



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

SUSTAINABLE LAND MANAGEMENT FINANCING IN THE GEF

A PRIMER FOR THE SIXTH GEF
REPLENISHMENT PHASE (GEF-6)



An aerial photograph of terraced rice fields. The terraces are filled with young, vibrant green rice seedlings. The water in the channels between the terraces is a muddy brown color. In the upper left, there are several curved metal structures, likely part of an irrigation system. The overall scene is a lush, green agricultural landscape.

About this Primer



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This Primer is primarily intended for entities looking specifically to design projects on sustainable land management (SLM) for submission to the Global Environment Facility (GEF). This Primer addresses all aspects of developing of such a project, including priorities of the GEF as financial mechanism of the UN Convention to Combat Desertification (UNCCD).

Land degradation is recognized as a global phenomenon that influences ecosystem services and productivity of agro-ecosystems, as well as human livelihoods. It is a major threat to biodiversity and ecosystem stability and function. Land degradation is also a serious threat to food security, income, and livelihoods of rural populations, especially in developing countries, and thus has major ecological, social, economic, and cultural significance.

Addressing land degradation requires concerted effort at local, national, regional, and global scales, with innovative approaches and solutions in agricultural, rangeland, and forest landscapes. Understanding the GEF mandate and approach to financing, as well as the opportunity for cross-focal area programming to demonstrate and harness synergy with other GEF focal areas, is therefore essential to designing good projects on sustainable land management.

This Primer provides step-by-step directions on how to access GEF funds under the Land Degradation Focal Area, including projects utilizing funds from the Biodiversity, Climate Change, and International Waters Focal Areas. The Primer also provides helpful insights into how to design a good project proposal, covering all stages of the GEF project cycle.

Although all projects must involve one of the Agencies, it is essential that all potential executing partners understand how GEF resources can be best harnessed to generate global environment benefits in the context of sustainable development. Hence, this Primer is relevant for government agencies, development partners, civil society organizations, private sector entities, scientific institutions, and any entity interested in GEF projects on sustainable land management.



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ABBREVIATIONS AND ACRONYMS

AFDB	African Development Bank	NDVI	Normalized Difference Vegetation Index
BAU	Business As Usual	NPFES	National Portfolio Formulation Exercises
BD	Biodiversity Diversity	NPP	Net Primary Productivity
CBD	Convention on Biological Diversity	OFP	Operational Focal Point
CC	Climate Change	OP	Operational Program
CCM	Climate Change Mitigation	PES	Payments for Ecosystem Services
COP	Conference of Parties	PFD	Program Framework Document
CSOs	Civil Society Organisations	PIF	Project Identification Form
EA	Enabling Activities	PIR	Project Implementation Reports
EI	Expected Impacts	PPG	Project Preparation Grants
FSP	Full-Sized projects	REDD+	Reducing Emissions from Deforestation and forest Degradation, including reducing emissions from deforestation; forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks
GBI	GEF benefits index	SCCF	Special Climate Change Fund
GDPI	Gross Domestic Product index	SFM	Sustainable Forest Management
GEF	Global Environment Facility	SLM	Sustainable Land Management
GHGs	Green House Gases	SO	Strategic Objectives
GPI	GEF Performance Index	SOC	Soil Organic Carbon
IAPs	Integrated Approach Pilots	STAR	Transparent Allocation of Resources
INRM	Integrated Natural Resource Management	TERs	Terminal Evaluation Reports
IW	International Waters	UNCCD	United Nations Convention to Combat Desertification
LD	Land Degradation	UNEP	United Nations Environment Programme
LDCF	Least Developed Countries Fund	UNFCCC	United Nations Framework Convention on Climate Change
LDCs	Least Developed Countries		
MEAs	Multilateral Environmental Agreements		
MFA	Multi-Focal Area		
MSP	Medium-Sized Projects		
MTE	Mid-term Evaluation		
NAPA	National Adaptation Programmes of Action		
NAPAs	National Adaptation Programs of Action		



Introduction

The Land Degradation Focal Area is the GEF window for investing in sustainable land management to improve or restore ecosystem services in production systems.¹ This chapter provides the overall context for Sustainable Land Management financing in the GEF, including evolution of the dedicated Land Degradation Focal Area and the need for transformational change. In addition, it explains GEF's role as financial mechanism of the United Nations Convention to Combat Desertification (UNCCD).

Importance of the Focal Area

The Land Degradation Focal Area supports efforts by eligible countries to combat land degradation, specifically desertification and deforestation, in rural production landscapes.

Through the focal area, the GEF provides incremental financing for countries to invest in sustainable land management (SLM) interventions that generate multiple environmental and development benefits. By focusing on SLM,² GEF financing enables countries to address the need for sustaining the flows of ecosystem services that underpin productivity of agricultural, rangeland, and forest landscapes. GEF financing under the focal area encompasses a diversified portfolio of interventions from farm-level to wider landscapes, with emphasis on those interventions designed to arrest or reverse

soil erosion, loss of vegetative cover, and depletion of water. For example, interventions such as crop diversification, crop rotation, conservation agriculture, agroforestry, small-scale irrigation, and water harvesting help farmers in many developing countries halt progressive deterioration of fragile production lands.

In most developing countries, SLM represents a major opportunity for sustainable intensification of existing farmlands through efficient management of nutrients (combining organic and inorganic sources of fertilizers), integrated management of land and water resources ("blue water" and "green water"³) and diversification of mixed farming systems. SLM thus improves soil health and quality, and enables sustained productivity of farmlands. The approach also ensures improved management of agro-ecosystem services across production systems and reduces pressure on natural areas, especially those under threat from agricultural expansion. Integrated management also helps improve and sustain the economic productivity and environmental sustainability of rangeland and agro-pastoral systems.

Evolution of the Focal Area Financing

The GEF officially recognized land degradation as a focal area in 2002, and its investment in projects that relate to land degradation has grown steadily over time.

1 A detailed description of GEF mandate and experience under the focal area is provided in the 2009 GEF Publication entitled "Investing in Land Stewardship: GEF's Efforts to Combat Land Degradation and Desertification Globally" (<http://www.thegef.org/gef/sites/thegef.org/files/publication/Investing-land-degradation-English.pdf>)

2 GEF financing for SLM started in earnest during the Third Replenishment Phase (2002-2006).

3 Green water and blue water are used to describe water use in non-irrigated (rain-fed) and irrigated agriculture, respectively.

Since its inception in 1991, the GEF has addressed land degradation as a cross-cutting issue under the Biodiversity, Climate Change, and International Waters Focal Areas. Between 1991 and 2000, the GEF saw growing evidence of the potential for addressing drivers of land degradation through cross-cutting investments.⁴ Although GEF resources invested in such cross-cutting activities to combat land degradation were relatively modest, the projects helped to lay the foundation for two important operational programs (OPs): Integrated Ecosystem Management (OP12) and Sustainable Land Management (OP15). The demand for GEF resources through these OPs ultimately crystalized land degradation as a global challenge.

The third replenishment phase (2002-2006) was a major turning point for GEF investments in combating land degradation, with two significant milestones. First, 158 projects accounting for \$643.90 million⁵ included components to specifically address land degradation. Second, the GEF Council approved a separate \$250 million window for the dedicated Land Degradation Focal Area. Together with projects funded directly through the focal area, the number of land degradation related projects reached 180, more than twice the combined total from the pilot and previous two phases. At the close of GEF-3, the total GEF investment in SLM was \$396.16 million, generating \$1.08 billion in co-financing.

The fourth replenishment phase (2006-2010) represented another important milestone in GEF investments to

combat land degradation. The innovative investment programs initiated in GEF-3 were expanded from national to regional and multi-country during this phase, but with a deliberate effort to harness opportunities for scaling-up SLM interventions. For example, 70% of \$300 million allocated to the Land Degradation Focal Area was invested through three programmatic approaches on SLM in Sub-Saharan Africa, Middle East and North Africa, and India. By end of the GEF-4 replenishment phase, a total of \$340 million was invested in projects addressing SLM, with an additional \$2.3 billion generated as co-financing.

The fifth replenishment phase (2010-2014) introduced several important reforms that further enhanced opportunities for increased GEF financing under the focal area, including support for UNCCD enabling activities. Some of the reforms, such as an improved resource allocation system that included the Land Degradation Focal Area and the incentive financing mechanism for SFM/REDD-plus, reinforced the need for integrated approaches to management of production systems for multiple environmental and development benefits. The total GEF-5 allocation for the focal area was \$385 million, of which \$324 million was allocated to 144 countries through the System for a Transparent Allocation of Resources (STAR), alongside allocations under the Biodiversity and Climate Change Focal Areas. By the close of the replenishment phase, a total of \$348 million⁶ of the GEF-5 allocation was invested through stand-alone or multi-focal area projects, with approximately \$2 billion in co-financing.

4 Land Degradation Linkage Study, Working Paper #6 (2001). GEF Secretariat, Washington DC

5 All figures are in US dollars.

6 This total includes amount utilized for Agency fees and PPGs.



The increased and strategic nature of GEF financing reflects the growing importance of SLM globally. This presents a timely opportunity for large-scale transformation of production systems toward supporting and underpinning long-term sustainability of development priorities at national and regional levels. This is the underlying principle for the focal area strategy in GEF-6, as presented in Section II of this primer.

Aspiring to Greater Impact

Building on the legacy of innovative financing, the GEF is poised to promote large-scale transformation in SLM by targeting drivers of land degradation, especially in drylands.

