaboration with IFAD, mobilize complementary financing to maximize opportunities offered by the new GEF window for desertification;
- Optimize the mix of ODA, private sector investment, and carbon financing based on strategic opportunities and return on investment;
- Based on agreed criteria, target those countries most in need of investment financing.

Recommendation 4: address the misunderstandings and promote the Convention from the periphery to the center stage. *This recommendation, while outside of the GM's reach, highlights the bearing of external factors on GM performance. Implementation of the above recommendations will not lead to the GM's full success without attention to these factors.*

- UNCCD focal points should involve key decision makers in the process of UNCCD implementation;
- In line with the WSSD Declaration, the UNCCD should focus more on promoting sustainable agriculture and rural development by engaging decision makers in this area;
- NAPs, which have proven inadequate for financing, should be recognized more as strategic documents highlighting priority actions that would pave the way to the development and implementation of investment projects. Consequently more attention should now be paid to supporting the formulation of these projects and financing their implementation.

More specifically, the Evaluation Team believes that the World Bank should pursue and possibly expand its support to the GM by focusing on the following 4 directions:

- Reorient support from NAP planning to the preparation of bankable projects with significant investment involving public/private partnerships and mixing innovative financial instruments;
- Help establish a joint venture involving the World Bank carbon financing department, IFAD and the GM with a view to develop projects that would combat land degradation while being climate friendly;
- Continue supporting small grants to civil society but with a focus on the preparation and development of UNCCD-related pilot investment project in the field; and
- Enhance the GM capacity in desertification related knowledge management and dissemination to client countries.

The GM is at a turning point. It must now re-invent itself, together with its partners, to exploit the opportunities that will lead to resources at a scope and level that could have lasting and positive impacts on the poorest of the poor, the people whose lives depend on the world's drylands.

I Introduction

The United Nations Convention to Combat Desertification (UNCCD) has established a Global Mechanism (GM)⁷:

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

The World Bank, through its Development Grant Facility (DGF), has granted the GM \$2.5 million to enhance the GM's role as a financial and information broker in support of UNCCD implementation. Under the terms of the grant received, the GM is required to organise an independent review of its activities. At the World Bank's suggestion, this evaluation has been extended beyond the scope of specific DGF funding to cover all GM activities, and to draw lessons and recommendations for the future. Consequently a team of independent consultants was assembled to carry out this evaluation (see the Evaluation Team Composition and its Terms of Reference in Annex II). A full assessment of those activities specifically funded by the World Bank DGF is found in Annex III.

Simultaneously a second evaluation of the GM was triggered by the UNCCD Conference of Parties (COP)⁸ and, consequently, a second independent Evaluation Team was assembled by the UNCCD Secretariat.

Because of their similar mandates and objectives, the two teams agreed to cooperate and integrate their analytical work. This allowed a cost-effective and non-duplicative approach to gathering and analysing baseline evaluation information. Once the analytical phase was complete, each team then took responsibility for writing and submitting reports under the terms of their respective mandates while continuing to consult each other.

In response to the World Bank DGF evaluation requirement, this report examines GM accomplishments to date, assesses the efficiency and effectiveness with which the GM and its partners have responded to the mandate and recommends future directions.

A. Methodology

Principles. The evaluation methodology was based upon the following principles:

- Opportunity for all stakeholders to share views about the GM, listening to current and potential GM clients (Parties and civil society), donors and the private sector;
- Ensuring adequate levels of consultation with the GM's key partners (IFAD as the hosting agency, the World Bank, UNDP and the UNCCD Secretariat), and the other FC members;
- Fully engaging the GM management and staff.

Stakeholder Inputs. A number of Ministries, agencies, organizations, GM partners and GM donors were selected to provide information to the Evaluation Teams about GM services. The selection was based on geographic representation and experience with GM services. Interviews were carried out with:

⁷ Article 21 of the UNCCD.

⁸ Article 21 of the UNCCD called for a review of the GM activities at COP 3. The result of the review, Decision 9/COP.3 (Global Mechanism: first review of policies, operational modalities and activities), calls for "the second review of policies, operational modalities and activities of the Global Mechanism [to] take place at the sixth session of the Conference of the Parties in 2003."

- Client countries, by region, and distributed amongst government officials (primarily within Ministries of Environment, the focal points for UNCCD operations), regional networks and civil society;
- Members of the Facilitation Committee, including global-level management and FC organization staff within the regions. At the global level, particular emphasis was placed on IFAD (the GM's hosting agency), the World Bank, UNDP and the UNCCD Secretariat;
- Donor countries;
- Private sector and NGOs;
- GM staff.

One hundred fifteen interviews were carried out, 55 of them with representatives from client country agencies and organizations that have received GM services. A detailed description of the evaluation methodology, and copies of the long and short version questionnaires, can be found in Annex IV. Analysis of the interview and questionnaire results can be found in Annex V.

B. History of the GM: an evolving role

The GM's evolution over its five-year history provides an important perspective for assessing its approaches and results. Three aspects merit examination: 1) the mandate given the GM by the UNCCD COP, as set forth in the Articles of the Convention and subsequent COP decisions; 2) the GM's interpretation and response; and 3) stakeholders interpretations and expectations. These aspects, coupled with the global context within which the GM works, have both guided GM operations and influenced its impacts.

Directives from the COP. The GM was established within the framework of the UNCCD to mobilize and channel resources. The GM answers to the COP, and must respond to the demands set forth in its decisions. While the COP has been clear as to the GM's overall mandate in the text of the Convention, a number of its subsequent decisions have resulted in confusion over the role the GM should play in carrying it out.

Article 20 emphasizes the role that all Parties must play in ensuring that adequate financial resources are available for Convention implementation. Article 21 establishes the GM, and articulates three functions⁹. All Articles and Decisions referenced in this report can be found on the GM Web site at www.gm-unccd.org.

- Decision 24/COP1, further refines the four core functions of the GM. The first two focus on the heart of the mandate (collecting and disseminating information, mobilizing and channelling financial resources) while the last two guide the process (analyzing and advising on request, promoting actions leading to cooperation and coordination). The Decision articulates more than 25 sub-functions. The COP is best positioned to provide broad strategic direction. By focusing at a level of micro-management, the COP may have diluted the focus of the GM by diminishing flexibility and the ability to explore new directions and opportunities.
- Decision 25/COP1 establishes GM operating principles, the first of which is to be “demand-driven, but also pro-actively responsive to the needs and priorities of Parties.” This decision re-emphasised the GM's obligation to analyze and advise on request, as articulated in the core functions.
- In the First Review of Policies, Operational Modalities and Activities, Decision 9/COP3, the GM was again urged to be “demand-driven” and prioritize “elaboration and implementation of National Action Programs (NAPs)...”¹⁰.

⁹ Article 21.5: identify and draw an inventory of relevant cooperation programs; provide advice on request on innovative sources of financing and on ways to improve the coordination of cooperation activities at the national level; and provide information on sources of funds and funding patterns in order to facilitate coordination.

¹⁰ “as a demand-driven mechanism to facilitate the mobilization and channeling of substantial financial resources for the elaboration and implementation of NAPs, projects and national reports” (*paragraph 3*).

- *Decision 10/COP3* establishes the relationships between IFAD, the GM's hosting agency, and the UNCCD Secretariat. It defines the GM's reporting requirements to the COP, although it does not set parameters for clear targets and measurable results.

The core function “analyzing and advising on request” coupled with repeated emphasis on being “demand-driven”, set a context within which it is difficult to prioritize activities and focus on mobilization of substantial resources. Not surprisingly, a common criticism heard by the Evaluation Team was that the GM does not prioritize well, and spreads itself too thin. Decision 9/COP3 suggests that the COP was concerned as well, as it calls for the GM to set clear priorities.¹¹

While the GM can be fully demand driven in the provision of “light services” (e.g. information and advice on request), it does not have the capacity to respond to all demands for financing large desertification-related projects. It is in this area that “demand-driven” must be coupled with a system of prioritization that allows the GM and its partners to those countries most in need, with capacity to respond and the political will for action. As well, while the COP directed the GM to mobilize resources for national implementation of UNCCD, it did not concurrently consider the match between the GM directives and capacity of the countries to respond.

The GM's interpretation and response. The GM responded by attempting to address all demands. GM reports described its rationale for first focusing on the demand side, in essence to help prepare affected countries for funding opportunities. This approach has led to the GM's extensive involvement in NAP elaboration and mainstreaming, a decision that has prompted controversy about GM operations. Focus on the demand side has been to the detriment of building support amongst the bilateral and multilateral agencies.

In its report to COP5, the GM states its case for taking this direction, arguing that integration of NAPs into broader development policies and frameworks is essential for successful resource mobilization.¹² The argument is not without merit. The GM's focus has therefore been on process, in particular on enhancing quality of NAPs, Sub-regional Action Programs (SRAPs) and Regional Actions Programs (RAPs), and in mainstreaming the objectives of the UNCCD into the larger development policy frameworks that will make them more relevant politically and financially. While these activities are important for successful resource mobilization, they do not fall in the GM core mandate. Other institutions (such as the World Bank and UNDP) are better equipped to provide assistance to mainstream the UNCCD into national policies and strategies *providing they take the responsibility to do so*. A number of stakeholders within the FC, and amongst donors, expressed conflicting views as to the role the GM should play in addressing this issue.

Stakeholders: the GM's role. Respondents agree that the primary mandate of the GM is to mobilize resources for implementation of the UNCCD. Most respondents believe that the GM's “broker role” is important. However when asked an open-ended question about the GM's role, the wide variety of interviews unearthed an equally wide variety of opinions. For example, the extent to which the GM should involve itself in elaborating NAPs to make them more “bankable” or backstopping technical issues to lay the groundwork for carbon financing opportunities is not commonly agreed. Among client countries, there is overall support for the GM's efforts to assist in NAP elaboration. There is also strong support for the GM's role in formulating partnerships across sub-regions and regions. When asked more generally about the GM's role, client countries give an expansive definition that reflects high expectation for a broad array of services.

¹¹ “Stressed that the Global Mechanism shall clearly identify priority activities and submit them to its fourth session for consideration and adoption by the Conference of the Parties in order to ensure effectiveness and impact of its activities as well as to avoid overlaps with the activities of existing institutions and organizations, and therefore achieve concrete results, in the shortest possible time, in mobilizing and channeling financial resources to affected developing country Parties, particularly those in Africa, for the implementation of the Convention”.

¹² COP(5)/4: Report of the GM to COP.5: Experience has shown that the prospects for effective resource mobilization are, inter alia, contingent upon the ability of the concerned governments to mainstream the NAPs and subregional action programs (SRAPs) into national and sector planning frameworks, and to create synergies between conventions.

Regarding the mainstreaming role, client countries report that the GM's assistance to mainstream UNCCD issues throughout government agencies and across Conventions has had high value. FC members generally feel that this role more appropriately rests with other agencies.

C. Overview Comments

The GM is not an autonomous institution. It is a mechanism directed by legal mandate of the UNCCD and supported by a partnership of international organizations. Evaluating the GM requires consideration of this external context. Therefore the Evaluation Team examined specific GM activities and operations, the effectiveness of the FC as the GM's core network, and the impact the UNCCD mandate and COP Decisions have had on the GM's ability to prioritize and focus its work. It looked also at the wider global context, in order to assess potential impacts of external financing trends and policies on the work of the GM (Section II, The Global Context).

The evaluation addresses the following questions:

1. *Context*: what are the external circumstances in which the GM is operating, and what are the impacts on the GM's work?
2. *Activities and results*: Has the GM fulfilled its mandate effectively and efficiently as a broker to mobilize resources and channel them to desertification-affected countries?
3. *Operational framework*: are the GM organization, management and partnerships well adapted to its broker activities?
4. *Overall assessment of GM services*: has the GM carried out its activities in a sustainable manner and contributed to institutional development?
5. *Recommendations*: what are the key adjustments that the GM and its partners should make to improve their performance in servicing the desertification-affected countries?

The GM's five-year lifespan places the focus of this evaluation on intermediate results. The GM's record of mobilizing and allocating resources to affected countries is examined in terms of level and focus of funding (Section III, GM Activities and Results), although it is too early to systematically measure impacts on the ground. The GM's methods of work and effectiveness of partnerships is examined for fitness to address the mandate and adjustments that might improve its efficiency and effectiveness (Section IV, Operational Framework). The Overall Assessment (Section V) examines client views about the GM and assesses results based on a set of explicit evaluation criteria.

II Global Context

The 1990's and early 2000's have been characterized by accelerating degradation of the major ecosystems¹³. Arid, semi-arid and/or dry sub-humid zones, particularly in Africa, have been the most affected in terms of land degradation and decrease in dry forest and range cover, with the resulting increase in rural poverty. The 1990's have also been the warmest decade ever; according to the International Panel on Climate Change (IPCC) the impact of climate change is expected to be the most severe in desertification-affected countries due to rainfall variations and increased drought risk.

A. Trends in development financing

Despite this, overall Official Development Assistance (ODA) has stagnated at about \$50 billion¹⁴ since 1990 (Figure 1, next page) including allocations to desertification-affected countries. International claims to increase this financing (Monterrey Conference and WSSC in Johannesburg) have not yet materialized. Within ODA, the overall share for desertification-affected countries has not increased (nor have the affected countries realigned their borrowing priorities). Moreover the financing of agriculture and rural development

¹³ « The First Decade of the GEF – Second Overall Performance study -2002

¹⁴ Assuming a 3% annual average inflation rate, to maintain the 1990 present value, total ODA in 2002 should have been slightly over \$73 billion. In fact, it was only around \$53 billion.

has slightly decreased¹⁵. This is illustrated by the evolution of the World Bank lending program (see Box 1), which shows how difficult it is to translate a pro-rural development strategy into actual investment in the field. This decreasing financing to rural development has been experienced by the major lending institutions with the exception of IFAD, which focuses exclusively on agriculture and rural development.

Box 1: Attempting to increase financing to agriculture and rural development – the World Bank experience

In 1996, the Bank attempted to significantly increase its lending to agriculture and rural development through a new strategy “From Vision to Action”. The aim was to alleviate rural poverty. The strategy did not bring the anticipated results. Total rural lending between 1999 and 2001 was the lowest in the Bank’s history, both in absolute and percentage terms. More specifically, lending for agricultural activities declined dramatically as a proportion of total Bank lending, from about 31% in 1979-81 to less than 10% in 2000-01. A similar trend can be seen in most other international agencies. This is particularly disconcerting when 75% of the people who live on less than a dollar per day live in the rural areas and most of them are farmers.

In late 2002, the Bank prepared a new strategy “Reaching the Rural Poor” which has five distinct features: (1) focusing on the poor; (2) fostering broad-based growth; (3) addressing the entire rural space; (4) forging alliances of all stakeholders; and (5) addressing impact of global developments. It is noteworthy that climate change is mentioned *while there is no reference to the UNCCD in this new strategy*.

Source: Reaching the rural poor – strategy and business plan – The World Bank, Oct. 2002

The GEF has provided a useful granting scheme for financing environmental conventions but total investment remains relatively small (about 2% of total ODA), has not increased, and additional resources for leveraging GEF resources have been less than expected¹⁶. The opening of a new GEF window for desertification is a new opportunity although its expected share (\$250 million over the 3.5-year GEF replenishment period), will still be relatively small.

In 1990, private flow of investment capital to developing countries was at about the same level as total ODA (about \$50 billion) but is now almost 6 times greater (about \$300 billion) and growing. This flow has mostly benefited a limited number of medium income developing countries such as China, with only a small share to some African countries for essentially oil and mining investments. This situation, however, should not discourage attempts to mobilize part of these resources for improving soil and land management, especially in Africa.

New and additional development financing from the emerging carbon market, in the framework of the UNFCCC, could provide an opportunity to initiate private financing. It constitutes a new type of investment financing which corresponds to the sale of an environmental service involving the reduction of Greenhouse Gases (GHGs) emissions and/or carbon sequestration. Moreover the volume of financing is expected to be of the same order of magnitude as ODA. More than half a \$billion have been transacted in this market to date. This figure could reach \$10 billion annually by 2008, the start of the first commitment period of the Kyoto Protocol. Out of this total, 20 to 30% could be transacted under the Clean Development Mechanism. It is noteworthy that outside the Kyoto Protocol, other carbon markets are emerging based on voluntary emission reductions from countries and multinational corporations. The following features characterize these carbon markets:

- They are dominated by the private sector although some governments have been very active in both developed and developing countries;

¹⁵ « Reaching the Rural Poor – Strategy and Business Plan” – The World Bank, 2002.

¹⁶ « The First Decade of the GEF – Second Overall Performance study -2002.

