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**COMMITTEE FOR THE REVIEW OF THE IMPLEMENTATION OF THE CONVENTION**

**Sixth session**

**Madrid, 4–7 September 2007**

**Item 4 of the provisional agenda**

**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**

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Global Environment Facility**

**Note by the secretariat\***

*Summary*

This document responds to a request by the Conference of the Parties (COP) to the Executive Secretary to report at COP 8 on the implementation of decision 6/COP.7 on collaboration with the Global Environment Facility (GEF).

Two major institutional and policy developments occurred in this respect: the COP decision to sign a Memorandum of Understanding with the GEF Council; and the decision by the GEF to recommend to the fourth GEF Assembly that the Instrument for the Establishment of the Restructured Global Environment Facility be amended to list the United Nations Convention to Combat Desertification (UNCCD) among the conventions for which the GEF plays the role of financial mechanism.

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\* The submission of this document was delayed in order to provide Parties with updated information on the deliberations of the last meeting of the Council of the Global Environment Facility.

The Committee for the Review of the Implementation of the Convention may wish to recommend to the COP a series of actions aimed at strengthening collaboration between the Convention and the GEF, taking into account the outcome of deliberations on this matter at CRIC 5.

Document ICCD/CRIC(6)/5/Add.1 contains the GEF report on strategies, programmes and projects for financing the agreed incremental costs of activities relating to desertification.

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## **I. Background information**

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

2. By its decision 6/COP.6, the COP welcomed the decision of the second GEF Assembly, held 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) if the COP should so decide. By the same decision, the COP decided to accept the GEF as a financial mechanism of the UNCCD. It further welcomed the decision of the GEF Council in May 2003 establishing a new operational programme on sustainable land management.

3. By its decision 6/COP.7, the COP expressed its appreciation to the GEF Council for its continued support for the implementation of the Convention and its focus on enhancing sustainable land management policies and initiatives. It further decided to conclude with the Council and adopt the Memorandum of Understanding (MOU) as proposed by the GEF Council at its meeting in June 2005. It invited the GEF and UNCCD secretariats to make appropriate arrangements to implement the Memorandum.

4. By the same decision, the COP also clarified some of the working modalities with the GEF Council, particularly as they relate to capacity-building and incremental costs. In this respect, the COP welcomed the GEF Council decision taken at its May 2003 meeting, by which it recognized that the elaboration of national, subregional and regional action programmes and national reports are considered as components of the framework of capacity-building projects to be funded under Operational Programme 15 (OP 15) on sustainable land management (SLM). The COP also invited the GEF to implement that decision when assisting developing country Parties, to make available financial resources for capacity-building activities in affected country Parties implementing the Convention, and to facilitate coordination between the GEF and UNCCD national focal points to enable the GEF to better respond to the needs of the UNCCD process.

5. The COP requested the Executive Secretary to report on the implementation of this decision at its eighth session.

## **II. Implementation of decision 6/COP.7**

### **A. Consideration of the collaboration between the UNCCD, the GEF Council and the third Assembly of the GEF**

6. Since the adoption of decision 6/COP.7 the collaboration between the UNCCD and the GEF has been under consideration by successive Council meetings, as well as by the third GEF Assembly. Those processes contributed to fostering the implementation of the Convention, in particular that of the OP 15.

1. November 2005 meeting

7. The first GEF Council held after COP 7 took place in Washington DC from 8 to 10 November 2005. At this meeting, the UNCCD secretariat presented the major outcomes of COP 7, particularly with regard to the collaboration between the GEF and the Convention. During this meeting the GEF Council adopted a decision on the support it would provide to the celebration of the International Year of Deserts and Desertification (IYDD). This support was to be provided in conformity with the decision 6/COP.7 by which the GEF was invited to consider supporting activities, within its mandate, undertaken in the framework of the IYDD. In this respect, the Council recognized that the IYDD offered a unique opportunity for the GEF to raise awareness of the threats and challenges of land degradation and sustainable development. The Council approved an amount of USD 275,000 to be used:

(a) To conduct a review of resource mobilization and status of funding for desertification to be prepared jointly by the GEF secretariat, its implementing and executing agencies, and the Global Mechanism;

(b) To organize a forum at the GEF Assembly in 2006 on SLM;

(c) To arrange a special session on indicators for sustainable land management during the international scientific conference on the future of arid lands organized by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Tunis, Tunisia, from 19 to 21 June 2006;

(d) To make a contribution to the United Nations University (UNU) Algiers final policy conference for the IYDD to facilitate participation of key stakeholders, including women and young people, from affected countries;

(e) To present GEF projects by developing country executing agencies at appropriate meetings and conferences organized as part of the IYDD.

