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Global Mechanism

Report on the activities of the Global Mechanism, and the provision of guidance to it
Review of the policies, operational modalities and activities of the Global Mechanism

**Report on the activities of the Global Mechanism, and the provision
of guidance to it, and review of the policies, operational
modalities and activities of the Global Mechanism**

Note by the secretariat*

Summary

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

(a) The operations and activities of the GM, including the effectiveness of its activities in promoting the mobilization and channelling of the substantial financial resources referred to in section 4(a) of the annex to decision 24/COP.1;

(b) An assessment of the future availability of funds for implementation of the Convention, as well as proposals for effective ways and means of providing such funds; and

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

(c) The activities of IFAD, the United Nations Development Programme and the World Bank as well as other relevant organizations in supporting the GM.

2. The COP may wish to consider the report contained therein to undertake the third comprehensive review of policies, operational modalities and activities of the GM, pursuant to article 21, paragraph 7 of the Convention, which is scheduled to take place at the eighth session of the COP in accordance with decision 5/COP.6.

**Report of the Managing Director of the Global Mechanism of
the United Nations Convention to Combat Desertification through
the President of the International Fund for Agricultural Development
to the eighth session of the Conference of the Parties**

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Abbreviations and acronyms

COP	Conference of the Parties (of the UNCCD)
CEN-SAD	Communauté des Etats Sahélo-Sahariens (Community of Sahel-Saharan States)
GEF	Global Environment Facility
IFAD	International Fund for Agricultural Development
NAP	National Action Programme (of the UNCCD)
PRSP	Poverty Reduction Strategy Paper
SLM	Sustainable Land Management
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

Executive Summary

1. This report of the Managing Director of the Global Mechanism to the eighth session of the Conference of the Parties (COP) is being submitted in compliance with Article 21, paragraph 5(d) of the United Nations Convention to Combat Desertification (UNCCD), as well as decision 5/COP 6. This report should also be viewed in light of the Global Mechanism's report to COP 7, considering that the latter report falls within the period of assessment of the policies, operational modalities and activities of the Global Mechanism.
2. In the period covered by this report, the Global Mechanism's resource mobilization strategy has been guided by and aligned to changes in the international development financing architecture. The changes to this financing architecture relate to the emergence of new modalities for resource allocation premised on greater country leadership, country-driven identification of development priorities, and improved donor coordination and harmonization. The realignment of the Global Mechanism has also been reinforced in line with decision 5/COP 7 of the Conference of the Parties and United Nations reform initiatives aimed at system-wide coherence, including in the area of international environmental governance.
3. The Global Mechanism has adopted a broad approach to resource mobilization. The strategy calls for *mainstreaming*, *multi-stakeholder partnerships*, *knowledge management* and the development of *national financing strategies* for sustainable land management in order to achieve investment frameworks forming an integral part of development programming. This broad approach has also been enhanced and informed by new and innovative sources of financing and special initiatives through the establishment of the Global Mechanism's strategic programmes, as well as increased outreach and advocacy through the dissemination of information on Global Mechanism's initiatives and knowledge management in the financing of sustainable land management.
4. The review of the Global Mechanism's policies, operational modalities and activities confirms that the Global Mechanism has always needed to be – and indeed has been – innovative. As described in this report, the Global Mechanism's practical strategies and approaches to resource mobilization have proved effective in the context of the environment in which the Global Mechanism operates.
5. This has gained wide recognition among UNCCD constituencies and is reflected in this report by, for example, the approach initiated through the Global Mechanism in 1999 for the effective mainstreaming of national action programmes into overarching national development frameworks and poverty reduction strategies, as well as by the Global Mechanism's more recent approach of focusing on the development of comprehensive investment frameworks embedded in national financing strategies.
6. The Global Mechanism has over the past four years undertaken actions in Africa, Asia and the Pacific, and Latin America and the Caribbean through engagement in over 27 countries and 12 subregions. The Global Mechanism has provided key services for achieving successful resource mobilization in sustainable land management. These include:

(a) Providing technical backstopping in the development of comprehensive financing strategies that blend public, private and innovative sources of financing;

(b) Providing strategic advisory services to broaden access to financing from non-traditional sources, such as through compensation for environmental services, the synergistic implementation of multilateral environmental agreements, adaptation to climate change, trade, the private sector, forestry and civil society;

(c) Cooperating with national and donor partners and entering into partnerships to facilitate harmonization and alignment with national UNCCD priorities;

(d) Developing knowledge products with partners, particularly analyses on finance related aspects of land degradation, such as economic policy, public expenditure and portfolio reviews, institutional mapping and budgetary processes;

(e) Building the capacity of national counterparts to navigate resource mobilization processes effectively, including national budgetary processes;

(f) Organizing expert consultation meetings and conferences, as well as joint donor missions; and

(g) Negotiating concrete agreements with donors and financial institutions on financing national programmes and projects that are related to SLM and emanate from comprehensive investment frameworks.

7. Considering that each of the above services is process-oriented and requires extensive negotiations and collaboration among a diverse group of actors, several years of concerted efforts are sometimes needed to achieve success. This report presents the key lessons learned in mobilizing resources effectively, particular with regard to the Global Mechanism's catalytic role in mainstreaming and partnership-building; supporting country ownership and leadership; facilitating concerted and coordinated effort by governments, development partners, and other key stakeholders; developing national financing strategies; launching subregional or regional processes that build a common framework for action; engaging innovative sources of financing and a broader set of sectors; involving UNCCD stakeholders in the development of products and services; and crafting simple, clear and highly focused communications messages.

8. The final section of the report provides an overview of the Global Mechanism's envisaged role and organizational effectiveness in the context of the UNCCD 10-year strategy. The Global Mechanism's policies, operational modalities and activities are currently well positioned to deliver on the programme of work outlined in the draft strategy. This is especially so considering that Global Mechanism's approach to mobilizing finance is fundamentally consistent with the approach suggested in the proposed strategy. The orientation of the Global Mechanism is ready to be enhanced based on the strategic guidance of the eighth session of COP.

Introduction

9. Article 20 of the United Nations Convention to Combat Desertification (UNCCD) clearly states the obligations of all relevant UNCCD constituencies with regard to their shared but differentiated roles and responsibilities in resource mobilization. Finances from affected developing and developed country Parties, grants, concessional loans, new and additional funding through the Global Environment Facility (GEF) and other innovative sources make up the bulk of finances identified for UNCCD implementation. In this context, the Global Mechanism's mandated task of promoting actions leading to the mobilization and channelling of substantial financial resources, forms part of its efforts to increase the efficiency and effectiveness of existing financial mechanisms, as articulated in Article 21 of the Convention, is thus contextualized.

