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COMMITTEE FOR THE REVIEW OF THE IMPLEMENTATION OF THE CONVENTION
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**REVIEW OF AVAILABLE INFORMATION REGARDING THE FINANCING OF
CONVENTION IMPLEMENTATION BY MULTILATERAL AGENCIES AND
INSTITUTIONS, INCLUDING INFORMATION ON THE ACTIVITIES OF THE
GLOBAL ENVIRONMENT FACILITY CONCERNING DESERTIFICATION, AS
SPECIFIED IN ARTICLE 20, PARAGRAPH 2(b), OF THE CONVENTION**

Note by the secretariat

EXECUTIVE SUMMARY

1. By its decision 6/COP.6, the Conference of the Parties (COP) at its sixth session, welcomed the decision of the Second Global Environment Facility (GEF) Assembly in October 2002, in Beijing, China, declaring that the GEF should be available as a financial mechanism of the United Nations Convention to Combat Desertification (UNCCD) should the COP so decide. By the same decision, the COP decided to accept the GEF as a financial mechanism of the UNCCD pursuant to article 20, paragraph 2(b), and article 21 of the Convention and in accordance with the GEF Instrument as amended. It further welcomed the decision of the GEF Council in May 2003 establishing a new operational programme on sustainable land management.
2. The decision also spelled out arrangements for establishing a working relationship with the GEF and requested the preparation of a Memorandum of Understanding (MoU) for consideration and adoption by the seventh session of the COP. In order to assist the COP in its considerations and decision-making with regard to arrangements for establishing a working relationship with the GEF, the COP invited Parties to submit their views to the secretariat on the policies, strategies and priorities to be agreed upon by the COP. The secretariat received several submissions from Parties containing pertinent views on this matter.

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3. Since the adoption of decision 6/COP.6, the Council of the GEF has met four times and has considered issues pertaining to the process of the UNCCD implementation at each of its sessions, dealing with all aspects raised in that decision, including the MoU between the GEF and the UNCCD secretariat as well as the operationalization of the focal area of land degradation through the relevant Operational Programme (OP 15). The Council has also started consultations on the fourth replenishment of the GEF and allocation of resources to the land degradation focal area. The GEF secretariat is also developing the strategic directions and programming priorities for the focal area in GEF-4 (FY 2007-2010).

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I. BACKGROUND INFORMATION

1. Article 20, paragraph 2(b), of the UNCCD provides that Parties undertake “to promote the mobilization of adequate, timely and predictable financial resources, including new and additional funding from the Global Environment Facility of the agreed incremental costs ... in conformity with the relevant provisions of the Instrument establishing the Global Environment Facility”.

2. By its decision 1/COP.5, the COP requested the Committee for the Review of the Implementation of the Convention (CRIC), at its session to be held during the COP, to consider reports on collaboration with the GEF, with a view to elaborating draft decisions, where necessary, for consideration and, as appropriate, adoption by the COP.

3. Decision 6/COP.6 spelled out arrangements for establishing a working relationship with the GEF. In this regard, the COP requested the Executive Secretary, in collaboration with the Managing Director of the Global Mechanism, to consult with the Chief Executive Officer (CEO) and Chairman of the GEF with a view to preparing and agreeing upon a MoU on the arrangements for consideration and adoption by the COP at its seventh session. It requested that such arrangements should be concluded between the secretariat and the GEF and elaborate on how the GEF should take into consideration policies, strategies and priorities agreed upon by the COP.

4. The COP requested the Executive Secretary to report to the COP at its seventh session on measures taken to implement this decision, and the present document is prepared in response to that request.

II. REFLECTIONS BY THE COUNCIL OF THE GLOBAL ENVIRONMENTAL FACILITY

A. November 2003 meeting of the Council of the GEF

5. In its deliberations during its November 2003 meeting, the Council of the GEF welcomed the decision of the COP at its sixth session to identify the GEF as a financial mechanism of the UNCCD pursuant to article 20, paragraph 2(b), and article 21 of the Convention and requested the CEO of the GEF to collaborate with the Executive Secretary and the Managing Director of the Global Mechanism to prepare an MoU on arrangements to facilitate collaboration between the GEF and UNCCD secretariat. The CEO was further requested to submit a draft MoU to the Council for its review and comment in sufficient time so that the views of the Council could be reflected in the draft MoU to be presented to the seventh session of the COP for its consideration in 2005.

