



**THE GLOBAL
MECHANISM**

UNITED NATIONS CONVENTION
TO COMBAT DESERTIFICATION

**SPECIALIZED IN UPSCALING FINANCE
FOR SUSTAINABLE LAND MANAGEMENT**

www.global-mechanism.org

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WHAT IS THE GLOBAL MECHANISM?

The Global Mechanism (GM) was established under Article 21 of the United Nations Convention to Combat Desertification (UNCCD) by the First Conference of the Parties (COP1) held in Rome, in September 1997, and is a subsidiary body of the Convention.

The GM is an innovative entity that tackles the problems surrounding natural resource degradation by supporting country Parties in mobilizing financial resources to address the land and natural resource degradation, rural development and poverty reduction nexus, in keeping with the spirit of the Convention.

Mandated to *“increase the effectiveness and efficiency of existing financial mechanisms...[and]...to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties”*, the GM’s original functions of general broker and matchmaker have evolved over its first ten years of operations.

In the wake of the changing international financial architecture, its new modalities for resource allocation and the increasing importance of domestic budgeting processes in developing countries, the GM takes pride in being one of the UN institutions that responds directly to the Monterrey Consensus and the Paris Declaration on Aid Effectiveness.

Recognizing the major implications of the changing international financial frame conditions on UNCCD financing, the GM is committed to translating recommendations to *“improve aid effectiveness through strengthening countries’ development strategies and operational frameworks, aligning aid with country priorities, and eliminating duplication”* (Paris Declaration of Aid Effectiveness) into a more coherent approach to resource mobilization in particular, and to development as a whole, by country Parties and their partners.

The GM is therefore increasingly **specializing in providing a range of financial advisory services to country Parties**, in close cooperation with International Finance Institutions (IFIs) - in particular the World Bank Group, the International Fund for Agricultural Development (IFAD) and the regional development banks. The European Commission and bilateral donor agencies are also long-standing partners of the GM.

APPROACH

*positioning
the UNCCD
in the broader
development
context*

The GM's approach aims to be comprehensive. Balancing poverty reduction and sustainable development with the sustainable use of natural resources, it works to position the UNCCD in the broader context of development programming, which encompasses trade and market access for communities and households, education, a variety of policy processes which influence sustainable land management and rural development, institution-building and governance.

The GM does not to pretend to simplify the complexity of the changing international financial architecture and domestic budget allocation processes, but to facilitate understanding of this new context, the opportunities it offers, and the ability of UNCCD focal point institutions to work with it, so as to increase investments in rural livelihoods and to safeguard natural resource availability for future generations.

The GM therefore works to generate enabling conditions for UNCCD country Parties and assists in capacity building to ensure that rural communities - especially those engaged in rural subsistence agriculture in drylands - receive adequate recognition in development programming processes.

The GM's approach to Convention implementation addresses the relevance of new financing modalities such as alignment with country priorities and harmonization of international support to development programming. Increased understanding of new financial instruments such as basket funds, direct budget support, sector-wide approaches (SWAs) and other programme-based approaches (PBAs) is also highly relevant for other conventions and the implementation of global policy processes. The GM therefore hopes its experience will serve as a model for other conventions and international processes, which find themselves in a similar situation in terms of resource mobilization.

*serving as a
model for other
Multilateral
Environmental
Agreements*

The GM aspires to support all country Parties. Clearly, as a lean organization with limited resources, the GM cannot engage in longer-term intervention in more than a handful of affected country Parties at any one time. Yet because its role is not to fundraise for individual projects or small-scale interventions, but to capacity-build and share knowledge on upscaling finance for SLM and poverty reduction, the GM is able to support a broad constituency of Parties and other stakeholders, through subregional and regional exchanges and dialogue, expert consultations, training activities, and other events which it organizes or supports, with a view to maximizing the impact of its work.

STRATEGY

*informing and
substantiating
international,
subregional and
country processes*

The GM's work is increasingly dependent on an attractive, meaningful and constructive international policy agenda and processes. There are numerous opportunities to develop such an agenda for the UNCCD and the GM - situated at the interface between the UNCCD and agricultural and development programming processes in the new international setting - is in a privileged position to inform and substantiate international, subregional and country processes.

The GM's Strategy is formally outlined in its report to the 7th Session of the Conference of the Parties and endorsed by the Parties in Nairobi (October 2005). It constitutes the GM's response to the new international setting and the needs of country Parties and is called the **Consolidated Strategy and Enhanced Approach (CSEA)**¹, since it is firmly based on the GM's original mandate and experience, while defining a sharper focus for the GM, equipping it to respond to the new international setting and to increase its effectiveness through improved working modalities, articulated in regional and strategic programmes, and through special initiatives driven by its constituencies.

