

LAND DEGRADATION FOCAL AREA STRATEGY

Global Context of Land Degradation

144. The world population is projected to increase by about 2.5 billion people to 9.7 billion in 2050 (+35%) with rising demands for agricultural produce including food, feed, fiber, and fuel.

145. About 2 billion ha, or 25% of the total global land area has been affected by land degradation. Each year, an estimated 24 billion tons of fertile soil are lost globally. Agricultural GHG emissions – excluding the effects of agriculture on land-use change – make up an estimated 13% of total global emissions. In the drylands, 12 million ha of land are being degraded by desertification annually.

146. Globally, 1.5 billion people are affected by land degradation, especially rural communities, smallholder farmers, and the very poor. 70% of the world's poorest people live in rural areas and depend on agriculture for their livelihoods. Land and forest degradation processes threaten the livelihoods, well-being, food, water and energy security and increase vulnerability of millions of people, and in many cases cause migration and serious social unrest.

147. Dryland landscapes cover approximately 40% of the world's land area and support two billion people, 90% of whom live in developing countries where women and children are most vulnerable to the impacts of land degradation and drought. Dryland landscapes often face governance challenges such as low human resource capacity (e.g. low education attainment), low investment of public resources, weak penetration of government services, and insecure land tenure and resource rights.

148. Pressure on the global land resource is increasing due to the following factors: 1) growing demand for food and agricultural commodities in terms of both quantity and quality for an expanding and more affluent world population; 2) competition for productive land for biofuel, urban expansion and other non-productive uses; 3) decrease or lack of growth in productivity due to decline in soil health indicated by lower nutrient status and organic matter, and other degradation processes; 4) weakened resilience of agricultural production systems on account of depleted biodiversity and the associated ecosystem services; and 5) natural factors such as climate variability and extreme weather events. Climate change exacerbates variations in yields and income from agriculture, threatening the resilience of agro-ecosystems and stability of food production systems.

149. Gender roles have impacts on both farming and livelihood systems, but the contribution of women smallholder farmers often goes unrecognized. Women farmers often have less access to land, decision making processes, labor, credit, information, technology, and extension. Therefore, the GEF-7 LD Focal Area strategy will mainstream gender by including 1) practical gender needs – improving the conditions of women through access to resources, services and opportunities, and 2) strategic gender interests – empowering women to take decisions and be better represented in various decision making bodies.

150. At the twelfth Conference of the Parties (COP12) in Ankara,, UNCCD Parties “*Decide[d]* that striving to achieve target 15.3 of the Sustainable Development Goals (SDGs) is a strong vehicle for driving implementation of the UNCCD, within the scope of the Convention” (3/COP.12). Target 15.3 reads as “*By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation neutral world.*” In this context, the UNCCD has recognized Land Degradation Neutrality (LDN) as a tool that can help interested parties more sustainably manage their land and mobilize resources for doing so.

151. GEF’s mandate to invest in global environmental benefits from production landscapes relates directly to its role as a financial mechanism of the UNCCD. The Land Degradation focal area provides the opportunity for eligible countries to utilize GEF resources for implementing the Convention and its Strategic Framework 2018-2030.

152. Land Degradation Neutrality (LDN) is an important UNCCD concept, defined as “a state whereby the amount and quality of land resources necessary to support ecosystem function and services and enhance food security remain stable or increase within specified temporal and spatial scales and ecosystems”. The LDN concept is considered to have the potential to act as an accelerator for achieving a number of Sustainable Development Goals. Voluntary LDN targets create a measurable goal for sustainable land management, promoting a dual approach of measures to avoid or reduce degradation of land combined with measures to reverse past degradation. The minimum objective is that losses are balanced by gains so that a position of no net loss of healthy and productive land is achieved (see UNCCD Science-Policy Brief 02, Sept. 2016, “Land in Balance”).

153. At the most recent Conference of the Parties, UNCCD parties invited the GEF, during GEF-7, to continue providing technical and financial support for capacity building, reporting, and voluntary national land degradation neutrality target setting and implementation.

154. The GEF is well-placed to help countries to implement convention decisions and facilitate coordinated investments in sustainable land management (SLM) practices, including LDN. Since land degradation has both poverty and global environment dimensions, integrated solutions are required to support interventions that address both dimensions. Building synergies across the GEF delivery model and linking up with ongoing landscape restoration initiatives such as the Bonn Challenge, AFR100, and the 20 x 20 Initiative, will improve the cost effectiveness of interventions and deliver multiple outcomes toward environmental, social and economic sustainability.