6. The Council recommended that the MoU to be developed with the secretariat of the UNCCD should seek to clarify the role of the Convention’s Global Mechanism and that of the GEF as a financial mechanism of the Convention.

B. May 2004 meeting of the GEF Council

7. During the May 2004 GEF Council meeting, the secretariat of the GEF had prepared for information a Progress Report on Implementation of the GEF Operational Programme on Sustainable Land Management. The Council noted the strong interest in developing activities in the area of land degradation and sustainable management as evidenced by the robust pipeline being developed for OP 15. Several Council members pointed to the need to keep under review the adequacy of resources in this area.

8. The issue of coherence among GEF activities in the area of land degradation was raised during a Council discussion on a proposal for a medium-sized project on capacity building for the elaboration of national reports and country profiles by African country Parties to the UNCCD and the project proposal in the work programme on capacity building and mainstreaming of sustainable land management. It was recommended that in the regional workshops and guidelines under development for OP 15, information should be provided on forest management activities.

9. The Council requested the GEF secretariat to prepare for its meeting in November 2004 a note on the allocations foreseen under the land degradation focal area as well as allocations to land degradation through the other GEF focal areas. The Council also requested the GEF secretariat, in collaboration with the implementing agencies, to prepare an analysis of the scope, implementation focus and coherence of the land degradation activities for submission to its meeting in November 2004.

10. The Council also revisited the issue of the draft MoU and requested the CEO and Chairman to submit a draft to the Council for its review and comment in sufficient time so that the views of the Council may be reflected in the draft MoU to be presented to the seventh session of the COP for its consideration in 2005. The CEO was requested to include in the MoU a clarification of the roles of the Global Mechanism and the GEF.

C. November 2004 GEF Council meeting

11. The GEF Council meeting in November 2004 considered two items related to the UNCCD on its agenda, namely the draft MoU and a paper entitled "Scope and Coherence of the Land Degradation Activities in the GEF".

12. With regard to the MoU, the Council was updated on the status of its preparation as requested by the COP 6 decision. A number of constituencies expressed their understanding of the COP decision providing that the MoU should be signed between the COP and the Council, as is the case with the other two Rio conventions. Other constituencies were of the view that the MoU should be concluded between the secretariats of the UNCCD and the GEF. Since members of the Council could not unanimously agree on the issue, it was decided to formally continue consultations. Consequently, the Council requested that a draft be submitted for consideration during its meeting in June 2005.

13. Concerning the second item, members of the Council made preliminary comments on the above-mentioned paper, "Scope and Coherence of the Land Degradation Activities in the GEF". Since many comments underlined inconsistencies and lack of clarity on some contents of the

document, the Council members were invited to submit written comments to the GEF secretariat to assist in the revision of the document prior to the next Council meeting.

D. June 2005 GEF Council meeting

14. During the June 2005 meeting, the Council reviewed the afore-mentioned document, "Scope and Coherence of the Land Degradation Activities in the GEF", and welcomed the revisions that had been made. A number of Council members noted that the definition and discussion of incremental costs in the paper did not provide sufficient clarity on the distinction between local and global benefits in the land degradation area, and that the sliding scale approach to incremental cost was an inappropriate modality to be applied until such time as basic principles had been clarified..

15. A number of Council members called for more attention to be paid to deforestation and sustainable forest management in OP 15 in the revised paper. Council members also noted the importance of maintaining balance between the resources allocated to desertification and those allocated to deforestation in the land degradation focal area. The Council emphasized the importance of integrated natural resource management and promotion of synergies among the global environmental conventions. Some Council members underscored that the GEF should be responsive to the objectives of the UNCCD and other global environmental conventions in OP 15. It was also requested that the GEF give consideration in the revised report to land degradation problems in Latin America.

