The Global Mechanism of the UNCCD

The Way Ahead
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**WHAT IS THE GLOBAL MECHANISM?**

**Who?**

The Global Mechanism (GM) is a specialized body of the UN Convention to Combat Desertification (UNCCD). The GM is specifically mandated to support developing countries to increase investments into **sustainable land management (SLM)** to help reverse, control and prevent land degradation and desertification.

Since 2011, following the adoption of Decision 6 at the Tenth Session of the Conference of Parties (COP 10) of the UNCCD, the UNCCD Secretariat and the GM have **operated under one institutional regime**, **raising expectations that the Convention can deliver more effectively as one.**

**What?**

The GM **provides country Parties with specialized advice on how to access finance for SLM** from a range of public and private sources, both domestic and international.

As part of its support, the GM works with countries to position SLM as a national development priority and actively develops products and services according to individual country needs.

**How?**

The GM increases the capacities of country Parties, (sub) regional organizations and other stakeholders through technical and financial support, knowledge exchange, advocacy, investment analysis and training.

The GM’s principal service is support to the development of Integrated Financing Strategies (IFSs). The IFS is a structured process that guides countries in the mobilization of a mix of financial resources to fund projects and programmes related to SLM. The ultimate objective of the strategy is to ensure adequate, predictable and sustainable financing, by leading the way to the establishment of an **Integrated Investment Framework (IIF) for SLM**, as called for by the UNCCD Ten Year Strategy. The IIF is an umbrella agreement between national and international partners that packages finance for SLM from a broad range of sources.

The IFS builds on a country’s UNCCD National Action Programme (NAP) and other relevant domestic or (sub)regional programmes, which delineate the measures to be taken to combat desertification and land degradation. Anchored in the national institutional setting and relevant programme and budgetary cycles, the IFS and IIF also strive to overcome potential obstacles to resource identification, allocation and disbursement.

A central pillar of the GM’s work also centres on engaging the private sector - the main investor in land. In this regard, the GM supports countries to measure the economic value of their land and ecosystem services, thereby encouraging companies, financial institutions, communities and other private land users to adopt and invest in SLM-smart practices.
Furthermore, the GM establishes partnerships around specific strategic issues with potential for mobilizing resources, including development cooperation agencies, international financial institutions, businesses, capital investors, south-to-south and decentralized cooperation authorities.
IMPACT OF GM’S WORK DURING 2012-13

Financing for SLM

The GM supported the development and implementation of IFSs and IIFs in 22 countries, including the organization of 17 Designing Integrated Financing Strategy (DIFS) workshops at national and sub-regional levels. Progress made during the past biennium means that the GM has now contributed to the design of 47 IFSs in total, reaching 91 countries.

In response to Decision 1/COP9, the GM developed its Results and Impact Assessment Methodology (RIAM) and carried out an assessment of the IFS approach in 9 countries (Cambodia, Cameroon, Ethiopia, Guatemala, Mali, Peru, Tanzania, Vietnam and Zambia). The assessment looked at a number of factors, including the relevance, effectiveness, impact, sustainability and efficiency of the IFS. Countries determined that the IFS is a useful process for increasing investments in SLM, rating it 3.4 on a satisfactory scale in which 1 is the lowest and 4 is the highest. There was also an acknowledgement that the IFS contributes to the implementation of the 10-Year Strategy of the UNCCD.

Economic valuation of land and ecosystem services

The GM supported 13 assessments measuring the total economic value of land and costs of land degradation, in collaboration with the OSLO (Offering Sustainable Land-use Options) Consortium, the Economic Commission for Latin America and the Caribbean (ECLAC) and other national and international organizations.

In addition, the GM organized knowledge exchange and capacity building workshops to empower an additional 17 countries from Eastern Africa and the Mekong Region to undertake assessments of the value of land and ecosystem services using the OSLO valuation approach. Key actors involved in land valuation and land use planning were equipped with the capacity to understand the economic value of land and benefits from ecosystem services, as well as access to the methodologies, tools, institutions and processes that can support land valuation and SLM.

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1 Uzbekistan, Burundi, Cambodia, Cape Verde, Dominican Republic, Eritrea, Haiti, Honduras, Indian Ocean Commission (IOC), Kazakhstan, Kyrgyzstan, Lesotho, Mauritania, Niger, Palestine, Peru, EFIR, Seychelles, Tanzania, Tajikistan, Turkmenistan, Zambia.