2. Meeting of the GEF Council in June 2006

8. The GEF Council discussed the MOU mentioned in decision 6/COP.7 during a meeting in Washington DC from 6 to 9 June 2006. During this meeting a number of constituencies proposed an amendment to the GEF Instrument for the Establishment of the Restructured Global Environment Facility to reflect the collaboration between the Convention and the GEF.

9. The GEF Council took note of decision 6/COP.7 and approved the MOU.

10. With respect to the amendment to the GEF Instrument, the Council noted the concerns raised by certain constituencies with regard to the designation of the GEF as a financial mechanism of the UNCCD, as decided by the second GEF Assembly. A number of Council members expressed their strong conviction that the Council should agree to amend the GEF Instrument to reflect the Assembly's decision and decision 6/COP.6 that the GEF will serve as a financial mechanism of the UNCCD. Those constituencies furthermore requested the Chief Executive Officer (CEO) of the GEF, in collaboration with the Executive Secretary of the

UNCCD, to present a paper on that matter for its consideration during the following Council meeting, to be held in Cape Town, South Africa, in August 2006.

11. A decision adopted at the Council meeting in June 2006 also requested the secretariat to prepare a paper analysing the legal, operational and financial implications of an amendment designating the GEF as a financial mechanism of the UNCCD, for consideration at the GEF Council meeting in December 2006.

### 3. Special GEF Council meeting in Cape Town

12. A special meeting of the GEF Council was held on 28 August 2006 in Cape Town, South Africa, to prepare the third GEF Assembly. For the Convention, the issue at stake was the amendment of the GEF Instrument in order to reflect developments in the relationship between the GEF and the UNCCD since the second GEF Assembly. The Council agreed that should it reach agreement on the proposed amendment of the Instrument; it will implement the amendment in good faith pending a formal adoption by the next Assembly.

### 4. Consideration by the GEF Third Assembly

13. The third GEF Assembly took place in Cape Town from 29 to 30 August 2006. The UNCCD secretariat participated to the Assembly and addressed its plenary. Many delegations noted the significance of SLM and requested that additional resources be devoted to addressing this issue. Many delegations requested that the GEF Instrument should be amended to reflect the designation of the GEF as a financial mechanism of the Convention, and welcomed the Council's decision to request the secretariat to prepare the necessary documentation in order for a formal decision on this matter to be taken during the GEF Council meeting in December 2006.

### 5. GEF Council meeting in December 2006

14. The GEF Council met in Washington DC from 4 to 8 December 2006. Two of the items on the agenda were of direct and immediate relevance to the Convention: the amendment of the GEF Instrument to accommodate the UNCCD, and the strategies for focal areas.

15. With regard to the agenda item on implications of amending the Instrument for the Establishment of the Restructured Global Environment Facility to reflect the designation of the GEF as a financial mechanism of the Convention, the GEF Council reviewed the legal, operational and financial implications of the proposed amendment and agreed to recommend to the fourth GEF Assembly that the Instrument be amended by adding a new paragraph 7, to read: "The GEF shall be available to serve as a financial mechanism of the UN Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to article 20, paragraph 2(b), and article 21 of the Convention. The Council shall consider and approve arrangements to facilitate collaboration between the GEF and the UNCCD and among countries with respect to affected countries, particularly in Africa".

16. The GEF Council also adopted a decision in connection with the amendment in which it warmly welcomed the long overdue recognition of the importance of the issue of land degradation. The decision also recognized the operational and financial implications of the

amendment, and that adoption of this amendment at the next Assembly is required prior to its implementation. The Council also directed the secretariat to exercise existing legal authorities in the Instrument and, within the context of the MOU between the GEF and the UNCCD, to enhance the effectiveness of GEF assistance in combating desertification in affected countries, particularly in Africa.