16. The Council requested the GEF secretariat, in consultation with the implementing and executing agencies and the UNCCD secretariat, to continue its work on preparing the paper, taking into account the comments and revisions noted by the Council members, and agreed to revisit the paper at a later date.

17. The Council also touched upon the fourth replenishment of the GEF Trust Fund as it relates to the focal area of land degradation. With regard to financial resources allocated to the land degradation focal area, the GEF secretariat had already pointed to the fact that the response from countries in developing project proposals was overwhelming, with the envelope for GEF-3 being oversubscribed at a very early stage. This demonstrated that the allocation of US\$ 250 million was not commensurate with the requirements of the country Parties to cover the needs of the focal area in the GEF-3 cycle. Concerning the fourth replenishment of the GEF Trust Fund (GEF-4), therefore, some Council Members noted that resources available for the land degradation focal area were not sufficient to meet the demands of countries, and they called for increased resources for the focal area in GEF-4.

18. With respect to the draft MoU, the GEF secretariat introduced the document jointly prepared by the Executive Secretary of the UNCCD and the CEO and Chairman of the GEF. The Council recognized the balance that had been achieved in the MoU between the various interests of the two secretariats.

19. A number of Council members stated that the title of the MoU did not accurately reflect the text of the MoU and asked for it to be changed. The decision on this matter was nevertheless adopted by the Council, requesting the CEO and Chairman of the GEF to transmit the MoU to the Executive Secretary of the UNCCD for submission to the seventh session of the COP to the

UNCCD with a view to its consideration and adoption by the COP in order to support collaboration with, and implementation of the Convention. The Council requested that the MoU, once approved by the COP, be submitted to it for approval.

III. CONSIDERATION BY THE UNITED NATIONS GENERAL ASSEMBLY OF THE COLLABORATION BETWEEN THE CONVENTION AND THE GLOBAL ENVIRONMENT FACILITY

20. The UNCCD was negotiated under the authority of the United Nations General Assembly. Since then, the Assembly has been monitoring its implementation through an annual report prepared by the Secretary-General. In the World Summit on Sustainable Development process and its aftermath, the role of the GEF in the support to the Convention has retained sustained attention from the General Assembly, in particular since the Facility opened a new focal area on land degradation and became its financial mechanism.

A. Fifty-eighth session of the General Assembly (2003)

21. On 20 October 2003, the Executive Secretary presented the report of the Secretary-General on the implementation of the Convention to the General Assembly. He also presented the outcome of COP 6, including major decisions that had been adopted by the Conference. The Assembly welcomed a series of developments in the involvement of the GEF in the implementation of the Convention, including the decision by COP 6 to accept the GEF as a financial mechanism of the Convention and the GEF Council decision to establish a new operational programme on sustainable land management. The Assembly urged the preparation of an MoU for the consideration of and adoption by the COP and the GEF Council.

B. Fifty-ninth session of the General Assembly (2004)

22. On 21 October 2004, the Executive Secretary presented the report of the Secretary-General on the implementation of the Convention to the Assembly. As was the case during the fifty-eighth session, collaboration between the GEF and UNCCD relating to the implementation of the Convention was again high on the agenda. Bearing in mind the forthcoming replenishment of the GEF Trust Fund, the General Assembly made the case for more resources to implement the Convention. In this regard, the Assembly emphasized the need for the provision of adequate resources for and the strengthening of the focal area of land degradation of the GEF.

23. Concerning working arrangements between UNCCD and the GEF, the Assembly invited the secretariat of the GEF and the secretariat of the Convention to finalize the draft MoU in an expeditious way and to submit it for consideration of and adoption by the COP and the GEF Council.

IV. IMPLEMENTATION OF THE OPERATIONAL PROGRAMME ON SUSTAINABLE LAND MANAGEMENT (OP 15)

24. Parties may recall that further to the opening by the GEF Second Assembly of a new GEF focal area on land degradation, the Council of the GEF approved in May 2003 a new operational programme on sustainable land management as a means to enhance its support to the implementation of the UNCCD, and that, by its decision 6/COP.6, the COP welcomed that decision. The Convention secretariat has pursued its collaboration with the GEF and its implementing and executing agencies on the implementation of OP 15.