In order to maximize potential for greater impact, Land Degradation Focal Area financing will promote opportunities to catalyze scaling-up of SLM in the context of national and regional development priorities. With food security as one of the major priorities being considered for the post-2015 agenda, this focus will help to reinforce the importance of ecosystem services for increasing productivity of crop, livestock, and pastoral systems. For example, GEF financing for SLM can serve as an important entry point to catalyze investments in climate-smart agriculture and food security investments. With more than 2 billion hectares of production landscapes at risk of land degradation, such investments can contribute to sustainability and resilience of the valuable ecosystem services.

Investing in SLM to control and prevent land degradation in production landscapes is also an essential and cost-effective way to address drivers of global environmental degradation, such as unsustainable land use practices (especially by poor farmers and herders lacking alternative livelihoods), and inadequate or ineffective land use policies. This is best addressed through projects designed specifically to harness GEF financing under the Land Degradation Focal Area. Such “stand-alone” SLM projects represent the best possible approach for most countries where land degradation is major threat to crop and livestock production by smallholder land users. The potential for transformational impact can be greatly enhanced by using GEF resources to promote SLM innovations that integrate livelihood priorities with ecosystem services in the production systems.

SLM innovations also contribute to other focal areas through multiple global environmental benefits in production systems, such as: biodiversity conservation by reducing the conversion of natural ecosystems and safeguarding agro-biodiversity; reduction of pollution risks and degradation of water resources to ensure sustainable flow in watersheds and for consumptive

uses; carbon sequestration by improving soil characteristics and vegetation cover; and reduction of deforestation and emission of greenhouse gases in production systems. These multiple environmental benefits are at the heart of GEF’s mandate, and can be further amplified through multi-focal area programming with the Biodiversity, Climate Change, and International Waters Focal Areas.

Supporting the UN Convention to Combat Desertification

The GEF’s mandate to invest in global environmental benefits from production landscapes relates directly to its role as financial mechanism of the UNCCD.

The Land Degradation Focal Area provides the framework for eligible countries to utilize GEF resources for implementing the UNCCD. Approval of the focal area by the GEF Assembly (October 2002) and its operationalization by the GEF Council (May 2003) was in line with acceptance by the Conference of Parties (COP) of GEF as a financial mechanism of the Convention. A Memorandum of Understanding between the UNCCD COP and the GEF Council (Decision 6/COP.7) has since paved the way for direct support to those affected countries eligible for GEF financing through enabling activities. The amendment of the GEF instrument in 2010 formally designated the GEF as a financial mechanism of the UNCCD.⁷

The focal area mandate is directly linked to the 10-year (2008-2018) strategy of the UNCCD,⁸ which aims “to forge a global partnership to reverse and prevent desertification/land degradation and to mitigate the effects of drought in affected areas in order to support poverty reduction and environmental sustainability.” Because the GEF-6 replenishment phase (2014 – 2018) coincides with the final four years of the UNCCD 10-year strategy, links with the focal area strategy will ensure that countries appropriately channel GEF resource toward implementing the strategy. In this regard, the focal area resources will contribute directly toward strategic objectives for affected populations (SO 1), affected areas (SO 2), and for the global environment (SO 3).

7 The Fourth GEF Assembly held in May 2010 in Punta del Este, Uruguay, formally amended the GEF Instrument.

8 Document available at <http://www.unccd.int/cop/officialdocs/cop8/pdf/16add1eng.pdf#page=8>

An aerial photograph showing a river meandering through a vast, dense green forest. The river is a vibrant blue-green color, contrasting with the lush green of the surrounding trees. The forest appears to be a tropical or subtropical rainforest. The river flows from the top left towards the bottom center of the frame.

The GEF-6 Strategy — Toward Actions for Transformation Impact

This chapter presents the focal area strategy for GEF-6, including details of the results framework for achieving global environmental and development benefits. The strategy highlights the main drivers of land degradation in agriculture, rangelands, and forest landscapes, and the need for effective institutions and policies to promote sustainable land management. The Chapter also clarifies alignment of the focal area strategy with the UNCCD 10-Year Strategy, including potential for achieving synergies with other Rio Conventions.

Important Considerations

The focal area strategy promotes cross-focal area linkages to harness synergies, foster integrated landscape management, and increase focus on gender dimensions.

The Land Degradation Focal Area embraces the landscape approach⁹ to promoting integrated natural resources management.¹⁰ GEF recognizes that successful SLM investment requires appropriate enabling environments, such as effective policies, legal and regulatory frameworks, capable institutions, and mechanisms for monitoring and knowledge sharing.

⁹ Defined according to the World Bank, as taking both a geographical and socio-economic approach to managing the land, water and forest resources that form the foundation – the natural capital – for meeting our goals of food security and inclusive green growth (<http://go.worldbank.org/CS4D0TLTA0>)

¹⁰ As defined by J.A. Sayer and B. Campbell: “Integrated Natural Resource Management is a conscious process of incorporating the multiple aspects of resource use into a system of sustainable management to meet the goals of resource users, managers and other stakeholders (e.g. production, food security, profitability, risk aversion and sustainability goals).” *The Science of Sustainable Development: Local Livelihoods and the Global Environment*. Cambridge University Press, 2004.

However, translating these policies into action through on-the-ground implementation of SLM practices is key to generating multiple benefits at scale.

The focal area therefore emphasizes programming with other GEF focal areas, especially in the context of integrated watershed management in priority trans-boundary catchments and groundwater recharge areas (links with International Waters Focal Area); increasing forest and tree cover in production landscapes (links with the Climate Change Mitigation Focal Area); and implementation of landscape approaches for biodiversity conservation (links with the Biodiversity Focal Area). This emphasis promotes country-level or regional programmatic approaches where they are likely to leverage transformational changes for sustainability and resilience in production systems.

The focal area investments will also take into account the different roles of men and women in advancing SLM at multiple scales and will ensure that investments mainstream gender. Women and men need to be involved as key actors in the assessment, design, monitoring, and evaluation of interventions and findings consolidated with local communities. Both women and men benefit from a gender approach that reinforces their joint participation in SLM, and ensures that women are involved in planning and implementing interventions that underpin their livelihoods.

Goal and Objectives

The goal of the Land Degradation Focal Area is to arrest and reverse global trends in land degradation, specifically desertification and deforestation.



The focal area pursues its goal through investments in good practices and enabling conditions conducive to SLM.¹¹ Such practices generate global environmental benefits while creating local and national socio-economic benefits. At a landscape level, the focal area invests in SFM practices that generate sustainable flows of forest ecosystem services, sustaining livelihoods of forest dependent people. Focal area investment also encompasses integrated natural resource management that addresses pressures on natural resources from competing land uses, including the prevention of further land and forest degradation.

The primary approach for GEF-6 is to support agriculture, livestock management, and forest landscape restoration to underpin rural livelihoods. This will directly address the need to reinforce SLM for enhanc-

ing resilience in agro-ecosystems; harness and maintain ecosystem services for agro-ecological intensification; promote integrated management of production landscapes; and mainstream SLM in sustainable development. As a result, the focal area will contribute to sustainable management of land, soil, water, and vegetative cover for multiple global environment benefits. The focal area approach also creates opportunities for scaling-up successful interventions to benefit millions of land users.

The GEF-6 strategy is guided by four objectives to deliver agreed global environment benefits and expected national socio-economic benefits (see Annex 1 indicators and measures in the Results Framework).¹² The GEF-6 strategy also highlights specific program priorities to further consolidate and streamline investments by countries (see Figure 1).

11 As defined in: World Bank. 2006. Sustainable Land Management: Challenges, Opportunities and Tradeoffs. International Bank for Reconstruction and Development/The World Bank, Washington, DC. Sustainable land management (SLM) is a knowledge-based procedure that helps integrate land, water, biodiversity, and environmental management (including input and output externalities) to meet rising food and fiber demands while sustaining ecosystem services and livelihoods.

12 The detailed focal area strategy is available from Land Degradation Focal Area Strategy chapter as part of the GEF-6 Programming Direction, page 133. https://www.thegef.org/gef/sites/thegef.org/files/webpage_attached/GEF6_programming_directions_final_0.pdf

FIGURE 1. LAND DEGRADATION FOCAL AREA OBJECTIVES AND PROGRAM PRIORITIES



LD-1: Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods:

This objective primarily focuses on agricultural and rangeland systems affected by land degradation, and targets the efficient use of land, soil, water, and vegetation to support sustainable intensification of food production. Consistent with the need to enhance food security as a development priority in most countries, this objective will also focus on areas where agricultural and rangeland management practices underpin the livelihoods of poor rural farmers and pastoralists, and will take into account the need to conserve biodiversity outside protected areas and to mitigate and adapt to climate change. Hence, this objective proposes two key priorities for programming: agro-ecological intensification and SLM for climate-smart agriculture.

LD-2: Generate sustainable flows of ecosystem services from forests, including in drylands:

This objective focuses on integration and management of forests in agricultural landscapes by promoting access to innovative financing mechanisms, technology, and best practices combined with on-the-ground application. Resources programed for LD-2 will complement the SFM program by emphasizing agro-ecological practices that secure forest patches in agricultural landscapes. The objective also includes a specific program priority on forest landscape management and restoration to reinforce the important role of forests for tackling these threats in agricultural landscapes.

LD-3: Reduce pressures on natural resources by managing competing land uses in broader landscapes:

This objective will address the pressures on natural resources from competing land uses across broad landscapes (e.g. extension of the agricultural frontier into forest lands, destruction of forests by extractive industry, urbanization of rural areas). It therefore reinforces LD-1 and LD-2 by emphasizing cross-sector harmonization and multi-scale integration of SLM, and creates opportunity for engaging multiple stakeholders, including the private sector, in SLM. An important priority for this objective is contributing to

further advancement of landscape approaches for scaling-up of SLM, which will also facilitate cross-focal area investments with the Biodiversity and Climate Change Mitigation Focal Areas, with the potential to also leverage additional resources from the incentive mechanism of the SFM program.