- Their dynamism is illustrated by their early start in the late 1990's and early 2000's despite some uncertainty regarding the rules and regulations;
- They have involved only a limited number of developing countries, mostly the large countries (India, China, Brazil);
- With regard to countries affected by desertification, they are likely not to be involved if nothing is done to facilitate their access.

| Types of Financing | 1990 | 2000 | 2010 | Beyond? |
|--------------------|---------------|------|--------|---------|
| ODA | 50 | 50 | 50 (?) | → |
| Private financing* | 50 | 300 | ↗ | ↗ |
| GEF | Just starting | 0.8 | → | → |
| Carbon Financing | 0 | 0.5 | 10 | ↗ |

* Private financing concentrated on a few countries, almost none in Africa

Figure 1: Current and projected financing trends¹⁷

Box 2: Carbon markets: channeling carbon funds to affected countries

World Bank carbon funds are playing a role in shaping emerging carbon markets, in particular to channel the funds to developing countries most in need. The Bank's Prototype Carbon Fund (PCF), financed at \$185 million, illustrates potential for Clean Development Mechanism greenhouse gas (GHG) reductions to support sustainable development (www.prototypecarbonfund.org). Two additional funds have been established to focus greenhouse gas reduction benefits on specific sectors and, in particular, toward the poorest areas of developing countries:

The Community Development Carbon Fund (CDCF) "will provide carbon finance to small-scale projects in poorer rural areas of the developing world. It will link small-scale projects seeking carbon finance with companies, governments, foundations, and NGOs seeking to improve the livelihoods of local communities and obtain verified emission reductions." (www.communitycarbonfund.org)

The BioCarbon Fund (BCF) will "provide carbon finance for projects that sequester or remove greenhouse gases in forest and agricultural ecosystems. The BioCarbon Fund will aim to deliver cost-effective carbon emission reductions, while promoting biodiversity conservation and sustainable development." (www.biocarbonfund.org)

The World Bank has played a key role in stimulating the emergence of the carbon market. A first World Bank carbon fund has been created, the Prototype Carbon Fund. A second fund has followed in joint venture with the Dutch Government. Two new funds are being established, the Community Development Carbon Fund and the Biocarbon Fund (Box 2).

While carbon financing is up and growing, it will be a real challenge for desertification-affected countries to access it. A series of hurdles will have to be overcome such as building capacity in this new field, developing pilot projects, attracting public and private carbon purchasers, negotiating complex contracts and monitoring

¹⁷ ODA rounded figures in current terms from DAC, indicating a decrease in constant terms; GEF/year based on past 3.5-year replenishments; Carbon financing based on estimates made by the World Bank Carbon Finance Department.

actual GHGs emission reduction and carbon sequestration. This is feasible but it will only happen through a steady and solid international support partnerships that could involve the World Bank, IFAD and the GM as recommended in this report (see recommendations, pages 34-36).

B. Synergy between the UNCCD and the UN Framework Convention on Climate Change (UNFCCC).

Links between land degradation and carbon sequestration lead to synergies between the UNCCD and UNFCCC, and potential collaboration that might benefit both.

Land degradation can be translated into loss of soil fertility. This corresponds to decreasing soil organic matter that in turn corresponds to soil carbon de-stocking. Reversing the downward spiral of land degradation is essentially re-stocking organic matter, i.e. carbon sequestration. Likewise the decreasing dry forest and range cover corresponds to another form of carbon de-stocking, which can be resolved by agro-forestry and improved range management. This means, again, carbon sequestration. Limiting deforestation is also linked to improving the sustainability of fuel wood production and increasing biomass energy efficiency, which results in an increasing carbon content and decreasing GHG emissions. The potential for carbon sequestration and GHG emission reduction may be lower per hectare in desertification-affected countries than in the humid tropics but the areas may be much larger. The connections are illustrated below.

Figure 2: Potential synergies between the UNCCD and FCCC

| Themes | UNFCCC | UNCCD |
|----------------------------|--------|-------|
| Soil Fertility | ⊗ | ⊗ |
| Biomass Energy | ⊗ | ⊗ |
| Agro-Forestry | ⊗ | ⊗ |
| Adaptation Measures | ⊗ | ⊗ |

Adaptation measures to climate change are another synergistic area between the two conventions. Such measures aim to reduce vulnerability particularly in the desertification-affected countries. It is expected that they will be financed out of 2% of the value of carbon transacted. This could amount to about \$200 million annually¹⁸, about three times the GEF contribution through the new desertification window. In brief, the UNFCCC could dramatically contribute to the UNCCD implementation by promoting investment projects that would combine activities such as soil improvement and forest activities (carbon sequestration), more efficient biomass energy (GHG emission reduction) with adaptation measures to climate change.

C. The case of the UNCCD: the major misunderstandings

Several assumptions embedded within the UNCCD framework have not come to pass, and have complicated implementation of its objectives. This is especially true in terms of resource mobilization.

Environment vs. Development. UNCCD was conceived as an environment Convention, although its primary focus is to fight land degradation through sustainable rural development while reducing poverty. In the aftermath of the Rio Conference, it was initially thought that the environment label would provide higher visibility and better support to the Convention. Unfortunately this has not materialized. As a consequence,

¹⁸ This refers to the \$10 billion estimate of the total carbon market by 2008, the starting year of the Kyoto Protocol implementation period.

representation and implementation responsibility have rested mostly within the Ministries of Environment (both in developed and developing countries) without involving key decision makers in finance and development processes. Nationally and internationally, the result is that the money and actions are focused elsewhere, with inadequate commitment to the development objectives of the UNCCD. While recognition of the Convention's focus on development is growing (e.g., declaration of the WSSD), subsequent action has not materialized.

Conflicting expectations amongst promoters. It was expected that affected countries, donor countries and multilateral financing agencies would increase their financing to fight land degradation, and therefore fulfill their commitment once the Convention came into force¹⁹. This expectation has not been realized. The Evaluation Team explored this issue with stakeholders, and found conflicting views. Some donors believe that existing resources should be used more efficiently, while affected countries expect an increase in cash donations given their limited indebtedness capacity.

National Action Programs (NAPs): inadequate instruments for financing. NAPs were expected to serve dual roles, acting as a framework for action and as a tool for resources mobilization. In some countries NAPs have served well in the first role; many client countries and some regional organizations stressed their utility in this regard. At the same time, experience to date shows that they do not serve well as financing instruments. Among FC members and donors interviewed during this evaluation process, there was broad consensus that NAPs are inconsistent in quality, lack scientific foundation, and are without the baselines and indicators needed for monitoring. Frequently NAPs are presented simply as "shopping lists" in which donors have little interest. In addition, NAPs drown in a plethora of plans and strategy papers required by other Conventions (UNFCCC and UN Convention on Biological Diversity in the first instance), PRSPs, and a variety of development processes and policies. This view was almost unanimous amongst the FC members and donors interviewed for this evaluation.

The Evaluation Team concurs with the above views. It has found that while NAP processes serve a strategic role in national-level planning, NAPs are inadequate instruments for attracting investment financing. Existing NAPs should be used to identify key priorities for project development and funding or, if feasible, transformed into crisp, strategic documents.

These views are not shared by all client countries. There is a basic misunderstanding between donors and client countries about the role of NAPs, which seems to emanate from a differing view of the pace and process needed for both effective national policy development and sound financing operations.

III GM Activities and results: addressing the core mandate

In assessing GM performance, and adequacy of the overall system, the Evaluation Team has found mixed results. The GM has performed well in some aspects of its core mission, particularly in its development of small granting facilities and in responses to requests for information and technical assistance. A particular and key shortcoming in results to date is the lack of success in securing substantive investment financing, in part due to the GM's diverted focus toward issues that hamper the financing process. Monitoring grant flows and impacts is essential to ensure that the process is producing maximum affect. The Evaluation Team found, however, that the GM and IFAD budgeting systems do not connect finances to program elements, nor do they clearly separate between administrative costs and funds used to support Convention implementation²⁰.

¹⁹ This refers to Article 20 of the UNCCD.

²⁰ The GM manages finances through three accounts: Account 1 is the COP allocation and is used fully for administrative purpose; Account 2 comprises voluntary contributions for both administrative and granting purposes; Account 3 comprises trusts established by donors earmarked solely for granting purposes.

A. The GM as financial broker

Key findings:

- The GM has succeeded in mobilizing resources for administration and planning processes, while it has not yet succeeded in mobilizing substantial investment financing;
- The GM's involvement in implementation activities, in part to address issues that hamper funding potential, has detracted it from its core mandate to mobilize resources;
- The GM has worked essentially on ODA funding by marrying public partners but has not yet integrated private funds and sale of services into the funding mix;
- The GM has not yet focused adequately on the supply side.

Resource mobilization

From 1998 through 2002, the GM raised and received \$16.6 million. Sources include bi- and multi-lateral agencies, regional development banks and the COP's core allocation. The top two contributors are FC founding members: IFAD, the GM's host institution, has contributed \$5.05 million; the World Bank has provided \$2.575 million. UNDP, the third founding member, has not made cash contributions.

Of this total, 68% has been granted to client countries directly and indirectly through technical assistance (\$11.3 million), and 32% has covered administrative costs. Given that the figure is consolidated over five years, and includes the start-up process, it is a reasonable ratio. It has improved over time and should continue to do so. Budget details are provided in Annex VI.

GM fundraising has focused primarily on traditional sources of funding, namely ODA. However the list of contributing donors is rather short²¹, which implies that a significant number of OECD countries may not have been engaged enough by the GM.

Limited energy has been expended on innovative approaches to financing, including initial assessment of carbon market potential, more general opportunities with the private sector and debt swaps:

- *carbon markets*: In 2000, \$100,000 was granted by the GM to FAO to support existing programs for enhancing carbon sequestration and reversing desertification. The focus of this initiative, however, was on the technical aspects of carbon sequestration and not on the potential funding from emerging carbon markets;
- *private sector*: The GM has taken small steps toward forging relationships with the private sector. Contact has been made with the World Business Council for Sustainable Development, although nothing concrete has yet resulted.
- *debt swaps*: The GM, in partnership with FAO, IFAD, the World Food Programme (WFP) and the Italian Government, is involved in debt swaps with Ecuador and Peru to fight land degradation and alleviate rural poverty. Debt swap memoranda of intent have been signed with both Peru and Ecuador. In Peru, the GM granted \$35,000 to support the process, in particular for developing eligible NAP-based projects for funding and institution strengthening. The GM has focused in particular on channeling debt swap proceeds to areas of high priority for UNCCD. A project proposal in the amount of \$800,000 has been submitted and negotiations with the Peruvian-Italian Fund (FIP) and the GEF are underway. The process is less advanced in Ecuador but will be pursued further when negotiations are completed in Peru.

²¹ Donors to the GM are: AFSED; CIDA; IDRC; Denmark; Finland; IFAD; Italy; IsDB; Germany; Netherlands; Norway; OPEC; Portugal; Sweden; Switzerland; US CHC; World Bank.

While the GM small granting activities respond to the COP mandate and provide important support to the desertification-affected Parties, the GM's work has not yet significantly influenced substantial investment funding for land degradation issues. This circumstance is due, in part, to the GM's efforts to address issues that hamper funding potential (e.g., mainstreaming UNCCD objectives into policy frameworks), even though they fall outside of its core mandate. While these activities are important for financing success, other GM partner institutions are better equipped to carry them out. For example, the World Bank, and to a lesser extent UNDP, are lead agencies to assist countries in formulating their poverty alleviation and development strategies and policies. However this assistance is not systematically coordinated with the GM, the result being that the UNCCD objectives are not always effectively integrated into these strategies and policies. The potential for a strong partnership in this regard has not been realized.

The GM has not yet focused sufficiently on diversifying funding opportunities, in particular bringing public and private sources together. Domestic sources must be considered in the public mix, along with ODA and other traditional avenues for funding. Both lending and grants should also be considered, although it must be recognized that few countries are in a position to increase their debt. Private sources combine grants (traditional foundations and corporations) and sale of environmental services (e.g., carbon financing).

The GM has explored, to an extent, each of these areas. Optimizing the mix is critical. A strategic approach that assesses potential return on each source type will maximize efficiency and effectiveness. The GM is in the process of developing such a strategy, in part with funding from the DGF.

Direct funding to affected countries

Key findings:

- The GM has responded well to the COP mandate by channeling small grants to affected countries (governments and NGOs);
- The proportion of GM grants that directly address land degradation in the field is too low as compared to grants that support planning processes;
- Missing are the financial and other monitoring systems to assess financing flows, and their impacts on the ground.

Of the \$11.3 million granted to client countries and for technical assistance:

- 49% (\$5.5 million) has been allocated in small grants to affected countries;
- 4% to strategic initiatives (e.g., carbon sequestration, desertification monitoring to bolster Convention implementation capacity, improving the scientific basis of the Convention, see Box 3); and
- the remaining 47% for technical advice (e.g., consultancies to support NAP elaboration).


Box 3: Types of grants – Examples

Direct to the countries: The GM allocates funding to support government processes and civil society participation in the UNCCD. Government support includes a recent grant to the Central Asia Republics (\$100,000) to develop information databases on soil, water and forests including carbon sequestration potential, systems for information sharing across all levels, and participatory approaches for local-level pilot activities. Funding will be directed to toward building sub-regional capacity in desertification monitoring and assessment, including to complementary activities with members of the Partnership for Central Asia (ADB, CIDA, Switzerland, UNCCD project of GTZ and ICARDA). A pilot project in Kyrgyzstan is meant to serve as a model for other countries in the region. An example of civil society support is the project Training Program and Exchange of Rural Development Experiences in the Ixtlera de Coahuila Region in Mexico.

Strategic Initiatives: The GM supports strategic initiatives to enhance the UNCCD implementation. The GM invested \$25,000 in a joint initiative with the Consultative Group on International Agricultural Research (CGIAR) network to develop a research program aimed at desertification, drought, poverty and agriculture. The focus includes building understanding about land degradation and drought risk, harnessing genetic resources to combat drought and desertification, promoting an integrated ecosystem approach and agricultural diversification, and lowering the technological and knowledge barriers. This is expected to facilitate project development.

Source: GM information reviewed by the Evaluation Team

The Evaluation Team has categorized two types of resource allocation: *process* and *investment funding*. Process funding addresses short-term actions within planning processes. Process funding is *untargeted* when the actions funded lead only to further planning activities. Process funding is appropriate and necessary when it is *targeted*, to secure investment funding. Investment funding leads directly to on-ground actions that address land degradation, where the ultimate beneficiaries (the rural people) are directly involved.

| Process | Investment |
|--------------------|---|
| Untargeted process |  |
| Targeted process | |

About \$2.1 million, or 19% of the \$11.3 million allocated to client countries and for technical assistance has been directed to targeted process or investment financing. These numbers are as yet too low. Although some allocation of funding to support planning processes is warranted to jump-start national processes in early UNCCD stages, the focus should now be almost fully on investment to implement the Convention.

The Technical Advisory Group (TAG), established by the GM in 2000, was created to direct allocation of small grants from donor-established trusts. Since its inception, the TAG has allocated 38 grants totaling \$5.6 million, including \$250,000 from DGF. Twelve of these grants, totaling \$1.3 million, are targeted process or investment grants. One of the 12 grants allocates \$500,000²² to the Community Exchange and Training Program (CETP – see below). It has been divided into a series of small grants to support civil society. A more detailed description about the nature of the 12 investment grants can be found in Annex VII and III, the latter being focused on DGF grants only.

Support to civil society. Three funds to support civil society participation in the Convention²³ have been negotiated by the GM. Funded by IFAD and the World Bank DGF (CETP, managed within the TAG process and included in the figures above), Canadian CIDA (managed solely by the GM) and IFAD

²² An additional \$250,000 in DGF funding has been allocated to the CETP, bringing its total to \$750,000.

²³ As mandated by Decision 18/COP2.

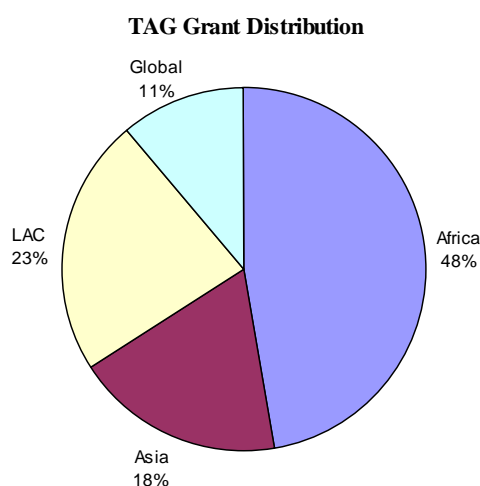
NGO/ECP grants (co-managed by IFAD and the GM²⁴), the three funds total nearly \$1.5 million. The funds are distributed directly to NGOs in the form of small grants:

- The CETP (Community Exchange and Training Programme) was established in cooperation with the International NGO Network on Desertification (RIOD) to promote interaction and knowledge exchange amongst indigenous and local groups. In the words of the GM, “the CETP provides a framework for systematic exchanges between local communities on indigenous knowledge and experiences in sustainable management of natural resources and sustainable livelihoods in drought-prone areas”. IFAD and the World Bank DGF allocated \$500,000 and \$250,000, respectively. A more detailed description of the CETP can be found in Annex VII.
- In 2001 Canadian CIDA allocated \$300,000 to the GM to fund NGO/civil society initiatives. To date, more than \$150,000 has been disbursed to organizations in China, southern Africa, Pakistan, Haiti and the Dominican Republic.
- The IFAD account was established in 2000 and totals \$425,000. It supports regional RIOD networks to assist their members to participate in the CETP. Initial allocations total \$150,000.