¹ The CSEA is available on the GM's website: www.global-mechanism.com

At international level, the GM is actively involved in strategic global events organized by the Multilateral Environmental Agreements (MEAs) and UN organizations - in particular the Committee for the Review of the Implementation of the Convention (CRIC) and COP - but also those with which the UNCCD is aligned in terms of poverty reduction and SLM, notably the Convention on Biodiversity (CBD) and the Convention on Climate Change (UNFCCC), with the aim of conveying the potential contribution the UNCCD can make to sustainable land management and poverty reduction, generating synergies to support country-level implementation.

At subregional level, the GM is striving to increase its impact through interventions of 3-4 years' duration aimed at fostering dialogue and sharing experiences through expert consultations and other events, with a view to incorporating countries' experiences into the broader debate, furthering understanding of the GM's specific role and the importance of the UNCCD as a development convention, and positioning the UNCCD in the global context of development programming and macro-economic reform processes.

At country level, the GM is therefore strengthening its longer-term commitment to country Parties through the provision of advisory services and capacity-building activities to interested countries, over 2-3 years.

PILLARS OF ENGAGEMENT

The following pillars underpin the CSEA:

Supporting domestic approaches to SLM financing

*aligning UNCCD
objectives
with national
development
priorities*

The GM is committed to strengthening NAPs and supporting their integration into policy processes. Only when UNCCD objectives are aligned with national development priorities, will they receive due attention in terms of resource allocation. By illustrating the specific contribution that the UNCCD can make to poverty reduction efforts, rural development and natural resource management, the GM expects to attract additional funding for Convention implementation.

To this end, the GM is specializing in developing and implementing national financing strategies (NFSs) – strategies through which to assist governments, the private sector, community-based organizations and donor agencies in effectively financing UNCCD implementation at national level.

NFSs go beyond analysing NAP policy processes, also looking at domestic budget processes, the investment climate, potential financing instruments, sources of finance, and how they complement each other. By so doing, NFSs support country Parties in the context of domestic budget processes, international aid delivery and overarching development agendas such as poverty reduction strategies, to ascertain how best to engage stakeholders in mobilizing domestic and international resources.

Assisting country Parties in the development and implementation of NFSs will be the core business of the GM in the future.

Partnership-building

The GM fosters partnerships at national level, in keeping with the international community's approaches to harmonization and alignment with national governmental and non-governmental institutions. Co-ordinated support from the GM's Facilitation Committee members, increased cooperation with International Finance Institutions (IFIs), the Global Environment Facility (GEF) and bilateral organizations, are prerequisites for the GM's successful engagement at all levels.

Mainstreaming

COP has identified the mainstreaming approach - long advocated and practised by the GM - as the main instrument for enhancing the integration of the UNCCD into development agendas at country level. Convinced that successful mobilization of financial resources involves the mobilization of instrumental resources (strategic frameworks and policy instruments), human resources (stakeholders, organizations and institutions), and knowledge and information resources (capacity-building), the GM will continue to promote this key instrument, affirming its specific role in mainstreaming the Convention.

Engaging in policy processes

The GM believes more weight should be given to a conducive policy environment, legislative reform, governance issues and institution building, in terms of UNCCD implementation. It therefore engages in policy processes directly linked to Convention implementation - such as rural development, agriculture and forestry processes - in order to position the UNCCD in the domestic development context and support country Parties in making the UNCCD a more effective tool.



STRATEGIC PROGRAMMES

*increasing
investment flows
for SLM*

As a special service provider in finance for UNCCD implementation, the GM is strengthening its corporate capacity to mobilize resources through strategic programmes.

The Strategic Programmes are designed to enhance the impact of the GM's country and sub-regional level operations, by engaging actors and linking with sectors that have not traditionally been involved in UNCCD implementation, but which have significant potential for increasing investment flows for combating desertification and promoting Sustainable Land Management (SLM).

Rather than developing comprehensive in-house knowledge on specialized subjects, the GM has opted to partner with international and regional institutions, the scientific community and individual experts, drawing upon their technical expertise to mobilize resources for a specific objective.

The GM's strategic programmes to date are:

- Economics & financing instruments
- Policy analysis & financial transactions
- Compensation for ecosystems services
- Market access & trade
- Civil society partnerships
- Private sector partnerships

These programmes have been carefully selected on the basis of their potential to create favourable frame conditions for investment and for the mobilization of domestic and international resources from public and private sources. Strategic programmes in environmental education and forestry are under preparation and other strategic programmes may be developed in the future to enhance the scope of the GM's approach to UNCCD implementation. The GM's strategic programmes, together with its communications and outreach activities, are the backbone of its operations.