LD-4: Maximize transformational impact through mainstreaming of SLM for agro-ecosystem services:

This objective focuses on addressing the need for cross-sector engagement in SLM through mainstreaming at multiple scales. Mainstreaming SLM enables countries to effectively scale-up best practices to safeguard agro-ecosystem services and minimize the risk of negative externalities from other development sectors. SLM mainstreaming is also relevant in the context of poverty reduction and rural development investments, and including gender considerations as part of the process is critical. Building on the GEF’s considerable experience in mainstreaming SLM, a specific program priority under this objective will focus on helping governments improve policies and meet the institutional and investment needs for SLM, including private sector institutions.



BOX 1. PRIORITY AREAS FOR PROGRAMMING TO SUPPORT FOCAL AREA OBJECTIVES

Program 1: Agro-ecological Intensification

This programmatic priority will target multiple environment benefits from agro-ecosystems and rangelands through improved land and soil health and increased vegetative cover. As a means to ensure long-term sustainability, GEF will seek to leverage commitments by other development partners to increase investments in policy options for achieving food security. The program will therefore build on planned or existing initiatives addressing improvements in genetic resources and use of inputs, institutional frameworks to strengthen capacity of smallholder farmers, and efficient marketing and extension programs. This program recognizes the critical importance of gender roles in all the focus areas identified below for GEF support and will work with development partners to fully mainstream gender.

Program 2: SLM for Climate-Smart Agriculture

An emerging opportunity for increasing the role of SLM in agro-ecosystem resilience is through Climate-Smart Agriculture, which the FAO defines as "...agriculture that sustainably increases productivity, resilience (adaptation), reduces/removes greenhouse gases (mitigation), and enhances achievement of national food security and development goals."¹³ Projects addressing Climate-Smart Agriculture provide an excellent opportunity to attract private sector investments in SLM. Activities under this programmatic priority would mainly support LD-1 (agro-ecosystems and rangelands) with linkages to LD-3 (mixed land uses), and enable eligible countries to leverage additional financing from other focal areas. This is also directly relevant for the proposed Food Security Integrated Approach and links to the Climate Change Mitigation Focal Area. Taking into account gender-specific needs, the program will prioritize concrete actions that diversify income and improve livelihoods of farmers and pastoralists.

Program 3: Landscape Management and Restoration

This programmatic priority will address forests and "trees outside forests" in relation to production

landscapes, reinforcing synergy with the SFM program. It is also linked with LD-3 (reducing pressures in broader landscapes). GEF support will focus on land management options that increase and maintain agricultural productivity and deliver multiple environment benefits at landscape scale. That support must be in the context of addressing food security and livelihood needs of affected communities, with an emphasis on gender consideration.

Program 4: Scaling-up sustainable land management through the Landscape Approach

GEF will support efforts to scale-up policies, practices, and incentives for improving production landscapes with environmental benefits through this programmatic priority, and will encourage wider application of innovative tools and practices for natural resource management at scale. This includes innovations for improving soil health, water resource management, and vegetation cover in production landscapes systems to benefit land users, particularly women, most vulnerable to land degradation. Women also can offer local innovations for sustainability, so this program will consider the specific roles of men and women in these systems.

Program 5: Mainstreaming SLM in Development

This programmatic priority will target all relevant development sectors that depend on productive land uses and involve rural communities. GEF support will target innovative mechanisms for multi-stakeholder planning and investment in SLM at scale, including engagement of the private sector. This will be crucial for integrating ecosystem services into mainstream development investments and value-chains to support agriculture and food security across multiple scales. Empowering women in these investments and value chains has been proven to be an effective means for maximizing returns in agriculture and food security initiatives. In addition to supporting LD-1, the program will also contribute to LD-2 and LD-3 in an integrated manner by influencing standards, institutions, and governance and policy frameworks relative to all productive land uses.

13 FAO 2010. "Climate-Smart" Agriculture: Policies, Practices and Financing for Food Security, Adaptation and Mitigation. Food and Agriculture Organization of the United Nations, Rome, defines it as defined as "...agriculture that sustainably increases productivity, resilience (adaptation), reduces/removes greenhouse gases (mitigation), and enhances achievement of national food security and development goals."

Alignment with UNCCD 10-Year Strategy

Because the GEF-6 replenishment phase (2014 – 2018) coincides with the final four years of the UNCCD 10-Year Strategy, the alignment of the focal area strategy objectives will enable countries to effectively program GEF resources for implementing the Convention.

The GEF-6 focal area strategy will support affected country Parties in achieving the objectives of the UNCCD 10-year Strategy. Specifically, the GEF-6 strategy will support actions and innovations that generate human livelihood and global environmental benefits. Consistent with priorities of the Convention and the GEF Policy on Gender Mainstreaming, the

GEF-6 strategy also addresses the impacts of land degradation on the poor and women.

The GEF-6 strategy will directly support three of the four UNCCD strategic objectives on achieving long-term benefits for affected populations (SO 1), affected areas (SO 2), and for the global environment (SO 3). Table 1 provides an illustrative guide to links between these Strategic Objectives and Expected Impacts of the 10-Year Strategy and Land Degradation Focal Area objectives for GEF-6. Clearly, the multiple links create options for countries to appropriately channel focal area resources for implementing the 10-Year Strategy during its final four years, and at the same time catalyze additional support for combating long-term land degradation.





TABLE 1. FINANCING THE UNCCD TEN-YEAR STRATEGY THROUGH THE GEF LAND DEGRADATION FOCAL AREA

UNCCD STRATEGIC OBJECTIVES	EXPECTED IMPACTS (NOTE: NUMBERING FOLLOWS THE OFFICIAL UNCCD STRATEGY DOCUMENT)	FOCAL AREA OBJECTIVES FOR GEF-6			
		LD1	LD2	LD3	LD4
SO1 To improve the living conditions of affected communities	El 1.1 People living in areas affected by desertification/land degradation and drought to have an improved and more diversified livelihood base and to benefit from income generated from sustainable land management	X	X	X	
	El 1.2 Affected populations' socio-economic and environmental vulnerability to climate change, climate variability and drought is reduced	X	X	X	
SO2 To improve the conditions of affected ecosystems	El 2.1 Land productivity and other ecosystem goods and services in affected areas enhanced in a sustainable manner contributing to improved livelihoods	X	X	X	
	El 2.2 The vulnerability of affected ecosystems to climate change, climate variability and drought is reduced	X	X	X	
SO3 To generate global benefits through effective implementation of the UNCCD	El 3.1 Sustainable land management and combating desertification/land degradation contribute to conservation and sustainable use of biodiversity and mitigation of climate change	X	X	X	X



Synergy with the Other Rio Conventions

Effective policies for mitigating land degradation must consider the synergies with international agreements, especially the Rio Conventions, to maximize the cost-effectiveness of response measures.

In addition to the UNCCD, the Land Degradation Focal Area also addresses priorities of other conventions for which the GEF serves as financial mechanism, specifically the Convention on Biological Diversity (CBD) and United Nations Framework Convention on Climate Change (UNFCCC).

At the Tenth Conference of Parties to the CBD, the Parties adopted the Strategic Plan for Biodiversity 2010-2020 and decided to develop national and regional targets in the framework of the Aichi Biodiversity Targets. Several of these targets refer to issues that are relevant for the Land Degradation Focal Area, such as Targets 7, 14 and 15 on agriculture, restoration of

ecosystem services, including ecosystem resilience and the contribution of biodiversity to carbon stocks. Under the strategic goal B related to reducing the direct pressures on biodiversity and promote sustainable use, Target 7 refers specifically to areas under agriculture, aquaculture, and forestry that will be managed sustainably by 2020 to ensure conservation of biodiversity. SLM can contribute toward achievement of at least of the Aichi targets.

Under the UNFCCC, low-developed countries have to develop National Adaptation Programs of Action (NAPAs) to identify strategies and priority projects for adapting to climate change. Climate change may exacerbate land degradation in addition to its other negative impacts, notably on agricultural production lands and rural livelihoods. Agriculture is one of the top five priorities of these plans, along with coastal area integrated management and disaster risk management. There is therefore a need for adaptation actions, including SLM technologies, policies, and institutions to both address land degradation and adapt to climate change.



Approach to Programming — Resource Considerations

As a dedicated window for GEF investment in SLM, the Land Degradation Focal Area is allocated a proportion of the total GEF-6 replenishment for programming by countries. The total amount allocated for GEF-6 is \$415 million, which will be invested through country allocations under the GEF System for a Transparent Allocation of Resources (STAR) and focal area set-asides. The STAR will account for \$346 million (80.3 %) of the focal area resources, leaving \$85 million (19.7 %) for programming as set-aside funds.

The System for a Transparent Allocation of Resources

The Land Degradation Focal Area is included in the STAR alongside biodiversity and climate change.

During GEF-5, the Land Degradation Focal Area was for the first time included in the GEF STAR, together with the Biodiversity and Climate Change Focal Areas.¹⁴ This ensured more predictable and flexible access to GEF resources by all eligible countries for combating land degradation. For GEF-6, a total \$346 million of the focal area resources was allocated to 144 eligible countries. The STAR model is based on a combination of indices that make up the GEF benefits index (GBI), the GEF performance index (GPI), and the Gross Domestic Product index (GDPI). The GBI for the Land Degradation Focal Area is based on three indicators: area affected by LD, total dryland area, and vulnerable population. This ensures that the allocation is in accordance with GEF mandate based on: 1) the need for controlling and preventing land degradation in the context of land-based

production systems; 2) the challenge of combating desertification in the drylands, including the need for adaptation to drought risks; and 3) the need to address livelihoods of vulnerable populations.