Types of support to civil society range from enhancing technology transfer amongst local community and indigenous groups to promoting participation in decision-making processes. While civil society initiatives are three or fewer years old, anecdotal evidence suggests that it is valuable for UNCCD implementation. Most stakeholder answers to queries about civil society support suggested that small amounts of financing have been crucial for the consolidation of NGO activities in dryland areas, and have assisted them to mobilize additional resources.

The GM’s support to NGOs illustrates an approach with excellent potential. What is missing, again, is the robust monitoring system to track potential synergy between this program of small grants and larger investments. While the GM does not have the capacity to set up a monitoring system of its own, it needs to partner with institutions having such capacity (particularly IFAD) as recommended in this report (see recommendations, pages 34-36). While the three funds were successfully established, their financial management is fragmented, and monitoring the flow and impacts as one strategic package is difficult at best.

Regional allocations. The UNCCD prioritizes Africa. Nearly half (47%) of the TAG funding was allocated to Africa, indicating that the GM is in line with the spirit of the Convention²⁵:



²⁴ But not in the GM book.

²⁵ The figures presented here represent TAG allocations only, as a list of grant allocations by region is not readily accessible from other accounts.

*Indirect funding to affected countries***Key findings:**

- Efforts to catalyze small grants and services into investment financing are starting to show some promise, although the efforts have not fully matured and it is too early to see final results;
- There is no system to track and monitor these efforts, and to document results.

The GM's catalytic activities aim to trigger investment financing through strategic placement of small grants and expert advice to support for example, capacity-building, UNCCD mainstreaming and partnership-building. However, measuring the qualitative and quantitative effects of these activities has proven to be difficult. The processes initiated and/or supported by the GM may require more time to mature. While recognizing the difficulty of this type of measurement, the Evaluation Team suggests that the GM implement a simple leverage ratio that measures the dollar for dollar return on catalytic investment. This concept is illustrated by the following examples of positive results in Tunisia, Brazil and China:

- In Tunisia the GM invested \$80,000 and assisted with bridging key Ministries, raising awareness about Tunisia's obligations to the UNCCD and building understanding about the connection between desertification, sustainable development and poverty alleviation. NAP priorities are now integrated into the country's socio-economic plans, and Tunisia has committed US \$18 million to address these issues in priority projects, a 23% increase in domestic resources dedicated to land degradation issues until now. Such an increase will be pursued during in the 5-year socio-economic development plan as decided by the Government. Bilateral agencies from Japan, France and Germany have expressed their interest in matching this governmental effort through increased participation in project development. To sustain this effort, including partnership building, the GM is investing an additional \$100,000 from the DGF contribution.
- In Brazil, the GM fostered preparation of a NAP, providing \$30,000 and helping position Brazil to mobilize resources for UNCCD implementation. In particular, completion of the NAP led to identification of a new component for GEF financing, within the IFAD-led "Sustainable Development Project for Agrarian reform Settlements in the Semiarid Northeast of Brazil". This process was also facilitated by a contribution from the Portuguese Trust Fund situated in IFAD. A request for GEF PDF B funding in the amount of \$300,000 has been submitted to prepare the GEF component, which will be budgeted at about \$10 million. This overall multi-agency, multi-stakeholder approach has positioned Brazil for significant investment financing that could exceed \$100 million within the IFAD project framework.
- In China, the GM helped to streamline two parallel processes: NAP development at the national level and a concurrent but separate western China initiative involving the Chinese government, GEF and the Asian Development Bank. International funding was mobilized and focused. The separate processes were streamlined, and the process supported with an \$8000 grant to study root causes of desertification in China (DGF funding). An additional \$50,000 of funding (CETP IFAD funds) was allocated to test models for action and recruit additional donors. At present, the German and Italian governments, the EU and FAO have expressed interest in participating, and the GM and Chinese representatives have agreed to develop a private sector component. However, the SARS outbreak has put the process on temporary hold.
- In Guinea, the GM has provided support to enhance the integrated management program of the Fouta Djallon Highlands, which provide the source for six international rivers. The program aims to reverse the trend of land degradation resulting from deforestation, overgrazing and over-cultivation. While initially focused on Guinea and operation of the high water basins, this program is expected to benefit many African countries downstream and could be expanded to those countries through watershed management activities based on the lessons learned in the Fouta Djallon. The GM has been particularly instrumental in providing support for establishing international partnerships. A GEF operation is being prepared with an

expected GEF investment of about \$10 million which should trigger larger co-financing. Moreover the GM has supported a preparation study carried out by consultants to review the possibility of preparing a component of the program based on carbon sequestration through forestry activities within the framework of the Clean Development Mechanism.

The catalytic role has, in some cases, bolstered the capacity of affected countries to address UNCCD obligations and secure initial funding for planning activities. What is crucial is for the GM to establish parameters for monitoring the long-term financial impacts of these efforts.

Advice on request

Key findings:

- The GM has responded efficiently to 103 country and regional requests for assistance, providing funding in 71% of cases;
- While the GM has responded to requests for light services (information and advice), its limited capacity has prevented it from addressing all the demands for heavier financing services. Setting priorities is needed for the latter services, as recommended in this report.

One hundred three national governments and regional networks have requested GM assistance for NAP elaboration and implementation (20 requests were made in 2003). The GM has responded with both technical and financial assistance, as depicted in Table 1. The GM has answered this difficult obligation well, in the first instance by establishing capacity for small and catalytic grants.

Table 1: Advice on request

| | # of requests | # funded | Total funding | Average grant |
|-----------------------|----------------------|-----------------|----------------------|----------------------|
| Africa | 42 | 23 | \$ 2.9 million | \$ 126,000 |
| LAC | 29 | 23 | \$ 1.2 million | \$ 52,000 |
| Asia | 29 | 26 | \$ 1.0 million | \$ 38,000 |
| Eastern Europe | 2 | 0 | 0 | 0 |
| Inter-regional | 1 | 1 | \$300,000 | \$300,000 |
| TOTAL | 103 | 73 | \$ 5.4 million | \$ 74,000 |

B. The GM as information broker

Key findings:

- The Financial Information Engine on Land Degradation (FIELD) database provides valuable and comprehensive information on funding sources, land degradation and related policies;
- GM collaboration with various institutions on information management and analysis has enhanced FIELD value, although collaboration to promote its use, particularly with IFAD, the World Bank and UNDP (and other FC members), has not been pursued to potential;
- Resources for GM communications, information management and dissemination are not sufficient to meet expectation and need, hence the need for the GM to partner with other institutions such as IFAD is called for, as recommended in this report.

The GM's information role is essential for resource mobilisation as it provides the key to linking supply and demand. The GM has addressed this aspect of its mandate primarily by developing a comprehensive source of baseline information on desertification-related funding sources, trends in financing, projects, background information on the Convention and its operations, and a variety of related technical and policy reports. This

information is made available to UNCCD Parties and others through the FIELD, an on-line and CD-ROM resource distributed to all Parties at the COP and at national and sub-regional meetings. The third FIELD version, published early in 2003, contains new and updated information²⁶, an improved search engine and a more user-friendly interface.

To enhance the FIELD, the GM has collaborated with other institutions involved in gathering and disseminating information on similar or complementary subjects. An important example is the collaboration with OECD/Development Assistance Committee (DAC). Collaboration with DAC began when FIELD was first conceived, and enabled the GM to build on existing DAC standards and definitions. More recently, the GM has worked with the DAC to assess the quality of official data on UNCCD-related aid through the OECD/DAC Working Party on Statistics. This should help align the large discrepancies between what OECD countries report to DAC compared to what they report to the UNCCC Secretariat²⁷. In addition to updating, maintaining and improving its website, the GM is working to further extend FIELD's reach by participating in, for example, the World Bank's Development Gateway AIDA portal and connecting with information resources of other FC members.

FIELD has been useful for the GM, its partners and interested individuals. It has enabled GM staff to carry out specific analyses pertinent to the needs of client countries. It has enabled analyses of desertification-related investment trends by type of donor and by purpose/sector of destination. With regard to the web, use of the FIELD site is growing rapidly. In May 2003, nearly 13,000 individuals made use of the site, with more than ½ million hits (count of visits to each page) from more than 120 countries recorded (see Annex III).

When asked about the utility of FIELD, stakeholder responses were mixed, ranging from "an excellent tool" to "it's of no use". Stakeholders from client countries had a rather negative opinion. Concern was expressed about FIELD inaccessibility for those Parties without free access to the Internet, even though FIELD is available on CD-ROM. This type of reaction indicates that FIELD is underutilized by client countries and that its purpose and form are not yet well enough understood by those in charge of implementing the Convention.

The GM has done well in building the information resource and should continue the ongoing process of maintaining its currency with frequent updates and additions of new information. In particular, addition of information about carbon markets and links between UNCCD and UNFCCC will enhance the analytical capacity of FIELD. The GM should initiate a "rapid response service", with focus on those target audiences with inadequate technological capacity, to provide assessment of financing opportunities quickly and effectively. For those who do have the technological capacity, the GM should better promote the FIELD's analytical potential, with an eye toward enabling Web visitors to carry out analyses on their own. As recommended in this report, the GM should work more closely with IFAD and the World Bank, who are positioned to support better access to FIELD. Finally the resources allocated to information management and dissemination have been insufficient for an activity that is central to the GM's mandate.

²⁶ The third version of FIELD contains 5,600 cross-referenced records, including 1,300 documents, reports and publications related to the implementation of the Convention, and thousands of links to external websites and sources of information. The information covers 6 continental regions, 185 countries, 28 bilateral donors, 69 multilateral donors, 98 public and private foundations, 145 NGOs, 90 private sector companies, 52 research and academic institutions and other donors.

²⁷ According to a recent DAC study covering bilateral aid reporting from 1998 to 2000, only in 3% of the cases were bilateral aid activities consistently reported to both OECD/DAC and the UNCCD Secretariat.

Key findings:

- The GM's staff structure and expertise, while adapted for response to demand and small granting activities, does not position the GM to mobilize substantial investment financing;
- The GM's financial management system does not adequately support the tracking of financial flows and the monitoring of GM grants and co-financing activities;
- The opportunities for synergies with the three GM founding members (IFAD, UNDP and the World Bank) have not been fully exploited. With IFAD, the host institution, cooperation could have been developed in areas such as resource mobilization, communications and information management, monitoring and evaluation;
- The relationship with the UNCCD Secretariat has been competitive rather than cooperative, a lost opportunity that is beginning to correct itself;
- The Facilitation Committee members have not responded to UNCCD objectives to the extent needed, and comparative advantages amongst the GM and the FC have not been used well to further Convention aims;
- The GM governance is not well enough clarified to provide clear and consistent strategic and operational directives to the GM.

IV Operational framework

GM – structure and organization. The GM was established late in 1998, more than two years after the UNCCD came into force. Staff build-up was slow, culminating in its current professional staff complement of 12 professionals (excluding support staff) in 2002 (see Annex VIII).

GM operations are based in Rome, housed in the headquarters of IFAD. The Managing Director and his Deputy supervise operations, with direct support to affected countries carried out by regional coordinators. A few themes (information dissemination, civil society support and economics) are carried out at the global level. The staff structure lends itself to *ad hoc* interaction with partners, rather than supporting a more systematic approach. The regionally-based structure responds to the demand-driven nature of its work, but needs more horizontal integration to enhance a cohesive and shared vision for the GM activities.

The greatest asset of the GM is its highly dedicated and talented staff, which responds professionally and with motivation to the overwhelming demands from client countries. While the GM should improve its organization to meet all the demands for light services (a rapid response information service), it needs to set up country priorities in line with its capacity for heavier investment activities. Moreover the GM is not yet adequately equipped in innovative financing, one factor that inevitably shortchanges this important function. In this regard, what the GM's centralized structure lacks is a network of expertise organized outside of Rome, built in collaboration with bilateral and multilateral partners.

The GM financial management system does not allow the tracking of incoming and outgoing grants for the purpose of monitoring and measuring impacts. This system needs to be streamlined with clear financial categories in order to set up financial targets, and provide on-line financial monitoring for GM management and staff as recommended in this report.

At the request of the Facilitation Committee, the GM has drafted a business plan that aims to focus its work more strategically and exploit comparative advantage of its partners more effectively. This is an important step for the GM is to capture full potential for resource mobilization. However, this plan does not define quantitative targets for resource mobilization and may not go far enough in setting concrete priorities. These issues should be rectified within the cooperative framework of the Facilitation Committee. Further down the road, the GM should be able to produce short, focused business plan which build on lessons learned, identify strategic opportunities and priorities and set up quantitative and qualitative objectives.

GM Founding Members. Decision 25/COP1 established three GM founding members: IFAD; the World Bank; and UNDP. It defines their respective commitments to the GM process in the areas of policy formulation, information and mainstreaming.

IFAD – the host institution. The relationship with the GM’s hosting agency, IFAD, has been useful but has not met with initial expectations. At the operational level, the GM has benefited from the services of IFAD’s administrative services – financial and personnel – enabling the GM to minimize accounting oversight and focus more on the task at hand. However, despite its presence in IFAD, the GM has not benefited to the extent possible from IFAD communications, resource mobilization, and monitoring services. Moreover, IFAD lending policies and practices have not fully incorporated the UNCCD objectives despite the GM’s presence. The opportunities lost are significant for both institutions, as IFAD and the GM have complementary and highly interrelated objectives. Recapturing the opportunities to the extent possible would be mutually beneficial to both IFAD and the GM. This situation is being reviewed by IFAD and the GM with a view to establishing a closer mutually beneficial partnership.

The World Bank has been a supportive GM partner at the corporate level and in particular through its DGF grants. In some countries, for example China, the World Bank-GM partnership has yielded good results (see page 26). However, the World Bank has not engaged itself to the extent possible as a key partner in mainstreaming UNCCD objectives into poverty alleviation and country development frameworks. Moreover, a more effective partnership with the GM in information management and dissemination could have been established through its Dryland Knowledge Node.

UNDP has been a supportive partner to the GM via its worldwide network of country offices. Nevertheless, the GM-UNDP partnership has not worked at its full potential: 1) The UNDP/GEF small grants program has a good track record, including in its monitoring system. The resulting lessons could have been better incorporated into the GM’s own small grants program. Recent progress has been made in this area; 2) the UNDP Dryland Development Center has worked on a set of desertification-affected countries²⁸ (mostly African). This important work has not been fully coordinated with the GM to its potential; 3) The GM and UNDP, together with the World Bank, could have collaborated more effectively in mainstreaming activities that set the stage for resource mobilization.

UNCCD Secretariat – the UNCCD partner. Competition, mandate overlap and poor communications between the CCD Secretariat and GM have crippled potential for a mutually supportive relationship, despite COP Decisions that direct the two entities to cooperate²⁹. Efforts are now underway to rectify these shortcomings, and include cooperative work programming.

Facilitation Committee – the GM network. Facilitation Committee members collectively represent a diversified financial and technical potential for implementation of the UNCCD. In the context of the GM, however, the expected FC supporting role has not played to its full potential; most members have continued their “business as usual”. The FC members recognize these shortcomings, and are enhancing efforts to mainstream their support of the GM process, and ultimately UNCCD implementation, throughout their respective institutions. An important step will be to implement cooperation and exploitation of comparative advantages, guided by the GM business plan, and move beyond *ad hoc* cooperation at the regional and country levels.

GM Governance. The GM governance system has not served the GM well in its strategy and operations. There are three inter-linked elements of GM governance: 1) the COP, to which the GM is accountable; 2) IFAD, whose President has management responsibility for the GM between COP sessions; and 3) the FC, which is assigned an advisory and support role. The COP meets only once every two years, and may have gone beyond its role of providing broad strategic directions by involving itself in too many detailed

²⁸ These countries include Botswana, Ethiopia, Kenya, Mozambique, Swaziland, Tanzania, Uganda, Zimbabwe, Benin, Burkina Faso, Cape Verde, the Gambia, Mali, Niger, Morocco, Yemen.