10. This report to the eighth session of the Conference of the Parties (COP 8) is being submitted in compliance with Article 21, paragraph 5(d) of the Convention and subsequent COP decisions requesting the submission of a report to each ordinary session of COP, as well as decision 5/COP 6, which "Notes that the third comprehensive review of policies, operational modalities and activities of the Global Mechanism will take place at the eighth session in 2007, in the light of the review of the secretariat's activities provided for under decision 2/COP 6, with a view to assessing the continued relevance, impact, effectiveness and efficiency of the Global Mechanism in delivering its mandate under the Convention". This report should be considered taking into account the Global Mechanism's report to COP 7 because it falls within the period of assessment of the policies, operational modalities and activities of the Global Mechanism.

11. Given the growing consensus on management for development results as a strategy to achieve the Millennium Development Goals and to strengthen oversight and accountability, the report is structured to highlight outcomes by providing concrete examples of the Global Mechanism's results as a means to inform COP on the progress in resource mobilization for UNCCD implementation.

12. During the period covered by this report, the Global Mechanism's resource mobilization strategy has been guided by and aligned with changes in the international development financing architecture which has seen the emergence of new modalities for resource allocation; this new strategy is premised on greater country leadership, country-driven identification of development priorities, and improved donor coordination and harmonization.

13. The realignment of the Global Mechanism is being reinforced in the broader context of United Nations reform which is aimed strengthening system-wide coherence, including in the area of international environmental governance. In this regard, Global Mechanism operations are placing special emphasis on "One UN" pilot countries. The objective is to articulate the need to finance SLM within the processes of "Delivering as One". Therefore, the Global Mechanism will strengthen its country-level operations through collaborative arrangements within the United Nations and, particularly, with IFAD.

14. Given the above, the Global Mechanism's business plan 2003-2006 objectives were reoriented in the context of decision 5/COP 7 which "encourage[d] the Global Mechanism to

strengthen its support to affected developing country Parties by means of the implementation of the consolidated strategy and enhanced approach, as outlined in document ICCD/CRIC(4)/4”.

15. This report also highlights the progress achieved in broadening the funding base for UNCCD implementation through new and innovative sources of financing and special initiatives, such as adaptation to climate change and UNFCCC financing mechanisms, trade and market access, compensation for environmental services, forestry initiatives, private-sector development, civil society development and South-South cooperation. During the reporting period, the Global Mechanism has also increased outreach and advocacy through the dissemination of information on Global Mechanism initiatives and knowledge management in the financing of SLM. The final section of this report provides an overview of the Global Mechanism’s envisaged role and organizational effectiveness in the context of the UNCCD 10-year strategy.

I. Progress towards resource mobilization

A. Creating an enabling environment for resource mobilization

16. The Global Mechanism has adopted a broad approach to resource mobilization that calls for mainstreaming, multi-stakeholder partnerships, knowledge management and the development of national financing strategies to increase investments in SLM. This approach is premised on the knowledge that no single entity has all the requisite capacity, resources or knowledge to contend with the complexities of the bio-geophysical, temporal, socio-economic and political dimensions of the phenomena of desertification and drought. The following describes each of these pillars.

1. Mainstreaming

17. Decision 5/COP 6 (2003) explicitly called upon the Global Mechanism to provide support to countries in mainstreaming their National Action Programmes (NAPs) into poverty reduction strategies and national development frameworks. Likewise, decision 5/COP 7 (2005) reiterated this call by encouraging the Global Mechanism to intensify its interactions with international financial institutions. The Global Mechanism’s operational experience over the past eight years has shown that the mobilization of substantial flows of finance cannot be achieved without mainstreaming the UNCCD and SLM into national and international policy, planning and budgetary processes and overarching national development frameworks.

18. Mainstreaming is seen by the Global Mechanism as a process of informed dialogue and national level action focusing on the proper management of natural resources and poverty reduction. The objective is to engender political commitment that articulates issues of land degradation and desertification as a national priority, alongside corollary actions to improve policy, legislative, institutional and planning frameworks. Fundamental to achieving success in mainstreaming is government ownership of the process and support from partners in development cooperation.

19. The Global Mechanism seeks to achieve results by catalysing actions to mainstream the UNCCD at the national level in planning and budgetary processes. The outcomes will ensure that

financial flows are substantially increased through the formulation of national investment frameworks.

2. Partnership-building

20. The Global Mechanism has established partnerships for the mobilization of resources with key national stakeholders in the governments of countries affected by desertification and drought, the private sector, civil society, academia, and bilateral and multilateral development cooperation partners. In this regard, the Global Mechanism's regional and strategic programmes play an important role in the identification of relevant partners that may contribute to broadening the scope of financing for SLM.

21. These partnerships are grounded on the principles of trust, equity, transparency, accountability, and creating synergies and added value. An invaluable outcome of this cooperation has been the facilitation of a structured dialogue on the root causes of desertification and drought, ways to tackle these causes and, most importantly, agreements for the financing of SLM programmes and projects.

22. These partnerships have also provided an effective forum for the identification of the actors that are best suited to take the lead in specific areas, namely knowledge generation, coordination, policy guidance, institutional strengthening and the development of investment frameworks. Another, added benefit has been the contribution of each partner, according to its own comparative advantage, which helps avoid duplication and the inefficient use of resources.

23. The Global Mechanism has benefited substantially over the past nine years from partnerships with IFAD, the World Bank, regional development banks, such as the Asian and African Development Banks, the OPEC Fund for International Development and 17 bilateral agencies. The institutional partnership with IFAD – the Global Mechanism's host agency and primary financier through the generous initial grant of \$10 million – has been particularly important. In addition, the Global Mechanism has built a solid working partnership with IFAD's regional, technical and administrative divisions and units and has led to significant increases in IFAD's SLM portfolio. The Global Mechanism will continue to strengthen this partnership and engage IFAD in enhancing the SLM portfolio and in pursuing innovative sources of financing.

3. Knowledge management

24. The Global Mechanism's experience has shown that successful mainstreaming exercises must be reinforced by the best available technical and non-technical knowledge on various aspects of desertification. This invariably encourages a common understanding among the partners involved on the multi-faceted nature of desertification and drought.

25. For example, analyses of the costs of land degradation and its implications on national development, the quantification of the benefits of ecosystem goods and services, the policy trade-offs and options in SLM, etc., help articulate the arguments needed to influence policy reform. Furthermore, the specific knowledge products developed through the Global Mechanism's strategic programmes enhance the knowledge base on new sources of financing.

4. National financing strategies

26. The Global Mechanism's approach to the mobilization of financing for SLM is supported by national financing strategies that provide an effective vehicle for identifying national priorities, bottlenecks and opportunities, and national and international sources of financing. The strategies are informed by the NAPs and by analyses of domestic budget processes and international aid delivery modalities and mechanisms. Of vital importance is the identification of innovative financing resources and the ways to gain access to them. The national financing strategy development process enables the engagement of relevant stakeholders in the mobilization of domestic and international financing for SLM.