Individual countries drive the programming of STAR resources based on their national priorities in relation to the focal area. GEF Agencies and partner identify and develop projects in accordance with the GEF policies on the project cycle (see Chapter V). In addition, STAR rules guide the utilization of focal area allocations for projects, especially in relation to flexibility for the total amount, which is particularly crucial for countries with small allocations under the Land Degradation Focal Area. During GEF-6, 49 countries with a total allocation of \$7 million or less will have full flexibility to utilize the amount under a single focal area. Countries above this threshold will have an allowed marginal adjustment of \$2 million.

Focal Area Set-Aside

Set-aside funds are targeted toward reinforcing the focal area mandate through investments that complement country activities under the STAR.

The focal area set-aside fund is a proportion of the focal area envelope that is not included in the STAR, but is crucial for the GEF to accomplish its mandate as financial mechanism of the Convention. During GEF-6, the set-aside includes \$85 million for the following priorities: contribution to the incentive mechanism for SFM program and the Integrated Approach pilot on Fostering Sustainability and Resilience of Production Systems in Sub-Saharan Africa; support for UNCCD Enabling Activities; and for regional and global initiatives to foster regional integration, knowledge sharing, and transfer for advancing SLM globally.

¹⁴ Country eligibility and amount allocated can be found here: http://www.thegef.org/gef/sites/thegef.org/files/publication/GEF_STAR_A4_april11_CRA.pdf

THE SUSTAINABLE FOREST MANAGEMENT PROGRAM

GEF has been an important advocate of Sustainable Forest Management (SFM) across the world for over 20 years. The GEF-5 SFM/REDD-plus incentive strengthened GEF's assistance through investments that help countries manage their forest resources sustainably and continue to provide a range of ecosystem services and diverse livelihood opportunities. GEF's approach is fully aligned with current global efforts that address forests in a holistic manner and recognize the links between poverty alleviation and the sustainable management of forest resources. The objectives of the Biodiversity, Climate Change Mitigation, and Land Degradation Focal Areas can be achieved only if the needs of local communities, women, and forest-dependent people are met in the implementation of SFM.

Through its support for SFM, GEF champions the protection and sustainable use of the world's forests. GEF will also respond to the different national circumstances of recipient countries and catalyze 'step-change' innovation and investments in the world's forests. GEF will help countries manage their forest resources sustainably, so they will continue to provide a wide range of ecosystem services, support diverse livelihood opportunities, and strengthen climate change resilience. GEF will also encourage private sector engagement through innovative mechanisms to encourage investment in SFM, such as payment for ecosystem services and REDD+.

The goal for the GEF-6 SFM strategy is to achieve multiple environmental benefits from improved management of all types of forests. The strategy supports the move away from governance with a unitary sector focus towards management across institutional, commercial, and planetary system boundaries. This includes pristine forests, managed forests, and degraded forest land. The program is applicable to forests under all forms of ownership, tenure, and use regimes including public, private, community, and traditional or customary arrangements.

The strategy acknowledges that countries vary significantly in their current development pathway, technical and institutional capacity, and the extent and nature of their forest resources. The strategy recognizes the importance of integration with and support for existing efforts to develop national strategies, programs, and frameworks relevant for SFM, including those focusing on biodiversity, climate change adaptation, and REDD+ readiness. The strategy also recognizes the importance of multi-stakeholder approaches for SFM and encourages wide stakeholder engagement and involvement including civil society, the private sector, and local communities.

The GEF-6 SFM strategy provides options for tackling the drivers of deforestation and forest degradation that recognize differing country circumstances while supporting the role of forests in national and local sustainable development plans. Four objectives drive the SFM portfolio and contribute to the goal:

- **SFM 1**—Maintain forest resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation
- **SFM 2**—Enhance forest management: Maintain flows of forest ecosystem services and improve resilience to climate change through SFM;
- **SFM 3**—Restore forest ecosystems: Reverse the loss of ecosystem services within degraded forest landscapes;
- **SFM 4**—Increase regional and global cooperation: Enhance regional and global coordination on efforts to maintain forest resources, enhance forest management, and restore forest ecosystems through the transfer of international experience and know-how.

In order to achieve synergy within SFM projects and programs between the Biodiversity, Climate Change, and Land Degradation Focal Areas, countries will be required to invest national allocation from at least two of the three focal areas. In order to improve access, countries with flexible allocations are free to use their full flexibility and are required to invest national allocation from at least one focal area. The allocation of resources to projects and programs addressing SFM issues is to be carried out at a ratio of 2:1 (STAR: Incentive).

To ensure that countries have access to sufficient funding to invest in SFM at an ecologically and operationally significant scale, each country is required to invest a minimum of \$2 million from their national allocations in order to qualify for incentive investments from the SFM envelope. Where projects and programs involving two or more countries are proposed, the \$2 million minimum is assessed collectively. Countries are eligible to access up to a maximum of \$10 million from the SFM Incentive supported with qualifying investments from their national allocations.

In order to address collaborative and cooperation issues in programmatic approaches, approximately 10% of the SFM program envelope are earmarked for targeted investments to increase regional and global cooperation on major issues. Those issues include the participation of indigenous peoples, civil society organizations, and the private sector in SFM through networking, South-South cooperation, and sharing of international experience and know-how (SFM Objective 4).



THE INTEGRATED APPROACH PILOT PROGRAMS

During GEF-6, a series of Integrated Approach Pilots (IAPs) will be supported by the GEF to demonstrate the need for GEF to influence transformational change in key sectors impacting the global environment. One such IAP is on “Fostering Sustainability and Resilience of Food Production Systems in Sub-Saharan Africa,” which seeks to leverage existing investments in smallholder agriculture and food security to safeguard ecosystem services in agro-ecosystems. The proposal springs from the recognition that investing in natural capital is crucial for long-term sustainability and resilience of food production systems. Such investments will enable developing African nations to achieve long-term food security based largely on smallholder agriculture, and with global environment benefits.

The IAP program is anchored in the Land Degradation Focal Area strategy (LD1), with direct contributions to the biodiversity (BD3 and BD4) and climate change mitigation (CCM-2) focal area strategies.¹⁵ GEF financing will lead to measurable global environment benefits (reduction of GHG emissions, sustainable use and conservation of biodiversity, and improved soil health), promote climate-smart smallholder systems, and increase resilience of food value chains. Hence the investments will directly contribute to implementation of CBD, UNCCD, and UNFCCC.

¹⁵ LD1, “Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods”; BD3, “Reduce threats to globally important biodiversity”, specifically Program 7 (Securing Agriculture’s Future: Sustainable use of Plant and Animal Genetic Resources); BD4, “Mainstream biodiversity conservation and sustainable use into production landscapes and seascapes”, specifically Program 9 (Managing the Human-Biodiversity Interface); CCM-2, “Demonstrate systematic impacts of mitigation options, specifically Program 4 (Promote conservation and enhancement of carbon stocks in forest and other land uses, and support climate smart agriculture).

The IAP program will be implemented in targeted agro-ecologies in the most food insecure dryland regions in Africa, potentially covering an estimated 10 million hectares and involving 2-3 million households over 5-10 years. These are areas prone to environmental crisis leading to food insecurity; that have potential for leverage based on having a strategy in place (or under development) according to the Comprehensive African Agricultural Development Program, and having secured financial flows for IAP implementation; that are ripe for scaling-up based on evidence; with some success to build on; and with evidence of public sector engagement demonstrating ownership and sustainability. Based on these criteria, the proposed pilot will focus on the following geographies:

- **Sahel**—Focus on the Guinea-Savanna dominated by maize-mixed and agro-pastoral systems;
- **Horn of Africa**—With an estimated 70 million people, including pastoralists living in areas prone to extreme food shortages;
- **Eastern Africa Highlands**—Mainly areas dominated by mixed and perennial farming systems, with high population densities;
- **Southern Africa**—Focusing on the crop-livestock systems in the sub-humid zone, with maize as the dominant food crop.

GEF will invest its resources through four main components: soil and water conservation; diversification of production systems; integrated natural resource management in agro-pastoral systems; and supportive policies and institutional frameworks for transformational change toward food security. Because women are the large majority of food producers and processors and are more likely to be subsistence farmers, this IAP will specifically emphasize women’s empowerment and participation at all levels.

The IAP will evolve through a consultative process with targeted countries, to ensure consistency with national and regional priorities. The financing modality will include set-aside funds drawn from the land degradation (\$40 million), biodiversity (\$10 million) and climate change mitigation (\$10 million) focal areas. Up to \$50 million of these funds will be used as an incentive for countries in the target geographies to invest their country allocations under the STAR in country-specific projects at a 1:1 ratio. The remaining set-aside funds will be used for cross-cutting and regional projects that will directly complement and support country investments.

ENABLING ACTIVITIES FOR THE UNCCD

During GEF-5, the GEF for the first time ever provided resources to support Enabling Activities under the land Degradation focal area. The GEF financing supported implementation of the UNCCD in accordance with country obligations to the Convention, and was based on decisions taken by the Conference of Parties. Focal area set-aside funds will be once again provided to support Enabling Activities in GEF-6, and based on priorities for fulfilling country obligations under the convention. An approved ceiling of \$70 000 (Seventy thousand US dollars) per country will be available for

the entire GEF-6 phase (2014-2018). In keeping with GEF principles for financing, the GEF amount is provided on the assumption that it is a contribution, and may not cover full costs of the Enabling Activities. A country can choose how to utilize the GEF financing depending on its other existing funding opportunities.