²⁹ Decision 18/COP2 requests that the GM and CCD Secretariat “cooperate in order to avoid duplication” and Decision 5/COP3 (paragraph 29) requests the GM and CCD Secretariat to facilitate the convocation of consultative processes in order to negotiate and conclude partnership agreements based on NAPs, SRAPs and RAPs.

directives. IFAD, while incorporating the GM in its administrative framework in terms of personnel and financial accounting, has not been sufficiently engaged in the GM management despite the fact that the President of IFAD must sign off on all the key decisions made by the GM. The FC, initially relatively inactive in the process, has recently increased its role dramatically, and has almost stepped into the role of a Board. This system needs to be streamlined with the COP focusing on broad strategic directives, IFAD providing effective management support to the GM between the COPs and the FC serving as an advisory and partnership-building forum.

V Overall assessment of GM services

A. Client satisfaction

The majority of the client countries that have received support from the GM, specifically in terms of process money to support NAP and other plan development, rate the service they have received in a positive light. The timing of the GM's interventions appears to have been as important as the size of contributions. Some stakeholders credit the GM with providing the enabling environment for them to proceed toward GEF and other grants. Many have characterized the GM's intervention as "instrumental".

However, a number of respondents felt that the GM services have not been extensive enough, and have not yet led to the level of investment financing needed to implement Convention objectives. Moreover many respondents, while recognizing GM staff dedication, thought they were too involved (for example, in drafting agreements, and planning documents), integrating themselves too deeply into the work to be done.

FC and donor respondents focused more on the type and amount of financing generated by the GM's efforts. According to them, the GM has not focused adequately on mobilizing large investment resources for UNCCD implementation. More specifically, many of them believe that the GM has not adequately pursued innovative financing and new and additional resources beyond ODA. With regard to small grants and process funding, their response was mixed, although many recognized that this funding has value for recipients when it is targeted toward investment financing.

In summary, stakeholders interviewed during the evaluation process assessed the strengths and weaknesses. The result is reported in the table below.

Table 2: Stakeholder assessment of GM strengths and weaknesses

| Strengths | Weaknesses |
|--|--|
| Flexible and independent structure, good for building partnerships | Lack of vision and strategy |
| Strong positioning within IFAD, good opportunities to exploit comparative advantages | Lack of expertise for the resource mobilization and broker roles |
| Dedicated and creative staff | Too many priorities (= no priorities) |

This assessment reflects, for the most part, findings of the Evaluation Team. As regards the GM's vision and strategy, the Evaluation Team believes that the GM has, in fact, tried to build a strategy based on solid understanding of the issues and challenges. At the same time, however, the GM has attempted to respond to all advice and demands, rather than setting a firm direction more appropriate to the task. As a result, attempts to become more strategic have been lost in the larger political debates about the GM's role.

B. Meeting the World Bank evaluation criteria

When evaluating projects funded by the DGF, the World Bank considers six criteria (relevance, efficacy, efficiency, sustainability, institutional development impact, and process and implementation). The Evaluation Team has applied these criteria for assessing overall GM activities and more specifically those activities that have been directly financed by DGF. Table 3 provides a general summary of this aspect of the evaluation.

Table 3, Part I: Assessing the GM's overall performance

| | | | |
|------------------------------|--|---|--|
| UNCCD settings▶ | <i>UNCCD conceived as environment Convention while its main thrust is on development issues.</i> | <i>UNCCD defines NAPs as implementation instruments.</i> | <i>UNCCD directs GM to provide "Advice on request" and to be fully "demand-driven".</i> |
| WB Criteria | Relevance | Efficacy | Efficiency |
| <i>Stakeholder views</i> | <ul style="list-style-type: none"> Views range from relevant and essential to not relevant, an unnecessary layer; Environmental thrust of the Convention a weakening factor; UNCCD focal points not sufficiently involved in decision-making processes. | <ul style="list-style-type: none"> Grants for preparing NAPs viewed as positive by client countries and some FC members; Donors and FC members frustrated by uneven quality of NAPs, while client countries feel that they are important strategic documents; Investment financing secured by GM is inadequate (all stakeholders). | <ul style="list-style-type: none"> Consistent response: too many priorities, GM spread too thin. |
| <i>Evaluation Team views</i> | <ul style="list-style-type: none"> UNCCD position as an environment Convention weakens its potential; Developed and developing countries do not adequately prioritize UNCCD as they do not involve key decision makers. | <ul style="list-style-type: none"> NAPs can serve as strategic instruments, but are not adequate instruments for financing; GM efficient in mobilizing process money; GM not adequately prioritizing investment financing; Focus on demand side, without adequate attention to supply. | <ul style="list-style-type: none"> GM has attempted to satisfy all demands; GM cannot serve all countries simultaneously, and should distinguish light service delivery (information, advice) from resource mobilization services that need to be prioritized. |
| <i>Recommendations</i> | <ul style="list-style-type: none"> Promote UNCCD's central role in rural development and poverty alleviation; Enhance stature of UNCCD objectives by integrating key decision-makers into processes. | <ul style="list-style-type: none"> Consider NAPs as strategic documents from which key priorities can be extracted to build priority projects and stimulate financing; Pursue innovative financing opportunities more vigorously bearing in mind countries' constraints for additional external debts. | <ul style="list-style-type: none"> Establish "rapid response" information service; Establish prioritization system for assisting countries with resource mobilization; More focus on the "supply side" to secure process and investment financing; Establish GM network in bilateral and multilateral agencies to optimize the GM work on supply side. |

Table 3, Part II: Assessing the GM's overall performance

| | | | |
|------------------------------|---|---|--|
| UNCCD settings ► | <i>COP and IFAD obligations assure continued operating support.</i> | <i>UNCCD assigns functions to the GM to build affected Parties' capacity to mobilize resources and respond to desertification issues.</i> | <i>COP directives to GM too detailed and not always consistent</i> |
| WB Criteria | Sustainability | Institutional Development Impact | Process and Implementation |
| <i>Stakeholder views</i> | <ul style="list-style-type: none"> • Few comments from stakeholders who did not focus on the long-term viability of operations. | <ul style="list-style-type: none"> • Positive view toward GM's support to in-country processes; • Need more focus on capacity building for mobilizing funds; • Information system and services not adequately accessible to target institutions in developing countries. | <ul style="list-style-type: none"> • High rating of GM support to planning processes; • The GM's role in mainstreaming CCD objectives in development strategies is viewed as high priority by countries but inappropriate by many FC members and donors. |
| <i>Evaluation Team views</i> | <ul style="list-style-type: none"> • COP provides an annual allocation for supporting GM operations which is not enough to ensure full sustainability; • GM sustainability is directly linked to the strength and effectiveness of its partnerships and networking. | <ul style="list-style-type: none"> • Grants to countries have helped to strengthen capacities; • GM supporting role has been valuable and well received in the agencies responsible for UNCCD implementation in client countries; • Information system quality and comprehensiveness are growing while accessibility is still too limited. | <ul style="list-style-type: none"> • While GM's mandate is clear, approaches to fulfilling it are confused. |
| <i>Recommendations</i> | <ul style="list-style-type: none"> • Strengthen the IFAD relationship with more efficient integration of functions, building capacities in strategic areas and establishing M&E; • Strengthen ties with key FC members by building on comparative advantages; • Expand partner networks to private sector. | <ul style="list-style-type: none"> • Pursue capacity building support to both public and private institutions in client countries; • Incorporate institutional development in investment projects. | <ul style="list-style-type: none"> • Refocus the GM's broker role by assembling partnerships around priority projects. |

VI Conclusions and Recommendations

The GM has fulfilled part of its core mandate by providing client countries with process financing, information and advice services, but it has not yet succeeded in mobilizing large investment resources for UNCCD implementation. The GM team has worked hard with steady dedication to define its role in a difficult context of constraints and multiple directives to meet challenging demands from developing countries. Its potential could be better realized by refocusing on its core mandate of financial and information broker, paying more attention to the mobilization of investment resources and grasping emerging opportunities for new and additional public and private financing in developed countries. This should be combined with more efforts to mobilize domestic resources in client countries to address land degradation and rural poverty. Realizing the GM potential fully does require a renewed support from GM partners particularly from its Founding Members, IFAD, UNDP and the World Bank.

With regard to the DGF, its financial support to the GM has been instrumental particularly for developing the GM information capacity, and for bolstering its small grant program for planning processes and civil society. While some of the DGF-financed activities which are still in progress cannot be fully assessed, the Evaluation Team believes that the DGF support has contributed to enhance the GM role and should be continued with more emphasis on investment mobilization and on developing carbon financing opportunities. More specifically, the Evaluation Team believes that the World Bank should pursue and possibly expand its support to the GM by focusing on the following 4 directions:

- Reorient support from NAP planning to the preparation of bankable projects with significant investment involving public/private partnerships and mixing innovative financial instruments;
- Help establish a joint venture involving the World Bank carbon financing department, IFAD and the GM with a view to develop projects that would combat land degradation while being climate friendly;
- Continue supporting small grants to civil society but with a focus on the preparation and development of UNCCD-related pilot investment project in the field; and
- Enhance the GM capacity in desertification related knowledge management and dissemination to client countries.

A detailed analysis of DGF-supported activities, and the Evaluation Team's recommendations for future DGF support of the GM, is found in Annex III.

Recommendation 1
Strengthen the capacity of the GM, particularly through stronger integration with IFAD and higher support from its key partners.

The GM should better exploit the opportunity of its host institution through a stronger integration. This would alleviate considerable pressure on the small GM team and significantly enhance its capacity for resource mobilization and information dissemination. Such integration should particularly help the GM:

- Develop resource mobilization expertise by:
 - Training current GM staff and hiring specialists in fund raising;
 - Establishing a worldwide GM resource mobilization network;
 - Integrating GM resource mobilization within IFAD's resource mobilization department.
- Work in tandem with IFAD's communications and information management divisions to:
 - Address the lack of visibility and political will toward land degradation issues and the UNCCD;

- Strengthen FIELD and other tools, and their utility for target audiences.
- Build joint GM/IFAD expertise on UNCCD issues and their linkages to climate change and carbon financing through joint training and programming;
- Cooperatively develop joint ventures and networks with the bilateral and multilateral financial agencies to promote integration of UNCCD issues into development assistance and loan programs;
- Establish a monitoring and evaluation function, define baselines and set clear targets. Adapt the budget and accounting system to connect finances to program, and clearly delineate between administrative costs and funds used to support Convention implementation.

Recommendation 2
Refocus on the core mandate as a broker.

As a financial broker, the GM should focus first on substantial investment financing that emerges from seizing new opportunities (see below). At the country and regional levels, the GM should be identifying and promoting key ideas from NAPs, SRAPs and RAPs, assist in transforming these into bankable projects, and help build financing strategies through partnerships (an approach the GM has engaged already to some extent). As an information broker the GM should focus on disseminating information on available financing as it relates to UNCCD implementation.

- Eliminate untargeted process funding, and focus on stimulation of investment funding. Fully exploit the resource mobilization network recommended above;
- Engage IFAD, the World Bank and other financial agencies to ensure UNCCD incorporation within their lending programs;
- Establish a system between GM, the World Bank and UNDP to systematically and cooperatively promote mainstreaming UNCCD objectives into development and policy frameworks;
- Engage all members of the Facilitation Committee in information gathering and dissemination activities, particularly IFAD, the World Bank and UNDP;
- Set firm priorities and lay the groundwork with the FC and the COP to ensure that the GM business plan corresponds to its capacity without being overspread by excessive demands.

Recommendation 3
Seize new opportunities in innovative financing mechanisms.

ODA funding is likely to remain constant in the next decade, and there is limited opportunity to increase the proportion of funding allocated to desertification issues. The *new GEF window* provides some opportunity, and relies on the GM's ability to leverage co-financing (assumed to be primarily ODA). The GM has focused considerable attention in this area and should continue to contribute together with IFAD by helping to mobilize co-financing. *Private financing* (in particular *carbon financing*) offers an avenue for forging links with the private sector while concurrently increasing financial flows by an order of magnitude.

- Develop a joint venture with the World Bank and IFAD in carbon financing, using existing World Bank carbon funds (in particular the Biocarbon Fund and the Community Development Carbon Fund);
- Help promote bankable projects that build on the synergy between UNCCD and UNFCCC with support of the above funds, and financial support for adaptation measures to climate change;

- In collaboration with IFAD, mobilize complementary financing to maximize opportunities offered by the new GEF window for desertification;
- Optimize the mix of ODA, private sector investment, and carbon financing based on strategic opportunities and return on investment;
- Based on agreed criteria, target those countries most in need of investment financing.

Recommendation 4
***Address the UNCCD misunderstandings, and promote the Convention
 from the periphery to the center stage of development.***

This recommendation, while outside the GM's reach, highlights the bearing of external factors on GM performance. Implementation of the above recommendations will not lead to the GM's full success without attention to these factors.

- UNCCD focal points should involve key decision makers in the process of UNCCD implementation;
- In line with the WSSD Declaration, the UNCCD should focus more on promoting sustainable agriculture and rural development by engaging decision makers in this area;
- NAPs, which have proven inadequate for financing, should be recognized more as strategic documents highlighting priority actions that would pave the way to the development and implementation of investment projects. Consequently more attention should now be paid to supporting the formulation of these projects and financing their implementation.

The GM is at a turning point. It must now re-invent itself, together with its partners, to exploit the opportunities that will lead to resources at a scope and level that could have lasting and positive impacts on the poorest of the poor, the people whose lives depend on the world's dry lands.

ANNEX I: The Evaluation Team³⁰

François Falloux, Team Leader. François Falloux is co-founder and Vice President of Eco-Carbone, an international company that provides technical and financial services to climate-friendly rural projects. He is also a member of the Executive Committee of Pro Natura International, an NGO that provides environmental services in developing countries. From 1974 to 1999, he served with the World Bank, where he held various management and advisory positions related to agriculture, rural development and the environment. From 1997 to 1999, he was the alternate chairperson of the World Bank Environmental Committee.

Leif Christoffersen, Advisor to the Evaluation. Leif E. Christoffersen is a Senior Fellow at the International Center for Environment & Development (Noragric) of the Agricultural University of Norway, and is Chairman of the GRID-Arendal Foundation in Norway, supporting UNEP's environmental information and assessment activities. From 1964 to 1992, he served with the World Bank, where he held various management positions related to agriculture, rural development, and the environment. Between 1987 and 1992, Mr. Christoffersen headed the Environment Division for the Africa Region.

Ruy de Villalobos, Regional Consultant for Latin America and the Caribbean. Ruy de Villalobos, economist, is a Senior Consultant for different international organizations and Governments (IFAD, FAO, WB, IADB, IICA, etc.). He has been Vice Minister of Agricultural Development (1987-88) and Senior Advisor in charge of the Secretary of Economic Policy in Argentina (2002). He has also been an IFAD staff member (1980-1985) in the Division of Latin America and the Caribbean. He is a member of the Political Ecology Group of the Latin American Council for Social Sciences, the Institute of Social and Economic Development in Argentina and the Centre for Economic Development Studies at the University of Buenos Aires. During his professional career, he has mainly been involved in rural development, natural resources conservation policy design and project formulation and evaluation.

Lamia Mansour, Regional Consultant for North Africa and Middle East. Lamia Mansour is an independent consultant with expertise in integrated management, biodiversity conservation, capacity building and strategic policy development. She has in-depth knowledge of the Mediterranean basin in general, and more specifically Arab countries. She is a lecturer at the American University of Beirut. From 1994 to 2002 she worked at UNDP in Beirut and with UNOPS/GEF/UNDP in France holding key managerial positions where she was in charge of developing and implementing initiatives aimed at putting the principles of sustainable development at national and regional level into action. Prior to this, she worked in the private sector (HR Wallingford in England and Dar Al Handasah in Lebanon) as an environment expert. She has a PhD and MSc in Environmental Management from Leeds University in England and a BSc in Environmental Health from the American University of Beirut.

Marc Paquin, Regional Consultant for Asia. Marc Paquin is the Executive Director of Unisfera International Centre, an independent not-for profit research centre based in Montreal Canada. Unisféra aims to contribute to the advancement of knowledge on sustainable development law and policy, focusing more specifically on the nexus between socio-economic development and the environment. Unisféra's work is policy-oriented with a view to assisting public and private entities in the development and implementation of policies at the national and international levels. Beforehand, Mr. Paquin served with the North American Commission for Environmental Cooperation, a NAFTA institution, where he occupied several positions, including as Secretary to the Council of Ministers. Mr. Paquin has also worked on environment-related issues with different private and public organizations.