Table 3. COP Decisions of Relevance for GEF-7 Land Degradation Focal Area Strategy

UNCCD COP Decision	Delivery mechanism
<p>The Land Degradation Focal Area provides the framework for eligible countries to utilize GEF resources for implementing the Convention and its new long-term (2018-2030) strategy, which contributes to:</p> <p>(i) achieving the objectives of the Convention and the 2030 Agenda for Sustainable Development, in particular regarding Sustainable Development Goal (SDG) 15 and target 15.3 and other interrelated SDGs, within the scope of the Convention;</p> <p>(ii) improving the living conditions of affected populations; and</p> <p>(iii) enhancing ecosystems services.</p> <p>COP13 <i>invites</i> the Global Environment Facility to continue its support for the implementation of the Convention under GEF-7, in the context of the Sustainable Development Goals, in particular target 15.3.</p> <p>COP13 <i>also invites</i> the Global Environment Facility, during GEF-7, to continue providing technical and financial support for capacity-building, reporting and voluntary national land degradation neutrality target-setting and implementation.</p> <p>COP13 <i>encourages</i> the Global Environment Facility to continue and further enhance means to harness opportunities for leveraging synergies among the Rio Conventions and other relevant multilateral environmental agreements, as well as the 2030 Agenda for Sustainable Development.</p> <p>COP13 <i>invites</i> the Global Environment Facility donors to use the findings and lessons learnt, contained in the report on programming and priorities in the affected regions, to inform the programming directions for the focal area in the Seventh Replenishment phase of the Global Environment Facility (GEF-7)</p>	<p>Focal Area Investments</p> <p>Integrated land management and restoration of degraded production landscapes</p> <p>Sustainable management of dryland landscapes</p> <p>Diversification of crop and livestock systems</p> <p>Creating an enabling environment to support voluntary LDN target implementation</p> <p>Voluntary LDN target setting</p> <p>UNCCD Enabling Activities</p> <p>Impact Programs</p> <p>Food Systems, Land Use, and Restoration</p> <p>Sustainable Forest Management</p> <p>Sustainable Cities</p>

GEF-7 Land Degradation Focal Area Investments and Associated Programming

155. The LD Focal Area strategy in GEF-7 has three main goals: 1) aligning GEF support to promote UNCCD's Land Degradation Neutrality (LDN) concept through an appropriate mix of investments; 2) seeking effective integration within the Impact Programs for generation of multiple benefits; and 3) harnessing private capital and expertise to finance investments in sustainable land management, in particular in co-operation with the LDN fund and other innovative financing mechanisms.

156. GEF investment will seek to address the drivers of land degradation, robust assessment of experience and existing knowledge, and knowledge and experience gained through ongoing implementation of LD Focal Area related projects and programs. The GEF will focus on innovative approaches that can be scaled up to maximize global benefits for the environment and also address the issues of biodiversity, climate change, and local livelihoods.

157. GEF will continue to apply a comprehensive landscape approach as the best way forward to address the broad multi-faceted nature of land degradation across the range of agro-ecological and climatic zones globally. The LDN tool will inform the conceptual framework to establish baselines, targets, indicators and the metrics for monitoring and evaluation of GEF interventions.

158. The LD Focal Area investments will focus on production landscapes where agricultural and rangeland management practices underpin the livelihoods of poor rural farmers and pastoralists. A specific emphasis in GEF-7 is placed on sustainable management of drylands in arid and semi-arid zones addressing, among other issues, drought-prone ecosystems and populations.

159. Access to finance and technical assistance for smallholders and small businesses in most land sectors is a big challenge. Small and medium-sized enterprises (SMEs) are critical contributors in the agricultural sector at the leading edge of both environmental impact and solutions to mitigate these. Strategies pursued with the private sector will target SMEs that are promoting innovations agriculture and livestock production systems.

160. Several new private sector funds have emerged recently, e.g. the Moringa, & Green, and the LDN fund. These funds invest in profit-generating sustainable land management and restoration projects worldwide. The LD Focal Area will explore potential cooperation with such funds through providing the technical assistance necessary and facilitate de-risking to make projects bankable.

161. Another potential for cooperation will be explored in countries²⁸ that are already in an advanced stage or have expressed interest in bringing projects to private sector funds and may wish to utilize additional GEF STAR resources to support the establishment of the necessary institutional framework and monitoring mechanisms and/or invest in measures that create Global Environmental Benefits (GEBs).

²⁸ E.g. Brazil, Indonesia, Nicaragua, Peru, Tanzania, Zambia, Kazakhstan, Mali, and Colombia are in the pipeline for LDN funding Support.