5. Examples of the Global Mechanism's actions in countries, subregions and regions

27. The Global Mechanism has undertaken actions over the past four years in Africa, Asia and the Pacific, and Latin America and the Caribbean. The actions being undertaken are diverse because the specific starting point and context of each country, subregion, or region varies from case to case. In general, however, the following are some of the key services that the Global Mechanism has provided to achieve successful resource mobilization for SLM:

(a) Providing technical backstopping in the development of comprehensive financing strategies that blend public, private and innovative sources of financing;

(b) Providing strategic advisory services to broaden access to financing from non-traditional sources, for example through compensation for environmental services, the synergistic implementation of multilateral environmental agreements, adaptation to climate change, trade, the private sector, forestry and civil society;

(c) Cooperating with national and donor partners and entering into partnerships to facilitate harmonization and alignment with national UNCCD priorities;

(d) Developing knowledge products with partners, particularly analyses on finance related aspects of land degradation, such as economic policy, public expenditure and portfolio reviews, institutional mapping and budgetary processes;

(e) Building the capacity of national counterparts to navigate resource mobilization processes effectively, including national budgetary processes;

(f) Organizing expert consultation meetings and conferences, as well as joint donor missions; and

(g) Negotiating concrete agreements with donors and financial institutions on financing national programmes and projects that are related to SLM and emanate from comprehensive investment frameworks.

28. Considering that each of the above services is process-oriented and requires extensive negotiations and collaboration among a diverse group of actors, success may only be achieved after several years of concerted effort. Below, a few detailed examples are presented that may

provide insight into several of the Global Mechanism's key results. The examples have been chosen to reflect different stages in the process. They therefore provide an accurate cross-section of Global Mechanism results at the country, subregional and regional levels.

(a) Country level

(i) Increasing the financing for SLM: The case of Ethiopia

29. Effective mainstreaming and partnership-building in Ethiopia have led to a higher priority for SLM-NAP issues in the Plan for Accelerated and Sustained Development to End Poverty, which forms part of the current PRSP (2006-2010). Initial estimates suggest that more than \$250 million could be allocated to SLM-related investments over the 5-year period of implementation. This would be a substantial increase over the allocations made under the first PRSP, which did not put much emphasis on SLM-related investments.

30. In 2004, the Global Mechanism initiated the mainstreaming of NAP priorities into the PRSP as a strategy to mobilize financial resources through the national budget (comprising domestic revenue and donor assistance) for the implementation of the NAP. The Global Mechanism provided financial and technical support to the Environment Protection Authority, which coordinated the mainstreaming process. The Global Mechanism supplied guidance on analytical work and advice on the approach and methodology. In addition, the Global Mechanism spearheaded a consultation process involving donor agencies and sectoral ministries at the federal level, including the Ministry of Finance and Economic Development, to support the allocation of financial resources for NAP implementation.

31. Additional Global Mechanism support for the mobilization of financial resources for NAP implementation was provided within the framework of TerrAfrica – a multi-stakeholder partnership on SLM for sub-Saharan Africa. Ethiopia was selected as one of four countries for support under TerrAfrica based on the mainstreaming process initiated by the Global Mechanism. Through TerrAfrica, several other multilateral and bilateral partners (including the World Bank, the Government of Norway, the African Development Bank, IFAD, the German Agency for Technical Cooperation, the United Nations Development Programme, the World Food Programme and the Food and Agriculture Organization of the United Nations), are working with the Global Mechanism and the Government of Ethiopia to establish a national framework for scaling up investment for SLM and NAP priorities in the Plan for Accelerated and Sustained Development to End Poverty.

32. Over the course of the next four years, the Global Mechanism will provide additional support to the Ethiopian government by: (i) facilitating donor consultations in order to supply additional funding to SLM within their respective country assistance strategies; (ii) exploring non-traditional sources of financing and mechanisms that could contribute to financing the NAP; (iii) supporting mainstreaming of the NAP into the key structures and strategies of regional governments; and (iv) developing a monitoring system to track and quantify the investment flows relating to NAP implementation.

(ii) Enhanced partnership for SLM: The case of Burkina Faso

33. Five years of concerted engagement of the Global Mechanism in Burkina Faso and joint work with committed national and international partners led to the establishment of a solid foundation for increasing financial resources for SLM under the PRSP action programme for 2004-2006.

34. Negotiations between the Global Mechanism and financial partners and key national institutions, such as the Ministries of Environment, Finance, Economic Development, Agriculture, Livestock, and Decentralization, have facilitated the mainstreaming of NAP and SLM principles into the PRSP.

35. The three-year Medium Term Expenditure Framework for 2004-2006 included increased financial resources of approximately \$175 million for initiatives in agricultural productivity; SLM and irrigation; livestock improvement and sustainable rangeland management; water conservation measures; and reforestation and conservation of protected areas. The Global Mechanism's partnership-building efforts with various bilateral and multilateral donors were thus able to generate substantial financial contributions.

36. In addition, overall coherence in SLM financing at the national level has begun to emerge due to the development of a holistic rural development strategy, which is aligning initiatives such as the UNDP-led and IFAD-supported GEF Country Partnership Programme (CPP) for Sustainable Land Management and the support provided through the TerrAfrica platform.

37. Currently, the rural development strategy is enabling the Government of Burkina Faso to coordinate donor support and to channel financial resources to areas where clusters of poverty are significant and land degradation processes are acute. The Global Mechanism in collaboration with its partners will continue to provide support to Burkina Faso in the development of an investment framework embedded within the PRSP for the implementation of the rural development strategy.

(iii) Increasing financing through decentralization: The case of Tunisia

38. Currently, the Global Mechanism's engagement in Tunisia is focused on consolidating previous achievements in the mainstreaming of subnational plans to assure long-term financing for UNCCD implementation. The subnational plans have been integrated into the Eleventh Socio-Economic Development Plan (2007-2011), with corresponding national financial allocations. The Global Mechanism has contributed by working jointly with the German Agency for Technical Cooperation and UNDP to institutionalize participatory planning to develop the subnational plans.

39. This work builds on the Global Mechanism's success with NAP mainstreaming as the core strategic framework for addressing land degradation issues in the context of the Tenth Socio-Economic Development Plan (2002-2006). The political priority assigned to the UNCCD and NAP is reflected in the inclusion of a chapter on SLM and anti-desertification efforts. Furthermore, in the tenth plan, \$18.6 million in domestic resources was secured to finance 15 NAP priority projects developed with the guidance of the Global Mechanism. In addition, there

was an overall 23 per cent, or \$400 million, increase in national budgetary allocation for combating desertification relative to the ninth plan.