17. Concerning the strategies for focal areas, the GEF secretariat developed strategic objectives in order to ensure efficient use of available resources. With respect to the land degradation focal area, strategic objectives were developed with the aim of fostering system-wide change through the removal of policy, institutional, technical, capacity and financial barriers to SLM focusing at the country level; demonstrating and upscaling successful SLM practices for the control and prevention of desertification and deforestation; generating and disseminating knowledge addressing current and emergent issues in SLM; and establishing links between focal area synergies and integrated ecosystem approaches to SLM.

#### 6. GEF Council meeting in June 2007

18. The GEF Council met in Washington DC from 12 to 15 June 2007. During this meeting the Executive Secretary of the UNCCD delivered a statement in which he presented recent key developments in the collaboration between the GEF and the Convention, including the decision to open a focal area on land degradation, and the development of an operational programme to translate it into action and ultimately make the GEF a financial mechanism of the Convention. The Executive Secretary then reported on the outcome of CRIC 5 as it related to collaboration between the GEF and the Convention.

19. The GEF Council considered two items of direct relevance to the Convention, namely, the strategic investment programme (SIP) for sustainable land management in sub-Saharan Africa with a GEF grant of USD 137 million, and the GEF focal areas strategies and strategic programme for GEF-4.

(a) The SIP was part of the GEF work programme comprising 29 programme and project proposals. The Council approved the SIP, subject to comments made by its members during the meeting or thereafter until 29 June 2007. With respect to the SIP, the Council requested the GEF secretariat to arrange for its members to receive draft final project documents for projects to be financed under the programme submitted for amendment to the CEO of the GEF.

(b) With respect to the focal areas strategies, the Council agreed that the approved strategies should provide a basis for guiding the programming of resources for the fourth replenishment of the GEF (GEF-4) and further requested the GEF secretariat to initiate work on the development of strategic objectives and programmes for GEF-5 in 2008 with a view to presenting proposed strategic programming for GEF-5 to the Council at its first meeting in 2009.

## **B. Consideration by the United Nations General Assembly at its sixtieth and sixty-first sessions**

20. The UNCCD was negotiated under the authority of the General Assembly, and the General Assembly has been monitoring its implementation through an annual report prepared by the United Nations Secretary-General. The role of the GEF in support of the Convention has been followed closely by the General Assembly since the World Summit on Sustainable Development (WSSD), particularly as the GEF had opened a new focal area on land degradation and became the financial mechanism of the Convention.

### 1. Reflections by the General Assembly at its sixtieth session

21. The sixtieth session of the General Assembly reviewed the report of the Secretary-General on the implementation of the Convention. The report highlighting major decisions adopted at COP 7 was presented by the Executive Secretary to the General Assembly on 2 November 2005. In the ensuing debate, the General Assembly welcomed the provision of decision 6/COP.7 concerning the adoption of an MOU between the Convention and the GEF Council on enhanced collaboration between the Convention and the GEF. The General Assembly invited the GEF to strengthen the focal area of land degradation, primarily desertification and deforestation, and to continue to make resources available for capacity-building activities in affected country Parties implementing the Convention.

### 2. Reflections by the General Assembly at its sixty-first session

22. In its resolution 61/202, the General Assembly recognized the need for the provision of adequate resources for GEF focal areas, including a focus on land degradation, desertification and deforestation. It reiterated its call on governments, in collaboration with relevant multilateral organizations, including GEF implementing agencies, to integrate desertification into their plans and strategies for sustainable development.

## **C. Consideration by the Committee for the Review of the Implementation of the Convention at its fifth session**

23. The CRIC at its fifth session reviewed available information regarding the financing of Convention implementation by multilateral agencies and institutions, including GEF activities in the area of desertification. It reviewed reports on the implementation of the Convention in regions other than Africa. In accordance with a GEF Council decision in May 2003, funding was provided to build the capacity and promote awareness-raising for national reporting on UNCCD implementation in 90 countries in Asia, Latin America and the Caribbean, and Central and Eastern Europe.

24. With regard to the involvement of the GEF in funding UNCCD implementation, the GEF was invited to strengthen the focal area of land degradation, primarily desertification and deforestation, and donors and the GEF Council were encouraged to allocate more financial resources to this focal area in the next replenishment phase.