COMMUNICATIONS & OUTREACH

The GM places prime importance on communications and outreach in order to maximise the impact of its operations with limited resources. The Communications and Web Group, created in 2006, has the mission of utilizing the most effective channels to raise awareness, share information, stimulate dialogue, generate knowledge, and empower constituencies, on UNCCD implementation.

The GM firmly believes that to be effective, its communications messages, tools and services must be crafted around and respond to its constituencies needs. It is therefore attentive to ensuring that the type of content published, the specific communications medium used and the product designed, matches its target audiences' explicit requirements.

*maximising
impact through
targeted knowledge
management*

Tools and channels being developed include:

- online and offline web-based communication
- decentralized networks such as e-forums and communities of practice
- dynamic partnerships with authoritative sources of information
- traditional publications and other communications products
- training materials
- media relations

The information pooled through networking and generated through strategic partnerships is used to create a knowledge base to:

- raise awareness of the GM's development strategies and messages
- substantiate approaches to UNCCD implementation
- accurately and timely inform national and regional processes
- develop capacity to mobilize resources and increase investments from multiple sources, for a range of target audiences.

The GM places great importance in positioning itself as a unique and targeted institution and aspires to become a centre of excellence in terms of specific knowledge management activities.

SPECIAL INITIATIVES

The GM is also developing special initiatives which tie into its regional programmes and are supported by its strategic programmes. These can be considered GM ‘investment products’ which are packaged to attract the interest of country Parties, financing institutions and other prospective donors in channelling resources into SLM.

*designing and
marketing products
with broad appeal*

The GM’s special initiatives include :

Central Asian Countries Initiative for Land Management (CACILM): a Global Environment Facility (GEF) ten year, multi-country, multi-donor programme, developed with the GM’s financial and technical support. CACILM aims to implement a more comprehensive, integrated approach to SLM, reaping greater benefits at local, national, and global levels.

Compensation for Ecosystems Services in Ecuador: as part of its Compensation for Ecosystems Services (CES) strategic programme, the GM is initiating activities in Ecuador with the aim of demonstrating that SLM, from a landscape approach, is both feasible and necessary.

Desertification Profile Development for the Francophone Sahel: this initiative aims to convince donors of the need to upscale their financial support for UNCCD implementation in this subregion and highlights the relevance of the UNCCD in these countries, for reaching the Millennium Development Goals (MDGs).

Designing Integrated Financing Strategies to Combat

Desertification (DIFS): a GM-designed, capacity-building initiative aimed at developing national resource mobilization competencies to combat desertification. DIFS draws on the GM's North African experiences of resource mobilization and mainstreaming NAPs into national planning processes and overarching development frameworks.

Financial Information Engine on Land Degradation (FIELD):

as part of its institutional mandate to promote the mobilization and channelling of substantial financial resources to affected developing countries, the GM has developed FIELD with the overall objective of informing and sensitizing target audiences on the financial risks, opportunities, costs and benefits of SLM investments and other UNCCD implementation-related activities.

Gum Arabic Partnership with the Network for Natural Gums and Resins in Africa (NGARA):

the GM is exploring opportunities for mobilizing resources and increasing investment in SLM in partnership with NGARA, by developing markets for and supporting trade in gum arabic and other natural dryland resources. Resource mapping and stakeholder analyses are being conducted in Burkina Faso, Mali, Ethiopia and Uganda.

Horn of Africa: acknowledging the added value of the GM's work, in March 2006 the IGAD Summit requested the GM and IGAD to upscale their partnership efforts, to address the inter-related issues of food security, land degradation and drought. This initiative builds on the GM's ongoing partnership with IGAD Secretariat and aims to facilitate the continuous positioning of the UNCCD and SLM at the core of development in the subregion.

Public-Private Partnership Initiative: COP.6 requested the GM to support resource mobilization through new sources of financing. Recognizing the potential of public-private partnerships in providing resources for UNCCD implementation, the GM is piloting this initiative in Kenya and South Africa with a view to engaging the corporate sector in NAP implementation.

SALAM - Sustainable Arid Land Management Partnership Programme: the GM is spearheading the development and implementation of this five-year, multi-country programme that brings the six Gulf Cooperation Council (GCC) countries together with their neighbouring Arab States in a partnership promoting SLM practices to facilitate improved livelihoods and ecological services.

SolArid - South-to-south Cooperation: the GM promotes South-to-south cooperation through an inter-regional approach. The GM's South-to-south cooperation programme, SolArid, brings together the countries of the Sahel and the Sahara.