Countries have three modalities for accessing the GEF resources, with the following specific considerations:

- **GEF Agency**—The OFP will work directly with the Agency of choice, which will then prepare and submit the proposal through the normal procedure for all GEF projects. The GEF Agency template (available on the GEF website: http://www.thegef.org/gef/LD_direct_access_template) should be completed by a GEF Agency, and will include an Agency fee which ranges from 9 to 9.5 percent¹⁶ to support the Agency's project cycle management services for the project.
- **Umbrella Project**—The Operational Focal Point only needs to prepare and sign a letter of endorse-

¹⁶ Agency fee is 9.5% for Project Grants up to and include \$10 mil and 9% for Project Grants beyond \$10 mil. For GEF Project Agencies, Agency fee is fixed at 9% regardless of the size of the Project Grant.



BOX 2. PROGRAMMATIC APPROACHES FOR MULTI-SCALE IMPACT

Past or on-going GEF programmatic approaches may help in shaping additional global or regional initiatives, such as the World Bank/GEF Strategic Investment Program for SLM in Sub-Saharan Africa, the World Bank/GEF Sahel and West Africa Program to Support the Great Green Wall Initiative, AFDB/GEF Lake Chad program, and the World Bank/GEF Middle East and North Africa Desert Ecosystems and Livelihoods Program. The regional-level programs created opportunities for multiple countries to collectively target environmental threats that extend beyond national boundaries, and to promote integrated and holistic solutions that will deliver environment and development benefits.

In addition to regional programs, countries such as Burkina Faso, China, Cuba, India, and Namibia strategically programmed GEF resources at national level through the Country Partnership Pilots with the GEF. This approach enables countries to empower national institution on SLM issues, develop partnership frameworks to support action at multiple scales, and increase the potential for cross-sector synergies. In addition to Land Degradation Focal Area resources, it is possible to develop synergies with other focal areas and themes and develop multi-focal area or multi-trust fund programs, including forest and adaptation issues.

ment for the country to be included as a recipient of the GEF enabling activity grant. UNEP is lead GEF Agency for developing the umbrella project, which will make available a fixed amount to each recipient country having endorsed and participated in the umbrella project. A draft Project Identification Form of the UNEP umbrella project and the endorsement letter form will be available on the GEF and UNCCD websites. Umbrella projects are now processed under an expedited modality.¹⁷

- **Direct Access**—This modality provides countries direct access of the GEF resources through its designated executing entity, which could be a national agency. However, this modality follows the operations policies and procedures of the World Bank, and therefore requires that a requesting government agency meets the eligibility requirement of World Bank's Procurement and Financial Management Systems. If the project is approved, the Grant Agreement can only be signed by the country's Minister of Finance or designated authority. The latest instructions for this modality will be accessible on the GEF website.

REGIONAL AND GLOBAL INITIATIVES

Support for regional and global initiatives will enable eligible countries to link nationally-developed projects on the basis of the following: thematic issues that will deepen and reinforce the focal area agenda, such as capacity building and gender mainstreaming for SLM implementation; and potential for spatial and geographical integration at appropriate scales (including transboundary areas). The following regional prospects will be particularly considered in this regard: (i) further advancement of the dryland agenda under the Central Asian Countries Initiative on Land Management; (ii) regional approach to sustainable land management in Caribbean and Pacific small island development states; (iii) advancement of the integrated desert ecosystems and livelihoods approach in Southern Africa, and (iv) integrated ecosystem management approaches in the dry, high-elevation South American Andean ecosystems (Central Andes).

These investments will also catalyze efforts by countries to engage in knowledge sharing and transfer on the basis of south-south exchange and practitioner forums at regional and global level. Such investments will foster learning and knowledge transfer to broaden GEF's catalytic role beyond national boundaries. They will also contribute to a stronger visibility for the UNCCD by facilitating engagement of broader stakeholder community involved in implementation of GEF projects.

¹⁷ Umbrella project PIF will be approved by Council in a work program. After Council approval, CEO endorsement will be provided two weeks after the comment period unless there is major comment from Council that needs to take more time for Agencies and countries to respond. Agencies do not need to submit a CEO endorsement request template under this expedited process.

A close-up photograph of a person's hands holding a large, shallow wooden bowl. Above the bowl, a woven basket is tilted, and a stream of golden-brown rice grains is falling into it. The background is blurred, showing a person in a blue shirt and a thatched roof. A semi-transparent white box with a teal border on the right side is overlaid on the image, containing the title text.

Cross-focal Area Linkages for Synergy in Production Systems

With SLM as an important entry point for countries affected by land degradation, the focal area offers a range of options for designing projects that fully integrate other focal area priorities.

By combining Land Degradation Focal Area priorities with those of other focal areas, multi-focal area projects must demonstrate the value-added of integration to generate global environment benefits. During GEF-5 projects utilizing Land Degradation Focal Area resources fell into three categories: stand-alone projects with LD only resources; multi-focal area projects without

SFM/REDD+; and multi-focal area projects with the SFM/REDD+ incentive (Fig 2). For countries designing stand-alone projects, the priorities and approach are based solely on the focal area strategy.

However, projects in the latter two categories are based on potential for maximizing global environment benefits beyond those possible with Land Degradation resources alone. This chapter outlines opportunities for multi-focal area programming of GEF resources based on synergies and trade-offs in production systems.

FIGURE 2. TYPOLOGY OF PROJECTS UTILIZING LD FOCAL AREA RESOURCES IN GEF-5

LD-STAND ALONE	MULTI-FOCAL AREA	SFM/REDD+
Focus: Agriculture and Rangeland Management	Focus: Integrated Landscape Management	Focus: Carbon benefits in forests Landscapes
China: Sustainable and Climate-Resilient Land Management in Western PRC	Ecuador: Promotion of Climate-Smart Livestock Management	Azerbaijan: Sustainable Land and Forest Management in the Greater Caucasus Landscape
Pakistan: Sustainable Land Management Program to Combat Desertification	Kazakhstan: Improving Sustainability of PA System in Desert Ecosystems	Kenya: Development of SFM and Support to REDD for Drylands Forests
Uzbekistan: Reducing Pressures on Natural Resources from Competing Land Use	Turkey: Sustainable Land Management and Climate Friendly Agriculture	Mongolia: Securing Forest Ecosystems through Participatory Management and Benefit Sharing

Note: Color intensity in arrow shows potential for maximizing carbon benefits

SLM as Foundation for Multi-Focal Area Programming

The Land Degradation Focal Area is GEF's window of opportunity for demonstrating and harnessing synergy through multi-focal area programming.

Financing sustainable land management in production systems plays a critical role in ensuring the health and resilience of ecosystems. SLM innovations that address productivity needs in crop, livestock, and forest landscapes also contribute to: a) biodiversity conservation and safeguarding of agro-biodiversity; b) reduction of pollution risks and degradation of water resources; c) reduction of greenhouse gas emissions in production systems; and d) increasing sustainability and resilience of agro-ecosystem services. These multiple benefits are at the heart of GEF's mandate, and provide an opportunity

to foster multi-focal area investments for harnessing synergies and managing tradeoffs.

In order to ensure a practical approach to designing multi-focal area projects utilizing Land Degradation Focal Area resources, it is important that priorities be carefully aligned with other GEF focal areas to demonstrate the potential for synergy. This requires adequate understanding of goals and objectives of the other focal areas to identify opportunities for multi-focal area programming of resources. This section highlights important aspects of the other focal area strategies for GEF-6 and options for designing multi-focal area projects based on potential for achieving synergy through SLM. The table below highlights selected objectives and associated program priorities under the different focal areas that are the most amenable to multi-focal programming with the Land Degradation Focal Area.

TABLE 2. GEF-6 FOCAL AREA OBJECTIVES AND PROGRAMS OF DIRECT RELEVANCE TO SLM

FOCAL AREA	OBJECTIVE	PROGRAMS
Biodiversity	BD-3: Sustainably use biodiversity	Program 6: Ridge to Reef+: Maintaining Integrity and Function of Coral Reef Ecosystems
		Program 7: Securing Agriculture's Future: Sustainable Use of Plant and Animal Genetic Resources
	BD-4: Mainstream biodiversity conservation and sustainable use into production landscapes and seascapes and sectors	Program 9: Managing the Human-Biodiversity Interface
		Program 10: Integration of Biodiversity and Ecosystem Services into Development & Finance Planning
Climate Change	CC-2: Demonstrate systemic impacts of mitigation options	Program 4: Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture
International Waters	IW-2: Balance Competing Water-uses in the Management of Surface & Groundwater	Program 2.1: Advance Conjunctive Management of Surface & Groundwater Systems
		Program 2.2: Water/Food/Energy/Ecosystem Security Nexus
	IW-3: Enhance multi-state cooperation & catalyze investments to rebuild marine fisheries, restore & protect coastal habitats, reduce pollution of coasts & LMs	Program 3.1: Reduce Ocean Hypoxia
		Program 3.2: Preventing the Loss of Degradation of Coastal Habitats
SFM/REDD-plus	SFM-1: Maintained Forest Resources	Program 1.1: Integrated land use planning.
		Program 1.2: Identification and maintenance of high conservation value forests.
		Program 1.3: Identifying and monitoring forest loss.
	SFM-2: Enhanced Forest Management	Program 2.1: Developing and implementing model projects for Payments for Ecosystem Services.
		Program 2.2: Capacity development for SFM within local communities.
		Program 2.3: Supporting sustainable finance mechanisms for SFM.
	SFM-3: Restored Forest Ecosystems	Program 3.1: Building technical and institutional capacities to identify degraded forest landscapes and monitor forest restoration.
		Program 3.2: Integrating SFM in landscape restoration.