Objective 1. Support on the ground implementation of SLM to achieve LDN

162. Objective 1 of the LD Focal Area strategy will be delivered through the following three entry points:

- Food Systems, Land Use and Restoration Impact Program;
- Sustainable Forest Management Impact Program; and
- Sustainable Cities Impact Program.

163. The three Impact Programs form a major component of the GEF delivery towards combating land degradation and deforestation in the following ways:

- *Food Systems, Land Use and Restoration:* This IP provides the opportunity for an integrated approach to implementing SLM to increase the prospects for food security for smallholders and communities that are dependent on farming for their livelihoods. It will target countries seeking to meet growing demand for increased crop and livestock production, without the risk of further expansion of farmland, erosion of genetic diversity, overexploitation of land and water resources, overuse of chemical fertilizers and pesticides, and inefficient practices that lead to greenhouse gas emissions and food loss and waste. Restoration of productive landscapes will feature as an important element of this IP, especially in drylands and production areas where agro-forestry land-use systems dominate. A huge opportunity exists to restore agricultural productivity in (degraded) agro-forestry systems by improving soil management and increasing soil organic matter content, increasing the vegetation and tree coverage, and thereby generating multiple environmental and socio-economic benefits. More than 200 million hectares has been pledged by countries through various landscape restoration initiatives such as the Bonn Challenge, Africa 100, and the Initiative 20 x 20 in Latin America. The GEF will enable countries to deliver on these commitments through investments that will shift degraded lands into production systems for food and commodities. A sustainable supply chain with regard to production, processing, and demand for key agricultural commodities is vital for achieving LDN. The synergy with arresting and reversing land degradation is on the sustainable production side, especially by involving smallholder farmers and local communities and facilitating a mutually beneficial engagement with the private sector. In this way changes to commodity production pathways can be made before irreversible damage is done to the respective agro-ecosystems;
- *Sustainable Forest Management:* Besides the focus on tropical forest landscapes in the Amazon and the Congo Basin, the SFM program seeks to avoid further degradation, desertification, and deforestation of land and ecosystems in drylands through the sustainable management of production landscapes, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security. Main elements of the program are: 1) sustainable management of dryland forests and trees outside forests; 2) the promotion of diversified agro-ecological food production systems

in drylands; 3) integrated landscape management with particular attention to rangelands and livestock production in view of their effect on forest resources; and 4) the creation of an enabling environment to support the three objectives above. Dryland landscapes will be considered for participation in the program based on a regional balance with other Programs within the SFM IP. The focus on specific dryland geographies such as Central Asia, South Asia, the Sahel, North Africa and the Mediterranean, South Africa, and South America will allow to address a unique set of issues that are closely related to the vulnerability of social and environmental systems and their resilience; and

- *Sustainable Cities*: This IP will create opportunity for countries to integrate voluntary LDN targets into urban planning. As cities continue to expand into peri-urban areas, urbanization will increasingly encroach on productive agricultural land, which will in turn trigger the need for opening new areas for agricultural production. Thus, countries and cities need to promote improved and efficient production practices in the “urban-scape,” as part of a broader strategy to arrest and reverse land degradation, and increase diversification of the urban food system.

164. Targeted Impact Program investments will directly support voluntary LDN target implementation at national levels and are structured along the following three outcomes:

- *Dryland Sustainable Landscapes*: The main outcome is to avoid further degradation and desertification of land and ecosystems through the sustainable management of production landscapes in drylands, addressing the complex nexus of local livelihoods, land degradation, climate change, and environmental security including the mitigation of the effects of drought. Investments in drylands will generate multiple environmental benefits and secure local livelihoods by focusing on a unique set of issues that are closely related to the vulnerability of social and environmental systems and their resilience. A landscape approach will help to tailor implementation packages to a wide range of dryland landscapes in arid and semi-arid zones. The main purpose is to help participating countries to achieve LDN in poverty stricken and fragile areas. Countries pursuing this objective will have a high percentage share of arid, semi-arid, and sub-humid drylands and have set voluntary LDN targets to help accomplish this objective;
- *Diversified agro-ecological food production systems*: Diversified agro-ecological food production systems aim to improve productivity and maintain or improve flow of services that underpin food production and livelihoods. Innovative approaches will support an efficient use of land, soil, water, and vegetation in crop and livestock production systems, including temporal diversification and spatial diversification at various levels, including plot, farm and landscape (e.g. crop rotation, intercropping; mixed farming as crop-livestock and crop aquaculture systems). Private sector involvement will be important to link smallholder producers and pastoralists to markets, introduce sustainable supply chains, and create stable revenues with agricultural commodities, especially dryland commodities such as cotton, wool, leather, shea, gum Arabica, etc.; and