3 Bolivia, Central America, Chile, Costa Rica, Ecuador, Panama, Panama provincial level, Paraguay, Peru, Peru provincial level, Tanzania, Viet Nam, Zambia.
Innovative finance

The identification and assessment of innovative sources of finance continued to be one of the GM’s priorities in the biennium 2012-2013. The number of modules and thematic reports developed on various sources of innovative finance increased from the previous biennium from 12 to 15, while the number of countries and regions assisted by the GM in mobilizing innovative finance grew from 30 to 38. A number of initiatives were undertaken specifically targeted towards assessing the potential of the private sector in preventing or reversing land degradation by engaging in SLM-smart operations as part of their core business, or by supporting rehabilitation or restoration activities as part of their corporate social responsibility (CSR) policies. This included among others, the development and application of an incentive and market based mechanism (IMBM) framework and screening tool, the development of guidelines for SLM compliance for businesses, the exploration of business assurance products, cost benefit analyses of successful Payment for Ecosystem Services (PES) schemes and enabling conditions. Furthermore, a Finance Info Kit was developed and deployed to outline financial sources, mechanisms and funds relevant for SLM in the areas of climate change, forestry, food security and trade.

South-to-South Cooperation

The number of South-to-South exchanges as a means to boost collaboration between affected country parties on financing opportunities for UNCCD implementation, has increased from 5 to 15 in the current biennium compared to the previous one. A key highlight during this period was the organization of 6 workshops on climate change finance for SLM in different regions covering a total of 38 countries. Study tours were organized in Asia and Africa, where experiences were shared on key lessons learned with regard to SLM finance and IFS development, as well as in tackling the twin challenges of land degradation and climate change. In addition, the GM supported South-South cooperation between Haiti and the Dominican Republic on the design of innovative financing mechanisms based on the countries’ local specificities.

Mainstreaming

The GM moved decisively to increase finance at regional and sub-regional level for UNCCD implementation through its engagement in governmental processes (e.g. with the Regional Economic Communities) and partnership initiatives (e.g. TerrAfrica, Congo Basin Forest

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5 International workshop on technology transfer on SLM between North African and Sahelian countries, IOC, South-South Exchange between West Asia and North Africa, SS exchange Grenada, Dominican Republic, Haiti, South to south exchange involving Myanmar, Cambodia and Vietnam, South-South exchange between stakeholders from Saharan oases, South-South exchange Tanzania and Ethiopia, Study tour on IFS/IIF for Burkina Faso and Senegal to Mali, CC DIFS IOC countries, CC DIFS Anglophone West Africa, CC DIFS Francophone West Africa, CC DIFS West Asia, CC DIFS COMESA countries, CC DIFS SADC countries, CC DIFS IGAD countries

6 Anglophone West Africa, Francophone West Africa, West Asia, COMESA countries, SADC countries, IGAD countries
Partnership), including the establishment and facilitation of web-based platforms (e.g. Great Green Wall in the Sahara and Sahel Initiative).

**Advocacy, awareness raising and cooperation with other IFIs**

The GM was able to mainstream financing issues related to UNCCD implementation in 12 global fora\(^7\). One key example were the GM’s substantial inputs to the UN Forest Forum (UNFF) process in 2012-13 through the Advisory Group on Finance (AGF) of the Collaborative Partnership on Forests (CPF) and the GM’s contribution to the preparation of chapter 4 of the AGF 2012 Study on Barriers to Sustainable Financing for Forests. The GM’s input was reflected in the final decision, which was successfully adopted.

\(^7\) Business for Environment, Convention on Biological Diversity (CBD), the Committee on Forestry (COFO), Economics of Land Degradation (ELD), FAO Forest and Food Security Summit, Financing Landscapes Workshop (Eco-Agriculture partners), Global Donor Platform for Rural Development (GDPRD), Global Soil Partnership, UN Water Convention, UN Framework Convention on Climate Change (UNFCCC) UN Forest Forum (UNFF), Carbon War Room.
THE WAY AHEAD: GM PRIORITIES 2014-15

The structure of the GM combines regional and strategic programmes. These programmes work hand-in-hand to support country Parties in developing comprehensive strategies to increase investments in SLM. This structure was adopted to optimize the impact of the GM’s operations and to accompany its geographic engagement with strategic and thematic expertise on sectors that can enhance the implementation of the UNCCD.

Regional Programmes

The GM’s regional programmes are aimed at developing and coordinating country, regional and sub-regional activities. The ensuing country programmes, the GM’s core business, provide a wide-reaching combination of activities that create an enabling environment to boost funding for SLM. The main focus of the GM’s regional programmes is to support country Parties in the development of Integrated Financing Strategies and to mainstream SLM into national decision making.

