



**Global Environment Facility**

GEF/C.17/5  
April 5, 2001

---

GEF Council  
May 9-11, 2001  
Agenda Item 6

OPTIONS TO ENHANCE GEF SUPPORT FOR THE  
IMPLEMENTATION OF THE UNITED NATIONS  
CONVENTION TO COMBAT DESERTIFICATION

### **Recommended Council Decision**

The Council, having reviewed document GEF/C.17/5, *Options to Enhance GEF Support for the Implementation of the UN Convention to Combat Desertification*, agrees that designating land degradation as a GEF focal area is the best option for enhancing GEF support for the successful implementation of the UN Convention to Combat Desertification. The Council also requests the Secretariat, in collaboration with the Implementing Agencies, appropriate executing agencies, the Secretariat of the Convention to Combat Desertification and the Global Mechanism of the CCD, to prepare a more detailed note analyzing the implications of such a designation. The note should address the steps necessary for preparing an amendment to the Instrument for approval at the second GEF Assembly in October 2002.

## Table of Contents

I.	Introduction.....	1
	Operational Guidelines .....	1
	Action Plan to Enhance GEF Support.....	1
	Constraints Faced By Countries .....	2
II.	Options to Enhance GEF Support for Land Degradation Prevention and Control.....	3
	Option 1: Accelerate the Implementation of the Action Plan .....	3
	Option 2: Designate Land Degradation as a GEF Focal Area.....	4
	Implications of Designating Land Degradation as a GEF Focal Area.....	4

## I. INTRODUCTION

1. At its meeting in November 2000, Council requested the CEO "... to explore the best options for enhancing the support of the GEF in assisting affected countries, especially those in Africa, to implement the UN Convention to Combat Desertification, taking into account the third replenishment, and to report to the Council at its meeting in May 2001."

2. Since the adoption of the United Nations Convention to Combat Desertification (UNCCD) in October 1994, the GEF, in collaboration with the UNCCD Secretariat and the Global Mechanism, has provided financial assistance to developing countries to address the issue of land degradation in accordance with its Instrument, Operational Strategy, and Council decisions. The Instrument states that "the agreed incremental costs of activities concerning land degradation, primarily desertification and deforestation, as they relate to the four focal areas shall be eligible for funding." The four focal areas are Biological Diversity, Climate Change, International Waters, and Ozone Layer Depletion.

### **Operational Guidelines**

3. To assist countries to address land degradation as it relates to the focal areas, the GEF Council approved in 1995 the paper, *Scope and Operational Strategy for Land Degradation*<sup>1</sup>, which outlines the main issues, principles, and modalities for programming GEF-eligible land degradation activities.

4. Despite these operational guidelines, GEF funding for land degradation prevention and control grew at a relatively slow rate. The operational challenges which countries faced in developing eligible projects included:

- (a) difficulties in defining linkages between land degradation and the focal areas;
- (b) difficulties in applying the incremental cost principle; and
- (c) limited in-country policy environment to support land degradation prevention and control.

### **Action Plan to Enhance GEF Support**

5. The continued slow growth of funding for land degradation prompted the Council to request the GEF Secretariat, in consultation with the Implementing Agencies, to prepare a paper on how to increase assistance. The paper, *Clarifying the Linkages Between Land Degradation and the GEF Focal Areas: An Action Plan for Enhancing GEF Support* (GEF/C.14/4), which was approved by Council in December 1999, provides a framework to increase support for more eligible projects.

6. The three strategic objectives of the action plan are as follows:

---

<sup>1</sup> The paper was later published as a reference document entitled *A Framework of GEF Activities Concerning Land Degradation*,. GEF, 1996.

- (a) operationalizing the linkages between land degradation and the GEF's focal areas through on-the-ground activities;
- (b) strengthening public policy and the enabling environment for addressing land degradation, including promoting integrated and cross-sectoral approaches to natural resources management; and
- (c) engaging key stakeholders and mobilizing resources to develop measures to prevent and control land degradation.

7. The action plan is being implemented primarily through the Operational Program (OP) on Integrated Ecosystem Management (OP#12) which provides opportunities for a country to address a global environmental issue within the context of its sustainable development program. It is also expected that the new OP on Conservation and Sustainable Use of Biodiversity Important to Agriculture (OP#13) will become another important framework for the implementation of the action plan because of the urgent need to prevent the loss of biological diversity of importance to agriculture in areas prone to land degradation.

8. Since the adoption of the Action Plan in December 1999, the GEF Implementing Agencies (IAs) have been making efforts to increase their portfolio of projects with land degradation components. In their report to the Council in December 2000, UNDP reported that five new projects had been admitted into the GEF pipeline, UNEP reported three projects, and the World Bank indicated that it was working on a number of projects for the GEF pipeline<sup>2</sup>.

### **Constraints Faced By Countries**

9. Despite some progress in implementing the action plan, an independent study<sup>3</sup> reported that total GEF funding for projects with strong land degradation components is the relatively low figure of \$278 million.

10. The study identified the following constraints countries continue to face in developing projects for GEF funding:

- (a) Because the GEF addresses land degradation only through linkages with its focal areas, projects tend to focus largely on focal area objectives with little or no significant focus on land management activities. For example, about 70% of the projects with land degradation activities are in the biological diversity focal area and they deal mainly with protected area management issues. These projects are less likely to significantly

---

<sup>2</sup> *Progress Report on the Action Plan for Enhancing GEF Support for Activities to Address Land Degradation* (GEF/C.16/Inf.8).