- *Integrated landscape management and restoration:* Integrated landscape management addresses the physical, biological and socio-economic aspects of the processes of land degradation, with specific attention to desertification and deforestation to maximize the delivery of multiple benefits in the context of food security and livelihoods of affected communities. Integrated landscape management is a comprehensive framework to invest in the management of landscape across sectors and across political or administrative boundaries in the context of sustainable development. GEF will support wide applications of innovative tools to prioritize policy reforms, investments, and other interventions to optimize the collective impact of all interventions across the landscape. Scaling up of SLM practices and the restoration of landscapes will be particularly supported, including the use of locally adapted species, agro-forestry, farmer-managed natural regeneration, and practices for sustainable supply of wood and biomass energy.

Objective 2. Creating an enabling environment to support voluntary LDN target implementation

165. An essential foundation for LDN investments is a conducive enabling framework and overarching political support through the UNCCD. Objective two of the LD Focal Area strategy will support the revision of existing and development of new national frameworks to implement, monitor, and evaluate LDN targets for countries wishing to set and achieve them.

166. GEF will provide support to:

- Creating an enabling environment to support LDN target implementation: GEF support will be primarily provided to countries in the following areas:
 - Embedding the LDN tool into the existing planning frameworks and participatory land-use planning to meaningfully involve local governments, cities and urban municipalities, local communities, indigenous peoples, and women;
 - Policy work at national levels leading to the resolution of land tenure issues that are obstacles to LDN objectives;
 - Promoting good governance especially in view of land tenure and efforts in securing livelihoods of smallholders;
 - Providing the technical assistance required to bring bankable projects to the investment;
 - Supporting smallholders through special lending and through extension systems;
 - Building capacity at all levels required to restore and maintain functional landscapes;
 - Lessons learning and knowledge exchange and south-south cooperation within regions; and

- Developing monitoring and information systems and targeted research on impacts, trade-offs, costs-benefit analysis of restoration, and identifying incremental synergies.
- UNCCD Enabling Activities: GEF support under the GEF-7 LD Focal Area strategy will include financing for UNCCD enabling activities to support the implementation of the UNCCD strategy and in accordance with countries' obligations to the convention, and based on decisions from the COP. Support will focus on UNCCD reporting obligations and formulations of National Action Plans in line with the new long-term (2018-2030) strategy. The GEF-7 LD Focal Area strategy is seeking a more strategic approach towards enabling activity support with a view to mainstreaming SDGs and enabling cross-sectoral coordination in countries. This will include a land degradation focal area set aside focusing, among other issues, on building the necessary institutional capacity and processes for cross-sectoral integration.

167. Furthermore, GEF will make targeted investments to sustain and rebuild productive areas, mitigate the effects of drought, increase resilience and prevent conflict and migration. Support will be provided in specific contexts such as in drought prone and/or fragile areas to address drivers of fragility and land and water insecurity, to reverse resource pressures, enhance or restore governance and rebuild natural resource based livelihoods and jobs. There is increasing evidence of the complex interactions between climate change, food and water insecurity, extreme events – such as e.g. prolonged and repeated droughts –, and their link to fragility, armed conflict and migration.

168. In the last 60 years, for example, between 40 and 60% of ongoing internal and interstate conflicts have been linked to land and natural resources. While natural resource pressures *per se* are rarely the determinant factor in causing fragility and social conflicts, climate change and increased climate variability, land degradation and water stress are considered risk multipliers for loss of livelihoods, conflicts and large-scale displacement especially in dryland and drought affected areas. LD Focal Area investment in this regard directly respond to UNCCD priorities, namely strategic objectives 1 and 2 on combatting desertification and land degradation and on improving livelihoods to prevent radicalization and migration, and as reconfirmed in the recent Ordos declaration confirming the clear link between land degradation and desertification as environmental, societal and economic challenges linked to poverty, water scarcity, decreased resilience, and forced migration, among other²⁹.

169. The importance of land based jobs to sustainability and stability especially in LDCs is also outlined in regional frameworks and declarations, such as e.g. the recent Ouagadougou Call for Action³⁰. By positively reinforcing the linkages between human well-being and the health of ecosystems, GEF-7 investments will aim to maintain, enhance, and restore GEBs with respect to sustainable land management and co-benefits related to water security, decreasing pollution

²⁹ http://www2.unccd.int/sites/default/files/sessions/documents/2017-09/ICCD_COP%2813%29_L.14-1716056E.pdf

³⁰ http://www2.unccd.int/sites/default/files/inlinefiles/Call%20for%20Action_Ouagadougou_FINAL%2015062017%20ENG_1.pdf