Trade initiative with the Global Environment Facility's Small Grants Programme (GEF/SGP): the Community-based Sustainable Land Management Partnership concluded with GEF/SGP in February 2006, supports small community and grassroots organizations' projects by identifying the conditions under which communities reinvest trade profits in SLM. This knowledge will guide policy and decision-making and promote the establishment of incentive mechanisms. Joint activities are being initiated in Burkina Faso, Ghana, Honduras, Jordan, Mali, and the Syrian Arab Republic.

WORK WITH US

partnering for success

Partnership is one of the most important features of the Convention. In this spirit, the GM acts as a hub for a dynamic network of strategic and financing partners, committed to focusing their energies, resources and knowledge to deliver the goals of development.

The GM aims to attract potential partners and raise resources for its operations by providing focused, quality services to affected country Parties and by marketing special initiatives.

Calls for financial contributions are driven by its strategic programmes and special initiatives and lead to direct country support.

At present, COP provides approximately 20% of the GM's funding, while the remaining 80% is met through voluntary contributions from International Financial Institutions (IFIs) - in particular IFAD and the World Bank Group - bilateral donor agencies, funds such as OPEC, and foundations. It is clear, however, that the GM must essentially raise resources for its own operations.

The GM has already forged or joined a variety of strategic partnerships at international, regional and sub-regional levels and a broad variety of operational partnerships are in place to support country-level actions.

The Facilitation Committee

In 1997, COP.1 endorsed collaborative institutional arrangements between IFAD, UNDP and the World Bank to support the GM, including the establishment of the Facilitation Committee (FC) - conceived a demand-driven advisory body for the GM's operations and mandated to foster collaborative institutional arrangements between the GM and institutions with relevant technical and financial expertise. COP.3 requested that the FC members enhance their support to the GM by exploring new financial resources and by mobilizing additional resources from their respective institutions. It is anticipated that in light of the GM's CESA, the FC will play a crucial role in providing strategic support to ensure the UNCCD is implemented in a more comprehensive, holistic manner.

Partnership with IFAD

COP.1 indicated that the GM should be housed within an existing organization whose mandate, objectives and capacity substantially complemented the GM's work. As the global agency at the forefront in tackling land degradation and reducing rural poverty in countries most affected by desertification, IFAD was selected to house the GM in 1997, by a ministerial-level assembly of over 113 country Parties.

The GM and IFAD have worked together on many occasions - mainstreaming NAPs into IFAD's Country and Regional Strategy Opportunities Papers and linking new IFAD-supported projects to GM initiatives and UNCCD objectives - with the aim of enhancing resource flows for UNCCD implementation. The ongoing review of IFAD's portfolio in terms of SLM activities and UNCCD implementation is just one illustration of cooperation between the GM and IFAD and highlights the comparative advantage of housing the GM at IFAD.

IFAD is increasingly cooperating with the GM as an "outsourced" service provider for IFAD's operations in general and in the context of its New Strategic Framework and Operating Model in particular, which reflects the importance of country development programming under country leadership within Poverty Reduction Strategies (PRSs) and other overarching development frameworks, such as the MDGs and in so doing, advocates a similar approach to that of the GM in its Consolidated Strategy.

To date, IFAD is the GM's largest financial contributor. IFAD resources have enabled the GM to support Action Programmes in 29 countries and 12 sub-regions, and to provide technical and financial support to other UNCCD-related initiatives.



Partnership with the Global Environment Facility

As one of the UNCCD's financing mechanisms, the Global Environment Facility (GEF) is recognized as a major partner of the GM, as is reflected in the Implementation Plan of the World Summit on Sustainable Development (WSSD) and in decisions of the Second GEF Assembly. Since the inception of the GEF Focal Area on Land Degradation (OP 15) in 2002, cooperation between the two mechanisms has effectively become an operational partnership.

Since October 2006, the GM, the GEF Secretariat and its implementing and executing agencies have been working closely to develop a pipeline of 20 projects addressing land degradation in Africa, Asia and Latin America, for which the envisaged financing exceeds USD 3 billion over 10 years.

The GM and the GEF Secretariat are also pooling their knowledge and expertise to inform a broad audience on the need to increase SLM-related finance. The first output of this advocacy initiative is an analysis which argues in favour of an increase in annual national and international investments of USD 6-8 billion, to remove barriers to SLM.

Partnership with TerrAfrica

Launched in 2005, TerrAfrica aims to provide a collective response to desertification and land degradation by promoting a multi-dimensional partnership between the governments of Sub-Saharan Africa and their development partners. The GM believes TerrAfrica is a potentially powerful political and strategic tool for rallying support and hence mobilizing substantial financial and other resources for UNCCD implementation.