SLM AND THE BIODIVERSITY FOCAL AREA

SLM enhances the integration of biodiversity in production systems, including the potential to increase landscape connectivity and secure important habitats for threatened species. This integration is closely linked to BD-3 (Sustainably use biodiversity) and BD-4 (Mainstream biodiversity conservation and sustainable use into production landscapes and seascapes and sectors) of the Biodiversity focal area strategy. Hence there are opportunities for designing multi-focal area projects that will harness biodiversity resources to address objectives 1 (agro-ecosystems) and 3 (integrated landscapes) of the Land Degradation Focal Area strategy. The following are examples of multi-focal area project support with links to the Biodiversity focal area:

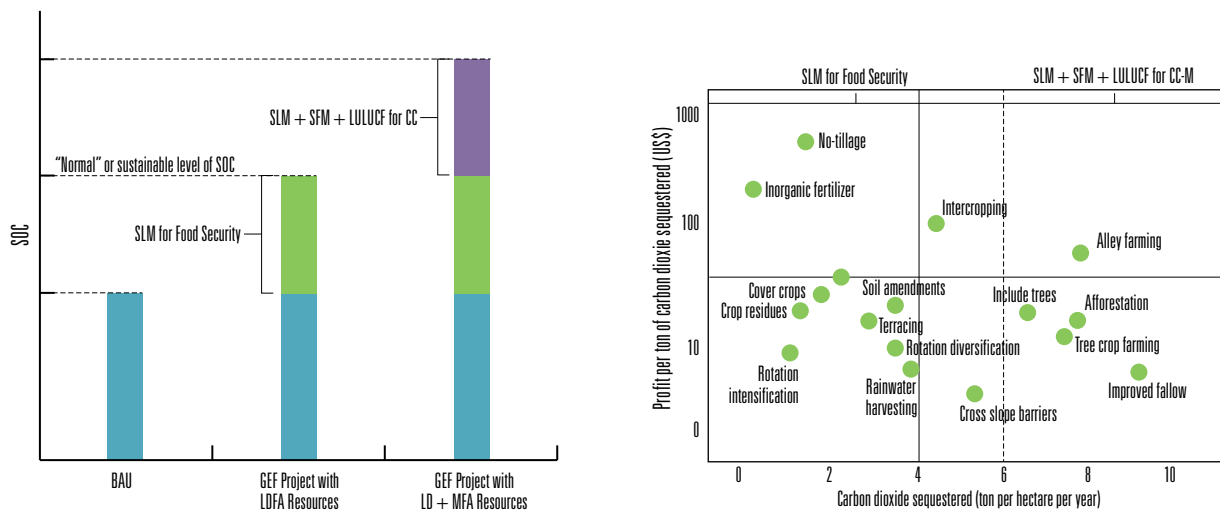
- Improving management of agricultural landscapes in the vicinity of globally important and fragile coral reefs to reduce risk of erosion and sedimentation;
- Conservation of traditional crop and livestock production systems that safeguard globally important genetic heritage;
- Increasing ecological connectivity and improving forest biodiversity values at landscape level, e.g. through buffer zone management, corridors between protected areas, and inclusion of forest biodiversity aspects into production forest.

SLM AND THE CLIMATE CHANGE MITIGATION FOCAL AREA

Because the Climate Change Mitigation Focal Area requires explicit focus on quantifiable carbon benefits, it presents a major opportunity for multi-focal investments in land and soil management with the Land Degradation Focal Area. However, such multi-focal area projects must include interventions that seek to maximize carbon benefits without imposing tradeoffs on other environmental or development benefits. All four of the Land Degradation Focal Area objectives are amenable to multi-focal area programming with the Climate Change focal area under CC-2 (Demonstrating systematic impacts of mitigation options), which includes a specific program on conservation and enhancement of carbon stocks in forest and other land use, and supports climate smart agriculture.

However, the best prospect for increasing carbon benefits is through LD-2 (Forest landscapes) and LD-3 (Integrated landscapes). As shown in Figure 3, carbon benefits delivered through multi-focal area projects with Climate Change focal area resources must be additional to the measurable amounts possible from stand-alone Land Degradation Focal Area financed projects, and relative to the business-as-usual baseline. Hence it is worth pointing out that multifocal area projects combin-

FIGURE 3. ILLUSTRATION OF APPROACH TO MULTI-FOCAL AREA PROJECTS WITH LD AND CC MITIGATION FOCAL AREA FINANCING (LEFT), AND PROPOSED INTERVENTIONS TO MAXIMIZE CARBON BENEFITS IN PRODUCTION LANDSCAPES (RIGHT).



ing Land Degradation and Climate Change Mitigation focal area financing should consider leveraging the SFM incentive mechanism. This will help target interventions that will lead to a minimum of six tons per hectare of CO₂ sequestered per year, as shown in the illustration on the right. The following are examples of projects that may be considered for support:

- Improving use and management of biomass fuel (charcoal), such as through SFM in production landscapes;
- Avoiding deforestation and forest degradation, including land use changes affecting forest lands driven by expanding sectors;
- Promoting the development and application of standardized approaches to monitor and reduce GHG emissions from agricultural activities, including estimating and monitoring associated emissions and changes in carbon stocks.

SLM AND THE SFM PROGRAM

Multi-focal area projects utilizing the incentive mechanism of the SFM program will meet specific criteria of the SFM program and take into account linkages to specific objectives of the Biodiversity, Climate Change, and Land Degradation Focal Areas. The SFM program

objectives are closely linked to LD-2 (Forest landscapes) and LD-3 (Integrated landscapes) of the Land Degradation Focal Area strategy, which will enable eligible countries to harness synergy in delivering multiple environment and development benefits at scale. All four objectives of the SFM program for GEF-6 are amenable to programming in the context of the two Land Degradation Focal Area objectives. The following are examples of projects that may be considered for support:

- Sustainable management of forest landscapes, including trees outside forests, for increased production goods (timber and non-timber products) and services (e.g. reduced land and soil degradation, diversification);
- Forest landscape restoration or reforestation and agro-forestry practices focusing on increasing tree cover in production landscapes;
- Promotion of good management practices in community and small-holder forestry.

SLM AND THE INTERNATIONAL WATERS FOCAL AREA

Integrated management of land and water resources is fundamental for long-term productivity of agro-ecosystems. At the same time, SLM interventions play an



BOX 3. SLM OPPORTUNITIES IN THE LDCF/SCCF FOR CLIMATE CHANGE ADAPTATION

The GEF adaptation strategy has three overarching objectives: (i) reduce vulnerability; (ii) improve adaptive capacity to address the impacts of climate change, including variability; and (iii) promote the transfer and adoption of adaptation technology. The GEF is currently managing two independent funds established under the UNFCCC that focus on adaptation: the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). The LDCF is aimed at addressing the special needs of the Least Developed Countries under the UNFCCC. Adaptation has been identified as the most relevant issue, and the fund is specifically designed to support projects addressing the urgent and immediate adaptation needs of LDCs. This includes reducing the vulnerability of those sectors and resources that are central to human and national development, such as water, agriculture and food security, health, disaster risk management and prevention, and infrastructure, as identified and prioritized in their NAPAs.

The SCCF is designed to finance activities, programs, and measures related to climate change that are complementary to those funded by GEF under the Climate Change Focal Area in the areas of: (i) adaptation to climate change; (ii) technology transfer; (iii) selected sectors including Energy, Transport, Industry, Agriculture, Forestry and Waste Management; and (iv) economic diversification. Among these four financing windows, adaptation has the top priority. All developing country parties to the UNFCCC are eligible to receive financial support for adaptation interventions to be integrated into development activities. Projects proposed under this fund target adaptation activities under priority areas of intervention as identified by the UNFCCC, such as water resources management, land management, and agriculture. The SCCF also supports capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change, including contingency planning particularly for droughts and floods in areas prone to extreme weather events.

SLM SYNERGIES THROUGH THE ADAPTATION FUND

The Parties to the Kyoto Protocol of the UNFCCC established the Adaptation Fund to finance concrete adaptation projects and programs in developing countries Parties. The Fund is financed with 2% of the Certified Emission Reduction issued for projects of the Clean Development Mechanism and other sources of funding. The GEF provides secretariat services to the Adaptation Fund Board on an interim basis in order to support and facilitate its activities. The Adaptation Fund is strongly based on the principle that projects must be country-driven. There are no prioritized sectors or approaches, but all project proposals must be in compliance with national sustainable development strategies, including adaptation strategies. If such strategies include SLM among national adaptation priorities, SLM projects are eligible for Adaptation Fund financing within the country. However, unlike the LDCF/SCCF, the funds cannot be combined with GEF Trust Fund resources for multi-focal area programming.

The Strategic Results Framework of the Fund, which all Adaptation Fund projects should be aligned with, includes several expected outcomes and outputs that are also relevant to SLM projects, such as increased adaptive capacity within relevant development and natural resource sectors, increased ecosystem resilience in response to climate change and variability-induced stress, and diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas. The Fund also acknowledges the increasing burden imposed by climate change on the most vulnerable communities in the world, and gives special attention to their needs. Because of the emphasis on vulnerable countries and communities, the potential for linking SLM priorities with climate change adaptation offers a major opportunity for win-win outcomes in countries affected by Desertification, Land Degradation, and Drought.



important role in reducing the risk of sedimentation and nutrient pollution in freshwater bodies as well as in coastal and marine ecosystems. For example, the IW strategy notes that the bulk of expected increases in hypoxia and eutrophication will occur in large marine ecosystems in GEF-eligible countries. Multi-focal area projects combining International Waters and Land Degradation Focal Area resources therefore present opportunities for eligible countries to implement integrated water resource management, including “ridge-to-reef” approaches to mitigate land-based risks and stressors. In this regard, it is expected that such multi-focal area projects will align LD-1 (agro-ecosystems) and LD-3 (integrated landscapes) with IW-2 (surface and groundwater) and IW-3 (coastal and marine systems). The following examples can be considered for multi-focal area projects linking with the International Waters focal area:

- Integrated watershed management in transboundary areas where SLM interventions can improve hydrological functions and services for agro-ecosystem productivity;
- Implementing the “ridge-to-reef” approach to reduce or avoid effects of land degradation in important freshwater or coastal and marine habitats;
- Improving irrigation flow in smallholder crop and livestock production systems.