25. The GEF OP 15 provides a framework for the development of activities eligible for GEF incremental financing to address the root causes and negative impacts of land degradation on ecosystem stability, functions and services as well as on people's livelihoods and economic well-being through sustainable land management practices.

26. The World Bank, acting as implementing agency and the International Fund for Agricultural Development (IFAD), as executing agency, have taken the lead in developing a medium-sized project (MSP) on supporting capacity building for the elaboration of national reports and country profiles by African Parties to the UNCCD which was successfully implemented despite regrettable delay. In the same vein, the GEF secretariat and the World Bank have each undertaken an important initiative to enhance implementation of the UNCCD.

27. The GEF secretariat has developed the country pilot partnership (CPP) in collaboration with the implementing and executing agencies to provide support to selected countries in the execution of their priority activities at the national and regional levels. The proposed partnership is aimed at assisting GEF-eligible countries to address land degradation issues on a comprehensive and integrated manner based on priorities outlined in their national action programmes. The partnership is piloted in 18 countries affected by desertification or deforestation.

28. The World Bank, in partnership with a wide array of donors and organizations, including the UNCCD secretariat and Global Mechanism and sub-Saharan countries, is conducting broad consultations on a major initiative, "TerrAfrica", to develop partnerships, support analytical work, facilitate regional and inter-agency knowledge sharing and mobilize significant investments in Sub-Saharan Africa. The initiative is built on the premise that there is a very strong need for a special long-term collective effort in Sub-Saharan Africa to address land degradation at all levels, from the community level up to country and regional levels, and that land degradation helps drive poverty and disables ongoing efforts to raise productivity and incomes. The purpose of the initiative is therefore to mainstream and scale up sustainable land management to improve agricultural productivity, raise rural incomes, ensure food security and protect natural resources in the framework of the implementation of the Convention.

29. TerrAfrica is a multi-partner platform for planning actions and sharing experience, a space where committed stakeholders and countries may partner and build coalitions at global, regional, country, and local levels to apply and scale up proven solutions. Once implemented, the initiative will enable partners to maintain a long-term programmatic approach and a shared strategic direction for applying sustainable land management to alleviate poverty and steward the

natural resource base now and for generations to come. Ongoing consultations would culminate in the official launching of the initiative on the margins of the seventh session of the COP.

30. The United Nations Environment Programme (UNEP) has carried out an MSP on global support to facilitate the early development and implementation of land degradation programmes and projects under the GEF OP 15. Beneficiaries of this project have been trained in addressing land degradation issues in line with their needs and priorities and in developing and implementing GEF-eligible projects that would contribute to sustainable land management. They have also been guided in the designing of future projects in the GEF focal area of land degradation and encouraged to strengthen constructive partnerships within the frameworks of national action programmes (NAPs), subregional action programmes (SRAPs) and regional action programmes (RAPs). The training has also contributed to the strengthening of interagency collaboration in addressing land degradation and in implementing the UNCCD.

31. The United Nations Development Programme (UNDP) is implementing the “Least Developed Countries-Small Island Developing States Targeted Umbrella Project for Capacity Development and Mainstreaming of Sustainable Land Management”. The project is in its first year of implementation. To date, 45 out of 47 countries have officially requested assistance, and 28 of them have received preparatory funding to prepare their MSPs. The final MSP of Mauritius has been officially approved and implementation is under way.

32. Total allocations to date for national activities have been US\$ 2.1 million, out of which US\$ 1.12 million is from the GEF and the remainder from co-financing. Co-financing for both national and global activities has been leveraged through Global Mechanism, Canadian International Development Agency, the Institut de l’Energie et de l’Environnement de la Francophonie, UNDP, governments, and others. A Global Support Unit has been established in Pretoria, South Africa, and the Global Advisory Committee had its first meeting during CRIC 3. An agreement has been reached with the UNCCD secretariat on how best to link the MSP and NAP processes. Countries have been advised to work simultaneously on these two outputs so as to enhance synergistic benefits and observe deadlines, while adhering to the spirit, if not the letter, of the Bonn Declaration. Three special subregional workshops are being planned (with GEF and co-financing) between July and September 2005 in order to reinforce capacities for developing the MSP and NAP processes.