GM has played an instrumental role in shaping TerrAfrica, including designing TerrAfrica's Country Engagement Strategy (CES) and co-organizing, cofinancing and participating in TerrAfrica meetings. The GM is taking the lead in developing tools, instruments and guidelines for mainstreaming SLM and providing analytical and advisory services to countries, including Uganda and Ethiopia, under TerrAfrica.

Strategic Partnership Agreement for the Implementation of UNCCD in the Central Asian Subregion

In 2001, the GM spearheaded the establishment of the Strategic Partnership for UNCCD Implementation in Central Asian Countries (SPA) - a multi-donor consortium consisting of key bilateral and multilateral institutions.

The major outcome of the SPA has been the Central Asian Countries Initiative for Land Management (CACILM) - a Global Environment Facility (GEF) ten-year, multi-country, multi-donor programme which seeks to improve the enabling, policy, legislative, institutional and incentive frameworks, to ensure sustainability of actions on the ground and to mainstream SLM into planning and budgetary processes at country level.

It is estimated that over a ten-year period USD 1.4 billion will be invested in SLM-related activities. The GM contributed to this process financially and technically and was instrumental in negotiating the financing package of USD 155 million for the launching phase.

Partnership with the UN Capital Development Fund

Multilateral banks, the OECD's Development Assistance Committee (DAC) and UN agencies are placing more emphasis on 'Managing for Development Results' as an overall strategy to achieve the MDGs. The GM and UN Capital Development Fund (UNCDF) have entered into a co-financing partnership with the objective of institutionalizing and strengthening corporate results-based management (RBM) practices and systems.

Sharing capacities between UN agencies in this manner is a novel practice. It is hoped that RBM will strengthen corporate oversight and overall accountability to the organizations' respective governing bodies and that performance-oriented reporting will enable external partners to make informed decisions about the GM and the added value of its work.

The GM will implement a RBM system for the first time in 2007.

Partnership with the UN Conference on Trade and Development's BioTrade Initiative

The BioTrade initiative of the UN Conference on Trade and Development (UNCTAD) has extensive experience of how to use trade to create incentive mechanisms for increased investment in the sustainable use of natural resources - especially biodiversity.

Ongoing collaboration with BioTrade includes mainstreaming SLM into BioTrade's National Programmes, based on a case study in Uganda, and the establishment by BioTrade of an informal working group, to streamline the market access and trade strategies of various Multilateral Environmental Agreements (MEAs), and facilitate joint implementation of such strategies.

The organizations involved to date are:

the Convention on Biological Diversity (CBD), the Convention for International Trade in Endangered Species, Wild Flora and Fauna (CITES), the Ramsar Convention on Wetlands (Ramsar), the GM, the United Nations Environment Programme (UNEP) and the International Centre for Trade and Sustainable Development (ICTSD).

The Global Partnership on Forest Landscape Restoration

Forest landscape restoration is a process for managing the dynamic and complex interactions between people, natural resources and land uses, at the landscape level. By shifting the emphasis away from maximising tree cover, to optimising the supply of forest benefits - such as clean water, timber and non-timber products, and biodiversity conservation - forest landscape restoration aims to regain ecological integrity and enhance human well-being in deforested or otherwise degraded landscapes.

The Global Partnership is a network of governments, organizations, communities and individuals who recognize the importance of forest landscape restoration and want to be part of a coordinated global effort. The GM subscribes to the objectives of the Global Partnership on Forest Landscape Restoration and is promoting forest landscape restoration as an effective approach to enhancing livelihoods and reducing poverty in rural areas, recognizing its potential for stimulating public and private investments in the sustainable management of natural resources at local level.

Partnership with the Global Donor Platform for Rural Development

The Global Donor Platform for Rural Development (GDPRD) is an initiative involving leading development and donor agencies, which aims to improve cooperation with partner-countries with the main objective of reducing poverty in rural areas of the developing world. Drawing on the emerging trend of “greening” poverty reduction strategies and other development programming processes, the GDPRD works to re-focus attention on rural communities. Advocacy, shared learning and effective aid harmonization are its central areas of intervention.

The GM has joined the GDPRD in order to work with like-minded partners to illustrate the contribution that rural development can make to poverty reduction and to increasing sustainable livelihoods in developing countries. As an active Platform partner, the GM is contributing to the establishment of a more comprehensive development framework that includes sustainable natural resource management for rural development.

New partnerships will focus on strengthening the strategic programmes and the GM's specific role as a service provider for finance and investment promotion. Partnership-building will continue to be the essence of the GM's work.



www.global-mechanism.org

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