The following outlines the core priorities of the GM’s regional programmes for 2014-15:

Asia and Pacific

• **Provide technical support to countries to implement IFS/IIFs** already initiated in the previous biennium. This support will directly contribute to the NAP/UNCCD alignment process

• **Facilitate access to financial sources and investors** by developing bankable SLM projects and programmes jointly with partners, including the Food and Agriculture Organization (FAO) of the UN and the Global Environment Facility (GEF), linking SLM, SFM, food security and climate change

• **Provide the basis for mainstreaming SLM into national decision making**, including through economic valuations of land

• **Identify innovative sources of finance**, including financial instruments, private sector engagement and the promotion of technology transfer through south-south and north-south cooperation on finance.

Central and Eastern Europe

• **Provide online technical backstopping** on UNCCD NAP alignment and IIF preparation processes

• Support countries and other reporting entities in the **preparation and submission of their Performance Review and Assessment of the Implementation System (PRAIS) reports on finance**

• **Mobilize additional resources** for GM’s support to the region
• Keep countries in the region up to date with new funding opportunities and other relevant information on SLM finance in the region through web-based tools.

**East and Southern Africa**

• **Complete on-going IFS and IIF work** in Eritrea, Tanzania, Zambia and Lesotho and support the countries to initiate their implementation

• **Support selected countries in capacity building for resource mobilization** through a sub-regional approach

• **Provide support** to NAP alignment

• **Engage more proactively with the private sector** in countries such as Kenya, South Africa, Tanzania Zambia and Uganda

• **Initiate new country specific work**, if resources permit, in which case candidate countries may include The Gambia, Liberia, Sierra Leone, (in collaboration with existing initiatives such as the GGWSSI/ Sahel and West Africa Programme etc.) and South Sudan

• **Enhance partnership with sub-regional organizations (IGAD, East African Community and SADC) on resource mobilization for NAP alignment and Sub-regional Action Programme (SRAP) implementation**

**Latin America and the Caribbean**

• **Support the development of a regional IFS**, including through the organization of a regional workshop to develop work plan and evaluate the host institution

• **Provide support to the alignment of SRAPs and Regional Action Programmes** and organize sub regional workshops

• **Develop South – South coalition on SLM finance**

• **Support NAP Alignment in selected country parties**

• **Support the development of IFS-IIF in selected countries**

• **Organize Sub regional workshops on incentive and market-based mechanisms (IMBM) for Mesoamerica**

**North Africa**

• **Support online technical backstopping on UNCCD NAP alignment processes** in Egypt, Libya, Mauritania, Morocco, and Tunisia

• **Enhance cooperation at the Mediterranean level** as well as the inter-oases cooperation through a technical involvement in the Collaborative Partnership on
Mediterranean Forest (CPMF), Silva Mediterranea and the Réseau Associatif de Développements Durable des Oasis/Oases Associations Network (RADDO) platform

- **Offer technical advice and contribute to publications relevant to SLM finance** in the region
- **Provide technical support to countries and specific stakeholders to design financial project proposals** that identify sources of funding or support countries’ applications to relevant financing opportunities for the region.

**West and Central Africa**

- **Provide technical advice** to UNCCD Focal Point Institutions and interested stakeholders on IFS/IIF elaboration and implementation, including SLM mainstreaming. This advice will directly contribute to the NAP/UNCCD alignment process
- **Support regional, sub-regional and national SLM related platforms in West and Central Africa**, as well as in the Indian Ocean Commission region in order to further increase mainstreaming from SLM in the sub-regional processes, and hence increase finance for UNCCD implementation
- **Promote the mobilization of innovative sources of finance**, including from the private sector and payments for environmental services. This will include the dissemination of information, capacity building, participation in partnerships, and technical support to country Parties in the assessment of innovative sources of finance.

**Regional Coordination Mechanisms**

- The implementation of the UNCCD is supported at regional level by the Regional Coordination Mechanisms (RCM) and, as its operational arm, the Regional Coordination Units (RCU). **The GM will continue supporting the RCM/RCU as decided by COP**, as well as other regional entities such as the Regional Economic Communities, by providing advice on financial issues related to SLM, including the elaboration of a (sub) regional IIF
- While Africa remains a regional priority, **the GM will further support all regions in the implementation of partnership initiatives such as TerrAfrica or the Investment Platform for SLM in Latin America (PIMAST)**, as well as in strengthening the mainstreaming of SLM into regional policy processes such as the Comprehensive Africa Agriculture and Development Programme (CAADP).
Strategic Programmes

The strategic programmes are designed to complement the IFS/IIF process and aim to increase innovative financing and SLM investment flows. In particular, they aim to help improve country-level impact by engaging a variety of stakeholders and sectors to increase financial flows and investments from sources that have not traditionally been involved in UNCCD implementation focusing on supply-side resource mobilization.