SLM AND CLIMATE CHANGE ADAPTATION

Because of their emphasis on production systems and vulnerability of human livelihoods, three major funding windows focused on climate change adaptation are invaluable in the context of UNCCD. The GEF recognizes that adaptation programs should not operate in a vacuum. For example, the need to address impacts from drought and floods can be pursued through integrated land and water resources management with multiple benefits. Such integrated approaches will have significant beneficial impacts on community livelihoods, food security, and have a high potential to sequester carbon. Therefore, GEF eligible countries focusing on activities to combat land degradation can take full advantage of synergies with climate change adaptation, and advance climate-resilient SLM with resources from the adaptation funds being managed by the GEF: the LDCF and SCCF under the UNFCCC, and the Adaptation Fund under the UNFCCC’s Kyoto Protocol (Box 3 provides brief description of priorities under these funds).

With developing countries increasingly interested in addressing vulnerability risks in production systems, including effects on smallholder farmers, there is considerable potential for combining Land Degradation Focal Area resources with the LDCF/SCCF. However, such multi-trust fund projects must demonstrate “additionality” for the adaptation funds while at the same time targeting multiple global environment



benefits in accordance with objectives of the Land Degradation Focal Area. The following examples can be considered for project support in the context of climate change adaptation:

- Combining SLM interventions with improved and adaptive crop varieties for smallholder production;
- Diversification of production systems to increase resilience in vulnerable ecologies and regions;
- Improving water management and irrigation practices to increase efficiency, especially in dryland regions prone to drought and floods.

Capacity Development Program

During GEF-5, a Cross-cutting Capacity Development program was established to help countries address the challenge of implementing the Conventions. Projects financed through the program enhance a country's ability to meet its obligations under the Conventions by creating synergies, while at the same time catalyzing the mainstreaming of multilateral environmental agreements (MEAs) into national policy, management, or financial and legislative frameworks.

The overall goal of the program is to help countries meet and sustain global environmental outcomes by strengthening key capacities that address challenges and remove barriers common to the MEAs. During

GEF-6, the program will facilitate the acquisition, exchange, and use of knowledge, skills, good practices, and behavior necessary to shape national planning and budgeting processes and implementation in support of global environmental benefits by:

- Promoting country ownership and country-led programs to ensure that the GEF supports embedded environmental objectives at the core of national decision-making and the development planning;
- Fostering Innovation and replicable actions;
- Catalyzing synergies, burden-sharing, and the scale-up of capacities to support on-going sustainable environmental management and growth;
- Promoting knowledge sharing and improved information management at all levels to enhance public awareness and promote behavioral change;
- Ensuring consultations and involvement of public and other stakeholders in decision-making from the earliest stages of planning;
- Promoting partnerships with different stakeholders and across different development sectors; and
- Strengthening environmental governance, including improving political and institutional arrangements and fostering coordination between different sectors of government and the environmental sector.

An aerial photograph of a rural landscape featuring terraced agricultural fields on a hillside. A prominent white house with a dark roof is situated on a higher elevation. The terrain is lush with green vegetation, and the overall scene depicts a typical rural setting. A semi-transparent white box with a green border on the right side is overlaid on the image, containing the title text.

The GEF Project Cycle — Policies, Principles and Practices

This chapter describes the steps process involved in developing and delivering a project for GEF financing. It describes the GEF project cycle and actors involved, types of projects considered by the GEF, and tools available to help design winning sustainable land management proposals.

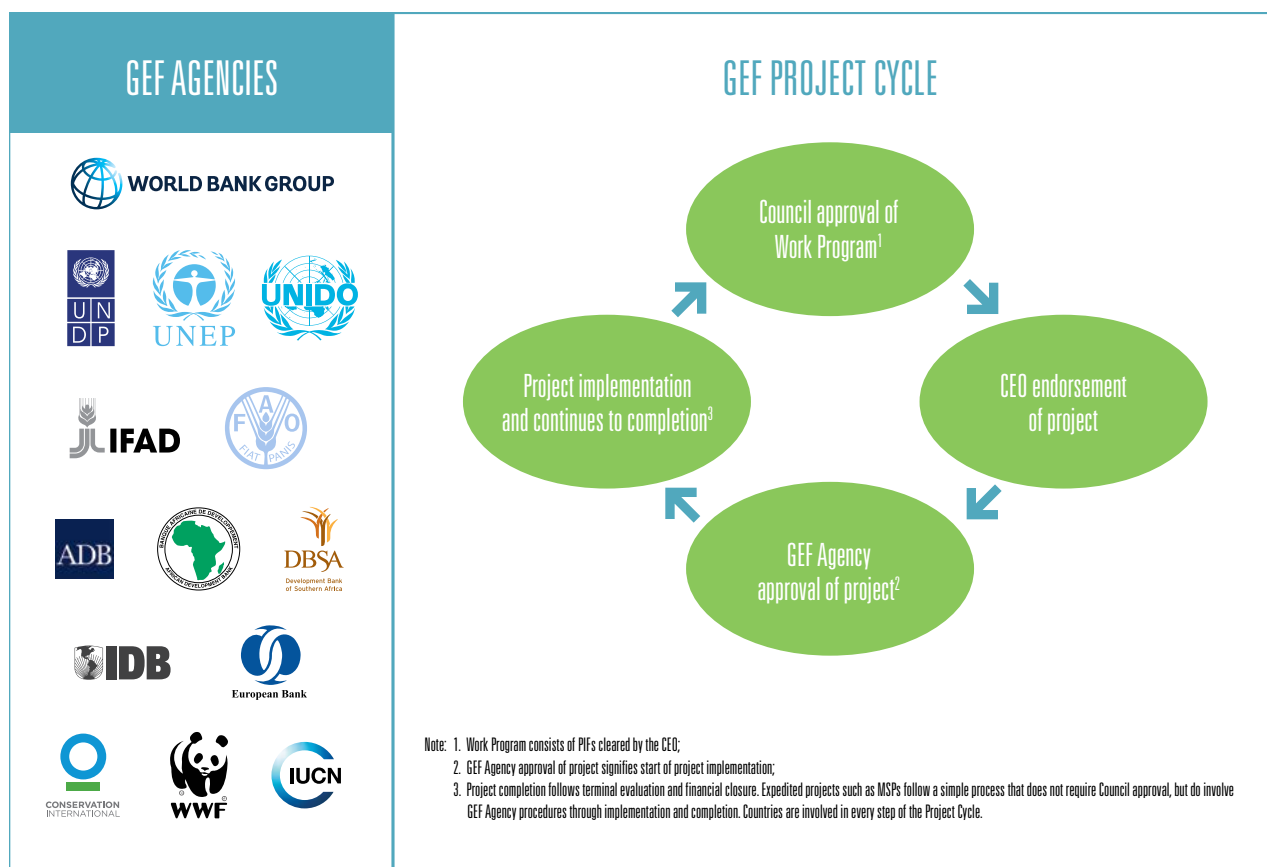
GEF Project Cycle

The GEF project cycle is a major focus of all stakeholders involved in the delivery of GEF projects. Council, recipient countries, Agencies, and CSOs, are constantly monitoring the efficacy and simplicity of the policies associated with the GEF project cycle. Although not all of these actors are relevant at every stage, each has an important role to play throughout the proposal development and review process until project approval. Understanding these actors and their roles is a crucial aspect of project development for GEF financing, as described in the table below.

TABLE 3. KEY ACTORS IN THE GEF PROJECT CYCLE

PARTNER	ROLE	STAGE OF INVOLVEMENT IN PROJECT CYCLE
GEF Operational Focal Point	The principal contact point for all GEF activities in the country; facilitates country consultations and national portfolio formulation exercises (NPFEs); reviews and endorses project ideas and concepts; oversees the project implementation progress.	Mainly in Pre-PIF stage, but also continues throughout the project implementation phase
GEF Secretariat	Reviews funding requests (FSP, MSP, PPG, EA, PFD) for consistency with GEF policies, strategies, and review criteria; approve funding requests at appropriate stages (GEF CEO)	Throughout the project cycle
GEF Council	Approves projects (FSP, PFD) and provides policy guidance on projects at appropriate stages	Approves Work Programs
GEF Partner Agency (GEF Agencies + GEF Project Agencies)	Helps the national executing partner develop and submit project proposals/final documents for GEF funding; approves project internally; supervises project implementation; undertakes project monitoring, mid-term reviews and submits project completion reports	Throughout the project cycle
National Executing Partner	With the support of the GEF Agency prepares project concept (PIF); undertakes day-to-day operations of a project; responsible for the overall execution of the projects	Pre-PIF submission; throughout project implementation and completion
Trustee	Sets aside funds for projects; commits funds; disburses funds; undertakes financial closure of the project	Throughout the project cycle
STAP	Screens project proposal at an early stage to identify options to benefit from high-level scientific and technical advice in its further preparation	At PIF/PFD submission Post CEO PIF /PFD clearance
GEF Evaluation Office	Evaluates completed projects and selected themes; undertakes annual performance reviews	After project completion
UNCCD Secretariat	Provides comments on contents of projects or programs in accordance with decisions of the Conference of Parties to the Convention	Throughout the project cycle

FIGURE 4. PROJECT CYCLE



Setting GEF Priorities at Country Level

At the beginning of each GEF Replenishment Phase, every country is expected to identify national priorities for project development. The GEF OFF has a critical role in this process.