Susan Tressler, Team Secretary and Coordinator. Susan Tressler is a consultant specializing in project development and fundraising. From 1992 to 2000 she served as fundraising coordinator, and subsequently Deputy for Communications and Fundraising, for the Species Survival Commission of IUCN-The World Conservation Union. Prior to her work with IUCN SSC, she worked with a number of US community-based organizations and museums in the fields of fundraising, and program and policy development.

³⁰ Views of African stakeholders were provided by Youba Sokona, who served as a member of the COP evaluation team.

ANNEX II: Terms of Reference Independent Evaluation of the Global Mechanism

Background

Under the terms of the grant received from the World Bank's Development Grant Facility (DGF), the Global Mechanism (GM) is required to organise an independent review of its activities. DGF has approved three years of funding to the GM with the first two annual grants of \$1.25 million disbursed. An evaluation of the activities financed out of its grants is needed to consider new requests by GM in the future. At the World Bank's suggestion, this evaluation has been extended beyond the scope of the DGF grants to cover all GM activities. This is carried out as part of a broader exercise aimed at providing the basis for the second review on the occasion of COP6 scheduled in Havana, Cuba, in September 2003, of GM's policies and operative modalities (see ToR attached herewith).

a) GM Mandate

The overall objective of the GM, as stated in the Convention (Article 21), is "to increase the effectiveness and efficiency of existing financial mechanisms" by "promoting actions leading to the mobilisation and channelling of substantial financial resources, including for the transfer of technology, on a grant, and/or on concessional or other terms, to affected developing country Parties".

As per decision 24/COP1, the GM responds to the requests for financial assistance and advice it receives from the developing country Parties to the Convention. Priority is given to Africa without neglecting other regions, as provided for under the Convention. Therefore, the GM programme of work and budget is developed dynamically as requests for interventions arise. The policies and modalities of GM intervention are specified in the GM Operational Strategy.

A strong emphasis is placed by the Convention on a multi-source, multi-channel funding approach through existing and/or new financial mechanisms. As such, it is an innovative mechanism with a unique character among existing financial mechanisms.

b) GM Functions

The main functions of the GM were defined by the COP (24/COP1) as follows:

- Promoting actions leading to co-operation and co-ordination;
- Mobilising and channelling financial resources;
- Analysing and advising on request;
- Collecting and disseminating information.

c) Action Areas

The three action areas of the GM geared towards mobilisation and channelling of resources for UNCCD implementation are as follows:

- Support to action programming at national and sub-regional levels and establishment of frameworks of partnerships;
- Support to enabling activities that enhance institutional capacities, strengthen local response from natural resource users and their organisations, or lower the threshold for NGOs and private sector to intervene in activities relevant for UNCCD objectives;
- Exploration of financing opportunities arising from relevant Multilateral Environmental Agreements or thematic priorities of specific development agencies, as a basis for designing mechanisms for channelling funds to contribute to the overall resource mobilisation effort for UNCCD implementation.

d) GM Operational Strategy

The operational strategy that support these above functions was defined along the following lines:

- Encourage, in the context, inter alia, of PRSPs, the mainstreaming of land degradation issues into Government policies, planning and budget processes as well as the strategic frameworks and project portfolios of development partners;
- Broker strategic partnerships between Governments, development partners, NGOs and natural resources users, in support of the mainstreaming process;
- Orient the use of GM's catalytic financial resources to support Governments, intergovernmental bodies and NGOs in order to bring about a multiplier effect.

e) GM Tasks

To discharge the above functions more detailed "specific objectives" were set forth under . These are to:

- Undertake proactive and catalytic actions to promote financial resource mobilisation;
- Identify and promote broad measures and actions to optimise the use, effectiveness and efficiency of existing resources;
- Develop and promote a variety of flexible mechanisms and arrangements to channel financial resources to affected developing countries;
- Facilitate the establishment of partnership funding arrangements to support national and sub-regional action programme process;
- Collect, analyse and make available information on possible sources of funding and financial resource flows for desertification control activities to developing countries, NGOs and other interested partners;
- Facilitate the financing of arrangements for the transfer of technology;
- Develop and undertake advocacy actions in the context of the work of the GM; and
- Report and provide advice, as appropriate, to the Conference of Parties (COP) on issues related to funding of UNCCD implementation.

f) Organizational Set-up

To undertake the above activities, the GM team provisionally has organised its work in four main clusters. These are:

1. Management, strategic guidance and policy coordination;
2. Support to action planning, and partnership brokering at country and sub regional levels;
3. Exploration of strategic partnerships or initiatives, and identification of related resource mobilisation opportunities;
4. Information and communication, aimed not only at disseminating information about sources and flows of funds, and best practices, but also at making a case for investments in drylands, based on empirical evidence on socio-economic costs and environmental impact of land degradation.

Purpose and Scope of the Evaluation

The purpose of the Evaluation is to assess progress in discharging GM functions and achieving Global Mechanism's objectives as outlined above, to provide guidance on how to improve this progress and develop mechanisms and baseline indicators to measure future progress and impacts.

a) Core Evaluation Questions

To this effect, the evaluation shall include an assessment of the Global Mechanism's activities during the 1998/2002 period and will be made in terms of the six core questions outlined by the DGF:

- ◆ **Relevance**
Consistency with overall development and/or research strategy, and with policy priorities, of principal stakeholders; program's comparative advantage (relative to other organizations).

- ◆ **Efficacy**
Extent to which program achieved objectives articulated at approval, e.g., research, physical, institutional, social, policy.
- ◆ **Efficiency**
Extent to which program benefits are commensurate with inputs (both cost and time of implementation).
- ◆ **Sustainability**
Likelihood that program benefits and results will be maintained over intended useful program life.
- ◆ **Institutional Development Impact**
Extent to which the program contributed to improvements in norms or practices that enable beneficiaries to effectively use available human, financial, and natural resources.
- ◆ **Process and Implementation**
Extent to which the program worked well as planned, or, if not, what barriers were encountered and how they were surmounted.

b) Evaluation Methodology

The Evaluation will be undertaken in conformity with the Standard Format of DGF Evaluation Reports, and will include the following sections:

- 1) Specific description of program objectives, activities, and units being evaluated;
- 2) Methodology used to develop evaluation findings;
- 3) Responses to each of the six Core Evaluation Questions;
- 4) Description of trust fund administrative covenants, and assessment of the extent to which these have been satisfied., including audited financial statements;
- 5) Summary of Key Findings;
- 6) Conclusions and Lessons Learned;
- 7) Recommendations.

In the context of the DGF six core questions mentioned above, the evaluation will:

- Review the GM's activities and assess how its mandate, as defined by the COP and interpreted by members of the Facilitation Committee, has been fulfilled;
- Assess and draw lessons from the GM's successes and areas of improvement;
- Recommend ways for the GM to better fulfil its role as defined by the COP; and
- Explore new ways and means to enhance GM's role and facilitate the UNCCD implementation and its contribution to sustainable development.

The evaluation will also consider the obligations of the Parties to the Convention, as they relate to the GM's mandate.

Special attention will be paid to the dynamics of the GM's evolution, and its vision for the future. The Evaluation Team (ET) will also consider – from the supply and demand sides – the external dynamics of change in investment financing to the developing countries including:

- the anticipated reverse in a ten-year decline of Official Development Assistance (ODA) financial flows, in light of recent pledges by several OECD countries to increase their commitments (Finance for Development Conference, Monterrey);
- the expected increase in attention given by ODA to agriculture and rural development;
- the concurrent rise in private capital flows, and their real or potential impacts on the work of the GM;
- the GEF opening of a new window to fund land degradation activities;

- the financial mechanisms under the UN Framework Convention on Climate Change (UNFCCC) the Convention on Biological Diversity and other relevant environmental conventions; and
- other regional or global initiatives in development cooperation, which bear relevance to environmental and land degradation issues.

The ET will examine, to the extent possible, financial return on GM investment, looking at five categories of fund applications: core budget for financing permanent staff and GM overheads; funds applied to planning activities (NAPs, Sub Regional Action Plans etc.); funds applied to project development; training activities; and communications.

In addition, through client interviews, the ET will explore the concept of qualitative return on investment, the relationship between GM-facilitated partnerships and mainstreaming activities, and increased capacity of countries to implement the UNCCD.

Timeframe

In light of previous guidance provided by the World Bank, the outcome of a briefing workshop that brought together ET with GM staff in December 2002, the next phases of the evaluation will be carried out along the following lines:

January –February

Focus on interviews with stakeholders and field visits. GM clients and partners will be interviewed about their perceptions of GM successes and the added value of GM interventions. A sample of clients will be chosen to represent a geographic spread, type of client (supply and demand, recipients of GM support, and global partners), experience with different types of GM interventions and involvement in UNCCD related processes. A questionnaire will be developed that includes one set of common questions for all interviewees, and additional questions adapted for each particular circumstance.

March

Completion of a full draft of the evaluation report. This will be submitted by end of March for consideration by the GM Facilitation Committee, currently chaired by the World Bank.

April-June

Deepen the analysis of some key issues and produce a final report. A final workshop will be organised to review the report. The final Evaluation Report will be presented to the World Bank's DGF by June 2003.

The Questionnaire

The questionnaire will be crafted to solicit information about experience and expectations for the future. By looking both forward and backward, the ET will be positioned to both evaluate the past and provide recommendations for future directions.

A series of question topics have been developed to address the issues. These are:

- Perception of GM's role, in general and in relation to the UNCCD Secretariat, and GM's comparative advantage;
- Nature of GM interactions with developing country ministries, agencies and organisations, the utility of these interactions and the value they have added to implementation of the UNCCD (assessment of activity outcomes, client satisfaction);
- GM strategies for matching supply and demand, their utility and opportunity costs (assessment of priority-setting, client satisfaction);

- GM mainstreaming and partnership building strategies; linking UNCCD implementation to poverty; land degradation issues; and other conventions (UNFCCC and UNCBD) (assessment of strategy efficacy, activity outcomes, client satisfaction);
- GM support to NAP development: as a tool for mainstreaming (linked to above) and to position UNCCD priorities to meet donor priorities(assessment of strategy efficacy, activity outcomes, client satisfaction);
- GM efforts to mobilise resources directly, and to catalyse the multiplier effect;
- GM efforts to identify new and innovative sources of funds (e.g. private sector opportunities, such as building carbons sequestration policy to link UNCCD priorities to complementary political priorities and sources of funds);
- The impact of GM capacity-building on UNCCD implementation;
- The utility of GM communications and information dissemination activities;
- The nature of GM relationships with members of the Facilitation Committee, with special attention to IFAD, its hosting agency.

In conducting the interviews, ET members will interpret results as they relate to the following criteria: relevance, efficacy; efficiency; sustainability; adequacy; institutional development impact; process and implementation. These follow criteria of the DGF template for evaluations.

Questions will be both open ended and closed, to ensure that evaluators can assess across consistent categories but that interviewees are also given the flexibility to express their opinions. The interviews will be carried out in English, French and Spanish.

List of Interviewees and Contact Approach

Participating stakeholders are divided into three categories:

Clients

- ◆ National
- ◆ Sub-regional
- ◆ Civil society

Partners

- ◆ UNCCD Secretariat
- ◆ UNCCD Bureau
- ◆ Facilitation Committee Members (WB, UNDP, IFAD, UNEP, CCDSEC, GEFSEC, FAO, AfDB, ADB, IADB)
- ◆ Environmental Conventions (UNFCCC, CBD, RAMSAR)

'Donors (some overlap with above)

- ◆ World Bank
- ◆ IFAD
- ◆ National Governments
- ◆ Other (e.g. Islamic Bank, OPEC fund, AFSED)
- ◆ Expected contributions from the private sector particularly in relation to potential CDM projects

Evaluation Team

The evaluation team comprises five members:

- ◆ Francois Falloux, with a special focus on natural resource management and climate change issues, worked for some years in the World Bank Environment Department and has recently gained private

sector experience as co-founder of a private company. Mr. Falloux will serve as the operational coordinator of the team;

- ◆ Ruy de Villalobos, with a history of high-level governmental responsibilities in Argentina, has in-depth knowledge of Latin American Affairs and international financing within IFAD. Mr. De Villalobos will be responsible for stakeholder interviews in Latin America;
- ◆ Marc Paquin, with significant experience in evaluation and development issues in the Asian Region, will be responsible for stakeholder interviews in this region as well as related analytical work and contributions to the ET reporting process;
- ◆ Dr. Lamia Mansour will be responsible for interviews in the Middle-East and North Africa Subregions as well as related analytical work and contributions to the ET reporting process;
- ◆ Susan Tressler, with experience in facilitation and writing, will serve as substantive secretary to the ET.

During the analytical phase, the evaluation team will collaborate with the COP evaluation team to share data and research results. The COP team comprises:

- ◆ Pierre Marc Johnson, former Premier of Quebec, Canada. Mr. Johnson played an instrumental role in the establishment of the Global Mechanism under Article 21 of the UNCCD during the negotiation and approval phase, and acted in 1997 at COP1 as a facilitator for the informal working group on the subject of the mandate and functioning of the Global Mechanism;
- ◆ Youba Sokona, the Head the Energy Branch of ENDA Tiers Monde, has extensive experience and is knowledgeable in development issues, NGO and Government affairs particularly in Africa. This expertise is combined with solid expertise in rural energy issues. Mr. Sokona will be responsible for stakeholder interviews in Africa.

ANNEX III: Development Grant Facility (DGF) Allocation to the Global Mechanism

Introduction

DGF has granted \$2.5 million to the GM to develop major service elements and strategic program directions. This annex describes those elements in detail, assesses their results to date and provides recommendations for the future. Given the timing of these grants, many of the program elements are still in process.

Although there are some areas where results have not fully met expectations, the evaluation team believes that the DGF funding has played an instrumental role in developing major GM services obligated by the UNCCD. These include support to national, sub-regional and regional programs (NAPs, SRAPs and RAPs), civil society and the GM's information services. DGF funding has also assisted the GM to explore new and innovated sources of financing. Finally, DGF funding has been directed to a series of projects and strategies that aim to increase the GM's efficiency and effectiveness. In some cases DGF funding was allocated to World Bank initiatives, in consultation with the Bank.

An important measure of funding value is the leverage ratio. In the activity description below, these are provided where they are readily accessible. At this anecdotal level, the GM has achieved a reasonable ratio. However, analyses of funding patterns (e.g., by type of activity or geographic focus) are not easily extracted from the GM's tracking systems. In the future, this measure should be systematically tracked for DGF and other donors, and to more effectively report activities and measure their impacts.

While this Annex describes activities that are funded by the DGF, these activities represent a microcosm of the overall GM program. Therefore findings of the full report apply to DGF financed activities as well.

Categories of funding from the DGF are shown in the table that follows³¹.

| Category | Amount | Percent of Total |
|------------------------------|---------------------------------|-------------------------|
| Information services (FIELD) | \$140,000 | 5% |
| NAPs, SRAPs and RAPs | \$1,734,000 | 67% |
| Support to civil society | \$250,000 | 10% |
| Strategic funding approaches | \$301,000 | 12% |
| Operating policies | \$21,000 | 1% |
| Independent evaluation | \$125,000 | 5% |
| TOTAL | \$2,571,000³² | |

DGF Allocations to the GM

Support to NAP, SRAP and RAP processes: DGF allocation \$1.7 million, to support NAP, SRAP and RAP planning and create an environment for full project financing.

Activity description. The GM is mandated to support countries and sub-regions in developing and mobilizing resources for National, Sub-regional Action and Regional Action Programmes (NAPs, SRAPs and RAPs). DGF funding has supported a series of activities related to developing the programs and identifying priority projects for funding. Some examples follow.³³ All are in process.

³¹ Categories were established by the evaluation team to assist in its assessment of DGF funding.

³² Figure includes DGF grants plus interest earned.

³³ In addition to those listed, grants have been allocated to (or are being negotiated with) Brazil, Arab Maghreb Union, Caribbean, El Gran Chaco, Meso-America, La Puna America, Regional Programme for Sustainable Development of the Drylands of WANA, South Africa, Zambia. Allocations to Brazil and Tunisia are described in the main text of this report (page 26) and the allocation to the Asian Thematic Network on Water Resource Management is described in Annex VII.