The following outlines the core priorities of the GM’s strategic programmes for 2014-15:

Drylands Investment Opportunities (DIO)

• **Conduct analytical work** to monitor issues and options as they may arise in relevant land-use economic sectors, such as Agriculture, Energy, Trade, Forestry, Livestock, Mining, Tourism, Water, etc.

• **Produce and disseminate a limited number of knowledge products** on responsible investment opportunities in drylands and on regulations and economic incentives and market based mechanisms that can be put in place to promote and enable investments in SLM, including microfinance.

Financial Flows (FFL)

• **Collaborate with the UNCCD Secretariat in the refinement of reporting guidelines**, templates and glossaries as part of the iterative process for the improvement of reporting guidelines

• **Contribute to the elaboration of relevant official documents on the UNCCD Ten Year Strategy’s Strategic Objective 4 (SO4) and Operational Objective 5 (OO5)**, and financial flows for the sessions of the CRIC/COP taking place during the biennium

• **Coordinate the elaboration of the GM PRAIS report**, and producing the preliminary analysis of information reported by country Parties and other UNCCD reporting entities under SO4, OO5, and SFA/PPS

• **Organize the official presentation of the preliminary analyses of financial flows** during the sessions of the CRIC/COP taking place during the biennium. It will also produce and disseminate a limited number of knowledge products, such as fact sheets on UNCCD financial flows, for broader outreach.

Financial Industry and Business (FIB)

• **Engage public and private foundations** as well as institutional investors, impact investors and wealth funds through partnerships and dedicated campaigns

• **Promote SLM-smart investments by identifying opportunities to collaborate with the OSLO Consortium, the Economics of Land Degradation (ELD) initiative, the UNCCD Business Forum and green economy platforms in the promotion of SLM-smart investments and technological innovations**
• **Contribute to capacity building initiatives at national and regional level on private sector engagement.** The programme will, for example, collaborate with the UNCCD Secretariat in the framework of the land degradation neutral world initiative and the associated Zero-Net Land Degradation (ZNLD) target

• **Produce and disseminate a limited number of knowledge products** on business opportunities and innovative finance for SLM.

**Green Economy for Land (GEL)**

• **Strengthen existing partnerships** and collaborate with the OSLO (Offering Sustainable Land-use Options) Consortium, the ELD initiative and other networks of expertise of the scientific community in economic assessment of land and ecosystem services

• **Engage in collaborative initiatives with country Parties and other partners to produce arguments, evidence, scenarios and reports on the economic value of land,** the direct and indirect costs and benefits of SLM and natural wealth management opportunities

• **Build capacity of decision makers in the public and private sector,** such as governments and investors at local, national and international level. The stakeholders targeted by these initiatives will also be equipped with the knowledge and know-how generated under the programme through dedicated case studies, ad hoc projects and targeted capacity building events

• **Disseminate results** by participating in a number of scientific working groups as well as workshops, seminars and other events to present the Economic Valuation of Land methodological approaches and showcase the results of the activities undertaken.

**South-South Cooperation and Local Communities (SSC)**

• **Provide technical backstopping for existing platforms on issues related to SLM finance.** The programme will provide existing platforms with technical advice and inputs in the design of relevant tools and guidelines

• **Compile and share success stories** of multi-stakeholders and innovative resource mobilization, online and during CRIC sessions

• **Optimize South-South partnership mechanisms,** including through the identification of financing mechanisms and current approaches to promote South-South cooperation (e.g. China-Africa Development Fund, Special Economic Zones by China and India in Africa, etc.)
Communications

In addition to regional and strategic programmes, the GM supports country Parties through the provision of information and knowledge on finance for SLM. To that end, the Communications Group raises awareness, shares information, stimulates dialogue and generates knowledge, ultimately empowering the GM’s constituencies and partners.

The following outlines the core communications priorities for 2014-15:

- **Strengthen the GM’s online presence** with a revised and more modern website and improved e-marketing programme, through the production of more newsletters and news digests, in three languages

- **Improve the GM’s social media coverage**: telling stories through social platforms has revealed to be a cost-effective means to reach our constituencies. This will be further enhanced through better and increased synergies with other organizations

- **Enrich communications partnerships** with other organizations on selected initiatives. For instance, production of joint publications and newsletters with the secretariat, FAO and the World Bank for the Great Green Wall for the Sahara and the Sahel Initiative, as well as new products developed through our strategic partnership with the Forestry constituencies

- Based on available resources, there will be an **increase in the number of media outreach activities**, such as press releases, media backgrounders and other communiqués

- **Production of publications**, fact sheets, info graphics and other printed materials for COPs, CRICs and other events in which the GM participates
The Global Mechanism of the UNCCD

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