<sup>3</sup> Berry, L. and J. Olson, 2000. *GEF Land Degradation Linkage Study*. The study was commissioned by the GEF M&E Unit as part of the Second Study of GEF's Overall Performance, to examine the initial results and impacts of biodiversity, climate change, and international waters projects with land degradation components.

address land degradation because protected areas are often not areas with high land degradation concerns. Similarly, international waters projects focus largely on policy and institutional reforms to support improved management of transboundary waterbodies. Climate change projects typically do not address land degradation issues, and if they do, as in the case of carbon sequestration, they have limited impacts.

- (b) The requirement for focal area linkages has resulted in projects with land degradation components that tend to focus more on biophysical issues. If land degradation had been the central issue, these projects would have focused primarily on improving land management and developing sustainable use options for natural resources management. In addition, key issues affecting people and their interactions with ecological systems such as land tenure and gender issues are often poorly integrated into project design.

11. The study recommended a fundamental change in the way land degradation is addressed in the GEF if it is to have a significant impact.

## II. OPTIONS TO ENHANCE GEF SUPPORT FOR LAND DEGRADATION PREVENTION AND CONTROL

### **Option 1: Accelerate the Implementation of the Action Plan**

12. To accelerate the implementation of the Action Plan to Enhance GEF Support for Land Degradation as it relates to the focal areas, the GEF will provide additional assistance to support countries affected by desertification to develop land degradation activities in the following ways:

- (a) *Africa Land and Water Initiative.* This Initiative is aimed at developing a coordinated action program to address land and water management issues in an integrated manner. The Initiative has two main elements: (i) the IAs would develop their own activities with their own resources; and (ii) GEF activities would be developed and implemented by the IAs. It is expected that the coordinated actions of (i) and (ii) will help African countries to accelerate efforts to reverse land and water degradation, with tangible results on the ground.
- (b) *Framework for GEF Action for Capacity Building.* The framework was developed through the Capacity Development Initiative (CDI) which was launched in January 2000. The CDI was an 18-month consultative process of outreach and dialogue aimed at assisting countries to identify priority capacity development needs and to develop strategies and action plans to address them. The proposed Framework for GEF Action

presents two new pathways to deliver GEF assistance for capacity building, including capacity necessary to address land degradation.<sup>4</sup>

- (c) *IFAD as a GEF Executing Agency.* A request to the Council, in a separate paper,<sup>5</sup> to consider expanding Executing Agency status to IFAD will help to enhance the GEF's ability to respond to the UNCCD's emphasis on conservation and sustainable management of land and water resources to improve the living standards of people, particularly at the community level, in countries affected by desertification.

13. While this option may increase the number of focal area projects with land degradation components, it may not lead to a significant increase in GEF assistance for the implementation of the UNCCD because of the difficulties countries continue to face in operationalizing the GEF's approach of addressing land degradation within the context of its focal areas.

### **Option 2: Designate Land Degradation as a GEF Focal Area**

14. Enhancing GEF support for the implementation of the UNCCD would require an alternative approach that builds upon the experience of GEF-funded activities in land degradation and the findings and recommendations of the M&E independent study. Designating land degradation as a GEF focal area would provide a stronger impetus for the successful implementation of the UNCCD.

15. Experience from other focal areas shows that the role of the GEF as a catalyst has been effective in providing predictable financial resources for projects. For example, the GEF has provided about \$1.36 billion for biodiversity conservation projects and another \$1.13 billion for climate change projects. The GEF has also been effective in leveraging co-financing to complement its funding, including more than \$2.6 billion for biodiversity projects and \$6.1 billion for climate change projects from government, bilateral and multilateral sources, the private sector, and non-governmental organizations.

16. Because of the above advantages and the difficulties associated with the linkages approach as shown in the independent study, Option 2 is recommended as the preferred way for the GEF to enhance its assistance to countries to address the objectives of the UNCCD.

### **Implications of Designating Land Degradation as a GEF Focal Area**

17. To designate land degradation as a GEF focal area would require amendment of *the Instrument for the Establishment of the Restructured GEF*. Paragraph 2 of the Instrument lists the current four focal areas of the GEF, and this paragraph could be amended to include additional areas. Paragraph 34 of the Instrument provides that the Instrument may be amended by consensus approval of the Assembly upon the recommendation of the Council.

---

<sup>4</sup> *Elements of Strategic Collaboration and a Framework for GEF Action for Capacity Building for the Global Environment* (GEF/C.17/6).

<sup>5</sup> *Criteria for the Expansion of Opportunities for Executing Agencies* (GEF/C.17/13).

18. Should the Council wish to pursue the recommended option further, the GEF Secretariat could prepare a more detailed note analyzing the implications of such a decision for consideration by the Council at its next meeting in December 2001. This note could also discuss proposed steps for preparing an amendment to the Instrument for approval at the second GEF Assembly in October 2002. In preparing the note, the Secretariat would consult broadly with the Implementing Agencies, appropriate Executing Agencies, the Secretariat of the Convention to Combat Desertification, and the Global Mechanism of the UNCCD. The GEF Secretariat would also carry out consultations with interested Parties during the next meeting of the Conference of the Parties to the UNCCD in September 2001 and incorporate Parties' views in the note to Council.