- In China, the GM helped to streamline two parallel processes: NAP development at the national level and a concurrent but separate western China initiative involving the Chinese government, GEF and the Asian Development Bank. The separate processes were streamlined and supported with an \$8000 grant to study root causes of desertification in China (DGF funds). An additional \$50,000 (IFAD funds) was allocated to test models for action and recruit additional donors. At present, the German and Italian governments, the EU and FAO have expressed interest in participating, and the GM and Chinese representatives have agreed to develop a private sector component. However, the SARS outbreak has put the process on temporary hold.
- For Iran, \$100,000 of DGF funding was allocated to prepare a NAP. A consultant was hired to initiate and coordinate the planning process, which is now underway. Japan and the United Kingdom have expressed interest in supporting NAP implementation. The GM is exploring two additional areas for potential funding: 1) private companies funding environment and development activities in Iran (e.g., Shell-UK) and 2) capitalizing on scientific and technical cooperation programs, in particular with Canadian CIDA and France.
- In Morocco, the \$50,000 allocation was used to bring together decision-makers and donors. A resource mobilization strategy has been adopted and will be implemented in the first part of 2004. UNDP and GTZ are involved in the partnership.
- In the Central Asia Republics, \$100,000 was allocated to develop a rangeland management plan, including information databases on soil, water and forests and carbon sequestration potential. A pilot project in Kyrgyzstan will be tested and replicated throughout the region. Canadian CIDA provided an additional \$200,000, and has earmarked a further \$1,000,000 toward the region and approach.
- At the request of the SADC member states, \$350,000 was allocated to Southern Africa to create a sub-regional support facility (SSF) to support planning activities through the World Bank-led "Rural Development Hub", specifically to combat land degradation and poverty. At the Hub level, some difficulties have been encountered in the financing of these activities that should be corrected. This funding has been matched with technical assistance, specifically a consultant to facilitate the planning process and tie national strategies to the SADC SRAP into which the ALWM initiative (described below) has been integrated. Other donors contributing to the SSF are CIDA, GTZ, OAU/Africa Union, and Japan.

Also at the request of the World Bank, \$75,000 of DGF funding was allocated to support the World Bank/GEF *Africa Land and Water Management (ALWM)* initiative, specifically to identify bankable opportunities within existing and developing NAPs. The allocation was used to assist in the preparatory diagnostic work that would lay the ground for the ALWI to expand its activities to the North Africa Sub-region. This activity will be launched at the occasion of the COP6 of the UNCCD. The first stage will focus on an analysis of land management systems as related to optimal use of water/land resources in arid and semi-arid areas.

A DGF allocation of \$75,000 was made to support a debt swap initiative. In partnership with FAO, IFAD, the World Food Programme (WFP) and the Italian Government, the first creditor country to integrate land degradation and poverty reduction strategies through debt relief, debt swap memorandums of intent have been signed with Peru and Ecuador. In Peru, the GM granted \$35,000 to support the process, in particular for developing eligible NAP projects for funding and institution strengthening. A project proposal in the amount of \$800,000 has been submitted and negotiations with the Peruvian-Italian Fund (FIP) and the GEF are underway. When the Peru-Italy agreement has been finalized, negotiations will proceed in Ecuador.

Evaluation Team assessment. The examples described above show progress toward financing initiatives to implement UNCCD objectives. However, underlying each of the initiatives is a fundamental issue: the GM focuses too heavily on planning processes and not enough on extracting priority project ideas for investment financing. A major challenge is to ensure that countries are well positioned for interaction with donors and financing. While the GM has taken on this role in, for example, the area of mainstreaming

NAPs into the larger development policy frameworks, it more appropriately rests with partners such as the World Bank and UNDP.

Recommendation for future direction. . DGF support should continue in this area, but with more direct and systematic focus on three steps: 1) extracting priorities from the NAPs and the SRAPs; 2) helping to transform them into bankable projects; and 3) building partnerships and innovative public/private financing to implement them. The GM work should be done in partnership with the World Bank and UNDP to the extent possible, in particular to ensure that comparative advantages of each are maximized. The evaluation team also recommends that the Bank continue to be a lead financing agency in this area whenever possible.

Support to civil society: DGF allocation \$250,000, to support civil society participation in UNCCD implementation.

Activity description. The GM is mandated to support civil society participation in UNCCD processes³⁴. In response, with IFAD funding the GM established the Community Exchange and Training Programme (CETP) in collaboration with International NGO Network on Desertification (RIOD). DGF funding was later allocated to push the CETP reach beyond the RIOD network, reduce transaction costs related to grant administration and field supervision, and upscale successes through operational linkages with the World Bank and other FC members.

The DGF allocation builds upon several others targeting civil society:

- \$500,000 from IFAD that established the CETP;
- \$300,000 from Canadian CIDA to support the NGO window of the SADC Sub-regional Support Facility (established with assistance from the GM), and institutional capacity building of NGOs to implement the UNCCD;
- \$425,000 from IFAD's Extended Cooperation Programme (NGO/ECP), to support participation of RIOD member NGOs to participate in CETP.

Twenty-five grants totaling \$816,000 have been allocated to NGOs from all of these sources. CETP grants have leveraged an estimated \$1.5 million at the project level. While the funds have been earmarked for the CETP program, they have not yet been allocated to small grants.

Evaluation Team assessment. The GM has done relatively well in responding to the COP mandate to support civil society. Further, the GM has established a process by which the GM, IFAD, FAO and the UNCCD Secretariat jointly allocate funds for small grants to civil society³⁵. The GM has initiated discussions with UNDP to share management responsibilities. CETP focus has been on the implementation of field activities, in particular building capacity of farmers in natural resource management, production and alternative livelihoods in dryland areas. No system exists to monitor impacts of these grants.

Recommendations for future direction. Support to civil society is an important service and fundamental to implementation of the Convention. The Evaluation Team believes that this support should continue, but that a system to monitor both the flow of these funds and their impacts should be implemented. While the GM can rely on its existing accounting system to track grants, the Evaluation Team recommends that the system be adapted to better support analyses of the direction and types of grants allocated. The GM is not positioned to monitor impacts in the field, and should work with its partners to ensure that this is done and used to assess effectiveness.

³⁴ As mandated by Decision 18/COP2.

³⁵ Technical Advisory Group (TAG).

FIELD information service: DGF allocation \$140,000, to support both technical and content development of FIELD.

Activity description. The GM's role in information collection and dissemination is fundamental to resource mobilization, and provides the key to linking supply and demand. The GM has addressed this aspect of its mandate primarily by developing a comprehensive source of baseline information on desertification-related funding sources, projects, trends in financing, background information on the Convention and its operations, and a variety of related technical and policy reports. This information is made available to UNCCD Parties and others through the Financial Information Engine on Land Degradation (FIELD), an on-line and CD-ROM resource distributed to all Parties at the COP and at national and sub-regional meetings. The third version of FIELD, published early in 2003, contains new and updated information (e.g., drought response data from the UN Office for the Coordination of Humanitarian Affairs)³⁶, an improved search engine and a more user-friendly interface.

The GM has collaborated with other institutions involved in gathering and disseminating information on similar or complementary subjects, in particular with OECD's DAC (Development Assistance Committee). This collaboration enabled the GM to build on existing DAC standards and definitions. More recently, the GM has worked with the DAC to assess the quality of official data on UNCCD-related aid through the OECD/DAC Working Party on Statistics. This exercise has been illustrative of a common information management challenge: the quality and consistency of available information. An example is a recent study that showed bilateral aid activity reports to OECD/DAC and the UNCCD Secretariat were consistent in only 3% of the cases (1998 to 2000).

FIELD has been used by GM staff to carry out specific analyses at the national level and more broadly of desertification-related investment trends by type of donor and by purpose/sector of destination. Its direct utility to client countries was assessed in the context of stakeholder interviews and questionnaires. When asked about the utility of FIELD, stakeholder responses were mixed, ranging from "an excellent tool" to "it's of no use". From the perspective of client countries, the overwhelming opinion was negative. The nature of responses about the utility of FIELD indicates that its purpose and form are not well enough understood by UNCCD focal points and others directly involved in UNCCD implementation. FIELD may be underutilized. This is due, in part, to the fact that FIELD is technologically out of reach for a number of developing country Parties and key audiences.

Use of the Web FIELD is growing rapidly. In May 2003, nearly 13,000 individuals made use of the site, with more than ½ million hits (count of visits to each page) from more than 120 countries recorded.

In addition to updating, maintaining and improving its website, the GM is working to further extend FIELD's reach by participating in, for example, the World Bank's Development Gateway AIDA portal and connecting with information resources of other FC members.

Evaluation Team assessment. It is clear that the GM has developed a valuable information resource. However, there are three key challenges: 1) maintaining its currency; 2) accessibility for those who are technologically out of reach through increased training and a rapid response system; 3) comprehensive promotion of FIELD as a valuable resource on baseline funding information. A significant investment has been made to develop this resource; a parallel investment must now be made to maximize its potential to support UNCCD objectives. A key issue is that while information dissemination is central to the GM's mandate, the resources allocated to this area are minimal.

Recommendations for future direction. The Evaluation Team recommends that DGF support for FIELD continue. The focus should be to help the GM firmly establish its information system and turn it into

³⁶ The third version of FIELD contains 5,600 cross-referenced records, including 1,300 documents, reports and publications related to the implementation of the Convention, and thousands of links to external websites and sources of information. The information covers 6 continental regions, 185 countries, 28 bilateral donors, 69 multilateral donors, 98 public and private foundations, 145 NGOs, 90 private sector companies, 52 research and academic institutions and other donors.

a user-friendly knowledge management instrument. Simultaneously the Bank should help the GM increase core funding from the UNCCD to support the development and maintenance of this instrument. Focus should respond directly to the challenges lists above. 1) The GM should continue the ongoing process of maintaining the currency of FIELD with frequent updates and additions of new information. In particular, addition of information about carbon markets and links between UNCCD and UNFCCC will enhance the analytical capacity of FIELD. 2) The GM should initiative a “rapid response service”, with focus on those target audiences with inadequate technological capacity, to provide assessment of financing opportunities quickly and effectively. 3) The GM should promote use of FIELD to all target audience, ensuring that its full utility is realized. For those who do have the technological capacity, the GM should better promote the FIELD’s analytical potential, with an eye toward enabling Web visitors to carry out analyses on their own. As recommended in this report, the GM should work more closely with IFAD and the World Bank, who are positioned to promote FIELD to its intended audience.

Strategic funding approaches: DGF allocation \$301,000 to explore options for expanding the reach of fundraising efforts to new and additional resources.

Activity description. DGF allocations support strategic funding approaches, including \$125,000 to develop a comprehensive fundraising strategy. This allocation is in process. The GM has initially commissioned several consultants and organizations to analyze the potential return on investment for private sector funding opportunities in Italy, carbon financing and US private foundations (through the IFAD-Washington office). A consultant was also commissioned to develop a business plan for a GM Investment Fund for Micro-finance.

Other initiatives intended to support the final fundraising strategy include:

- *Regional resource mobilization workshops:* The GM has initiated a series of regional workshops to explore resource mobilization opportunities and strategies. DGF funding (\$50,000) supported the workshop for the Intergovernmental Authority on Development (IGAD). These workshops promote mainstreaming and connect donors into the planning and implementation process.
- *Economic study of Investment in Drylands:* Supported with a DGF allocation of \$82,000, this study was intended to help make the case for investment in drylands. Preliminary findings indicate that land degradation costs between three and seven percent of agricultural GDP, which constitutes between one and three percent of total GDP for developing countries. Investment in preventing land degradation is an order of magnitude lower. Refinement of these concepts will be integrated into the fund raising strategy.
- *Data, Benchmarks and Indicators on Land Degradation:* Understanding the impacts of investment in UNCCD objectives is fundamental for developing and maintaining donor interest. To that end, the GM has worked in partnership with FAO to develop the Land Assessment in Dryland Areas (LADA) program. UNEP/GEF allocated \$25,000 for the initial planning meeting and the GM supported participation of regional representatives. A GEF PDF-B project (\$345,000) is underway; the GM will play a principle role in securing co-financing for the full project. The DGF allocation for this initiative is \$42,000.

Evaluation Team assessment. The GM has laid important groundwork for strategic focus, and is investigating a number of avenues (as described above) that show promise. However, to date, the GM has focused too heavily on traditional sources of funding such as ODA and has not yet aligned itself adequately to seize new opportunities.

Recommendations for future direction. The GM must ensure that the fundraising strategy, when completed, incorporates a full assessment of potential return on each type of funding and optimizes the mix of public (primarily ODA and GEF) and private (grants and sale of services) sources. A key element will be reliance on partners to exploit comparative advantage. An example is pursuit of emerging carbon markets in

partnership with the World Bank (building on existing carbon funds) and IFAD. Linked to this is the potential synergy with the UNFCCC.

Operating policies: Several small allocations (totalling \$21,000) of DGF funding has assisted the GM to prepare for Facilitation Committee meetings, develop GM communications materials, streamline the GM financial planning, budgeting and monitoring system and enhance the GM web site. Although some are still in process, these grants have assisted the GM to increase its efficiency and effectiveness.

Summary and Conclusions: future with the DGF

The GM has achieved a considerable amount given its limited resources, as described in the main text of this evaluation. The evaluation team believes that DGF funding has provided important backing for the GM's development. Full assessment is not possible at this early stage, as much of the DGF funding is either in process or is not yet allocated. However, in the context of what has been accomplished to date, and the strengths and weaknesses of GM approaches that have been identified in this report, the evaluation team urges DGF to continue its funding and consider directing it in the following way:

- In this report, the evaluation team recommends that NAP-related mainstreaming activities be carried out in a more systematic partnership between the World Bank, UNDP, and the GM. The GM would serve as financial broker, identifying bankable NAP components and matching them to potential donors. *DGF funding could be targeted toward applying this partnership approach in a select number of countries, based on criteria agreed by the three institutions.*
- Support to civil society is an important element within the UNCCD framework. The GM has established granting funds to channel resources (from DGF, Canadian CIDA and IFAD) to community organizations. *DGF should continue supporting small grants to civil society but with a focus on implementation of UNCCD objectives in the field.*
- Continued support for maintaining and updating FIELD is recommended, along with support to enhance its utility for target audiences (those with technological capacity and those without). *DGF funding targeted to enhance the FIELD database and promote its use could enhance utility significantly.*
- The full evaluation report notes that the GM has successfully mobilized process money but has not yet reached potential with investment funding. DGF has supported the information gathering and analysis process required to develop a comprehensive GM fundraising strategy. Attention must now be turned toward its implementation, in particular pursuit of private and other new sources of financing. *DGF funding could be targeted to establishing a GM carbon financing capacity, in partnership with the World Bank and IFAD.*

ANNEX IV: Methodology

Independent Evaluation of the Global Mechanism

Approach

Two evaluation teams were recruited to respond to each of the COP and DGF evaluation mandates, respectively. Simultaneous mandates and similar objectives led the two teams to agree to cooperate and integrate their analytical work. The two teams decided to work in a complementary manner in order to avoid duplication in the interview process, to increase efficiency in data gathering, and to share a common database as well as analytical concepts in terms of forward-looking activities of the GM. This allowed a cost-effective and non-duplicative approach to gathering and analyzing baseline evaluation information. Once the analytical phase was complete, each team then took responsibility for writing and submitting reports under the terms of their respective mandates.

The Teams developed an evaluation approach based on initial meetings and workshops with the GM staff, and a desk review of an extensive list of background documents. A number of Ministries, agencies, organizations, GM partners and GM donors were selected to provide information to the evaluation teams about GM services. The selection was based on geographic representation and experience with GM services. Interviews were carried out with the following groups:

- Client countries, by region, and distributed amongst government officials, regional networks and civil society;
- Members of the Facilitation Committee, including global-level management and FC organization staff within the regions. At the global level, particular emphasis was placed on IFAD (the GM's hosting agency), and the UNCCD Secretariat;
- Donor countries;
- GM staff.

The regional distribution of questionnaires and interviews was as follows:

| Comprehensive questionnaires sent to stakeholders by WB DGF evaluation team | | |
|--|-------------|---------------------------|
| | Sent | Responses received |
| Sub-Saharan Africa | n/a | n/a |
| Asia | 10 | 3 |
| North Africa & Middle East | 22 | 6 |
| Latin America & Caribbean | 13 | 11 |
| | | |
| Total | 45 | 20 |

| Short questionnaires sent to CCD Focal Points by COP evaluation team | | |
|---|-------------|---------------------------|
| | Sent | Responses received |
| Africa | 48 | 14 |
| Asia | 40 | 6 |
| Europe | 28 | 5 |
| Latin America & Caribbean | 23 | 6 |
| North America | 2 | 1 |
| | | |
| Total | 141 | 32 |

| Interviews conducted by both evaluation teams | |
|--|------------|
| Client Countries and Regional Stakeholders | 66 |
| Global mechanism staff | 7 |
| CCD Secretariat | 17 |
| Multilateral Donor Agencies* | 13 |
| Bilateral Donor Agencies | 8 |
| Implementing Agencies & other Organisations* | 4 |
| | |
| Total | 115 |

*These categories include representation from Facilitation Committee members.

Each interviewee received a questionnaire about his/her experience with the GM. The regional representative from the Evaluation Team followed distribution of questionnaires with personal or telephone interviews. All returned questionnaires and personal interview reports were shared with the full Evaluation Team, both as raw data and after analysis.