40. Presently, the Global Mechanism is working with Tunisia to explore other potential means to influence planning and budgetary allocation processes at the subnational level. The Global Mechanism's financial contributions and technical backstopping have assisted in creating the conceptual framework of participatory planning for the development of subnational plans and have also helped build consensus among key national and international actors. It is envisaged that the integration of the subnational plans will be a high priority into the eleventh plan will position the UNCCD to attract additional financing from donors and international financial institutions.

(iv) First national financing strategy: The case of Lebanon

41. The successful completion of the national financing strategy has marked a major milestone in the efforts to implement the UNCCD in Lebanon. In developing this strategy, an effective approach was used to align national, donor and innovative financing mechanisms with NAP priorities. During the development of the strategy, the Global Mechanism initiated negotiations with international donors to mobilize significant financing. For example, a project worth \$10 million is being designed by IFAD to support priorities identified in the strategy. The Global Mechanism has also drafted a multi-agency proposal jointly with the UNDP in Lebanon to gain access to \$6.5 million from the United Nations Fund for the Achievement of the Millennium Development Goals, which is managed by the Government of Spain and the UNDP. The money would be used to mainstream SLM practices in national and local development planning, policy and budgetary processes.

42. The national financing strategy places special emphasis on utilizing the private sector for financial support through creative trade-related initiatives. Currently, there is a proposal that focuses on the development of the viticulture (grape vine) and viniculture (wine) sectors of Lebanon. The objective of this initiative is to facilitate the engagement of the private sector in NAP implementation and formulate economic opportunities that will ultimately increase overall investment in SLM, while also enhancing the socio-economic development of local communities in degraded areas through the promotion of sustainable value chains within the grape and wine sectors.

43. Additionally, the national financing strategy development process has increased awareness of the issues involved in land degradation, while facilitating an enhanced commitment from the Government and other relevant stakeholders to implement concrete national financing strategy Action Plan initiatives. In Lebanon, the strategy was developed over an 11-month period with the support of the Global Mechanism under the leadership of the Ministry of Agriculture and in partnership with UNDP, the German Agency for Technical Cooperation and the Dryland Development Centre (DDC). The methodology adopted and the conclusions reached have been validated through the use of rigorous analytical tools and consultations with stakeholders.

44. An integral component in the development of the national financing strategy has been the consultation process which has involved the Ministry of Finance, the Council for Development and Reconstruction (equivalent to the Ministry of Planning), and the Ministries of Environment,

Energy, Water, and Social Affairs, and various civil society organizations and academia. In addition, in-country donors in Lebanon will be further engaged in a dialogue concerning implementation of the strategy. Key to the success of the national financing strategy is the high level of ownership, which could not have been developed without the systematic engagement of decisive stakeholders.

(v) Harmonization of public policies: The case of Ecuador and Mexico

45. The Global Mechanism's work in Mexico in the harmonization of public policies has directly resulted in the elaboration and approval by the government of a federal law on sustainable rural development. The intervention has helped improve the overall policy context for SLM and influenced budgetary reform processes and rural development planning cycles. The experience gained in systematically analysing all relevant policies that have a potential impact on natural resource management and sustainable development and proposing improvements to the overall policy context has given the Global Mechanism a solid foundation for assisting other Latin American and Caribbean countries in improving the enabling policy framework in support of SLM.

46. The work in Mexico was undertaken in collaboration with the United Nations Environment Programme's Regional Office for Latin America and the Caribbean. The Global Mechanism supplied technical and financial support.

47. Building on the knowledge gained in Mexico, the Global Mechanism has partnered with the United Nations Environment Programme, UNDP and the Food and Agriculture Organization of the United Nations to replicate this initiative in Ecuador through the Global Mechanism's support for the development of a national financing strategy. The Global Mechanism and its partners will assist the Government of Ecuador in ensuring that the emerging national plan for development and the rural development strategy are consistent with the principles of SLM and international norms and best practices. A toolkit to support countries undertaking their own harmonization of public policies is currently being developed.

(vi) Conclusion

48. The examples above provide an overview of the common but yet diverse approaches being adopted by the Global Mechanism for resource mobilization as a result of the specific regional, socio-economic and political contexts that influence country-level actions. These examples constitute the Global Mechanism's key activities and have led to tangible results. Similar activities are being implemented, or are in the process of being designed, either as enhanced second phase initiatives, or as new comprehensive responses to mobilization of finance for SLM. The following countries are currently in the Global Mechanism's work programme: Algeria, Argentina, Brazil, Burkina Faso, Cameroon, Ecuador, Eritrea, Ethiopia, Ghana, Guatemala, Honduras, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Lebanon, Mali, Mexico, Morocco, Mozambique, Nicaragua, Pakistan, Peru, South Africa, Swaziland, Syria, Tunisia and Uganda.

(b) Subregional and regional levels

(i) A strategic partnership for UNCCD implementation: The case of the Central Asian countries

49. The Global Mechanism spearheaded a partnership-building process in Central Asia that culminated in a 10-year investment programme valued at \$1.5 billion. The programme, the Central Asian Countries Initiative for Land Management (CACILM), was developed jointly with the Asian Development Bank and supported by the Strategic Partnership to Combat Desertification in Central Asia.

50. The initiative is a 10-year GEF multi-country and multi-donor partnership that seeks to reinvigorate the productive capabilities of the land and assure a resilient human and environmental future for the Central Asian countries. Launch in November 2006 the projects currently being financed are worth \$155 million, which was provided by the countries themselves (\$25 million), the GEF (\$20 million) and donors (\$110 million).

51. To counteract the causes of desertification effectively, the Global Mechanism formulated the strategic partnership agreement, which brought together the Global Mechanism, the Asian Development Bank, the UNCCD Project of the German Agency for Technical Cooperation and the Canadian International Development Agency. IFAD, the Swiss Agency for Development and Cooperation, the International Center for Agricultural Research in the Dry Areas, UNDP, the United Nations Environment Programme and the World Bank have since become members of the strategic partnership agreement.

52. Since its inception, the strategic partnership has launched a number of joint activities in Central Asia. The Global Mechanism and the Asian Development Bank undertook analysis to understand the challenges and opportunities in addressing land degradation. Joint consultative missions were organized with the partners and the Global Mechanism provided capacity-building to focal points to help them lead the consultation process. These preparatory activities set the stage for the subregional Tashkent Forum organized by the Global Mechanism in 2003, and led to the creation of the Joint Platform of Action for UNCCD Implementation, which guaranteed a long-term commitment by the donor community.

53. The Global Mechanism's negotiations with the respective heads of state led to the establishment of national UNCCD working groups. The working groups have now been transformed into the Central Asian Countries Initiative on Land Management (CACILM) National Steering Committee. The Global Mechanism has also worked closely with the Asian Development Bank and IFAD to mainstream the UNCCD into their respective programming frameworks. This process has led to noticeable results, namely, the Asian Development Bank earmarked \$450 million over 10 years, and IFAD aligned about \$5 million and \$20 million for Kyrgyzstan and Tajikistan, respectively, over a period of 5 years, and \$10 million for Kazakhstan.