25. The CRIC called for adequate and predictable funding for the preparation of national reports to be ensured under GEF-4. Noting that time constraints placed on affected Parties because of late funding arrangements had sometimes hampered the quality of their reports, the CRIC invited the GEF and its implementing and executing agencies, in cooperation with the secretariat, to streamline the procedures for providing adequate and timely financial support in order to facilitate the successful preparation of more substantive reports from affected developing countries and countries with economies in transition in the context of capacity-building for SLM monitoring and beyond the current third reporting cycle.

26. The CRIC urged that the UNCCD potential for a synergistic added value be recognized in the resource allocation of the GEF context, particularly as the land and water issues within the UNCCD framework are essential for achieving the Millennium Development Goals (MDGs) and maintaining essential ecosystem services.

27. The CRIC also noted that in many countries internationally funded projects are an important catalyst for the implementation of national action programmes. However, national and local needs for financial support identified in the first national reporting cycle had, in many cases, not yet been adequately met. In this context, the CRIC expected that resources allocated to land degradation under the next GEF replenishment would be considerably expanded.

28. Noting that adaptation to climate change is now high on the agenda, the CRIC recommended that the UNCCD potential to be instrumental for adaptation to climate change should be recognized through adjustments to appropriate mechanisms. In this respect, the GEF was urged to facilitate access by affected country Parties, particularly those in Africa, to funding mechanisms available for the implementation of projects and programmes relating to land degradation and desertification, such as the Least Developed Countries Fund and the Special Climate Change Fund, in order to support their efforts to combat desertification, as well as to facilitate access to the Adaptation Fund of the Kyoto Protocol should the opportunity arise.

**D. Consideration of UNCCD funding by the Conference of African Ministers of Environment on the TerrAfrica/Global Environment Facility Strategic Investment Programme for Sustainable Land Management in sub-Saharan Africa**

29. The Conference of African Ministers of Environment (AMCEN) on the TerrAfrica/GEF Strategic Investment Programme for Sustainable Land Management in sub-Saharan Africa was held in Ouagadougou, Burkina Faso, on 24 and 25 April 2007. In her welcoming address, the CEO of the GEF highlighted the environmental challenges facing Africa and reiterated GEF support to tackling these problems, especially with regard to land degradation, which has been highlighted as needing urgent action.

30. The Executive Secretary gave a keynote address in which he recalled that the WSSD had recognized the UNCCD as an important tool for addressing poverty. Noting the high levels poverty and hunger in rural sub-Saharan Africa, he welcomed the proposed GEF strategic investment as a way to assist countries to remove barriers to sustainable land management policies and called for a process which is driven and owned by the countries concerned.



31. Emphasizing the need for synergy between land degradation and adaptation to climate change, the Executive Secretary demonstrated that investing in combating land degradation, in most developing countries, constitutes a cost-effective way to adapt to climate change and to mitigate its effects.

32. The conference adopted a Ministerial Declaration to be conveyed to the GEF Council at its June 2007 meeting. The declaration recognized that a strong and sustained engagement by the GEF and its partners was needed to upscale sustainable land management at local, national, and regional levels, as well as to support efforts to protect highlands, other ecosystems and natural resources to overcome the multiple threats of land degradation and work towards achieving the MDGs. Recalling the recognition by the WSSD and the African Union that the UNCCD constitutes an important tool to achieve the MDGs, Ministers urged donors and development partners to align and harmonize their activities to build and share knowledge and channel investments to support African countries, as well as regional economic communities, the New Partnership for Africa's Development (NEPAD) and the African Union in their efforts to scale up SLM in sub-Saharan Africa. They also reaffirmed existing institutional and capacity-building efforts within the TerrAfrica and the GEF Strategic Investment Programme framework to support and strengthen NEPAD and the leadership of African institutions in the SLM agenda.

33. The Ministers also underscored the need for synergistic implementation of national adaptation programmes of action, under the auspices of the UNFCCC and national, subregional and regional actions programmes under UNCCD, and called for a concerted approach to deal simultaneously with these programmes to be funded from the GEF.

34. Finally, the Ministers requested that the GEF Council approve the GEF Strategic Investment Programme for SLM in sub-Saharan Africa at its June 2007 meeting.

### **III. Recommendation**

35. The CRIC at its sixth session may wish to recommend to the COP a series of actions aimed at strengthening the collaboration between the Convention and the GEF taking into account the outcome of deliberations at CRIC 5 on this matter.

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