V. CONCLUSIONS AND RECOMMENDATIONS

33. GEF support to the implementation of the Convention has undeniably been advanced by decision 6/COP.6. Collaboration between the Convention and the GEF has never been stronger than it is today and is due essentially to two major developments that have taken place during the last two years: first, the decision by the GEF Assembly to open a new focal area on land degradation and the subsequent Council decision to develop OP 15 as a means to strengthen the implementation of the Convention; and second, decision 6/COP.6 by which the COP accepted the Facility as a financial mechanism of the Convention.

34. With regard to the land degradation focal area and its operational programme, CRIC 4 may wish to recommend that the COP express its appreciation to the GEF and its implementing and executing agencies for various projects and initiatives developed in this context. Projects

include the World Bank MSP on supporting the capacity building for the elaboration of national reports and country profiles by African Parties to the UNCCD, which enabled CRIC 3 to take place; the UNDP implemented “Least Developed Countries-Small Island Developing States Targeted Umbrella Project for Capacity Development and Mainstreaming of Sustainable Land Management”; the UNEP MSP on global support to facilitate the early development and implementation of land degradation programmes and projects.

35. Initiatives include TerrAfrica and the country pilot partnerships as potential tools for strengthening partnership building for the implementation of the Convention. CRIC 4 may wish to advise the COP to recommend coordination between and expansion of these processes and reaffirm their country ownership. In this regard, the Conference may wish to urge affected developing country Parties and their multilateral partners to ensure clear linkages with the priority setting of NAPs to guide the implementation of these instruments and to continue joint efforts at NAP mainstreaming in order to create win-win options when addressing environmental sustainability and economic potential in dryland areas.

36. The CRIC may wish to recommend to the COP to invite affected developing country Parties, with support from their bilateral and multilateral partners, to monitor existing relevant policy and legislative frameworks, conduct gap analysis and launch catalytic initiatives in order to foster programming convergence among the NAPs and other national development and poverty reduction processes as a means of bringing forward the mainstreaming of their NAP.

37. Since consultations of the fourth replenishment of the GEF Trust Fund are under way, the CRIC may wish to invite the COP to urge the GEF, as a matter of high priority, to ensure a robust replenishment of its focal area on land degradation and allocate more resources to OP 15 on sustainable land management, to make financial resources available to capacity-building activities in affected country Parties implementing the Convention and to facilitate coordination between the GEF and UNCCD focal points at the national level in order to enable the GEF to better respond to the needs of the UNCCD process.

38. Recalling the various decisions of the COP regarding the need for capacity strengthening and support to affected developing country Parties in meeting their obligations under the Convention, and mindful of the GEF Council decision of May 2003, which recognized that in the framework of capacity building projects to be funded under OP 15, the preparation of NAPs, SRAPs and RAPs and national reports are considered as components, the CRIC may wish to recommend to the COP that it request the GEF to move with urgency to address this matter, since a considerable number of Parties have to prepare their national reports and present them at CRIC 5. The experience of the funding of the elaboration of African reports to CRIC 3 may be replicated and extended to other regions and serve as a good example in this respect. The COP may also wish to invite GEF implementing agencies, in close consultation with the secretariat of the UNCCD, consistent with article 23 of the Convention, to assist developing country Parties in fully dealing with these activities.

39. Parties may recall that CRIC did recommend to COP 6 to request the Executive Secretary, in collaboration with the Managing Director of the Global Mechanism, to consult with the CEO and Chairman of the GEF with a view to preparing and agreeing upon an MoU for consideration and adoption by COP 7. The secretariats of the GEF and the Convention have complied with the COP request and prepared a draft MoU which is before the COP. CRIC 4 may wish to recommend to the COP to consider the draft and make the appropriate decision.

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