54. As a result of these efforts, there is now a substantial flow of financial resources being used to combat land degradation effectively and reduce poverty. The case of Central Asia demonstrates the potential for countries to engage with the international donor community in a

constructive process for UNCCD implementation and offers a global model for cooperative problem-solving, as acknowledged at the fifth session of the Committee for the Review of the Implementation of the Convention, held in Buenos Aires, Argentina.

(ii) South-South cooperation: The case of SolArid

55. The Global Mechanism's new South-South cooperation programme, SolArid, has achieved significant milestones in the past two years. One of the significant developments was the signing of an agreement between the Global Mechanism and the Community of Sahel-Saharan States (CEN-SAD), an intergovernmental organization composed of Sahara and Sahel countries, to establish a platform of emerging and conventional donors, for channelling investment for sustainable rural development.

56. Recognizing that South-South cooperation needs more consistent support in the form of capacity-building and finances (decision 5/COP 6), SolArid, provides a platform for the establishment of a permanent network for the exchange of experience in resource mobilization strategies for UNCCD implementation. SolArid also promotes the specific profile of the Sahelian countries with relation to the Convention. The programme brings together countries of the Sahel and the Sahara regions within a cooperation framework, the countries involved include: Algeria, Burkina Faso, Chad, the Libyan Arab Jamahiriya, Mali, Mauritania, Morocco, Niger, Senegal and Tunisia.

57. Through the programme, an international workshop was organized from 13 - 16 April 2007 in Marrakech, Morocco on "Decentralization and Local Development in Arid Zones: In Search of Synergy and Solidarity". The workshop provided guidelines for SolArid's work programme, which focuses on strategic studies, decentralization and local development and the sustainable development of the oasis ecosystem.

58. As a follow up, a series of e-forums have been launched and will be continue throughout the course of 2007 focusing on the exchange of information and the lessons drawn from successful national experiences within SolArid. The theme of the first e-forum was on "Decentralization and Natural Resources Management: The Malian Experience", and the second was on "Integrated Rural Development and Natural Resources Management: The Moroccan Experience" conducted respectively from 23 April – 18 May 2007 and 15 - 31 July 2007.

59. Similarly, an international workshop on "Empowering Women to Invest in Sustainable Land Management" was convened in Bamako, Mali from 5 - 8 June 2007. The workshop brought together experts in gender issues and natural resource management and helped to define approaches and methodologies to build innovative multi-actor partnerships that enhance the capacity of women's networks for SLM investments. The gender-related dimensions of SLM have become a special focus of the Global Mechanism.

(iii) TerrAfrica

60. The Global Mechanism's work in Burkina Faso, Ethiopia, Ghana and Uganda led to the selection of these countries as TerrAfrica pilot countries. The Global Mechanism and TerrAfrica, under the leadership of the countries concerned, are supporting the governments of these four

countries to develop comprehensive SLM investment frameworks to serve as the basis for resource mobilization and the harmonization of donor support for SLM. The SLM investment framework will facilitate the scaling up of investments for SLM through the mobilization of various financial mechanisms, including the GEF strategic investment programme.

61. TerrAfrica has the potential to be a powerful political and strategic tool for rallying support and mobilizing substantial financial and other resources for UNCCD implementation. The Global Mechanism has therefore played a key role in ensuring that the partnership responds to the needs of the implementation of the UNCCD. TerrAfrica thus complements the efforts of the Global Mechanism in promoting actions leading to the mobilization of resources for UNCCD implementation.

62. The Global Mechanism has undertaken various activities in support of the launch and the implementation of TerrAfrica. The Global Mechanism played the lead role in developing the TerrAfrica country engagement strategy, a broad guide on how the engagement process under TerrAfrica should be conducted. The Global Mechanism has also developed tools to promote a common understanding of the concept of SLM mainstreaming. It is anticipated that the tools and guidelines will be used to strengthen capacities in SLM mainstreaming at the country level. The Global Mechanism is also producing guidelines for effective SLM financing and a comprehensive policy framework in collaboration with the Food and Agriculture Organization of the United Nations.

63. As an active partner within TerrAfrica, the Global Mechanism has participated, co-hosted and co-financed TerrAfrica meetings. For example, under the auspices of the New Partnership for Africa's Development (NEPAD), the Global Mechanism co-financed the Johannesburg meeting of September 2005 and co-organized the Rome consultations of June 2006. The Global Mechanism collaborated with the GEF Secretariat in organizing a special session of the African Ministerial Conference on the Environment in Burkina Faso to endorse the strategic investment programme in the meeting.

(iv) Conclusion

64. The Global Mechanism's subregional and regional activities have also demonstrated effective ways in which to mobilize substantial finance for UNCCD implementation. The subregional initiatives which are already under implementation, or are about to be launched, include: Sustainable Arid Land Management (SALAM) in the Gulf Cooperation Countries and neighbouring Arab states; Synergistic Implementation of Multilateral Environmental Agreements in South-East Asia and China; the Partnership for SLM Financing in the IGAD sub-region; Strategic Partnership for SLM in Southern Africa; Community of Portuguese Speaking Countries (CPLP) Initiative; Partnership Initiative for SLM in Caribbean SIDS; Investment Promotion Platform and Capacity-Building for SLM Financing in Mesoamerica; and Mainstreaming Multilateral Environmental Agreements under the Framework of the European Commission's Africa, Caribbean and the Pacific (ACP) Agreement.

B. Knowledge management and communication

1. Introduction

65. Knowledge management and communication are important in helping maximize the impact of the operations of the Global Mechanism. In response to decision 9/COP 3, the Global Mechanism has developed a communication strategy and the accompanying communication tools and knowledge management systems to increase awareness of the Convention and promote effective UNCCD implementation.

66. The International Year of Deserts and Desertification in 2006 provided the Global Mechanism with an ideal opportunity to use the new communication strategy and tools advantageously. Some key outputs included:

(a) Outreach through the launch of a new visual identity for the Global Mechanism, an improved website, e-marketing, e-mail newsletters, e-forums, online communication tools, communities of practice, publications and outreach materials;

(b) The BBC World Series on “Villages on the Front Line”;

(c) An International Conference on Costs of Inaction and Opportunities for Investment in Arid, Semi-arid and Dry Sub-humid Areas;

(d) A Global Mechanism-GEF flagship publication for the International Year of Deserts and Desertification and the third GEF Assembly on “Resource Mobilization and the Status of Funding of Activities Related to Land Degradation”; and

(e) The launch of the new Financial Information Engine on Land Degradation and methodologies for mapping donor financing for UNCCD.