Short questionnaires were distributed to all UNCCD country focal points who were not otherwise covered with a personal interview, ensuring that all Parties were given the opportunity to provide inputs to the evaluations.

As the interview phase neared completion, the two evaluation teams held a workshop to review results and jointly analyze issues and potential recommendations.

The Team

The evaluation team includes members with a wide depth and breadth of experience in UNCCD operations, international policy and evaluation techniques, and coverage for Latin America, the Middle East and Asia³⁷. Pierre Marc Johnson (Canada) and Youba Sokona (Senegal) for the COP evaluation, and Francois Falloux (France), for the World Bank DGF evaluation, are providing coordination and analytical oversight. Leif Christoffersen is serving as an advisor, in particular to share experiences related to the GEF evaluation he recently led. Team member bibliographies are found in Annex I.

The Tools

Team members carried out personal interviews with the flexibility required to encourage open and creative answers. There was no proscribed approach that team members were requested to use, rather they were provided with background materials on the GM, GM and CCD activities in the region in which they were assigned to work and briefing about the key issues to explore, as determined by the evaluation team(s) leaders.

Reports on each interview were distributed to all team members as they were completed to ensure that emerging issues were identified and incorporated into interviews as the process progressed. (These reports were treated as confidential and, to protect the privacy of interviewees, were destroyed once the analysis was completed).

Two versions of a questionnaire were developed to address two audiences. The “long-form” questionnaire was designed to explore in-depth experiences with GM services, levels of satisfaction and opinions about future direction for the GM. These were distributed to those government agencies and NGOs/CBOs that have worked with the GM directly. The “short-form” questionnaire, sent to all UNCCD focal points, was designed to gather more general information on affected and developed country Parties’ overall perceptions about the GM’s role, its services to date, and future directions it should take. All Parties to the UNCCD received one or both questionnaires. Both questionnaires follow.

³⁷ Africa was covered by the COP team.

Questionnaire – Long Form

United Nations Convention to Combat Desertification Independent Evaluation of the Global Mechanism

Please return this form by email to: gm_evaluation@st-fc.org no later than 27 March 2003

This questionnaire is presented with formatting that allows you to tab from one question to the next. Simply type in your answers, and use the tab key to move to the next question. Click on the appropriate box for yes/no questions, and follow the drag-down menu where numerical categories are requested.

1. Your country's interactions with the Global Mechanism (GM)

Has your Ministry/agency/organisation had direct interaction with the GM? Yes or No

If yes, please explain this interaction.

If not, please explain why not.

Was the interaction with the GM helpful to your ministry/agency/organisation in implementing the UN Convention to Combat Desertification (UNCCD)? Please select one.

1 = not helpful at all

If you scored the previous question with a 1, 2 or 3, what might the GM have done to make this interaction more helpful?

How might the GM further support your efforts to implement the terms of the Convention?

If you have not had direct interaction with the GM, are you familiar with any work the GM has carried out in your country? Yes or No

If yes, please explain.

To what degree do you believe that this work assisted implementation of the Convention in your country?

Please select one.

1 = not at all

Please provide any additional comments about your country's interactions with the GM:

2. The GM's response to your country's demand

Has your ministry/agency/organisation received external funding for the implementation of the UNCCD? Yes or No

If yes, what level of financing and from which donors?

Has this level of financing been in line with your expectations? Yes or No

If your ministry/agency/organisation has not received external funding, why not?

If not for your ministry/agency/organisation, has funding been made available for your country to implement UNCCD obligations? Yes or No

If yes, please name the major funding sources.

Has the GM assisted in raising funds for UNCCD implementation in your country?
 Yes or No

If yes, this assistance has resulted in:
1 = no additional funding

Has the GM granted direct funding for UNCCD implementation in your country? Yes or No

If yes, has this GM contribution assisted your country to implement the UNCCD? Yes or No

If yes, in what way?

Is there a way that this assistance may have been more effective?

If no, why not?

Has this GM contribution assisted your country to mobilise additional resources for UNCCD implementation? Yes or No

If yes, from what sources and at what level?

Please provide any additional comments about the GM's response to your country's demands

3. The GM's contribution to mainstreaming desertification issues in your country's policies and for building partnerships

Has the GM helped to integrate UNCCD issues into broader strategy and policy frameworks, for example, those related to poverty reduction, climate change and land degradation?

Yes or No

If yes, in what way did the GM help?

Has the GM helped to integrate UNCCD issues into issues related to other environmental conventions (Convention on Biological Diversity and Framework Convention on Climate Change).

Yes or No

If yes, in what way did the GM help?

If you answered yes to one or both of the previous two questions, have these efforts had an impact on your capacity to mobilise resources for UNCCD implementation?

1 = no impact

Do you think that the GM should continue operating in this role? Yes or No

If not, are there other agencies that should be playing this role? Yes or No

If yes, which agencies?

Please provide any additional comments about the GM's role in mainstreaming desertification issues in your country:

4. GM support to National Action Program (NAP) development.

What is the status of the NAP in your country?

Assuming that your country has a NAP, has the NAP played a role in:

1. Raising awareness about addressing land degradation?

1 = no role

2. Defining priorities?

1 = no role

3. Developing adequate policies?

1 = no role

4. Raising Funds?

1 = no role

5. Serving as a framework to develop bankable projects?

1 = no role

Which ministry or agency in your country was responsible for developing the NAP?

Were other ministries, agencies and/or organisations involved in developing the NAP?

Yes or No

If yes, please name them.

Was the GM involved in development of your country's NAP? Yes or No

If yes, was this intervention helpful?

1 = not helpful

Has your NAP been a useful tool in securing funds for UNCCD implementation? Yes or No

Your additional comments on the GM's support for your country's NAP:

5. GM efforts to identify new and innovative sources of funds.

What types of funds are available for UNCCD implementation?

International agencies:

Regional development banks:

Bi-lateral donors:

Private sector:

Other sources:

Have you attempted to, succeeded in or plan to use the new GEF funding window for land degradation?
 Yes or No

In your country, are there links between UNCCD and UNFCCC implementation? Yes or No

If yes, please describe the links.

Have these links resulted in additional funds for UNCCD implementation? Yes or No

If links have been made in your country's implementation process OR if you see potential for these links, please answer the following series of questions:

1. Are you aware of the funds that are potentially available under the UNFCCC, including the Clean Development Mechanism (CDM) and Adaptation Measures to Climate Changes?

Yes or No

If yes, please describe.

2. Do you work with colleagues responsible for UNFCCC implementation in your country? OR Do you carry dual UNCCD and UNFCCC responsibilities? Yes or No

If yes, has the GM had involvement in linking implementation of the two Conventions?

Yes or No

3. Do you work on any CDM projects that are also related to UNCCD? Yes or No

If yes, please describe.

4. In your opinion, what is the relationship between land degradation and soil carbon sequestration?

5. Do you believe that biomass energy is a major issue for UNCCD and/or UNFCCC in your country?

Your additional comments on the GM's efforts to identify new sources of funds:

6. The impact of GM capacity-building on UNCCD implementation in your country

Has your ministry/agency/organisation benefited from GM capacity-building activities?

Yes or No

And/or, has your ministry/agency/organisation benefited from GM assistance to secure funding for capacity-building? Yes or No

If so, what was the nature of that capacity-building?

If not, do you know of any other agency in your country that did benefit? (Please name)

Please rate the value of these GM services in term of helping you to mobilise resources and implement UNCCD obligations:

1 = not valuable

Your additional comments on GM capacity-building activities:

7. The utility of GM communications and information dissemination activities in your country

Have you received any information from the GM? Yes or No

If so, what type of information (technical, financial, availability of resources)?

Has this information been helpful to you? Yes or No

If yes, in what way?

If no, why not?

Are you familiar with FIELD (Financial Information Engine on Land Degradation)? Yes or No

If yes, have you made use of information from FIELD? Yes or No

If yes, have you found FIELD to be helpful in your work to implement UNCCD?

1 = not helpful

How might FIELD better serve your needs?

Please rate the value of these GM services in terms of helping you to mobilise resources and implement UNCCD obligations:

1 = not valuable

Your additional comments about GM communications:

8. Your perception of the GM and its role.

What is your perception of the role of the GM?

Do you believe the GM is fulfilling its role?

1 = not at all

The COP created two institutions for the implementation of the UNCCD: a Secretariat and the Global Mechanism. How does the GM's role relate to that of the UNCCD Secretariat?

Is there another way to better fulfill GM's role?

Your additional comments about the GM's role:

9. Your overall assessment of GM's strategies and actions in your countries

If you have received satisfactory services from the GM:

Would your country have carried out GM-supported activities without the GM? Yes or No
If so, from what source of fund?

Has the GM's provided support to your ministry/agency/organisation over a long enough period of time to be effective? Yes or No

If no, what length of time would you estimate to be sufficient?

If you were not satisfied with GM services, please describe the causes for your dissatisfaction.

Who should ensure GM's sustainability and in what ways?

What are the three greatest strengths of the GM?

What are the three greatest weaknesses of the GM?

10. Your vision of GM in the future

Do you expect the GM to support your needs in the future? Yes or No

If yes, in what way and for how long?

What suggestions do you have to improve the GM's activities in the future?

Five years from now, what would you like to report that the GM has done for UNCCD implementation in your country?

Your additional comments on the future of the GM:

Please return this form by email to: gm_evaluation@st-fc.org, no later than 27 March 2003

Note, this questionnaire will be treated as strictly confidential and seen only by the Evaluation Team.

Name

Title

Ministry/Agency/Organisation

Questionnaire – Short Form

United Nations Convention to Combat Desertification Independent Assessment of the Global Mechanism

*Your responses will remain confidential and only be shared
with the members of the evaluation team.*

Please complete this questionnaire and return it to evaluation@unisfera.org

PRELIMINARY QUESTIONS

Personal identification:

Surname:

First Name:

Title or function:

Organisation/Agency/Ministry:

Country:

What is the status of implementation of the UNCCD within your country?

Was a National Action Plan completed?

In what year?

QUESTIONS

1) What does the Global Mechanism represent to you?

Please categorise the following functions of the Global Mechanism in order of importance.

1. Collecting and disseminating information
2. Analysing and advising on request
3. Promoting actions leading to co-operation and co-ordination
4. Mobilisation and channelling financial resources

2) Has your organisation directly interacted with the Global Mechanism?

- a. If yes, explain the nature of these interactions. Were they initiated by the Global Mechanism or by your organisation?
- b. If no, explain the reason why not.

3) Are you satisfied of your interactions with the Global Mechanism?

- a. Yes or No. Please explain.
- b. Was the response of the Global Mechanism timely?
- c. Please grade your level of satisfaction on a scale of 1 to 10.

4) In your opinion, what should be the role of the Global Mechanism

- a. in the context of developing countries?
- b. in the context of donor countries and financial institutions?
- c. in the context of technical agencies?

5) What is/should be the role of the Global Mechanism in the mobilisation of resources for the UNCCD?

- a. The Global Environmental Facility (GEF) has developed a new window on land degradation. How should this affect the role and function of the Global Mechanism?
- b. What is the value added of the Global mechanism with regards to the mobilisation of resources for the UNCCD?

6) Do you have any general comments or additional questions?

ANNEX V: Analysis –Evaluation Interviews and Questionnaires

Evaluation interviews and questionnaire responses presented a broad array of opinions about the GM's role and efficacy. Responses of client countries (included in this group are some regional organizations as well) differed from those of Facilitation Committee (FC) members and donors, in part due to divergent perspectives and experiences with the GM. The analysis is organized into a set of issues that emerged throughout the evaluation process. They form a basis for the Evaluation Team's analysis, which is reflected in more detail in the full report. For information about the number of interviews carried out and questionnaires returned, the basis of this analysis, please refer to Annex III – Methodology.

Issues treated in this analysis are:

- Role and mandate of the GM
- Resource mobilization
- Priority setting
- UNCCD context
- Operating partnerships
- GM strengths and weaknesses

Role and Mandate of the GM: Respondents agree that the primary mandate of the GM is to mobilize resources for implementation of the UNCCD. There is also general consensus that the role of broker is key for the GM, although definition of that role is not consistent. For some respondents the broker role focuses purely on connecting donors to projects. Others view the role more broadly, and include in it the link between and amongst national and regional actors, with an aim to building the partnerships required for effective resource mobilization and UNCCD implementation.

Most respondents believe that the GM's "broker role" is important, however when asked an open-ended question about the GM's role, responses are widely varied. FC and donor respondent answers are inconsistent as regards the GM's role in facilitating development of bankable products (primarily in relation to NAPs). Among client countries, where there is overall support for the GM's efforts to assist in NAP elaboration, many emphasize the utility of this role within their respective countries. There is also strong support for the GM's role in formulating partnerships across sub-regions and regions. When asked more generally about the GM's role, client countries give an expansive definition that reflects high expectation for a broad array of services.

Regarding the mainstreaming role, client countries report that the GM's assistance to mainstream UNCCD issues throughout government agencies and across Conventions has had high value. FC members generally feel that this role more appropriately rests with other agencies.

Future directions. Respondents emphasized that the GM should continue its role as a broker. Client countries believe this role should be first in relation to partnership-building and NAP elaboration, and then in connecting projects to donors. Many client countries also believe that the GM's mainstreaming activities should continue. FC members and donors generally believe that the role should be played in the context of linking funds to projects only, recognizing that the first role is needed but should not be carried out by the GM. Important to all respondents is for the GM to play a role in identifying and channeling major investment funding.

Resource Mobilization. The heart of the GM's focus is to mobilize resources for implementation of the UNCCD, and it is on this topic where the greatest divergence between the client countries and FC/donors occurs. Client countries report a high level of satisfaction with GM services. The key factor is the focus of these services: respondents are positive about the GM's support for NAP elaboration and partnership-building, two areas where there is controversy about the GM's rightful role. In a number of cases, the recipients of the supporting services and small grants expressed satisfaction with the quality and value of the services, and believe that the GM's role has been integral to their ability to bring together key players (both nationally and regionally) and influence implementation of UNCCD objectives. Many client country

respondents note a “slow start” by the GM, but improvement in services over time. Client countries also note the lack of investment financing, and that this shortcoming must be addressed in the near term.

FC and donor respondents, on the other hand, judge the GM’s effectiveness in resource mobilization much more harshly. “Lack of creativity” and “lack of aggressiveness” were common responses to questions about the GM’s effectiveness in resource mobilization. Among this group of respondents, the expectation for significant sums of innovative financing, for example carbon financing, has not been met. Views about the GM’s prioritization of more traditional ODA funding, and the new GEF window, vary, with some respondents believing that the GM should invest efforts in these two areas and other respondents suggesting that such a focus is not cost-effective or the appropriate role of the GM.

A number of respondents noted the youth of the GM, and that more time is needed before a final judgment can be made.

Future directions. The majority of client countries believe that current GM services, which focus on process and related small grants, is valuable and should continue. Client countries and FC members/donors believe that the GM needs to increase its efforts toward securing investment funding. Many respondents recognize that this shift will require that the GM change the nature of its operations and expertise.

Priority Setting. Among client countries, FC members and donors, there is wide recognition that the GM’s activities are not sufficiently focused. GM resources are spread across multiple activities, thus diminishing its effectiveness. A number of respondents recognize the challenge of the GM’s mandate to provide “advice on request”, a factor that inhibits application of a tight, strategic approach. Other respondents counter this opinion, and believe that the GM should address this difficulty more directly and prioritize mobilization of investment money.

Future directions: Comments on future direction of priority setting came primarily from FC members and donors; their belief is that the GM can focus its work more effectively with a strategic business plan that exploits the comparative advantage of its partners.

The UNCCD Context. In all cases where the quality and efficacy of NAPs were discussed with donors and FC members, there was agreement that these instruments are not adequate as a tool for resource mobilization. These respondents believe that the quality of NAPs is inconsistent and successful resource mobilization depends on major improvements to their quality. Client countries expressed frustration that donors are not funding NAPs where they have been completed, and donors expressed frustration not only about poor quality of NAPs, but also about the lack of commitment on the part of affected countries. As regards the GM, the majority of client country respondents believe that the GM has an important role to play in elaborating NAPs, while the majority of FC members believe that role should be left to other (in some cases FC members) institutions.

While there were a limited number of comments about the challenge presented to the GM by the UNCCD obligation to provide “advice on request”, this issue is not commonly expressed as a concern by respondents. FC members and donors did, however, recognize that the UNCCD positioning as an environmental Convention is a limiting factor for resource mobilization.

Future directions. There is general consensus that short, strategic policy frameworks should complement NAPs, with pointers to bankable projects. There are some suggestions that the GM could address its prioritization problem by focusing on just a few countries, but that it would need the support of the COP given its “advice on request” obligation. As well, comments about the need to position UNCCD as a development Convention, if it is to influence financial flows, are common among FC members and donors. This issue is not generally recognized at the country level.