2. Outreach: Corporate identity and strategic communications

67. Innovative channels are being used by the communications group to raise awareness, share information, stimulate dialogue and generate knowledge, with the aim of empowering the Global Mechanism’s constituencies on UNCCD implementation. The innovations have enabled the Global Mechanism to reach out to audiences not previously involved in the land degradation and desertification debate.

68. The recent development of a new visual identity for the Global Mechanism and the launch of its new website have been commended for the enhanced understanding they have fostered of the Global Mechanism’s approach and its resource mobilization work. The e-marketing strategy and e-mail newsletters that have been crafted have proved their effectiveness in reaching larger constituencies, as reflected in the fact that over 4,000 individuals and organizations now receive the newsletters.

69. Furthermore, web-based communities of practice, such as e-forums, have been popular among UNCCD constituencies for the pertinence of the subject matter and for the way they

facilitate easy, cost-effective interactions. One example is the pilot community of practice on gender and land issues which brought together 80 participants from francophone African countries in a structured dialogue moderated by the Global Mechanism. Also, a communications kit developed in 2006-2007, comprising papers, brochures and fact sheets, has helped to clarify the role and operations of the Global Mechanism.

70. The growing number of requests for interesting and successful Global Mechanism initiatives to be replicated in other regions is a clear indicator that these outreach tools are achieving the desired impact and that the Global Mechanism is making solid progress towards achieving its aspiration of becoming a centre of excellence in the provision of strategic advisory services on finance and generating relevant knowledge on SLM-related issues for Convention implementation.

3. BBC World Series on “Villages on the Front Line”

71. The BBC World Series on “Villages on the Front Line” was co-financed by the Global Mechanism and produced in collaboration with IFAD, the United Nations Environment Programme, the Swiss Agency for Development and Cooperation, the International Institute for Environment and Development, Conservation International, Web-TV, One Planet Pictures and others.

72. The series included eight documentaries that showed how affected communities are taking action to combat desertification and improve their livelihoods. The countries featured in this World Series included China, Costa Rica, Haiti, India, Jordan, Morocco, Niger, Spain, and Tanzania. The series was launched with a BBC World Debate that featured the President of IFAD, the Managing Director of the Global Mechanism and a panel of six experts from governmental and non-governmental organizations.

73. Between November and December 2006, the series was broadcast nearly 70 times on BBC World, reaching viewers in over 200 countries and territories. The series was also distributed to TVE Asia Pacific. Independent surveys have revealed that the series consistently scored the highest approval ratings of up to 90 per cent from BBC World viewer panels (out of all the programmes under scrutiny).

4. International Conference on Costs of Inaction and Opportunities for Investment

74. In the context of the International Year of Deserts and Desertification, an International Conference on the Costs of Inaction and the Opportunities for Investment in Affected Areas was organized by the French Scientific Committee to Combat Desertification, together with the French Ministry of Foreign Affairs, the Global Mechanism, IFAD, the Food and Agriculture Organization of the United Nations and the Italian Ministry of Foreign Affairs. Support was provided by the World Bank, the French Development Agency, the German Agency for Technical Cooperation and the Sahara and Sahel Observatory.

75. The conference focused on the economic and social costs of land degradation and the ways of measuring these, as well as on the economic rates of return to projects in arid areas and on success factors and bottlenecks in supply chains from producer to consumer. The conference

showed that investing in drylands is economically, socially and environmentally profitable and recommended the development of a common framework for the assessment of the on-site and off-site impacts of desertification and accurate models to quantify the returns to SLM.

5. Upgraded Financial Information Engine on Land Degradation and harmonized portfolio review methodology

76. Since COP 6, the Financial Information Engine on Land Degradation has undergone a major upgrade that culminated in the launch of a new portal in December 2006. With the support of the World Bank, the upgrade has made the information engine a valuable source of high-quality, authoritative information on funding resources, financial opportunities and investment flows related to UNCCD implementation. In particular, the experience gained in collecting information for the information engine allowed the Global Mechanism to provide expert advice to the Ad Hoc Working Group on Analytical Methodologies and Reporting Formats to improve financial reporting.

77. The Global Mechanism's contribution to the Ad Hoc Working Group was to a large extent built on the experiences and lessons it learnt from the work carried out in 2005-2006. During this period, the GM and IFAD conducted a portfolio review to assess the scope of UNCCD-related land degradation and SLM activities in IFAD's portfolio of loans and grants. Drawing on this experience, currently, work is being undertaken to develop a common methodology for use by interested international financial institutions. This methodology is based on a combination of selection criteria, including relevant activity codes originally developed by the Global Mechanism as well as the Rio Markers developed by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

6. Designing Integrated Financing Strategies to Combat Desertification

78. The Global Mechanism's structured learning programme, Designing Integrated Financing Strategies to Combat Desertification, is proving to be an effective vehicle for facilitating peer-to-peer exchanges of knowledge and strategies in negotiating increased financing for UNCCD. The first training session for francophone countries was organized in Tunis in September 2006. It provided a forum for high-level decision makers to engage in a structured exercise on how to elaborate an integrated financing strategy to mobilize financing for SLM.

79. The Global Mechanism developed this initiative in response to requests from countries in West Asia and North Africa. The programme is taking place within the framework of the Regional Programme for Sustainable Development in Dryland Areas of West Asia and North Africa (the WANA Programme) and brings together Algeria, Egypt, the Islamic Republic of Iran, Jordan, Lebanon, the Libyan Arab Jamahiriya, Mauritania, Morocco, Oman, the Palestinian Authority, the Sudan, the Syrian Arab Republic, Tunisia and Yemen. The initiative draws on the Global Mechanism's experience in resource mobilization and the mainstreaming of NAPs into national planning processes and overarching development frameworks. The OPEC Fund for International Development and the Swiss Agency for Development and Cooperation are the primary financiers of this programme.

C. New and innovative sources of funding: strategic programmes

1. Introduction

80. Key to the implementation of the Convention is the use of new sources of finance, innovative public and private resources, and the engagement of sectors that have not traditionally been involved in UNCCD implementation. The Global Mechanism established strategic programmes to capitalize on the opportunities for resource mobilization through, for example, the private sector, market-based mechanisms, trade, foundations and civil society organizations, as well as various financing mechanisms related to climate change.

81. These are not stand-alone programmes, but are encompassed within national financing strategies. The strategic programmes, which were identified for their potential to increase investment flows for UNCCD implementation, support the operations of the Global Mechanism at the country and (sub)regional levels by providing a knowledge base, and networks and partnerships with key institutions and experts.

82. During the period under review, attention focused on analytical research to assess the feasibility, political economy and institutional architecture of some of these new and innovative sources to identify appropriate entry points and complementarity with the Global Mechanism. In line with the call for the Global Mechanism to “provide advice, on request, to Parties on innovative methods of financing and sources of financial assistance and on improving the coordination of cooperation activities at the national level” [Article 21.5(b)], strategic instruments, innovative packages and financial advisory services were provided to countries.