Operating Partnerships: Comments on the adequacy and efficacy of GM operating partnerships came primarily from FC member and donor respondents who believe, with few exceptions, that the GM partnerships with the FC, CCD Secretariat and IFAD (its host agency) fail to meet potential or expectations.

In particular, the infighting between the GM and Secretariat is widely recognized and viewed as counter-productive to GM objectives and those of the Convention. The IFAD and FC relationships do not exploit the comparative advantages of the participating organizations and, if addressed, might help to create a much more effective GM. In almost all cases, FC members recognize shortcoming of all parties in this regard and, while pointing to weaknesses of the GM also articulate opportunities missed by their own institutions.

A number of client countries are aware of the difficulties between the GM and CCD Secretariat and express a desire that the counter-productive competition be put to rest.

Future directions. All respondents who note the GM-CCD Secretariat competition believe that it should stop. It is suggested that the two entities should establish joint work programs to help alleviate the confused roles. Most FC members recognize the shortcomings of the partnership and the need to more effectively exploit comparative advantages. This is particularly true amongst the IFAD representatives, many of whom feel that the GM-IFAD relationship could be strengthened to the advantage of both institutions.

Strengths and weaknesses. When asked about GM strengths and weaknesses, respondents replied with a very wide array of answers. There were, however, three consistent strengths expressed, and three consistent weaknesses. The strengths most commonly cited are: 1) flexible and independent structure, good for building partnerships; 2) strong positioning within IFAD, with good opportunities to exploit comparative advantages; 3) dedicated and creative staff. The weaknesses most commonly cited are: 1) lack of vision and strategy; 2) too many priorities (= no priorities); 3) lack of expertise for the resource mobilization and broker roles.

ANNEX VI: GM Budget & Donors - the 3 Accounts

(reported income)

| | 1998 | | | 1999 | | | 2000 | | | 2001 | | | 2002 | | | Total |
|--------------------------|---------------|----------------|--------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|---------------|------------------|---------------|---------------|------------------|
| DONOR | <i>Acct 1</i> | <i>Acct 2</i> | <i>Acct3</i> | <i>Acct 1</i> | <i>Acct 2</i> | <i>Acct 3</i> | <i>Acct 1</i> | <i>Acct 2</i> | <i>Acct 3</i> | <i>Acct 1</i> | <i>Acct 2</i> | <i>Acct 3</i> | <i>Acct 1</i> | <i>Acct 2</i> | <i>Acct 3</i> | |
| (COP) | | | | 725,687 | | | 1,418,621 | | | 1,499,141 | | | 1,170,815 | | | 4,814,264 |
| Bi-laterals | | | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | 31,950 | | | | 250,896 | | 282,846 |
| IDRC | | | | | | | | | | | | | | | 11,523 | 11,523 |
| Denmark | | | | | | | | | | 100,000 | 250,000 | | | | | 350,000 |
| Finland | | | | | | | | | | 150,739 | | | | 353,567 | | 504,306 |
| Germany | | 100,000 | | | | | | | | | | | | | | 100,000 |
| Italy | | | | | | | | | | | | | | 150,758 | | 150,758 |
| Netherlands | | | | | | | | | | | | | | 112,454 | | 112,454 |
| Norway | | | | | | | 95,655 | | | 236,530 | | | | 250,810 | | 582,995 |
| Portugal | | | | 100,000 | | | | | | | | | | | | 100,000 |
| Sweden | | 127,171 | | | | | 527,535 | | | | | | | 319,289 | | 973,995 |
| Switzerland | | 72,834 | | 64,329 | | | 71,461 | | | 74,905 | | | | 75,758 | | 359,287 |
| Sub-total, bi-lat | | <i>300,005</i> | | <i>164,329</i> | | | <i>694,651</i> | | | <i>594,124</i> | <i>250,000</i> | | <i>1,513,532</i> | <i>11523</i> | | <i>3,528,164</i> |
| Regional Develop | | | | | | | | | | | | | | | | |
| AFSED | | | | | | | | | | 52,086 | | | | | | 52,086 |
| IsDB | | | | 12,000 | | | | | | 20,000 | | | | | | 32,000 |
| Multilaterals | | | | | | | | | | | | | | | | |
| IFAD | | | | | | 2,500,000 | | | | 300,000 | 1,000,000 | | 250,000 | 1,000,000 | | 5,050,000 |
| OPEC Fund | | | | | | | | | | 390,000 | | | | | | 390,000 |
| US (CHC) | | | | | | | | | | 79,600 | | | 103,500 | | | 183,100 |
| World Bank | | | | | | | 250,000 | 1,000,000 | | 75,000 | | | 400,000 | 850,000 | | 2,575,000 |
| Total | | 300,005 | | 725,687 | 176,329 | 2,500,000 | 1,418,621 | 944,651 | 1,000,000 | 1,499,141 | 1,510,810 | 1,250,000 | 1,170,815 | 2,267,032 | 1,861,523 | 16,624,614 |
| Annual Total | | 300,005 | | 3,402,016 | | | 3,363,272 | | | 4,259,951 | | | 5,299,370 | | | 16,624,614 |

ANNEX VII: Description of Investment Financing³⁸ Technical Assistance Grants (TAGs)

The Community Exchange and Training Programme (CETP)

The Community Exchange and Training Programme (CETP) is designed as a capacity building tool to sustain local communities in the implementation of Action Programmes to combat land degradation and desertification, and in the achievement of sustainable development in affected areas. Knowing that direct exchanges between natural resource users is one of the most cost-effective means for transfer of technology, the CETP provides a framework for systematic exchanges between local communities on indigenous knowledge and experiences in sustainable management of natural resources and sustainable livelihoods in drought-prone areas.

The CETP aims at drawing on, and disseminating indigenous knowledge and technology on sustainable natural resources management, production, and alternative livelihoods in dryland areas. The Programme establishes a farmer-to-farmer dialogue. Through CETP exchange visits combined with substantive training, resource users are exposed to actions and technologies that are feasible in their environment and are within their reach.

The CETP target groups are associations of local villagers living in drought prone areas with particular emphasis on women and youth, and Non Governmental Organizations working with dryland communities at the local level. Exchange visits are pursued between communities facing similar ecological constraints. In addition to their immediate capacity-building impact, CETP projects also have a pre-investment function. They identify vulnerable communities and prepare the ground for future land and water conservation projects in areas requiring urgent attention.

Land Degradation Assessment for Drylands (LADA)

In December 2000 a planning workshop was organised on the issue of land degradation in drylands, funded by UNEP/GEF (PDF-A), where the Global Mechanism was invited to join. The resulting Land Degradation Assessment for Drylands (LADA) project proposal envisages developing a reliable and robust model of land degradation assessment incorporating both biophysical and socio-economic factors, and using new agro-ecological models, high-resolution remote sensing and availability of industrial GIS applications. LADA will generate up-to-date ecological, social, and economic and technical information, including a combination of traditional knowledge and modern science, to guide integrated and cross-sectoral planning and management in drylands. LADA responds to the need to strengthen support to land degradation assessment at international and national levels.

LADA will develop - with country participation - a framework for land degradation assessment at global and national levels through consensus building process for which the long-term purpose is to identify socio-economic environmental benefits accruing from addressing land degradation in drylands in terms of conservation of biodiversity and international waters, and sequestration of carbon.

Thematic Programme Networks (TPN)

Dealing with desertification and understanding the dynamics of drought involve a high degree of uncertainty with complex technical, socio-economic and political variables. For this reason the role of science and technology cannot be over emphasised. Agenda 21 recognised the important contribution of science and technology to environmental monitoring.

³⁸ This document was provided to the evaluation team by the GM staff.

TPN1 Asian Thematic Programme Network on Desertification Monitoring and Assessment

The overall objective of this thematic programme area is to enhance the desertification monitoring and assessment capacities of countries in the region through the establishment of a network and the harmonisation of approaches for its conduct in the region.

TPN2 Agroforestry and Soil Conservation in Arid, Semi-Arid and Dry Sub-humid Areas in Asia

The overall objective of this theme is to curtail the process of wide-scale deforestation and watershed degradation through the development and promotion of economically viable and environmentally sound technologies for expanding tree cover and their incorporation into farming systems.

Inventory Study and Regional Database on Sustainable Management of Water Resources and Vegetation Cover in West Asia

The main scope of this project is to develop an inventory and database of past, on-going and planned activities, point out institutions and organisations working in water and vegetation cover related projects, and indicate in the principal outputs the research and knowledge gaps as perceived by different stakeholders. The project has the following specific objectives:

1. To prepare an inventory on the institutions, projects, personnel and findings associated with water resources and use in combating desertification
2. To provide a dynamic database with information from member countries on water resources and vegetation cover management activities accessible to all users
3. To allow focal point members and stakeholders to use the database and utilise the information to develop and conduct activities in West Asia
4. To develop pilot projects and activities on water resources and vegetation cover.

TPN3 Asian Thematic Network on Rangeland Management in Arid Areas

The overall objective of this theme is to re-establish sustainable systems for managing rangelands and livestock production in the rangelands in an economic and socially equitable manner. This will entail the definition, development and application of participatory approaches to rangeland management in order to enhance recovery of vegetative cover to increase rangeland productivity, and improve options for social and economic development for those communities using these fragile areas.

More specifically, within this component, it is proposed to assess and monitor the present utilization of rangeland resources, and to identify technologies and development activities that demonstrate the potential for improving rangeland resource management to ensure conservation of the resource base and maximum returns from its management (primarily in terms of livestock products) throughout the region.

TPN4 Water Resources Management for Agriculture in Arid, Semi-arid and Sub-humid lands in Asia

Sustainable use of the limited supplies of water and the avoidance of degradation of irrigated soils are complex issues affecting all countries of the region. Overirrigation combined with inadequate irrigation systems and, in water-scarce areas, the reuse of drainage water for irrigation, has led to waterlogging and salinization. Improved efficiency in the use of marginal water is being explored in several countries through use of brackish aquifers and treated wastewater.

The overall objective of this theme is to promote cost effective approaches to the use of scarce water resources, to minimize further soil degradation caused by salinization, and to test methodologies for the reclamation and use of already degraded soils.

TPN5 Strengthening the Capacities for Combating Desertification and Mitigating the Effects of Drought in Asia

The Government of Mongolia hosts the fifth of the Asian TPNs, and a workshop was held in Ulan Bator in mid-2002 that defined the following objectives of the network:

- a) compile papers that describe the capacity building activities in the areas of combating desertification and mitigating the effects of drought with emphasis on dry land ecosystem management in Asia,
- b) designing the prototype schemes for building the capacities of national stakeholders in formulating and implementing effective dry land ecosystem management with a view to undertaking such training/capacity building sessions at the local and national levels in respective countries,
- c) reviewing the design of the TPN5 information system (web site) that shall be centered at the host institute and that shall carry relevant information on capacity building schemes in Asia.
- d) produce a framework that would facilitate the transfer and adaptation of techniques, practices and technologies of dry land ecosystem management.

Central Asian Republics

This project will emphasize developing monitoring and assessment of desertification processes and Environmental Impact Assessment with a view to developing databases, information management systems, and information exchange channels for enabling cooperative project conceptualization and implementation in the Central Asian Republics. In addition, support will be directed to the planning of pilot projects for addressing the priority areas of water, forests, rangelands and biodiversity conservation. The implementation of pilot projects and establishment of information systems will be integral to the Thematic Program Networks (TPNs), Regional Action Programs (RAPs) and also facilitate enhanced National Action Program (NAP) implementation. Outputs will include, but not be limited to, the following: information databases on soil, water and forests, systems for information sharing among all levels, and development of participatory approaches for local-level pilot activities. These pilot activities, in addition to other on-going and pipeline projects, will form the basis for developing a sub-regional wide programming for addressing transboundary issues.

Debt relief Peru

Following the Debt Relief Initiative in June 1999, the Global Mechanism began exploring how the Convention can benefit from this initiative, which aims at reducing the debt stock of low-income countries to a sustainable level in terms of debt servicing.

In 2000, concrete steps towards debt swaps were undertaken by signing a Memorandum of Intent between the Government of Ecuador and IFAD, FAO, WFP and the GM in relation to the Government of Italy's "Rome Millennium Initiative". The Government of Italy is the first creditor country that pursued options for integrating land degradation-related activities into poverty reduction strategies through debt relief. A similar agreement between the Government of Peru and Italy has also been signed. Other indebted countries selected in agreement with Italy have also expressed their strong interest in converting their noncommercial (ODA) debt to Italy into local resources in order to finance rural development projects in fragile ecological zones. The ultimate objective is to promote sustainable agriculture, combat resource degradation and enhance food security of rural poor.

Harmonisation of Public Policies

The objective of this project is to contribute to the improvement of public policies dealing with and influencing the process of combating desertification and land degradation in Latin America and the Caribbean. Barbados, Chile, Mexico, Nicaragua, Dominican Republic and Peru have been identified as pilot countries where to articulate policies directly oriented to environmental sustainable management with the involvement of national focal points, governmental organisations, NGOs and indigenous groups.

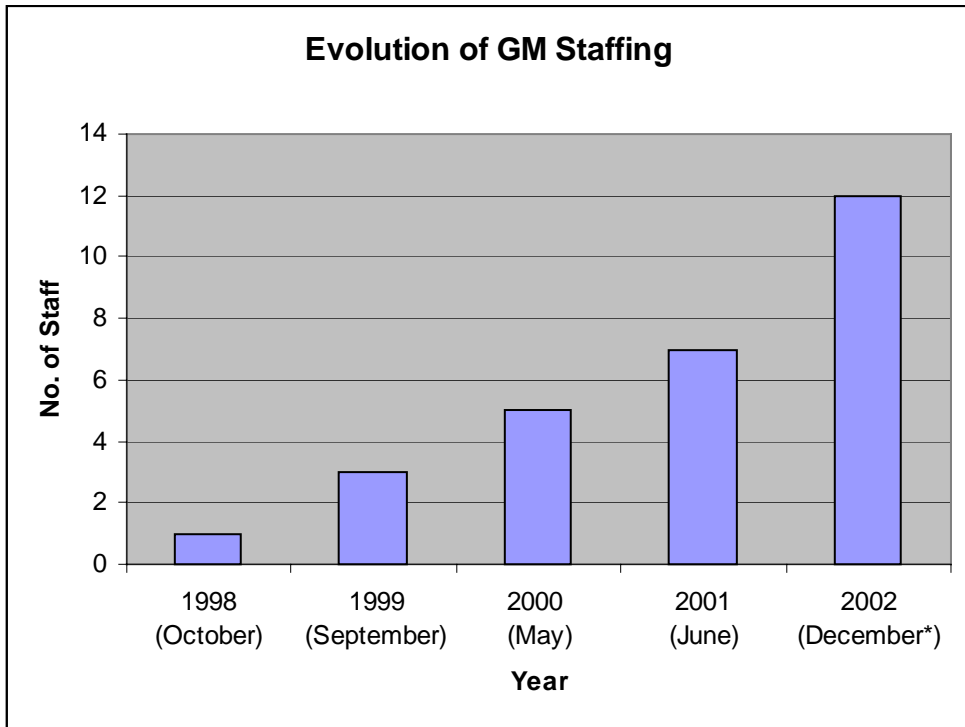
As part of the exercise of harmonising public policies to address the issues and principles of the CCD, a Federal law on Sustainable Rural Development has been passed in Mexico, while negotiations are underway to expand project activities to the other countries referred to. Another ongoing initiative consists in the setting up of a database with a search engine for retrieval of info regarding public policies related to UNCCD implementation.

Pilot project in China (Ningxia)

In line with the recommendations of the Beijing 2001 Co-ordination Meeting on UNCCD implementation in China, particularly in the Western Region, the Global Mechanism has undertaken to promote pilot projects as a testing ground for policy harmonisation and institutional co-ordination and beneficiary participation at local level, as well as appropriate technical packages for an integrated approach to ecosystem management. Positive results from the pilots would be replicated in the context of existing and future strategic partnership frameworks supported by development partners to combat land degradation and poverty.

In this context, the goal of Global Mechanism supported pilot projects in Ningxia is to contribute to creating conditions for desertification control and sustainable development. More specifically, the Project activities shall lay the ground for a smooth start-up and successful implementation of the future IFAD/ WFP supported Environmental Conservation and Poverty Reduction Project (ECPRP) in Ningxia. At the same time, the broader intervention by the Global Mechanism in Ningxia will also include a catalytic financial support to Women Training and Exchange visits which will enhance the impact of natural resources management projects supported by Germany.

ANNEX VIII: GM Staff Evolution and Capacity



* regional staff complement reached in October, civil society position established in December