83. Furthermore, some areas are evolving quickly and the Global Mechanism is monitoring and exploring opportunities for South-South cooperation and triangular partnerships. These types of partnerships are becoming increasingly important sources of finance given that affected developing countries, such as China, Brazil, India and South Africa are emerging donors.

2. Economics and financing instruments

84. The Economics and Financing Instruments Programme is aimed at building knowledge and establishing networks and partnerships on core issues and related mechanisms and instruments for financial resource mobilization. It seeks to accomplish this through applied research and by focusing on economic issues affecting SLM policies and financing. A number of analyses and assessments have been conducted under the Global Mechanism’s Economics and Financing Instruments Programme.

85. The Global Mechanism carried out a study in Uganda on budget processes and financing instruments aimed at strengthening ongoing mainstreaming efforts as it was found that the country would stand to benefit more from potential financing opportunities through a deeper understanding of the national budget process was necessary to a prerequisite in. The study focused on: (i) processes linking strategic plans to resource allocation frameworks; (ii) implementation frameworks and financing instruments; and (iii) external financing and assistance.

86. Increasingly, sector-wide approaches and programme-based approaches have become preferred models for financial and technical development cooperation. A recently commissioned study by the Global Mechanism examines the core elements of sector-wide approaches as a single sectoral policy and strategy with a single expenditure programme and agreed governance framework and offers recommendations on potential entry points for the UNCCD.

3. Climate change and compensation for environmental services

87. The strategic programme on climate change and compensation for environmental services aims to enhance the flows of financing for UNCCD implementation by opening channels for the financing of, and compensation for, environmental services related to climate change (mitigation and adaptation). Specifically, financing mechanisms related to climate change issues are a promising source of new financing that can be accessed through SLM-related programmes and projects due to the strong linkages between climate change and land degradation.

88. The programme on climate change and compensation for environmental services has piloted projects in Ecuador and Nicaragua linked to the Clean Development Mechanism in support of UNCCD implementation. Likewise, in Morocco, the Global Mechanism is supporting the development of a Clean Development Mechanism strategy through the articulation of the linkages between climate change and land degradation. Similar strategies are being designed for the Horn of Africa and Central Asia.

89. To support the integration of innovative sources of financing into national financing strategies for SLM, the Global Mechanism is developing a toolkit on climate change, compensation for environmental services and SLM. The toolkit will provide user-friendly information on existing (the Clean Development Mechanism Joint Implementation, voluntary carbon markets) and emerging financial mechanisms (adaptation and avoided deforestation), as well as related modalities, eligibility criteria, relevance to UNCCD and approaches for accessing these resources.

4. Trade and market access

90. The Trade and Market Access programme was established to create a conducive environment for broadening the overall financing for SLM by focusing on trade and market opportunities for increasing investments in drylands. New partnerships have been initiated to mainstream trade into UNCCD implementation processes at the international, national and community levels. As part of an examination of the implications of the trade regime for SLM and livelihoods in degraded areas, the Global Mechanism and the International Centre for Trade and Sustainable Development organized a conference from 29 January – 1 February 2007 to identify ways to promote investment in SLM through trade and market access. The dialogue resulted in key recommendations.

91. The Global Mechanism is also working with the United Nations Conference on Trade and Development's BioTrade initiative to include SLM principles in the code of practice governing the sustainable use of biodiversity products through trade and market development. Two pilot projects have been initiated in Ecuador and Uganda to support investment in areas affected by desertification and land degradation within the framework of existing BioTrade national

programmes in those countries. The Global Mechanism is also participating in the Ad Hoc Working Group on Multilateral Environmental Agreements (MEAs), which is being promoted by the United Nations Conference on Trade and Development, and which works on enhanced collaboration among MEAs in the areas of trade and markets, incentive measures and private-sector engagement.

92. In partnership with the GEF small grants programme, the Global Mechanism is supporting activities in Burkina Faso, Ghana, Honduras, Jordan, Mali, and the Syrian Arab Republic aimed at identifying the conditions under which communities reinvest trade profits in SLM. This knowledge will guide decision-making and policy formulation and promote the establishment of incentive mechanisms for increased community investment in SLM. In addition, the Global Mechanism is working with the Network for Natural Gums and Resins in Africa to identify ways this gum Arabic sector might enhance resource mobilization for SLM through resource mapping and stakeholder analyses in Burkina Faso, Ethiopia, Mali and Uganda.

5. Private-sector engagement

93. The Global Mechanism's private sector programme is aimed at increasing the financial flows for the implementation of the Convention by engaging the national and multinational private sector that is active locally in affected countries.

94. The Global Mechanism initiated a public-private partnership in South Africa that led to the signing of an agreement between the Government of South Africa and Shell South Africa for approximately \$70 million to finance initiatives within the framework of the NAP. In Kenya, a similar process has led to the formation of the Trust Fund to Combat Desertification, which is to be capitalized by the private sector.

95. Following earlier analytical work involving 45 companies (23 in Kenya and 22 in South Africa) the Global Mechanism provided advice and guided the formulation of resource mobilization strategies in the two countries in context of corporate social responsibility. GM also facilitated the launch of a partnership between the Kenya Government and the business community in June 2004 for the establishment of the Trust Fund to Combat Desertification. The Global Mechanism is now working with the two governments for implementing the strategies.

6. Civil society participation

96. The Global Mechanism's civil society programme is engaging civil society organizations to strengthen their participation as advocates and service delivery agents in the development and implementation of national financing strategies and investment frameworks for SLM. This entails assessments, analyses, capacity-building, development of methodologies and tools, and awareness-raising for enhancing the participation of civil society organizations in UNCCD implementation. The programme facilitates consultations to identify key issues, processes and entry points so that civil society organizations can engage with governments and institutions, share their experiences and knowledge and mobilize resources for SLM.

97. In this regard, the Global Mechanism is collaborating with member organizations of the European Network for Research on Desertification within the context of DryNet, a project

funded by the European Commission and designed to strengthen national civil society networks in 22 countries and build their capacity to promote desertification issues within national and international policy processes.

98. In addition, the Global Mechanism is engaging with key organizations, such as the International NGO Network on Desertification and Drought (RIOD), the World Wide Fund for Nature and Conservation International. The Global Mechanism also co-financed a Desertification and Civil Society Forum, “Désertif” Actions”, organized during the International Year of Deserts and Desertification from 21 - 23 September 2006 in Montpellier, France. The forum focused on coordinated action among civil society organizations and governments to increase the political priority of UNCCD issues and to promote economic development in the drylands.

II. Lessons learned

99. The Global Mechanism’s experience has demonstrated that mainstreaming and partnership-building, albeit lengthy but essential processes, represent effective means of mobilizing financial resources for UNCCD implementation under current mechanisms for delivering development financing, particularly within the framework of poverty reduction strategies. Country ownership and leadership in these processes are indispensable for success.

100. The mobilization of substantial financing for UNCCD implementation requires concerted and coordinated effort by governments, development partners and other key stakeholders; the Global Mechanism plays a crucial catalytic role in this regard. The achievement of results is accelerated if a lead agency (or champion) at the country level backstops the process by undertaking complementary actions within the Global Mechanism-partner support framework to the country.

101. National financing strategies provide a comprehensive framework that enables countries to identify sources of financing and ways to gain access to financing for agreed upon national priorities over the medium term within a structured plan of action.

102. The mobilization of resources through subregional or regional processes that build a common framework for action has multiple benefits: hitherto untapped regional and subregional financing windows may be accessed; country and donor transaction costs are reduced; subregional cooperation and the sharing of knowledge are increased; and the benefits for donors are attractive as these processes facilitate harmonization and alignment among a broader constituency, in the context of the implementation of multilateral environmental agreements.

103. There is a growing potential to mobilize additional funding for UNCCD implementation through non-traditional sources using innovative methods. These sources offer new opportunities for resource mobilization; however, comprehensive engagement will require governments to enter into focused partnerships with actors that have not to date been involved in UNCCD implementation. Success will therefore largely depend on a demonstration of mutual benefit, trust and accountability.

104. Involving UNCCD stakeholders in communications activities and drawing upon their participation and knowledge as a foundation for the development of products and services will facilitate the implementation of the Convention. Furthermore, it is essential to craft simple, clear and highly focused communication messages in line with the institutional operational strategy, and which respond to the needs of the Global Mechanism's operating environment and reach the Global Mechanism's constituencies.

III. Enhancing the Global Mechanism's institutional effectiveness for implementation of the ten-year strategy

A. The Global Mechanism's alignment with the proposed 10-year strategy

105. The current evolution of the implementation of the Convention has provided an opportunity for the Global Mechanism to take stock of its experiences and to engage in a dialogue with its constituencies on new ways to enhance the fulfilment of its mandate. In this regard, the proposed 10-year strategic Plan and Framework to Enhance the Implementation of the UNCCD (the 10-year Strategy) has allowed the Global Mechanism to examine its role and institutional effectiveness in contributing to the objectives of the strategy. The following section briefly assesses the efficacy of the Global Mechanism to deliver the programme of work outlined in the draft strategy. Nevertheless, as a flexible entity, the Global Mechanism is well positioned to enhance its orientation based on strategic guidance from the eighth session of COP.

106. A review of the Global Mechanism's policies, operational modalities and activities confirms that innovation has always been a distinguishing feature of the Global Mechanism. The practical strategies and approaches for resource mobilization that the Global Mechanism has spearheaded have proved effective, as demonstrated in the examples contained in the previous sections. In 1999, the Global Mechanism articulated the approach for the effective mainstreaming of NAPs into overarching national development frameworks and PRSPs, as well as into donor programming frameworks as a means to mobilize financing.

107. In 2005, the Global Mechanism enhanced the approach by focusing on the development of comprehensive investment frameworks embedded in national financing strategies to stimulate sustained flows of multi-sourced financing to SLM. This approach has gained wide acceptance among UNCCD constituencies, as acknowledged by the Conference of Parties and as reflected by the growing number of requests the Global Mechanism has received for its services by affected country Parties.

B. Action to be undertaken to increase financing

108. The programme of work described in the proposed 10-year strategy provides a corroboration of the Global Mechanism's current approach, but also calls for refinements to sharpen its delivery. The consolidated strategy and enhanced approach, as endorsed by COP 7, focuses on country-level interventions and the facilitation of donor and country agreements to finance SLM.

109. At present, the Global Mechanism has established strategic programmes based on its current resources to assist in broadening the funding base by identifying the most promising

sources of financing to complement the flows of official development assistance to SLM. The strategic programmes have been mainly selected based on past COP decisions requesting the Global Mechanism to pursue innovative multi-source and multi-channel financing through synergies with other multilateral environmental agreements, specifically on climate change, biodiversity, market access and trade, and South-South cooperation. The Global Mechanism is examining the other sources of financing identified in the 10-year strategy to assess how they might be incorporated within the strategic programmes.

110. Given the complementary roles of the Global Mechanism and the GEF, the Global Mechanism has been in discussions with the Chief Executive Officer of the GEF and the focal area teams on how the Global Mechanism might best support affected country Parties by enhancing the impact and the overall flow of financing for SLM through a strategic collaboration with the GEF. In this regard, the Global Mechanism is working closely with the GEF secretariat and GEF implementing and executing agencies, particularly IFAD, to develop a strategy to achieve the objectives of the 10-year strategy.

C. Partnerships

111. Drawing on the Global Mechanism's successful work with specific Facilitation Committee members, the Global Mechanism will seek to engage the Facilitation Committee as a whole in a more pragmatic way to support national, subregional and regional partnership platforms to increase financing for SLM. The Global Mechanism will look to the three Facilitation Committee founder members – IFAD, the World Bank and UNDP – to provide leadership in this endeavour. Success will clearly be dependent on providing the Facilitation Committee with a clear role in achieving the objectives of the 10-year strategy.

D. Collaboration between the Global Mechanism and UNCCD secretariat

112. In addition to the Global Mechanism's collaboration with the UNCCD secretariat in the context of the Facilitation Committee, the Global Mechanism will undertake its joint activities with the secretariat in a manner that will facilitate the smooth delivery of services to achieve the objectives of the 10-year strategy. The Global Mechanism places a high premium on its collaboration with the secretariat in advancing the implementation of the Convention.

E. Managing for results

113. In anticipation of the results-based orientation of the 10-year strategy, the Global Mechanism engaged in a pilot exercise to institute a results-based management and budgeting system. The Global Mechanism's internal system is a powerful management tool for increasing organizational effectiveness and transparency. The planning cycles of the Global Mechanism include the business plan for six-year periods starting in 2008, as well as the biennium programme of work and budget in line with the COP decision-making and budgeting cycle.

114. The results chain of the Global Mechanism's results-based management and budgeting system corresponds to the logical framework of the 10-year strategy of the UNCCD. The prototype system provides the Global Mechanism with the possibility of a quick response in the adoption of COP guidance on results-based reporting.

IV. Conclusion

115. The 10-year strategy for the UNCCD will help provide an impetus to all stakeholders to advance the implementation process and reiterates the need to create an enabling policy environment. It also seeks to explore innovative financing sources to broaden the scope of financing to address challenges related to land degradation and desertification. This is reflected in the strategic and operational objectives and in the programme of work of the respective subsidiary bodies to the Convention.

116. In order to channel finance effectively from conventional and innovative sources to the country and local levels, the Global Mechanism will require the constructive engagement of the Conference of the Parties, its partners and obtain financial support to achieve the results expected of the 10-year strategy.