The GEF Secretariat is managing a Country Support Program intended to enhance work of the Operational Focal Point, including engagement with key stakeholders in defining GEF priorities for the country: convention focal points, line ministries, development partners, CSOs, and NGOs. Through the OFF, these stakeholders are also invited to take part in National Multi-stakeholder dialogues, the Expanded Constituency Workshops, the National Committees, the Familiarization Seminars, and the National Portfolio Formulation Exercise. In addition to the reinforcement of capacities, these meetings bring transparency in the decision making process and inclusiveness of national stakeholders, including civil society.

Typology of Projects

Depending on the drivers of land degradation and social-ecological context, SLM projects can be developed and designed for consideration by GEF as either Stand-alone (with Land Degradation Focal Area resources only), Multi-focal (in combination with other focal area resources), or Multi-Trust-fund (in combination with LDCF or SCCF resources). These options present very different opportunities and challenges with respect to GEF requirements for incremental financing. It is therefore essential to carefully understand the distinctions to assess which option is best suited to the context, and relative to the amount of resources available for programming and the GEF window from which those resources can be accessed.

STAND-ALONE PROJECTS

If you are proposing a project that addresses primarily land degradation issues, sustainable land management and/or deforestation and forest degradation in production landscapes, it could be designed as a stand-alone land degradation project, meaning that the project will

be financed fully from your country's land degradation STAR allocation. If your country has \$7 million or less in its total STAR allocation, it is flexible to also use the Climate Change and Biodiversity focal area allocations for projects addressing Land Degradation (and vice versa).

MULTI-FOCAL AREA PROJECTS

As shown in Chapter V, there are opportunities for combining Land Degradation Focal Area priorities with those of other focal areas through projects that demonstrate the value-added of integration to generate global environment benefits. Where such opportunities are clearly evident, it might be appropriate to consider multi-focal area projects that combine LD focal area funds with those from the relevant focal areas (STAR and non-STAR). Such projects must be clearly based on potential for demonstrating or harnessing synergy between SLM and the other focal area priorities as described in Chapter V. For countries designing multi-focal area projects that will address land degradation in forest landscapes, there is also potential to secure additional funding from the incentive mechanism of the SFM program. The actual amount accessible from this incentive mechanism is relative to the amount of STAR resources programed in the project in a ratio of 2:1 (a minimum of \$2 million of STAR resources accesses \$1 million of the SFM incentive).

MULTI-TRUST FUND PROJECTS

If you are designing a project on land degradation issues that can also touch upon the reduction of vulnerability of adverse impact of climate change, increase the adaptive capacity to respond to climate change impact, or promote transfer and adoption of adaptation technologies, it might be possible to develop a multi-trust fund project using resources from the LDCF or the SCCF. The LDCF and SCCF finance the additional costs to help vulnerable countries to meet their adaptation needs due to adverse impacts of climate change. The LDCF finances least developed country NAPA priorities, while the SCCF mainly finances adaptation and technology transfer to all developing country parties to the UNFCCC. The main themes found in the LDCF and SCCF projects deal with food security, agriculture, water resource management, disaster risk management, and community-based adaptation. Particular attention should be paid on the specific reasoning or additional cost principle linked to these funds.

Options for Programming of Resources

Project processing and required documentation are determined by the size of a project. The size is based on amount of GEF resources being programed. There are three options for programming: full-sized projects, medium-sized projects, or programmatic approaches.

FULL-SIZED PROJECTS

A fairly large project utilizing more than \$2 million in GEF resources is considered a full-sized project (FSP). FSPs go through all stages of the project cycle, two of them in the approval phase and two during the implementation phase. Following are the main stages of FSPs:

- GEF Council approval of the work program, consisting of the project's PIF cleared by the GEF CEO;
- Endorsement of the project by the GEF CEO;
- Approval of the project by the GEF Agency and the start of the implementation;
- Completion of implementation, terminal evaluation and formal financial closure of the project by the GEF Agency.

FSPs can be designed as stand-alone land degradation projects or as multi-focal area projects. Once cleared by the CEO, FSPs are eligible for project preparation grants (PPG), with the option of submitting the PPG proposal at the time of PIF submission.

MEDIUM-SIZED PROJECTS

If the amount of GEF resources to be programed is less than or equivalent to \$2 million, then a medium-sized project (MSP) can be considered. A carefully prepared MSP proposal requires only a single step for approval. Since no PIF is required, an MSP project document that meets all GEF requirements can be approved directly by the GEF CEO. At time of submission to the GEF Secretariat, the MSP proposal can include a request of up to \$50,000 for a PPG to retroactively cover costs incurred in developing the proposal.¹⁸ Upon CEO approval of the MSP, the GEF Agency follows its own internal approval process for the project and begins implementation.

¹⁸ The \$50,000 PPG request, including corresponding Agency fee, must also be included as part of the total amount in the OFP Letter of Endorsement that is submitted with the MSP document.

PROGRAMMATIC APPROACHES

A “programmatic approach” is an overarching vision for change that is best achieved through a series of interconnected projects under a common objective, and whose anticipated results are more than the sum of its components. Its individual yet interlinked projects seek large-scale impacts on the global environment. The overall objective of a programmatic approach is to secure sustained environmental impact through integrating global objectives into national or regional strategies and plans using partnerships.

Programmatic approaches are a potentially powerful tool to achieve higher impact from GEF engagement in a more cost-effective way. They facilitate upstream engagement on typically complex and evolving drivers of change; generate and use project-learning; promote regional cooperation and South-South exchange; build partnerships and programmatic cofinancing; and foster institutional change and scaling-up. A detailed guideline on the programmatic approach is available from the GEF website: http://www.thegef.org/gef/guidelines_templates

TABLE 4. SUMMARY OF PROJECT TYPES IN THE GEF

	FULL-SIZED PROJECT	MEDIUM-SIZED PROJECT	PROGRAM
GEF Grant Amount	> US\$ 2 million	US\$ 2 million or less	Usually > \$10 million
Project Approval Steps	Council approval of PIF > CEO endorsement of final FSP document > Agency internal approval	Single step path – no PIF, CEO approval of fully developed MSP document > Agency internal approval Two step path — CEO approval of PIF > CEO approval of final MSP document > Agency internal approval	Council approval of PFD > CEO endorsement of final child project documents > Agency internal approval
Agency Fee (if applicable)	9.5% up to \$10 million of GEF grant; 9% if GEF grant is more than \$10 million	9.5% of GEF grant	9%
Project Document preparation timeline	18 months from Council approval of PIF until CEO endorsement	12 months (only if two step path) until CEO approval	Based on GEF Agency’s “program commitment deadline” from date of Council approval of PFD
PPG availability	Yes	Yes	Yes, for child projects under the program
OFP Endorsement letter (requirements)	At time of PIF submission (grant amount, PPG, if any, agency fee)	At time of MSP submission (grant amount, agency fee, PPG if requested)	At Council approval of PFD endorsed by all participating countries (grant amount for the program, agency fee, PPG if anticipated)



BOX 4. GEF SMALL GRANT PROGRAMS

Nearly all countries utilize GEF resources for Small Grants Programs (SGPs) at the national level. GEF-SGP projects are designed in the same way as regular FSPs or MSPs, and follow the normal GEF project cycle. However, once approved or endorsed, they are administered nationally through a process established with UNDP, which serves as GEF Agency for all SGPs. Each country has a core allocation, but can also add STAR allocation, including from Land Degradation resources. Desertification and deforestation are the main priorities of the GEF SGP under the Land Degradation Focal Area.

The GEF-SGP can provide up to \$50,000 to civil society organizations or grassroots groups for projects to improve agro-ecosystems and forest landscapes

where deterioration of ecosystems services and goods undermines the livelihoods of many people. This problem manifests itself prominently in the dryland ecosystems where climate change impacts further exacerbates the predicaments of the rural poor. The GEF SGP constitutes an important vehicle of resources for CSOs and notably the most vulnerable (poor, women, young, etc.). Land Degradation is now the second largest focal area in terms of ongoing grant projects under the GEF-SGP.¹⁹

¹⁹ See Annual Monitoring Review FY2013: <http://www.thegef.org/gef/node/10498>

Developing a PIF — Elements of a Good Proposal

Against the backdrop of the project cycle, this section provides additional guidance on the basic elements involved in developing a successful proposal for GEF funding. These elements are already built in the Project Identification Form (PIF) in the form of specific questions and guidelines, which are available on the GEF website. The elements highlighted below are amongst the most important criteria for GEF financing, and include: a) evidence of country ownership; b) choice of GEF Agency; c) incremental reasoning for the GEF grant; d) stakeholder participation, socio-economic benefits, and gender considerations; e) consistency with focal area strategies; f) co-financing; and g) project management costs.

EVIDENCE OF COUNTRY OWNERSHIP

One of the primary requirements for GEF funding is that all projects must be country-driven. The PIF should prove that the national government is committed to the proposed project objective and strategy. This has to be demonstrated by: i) a letter of endorsement from the GEF Operational Focal Point (OFP) at the time of submission to GEF; and ii) a description of country priorities as defined in national policies, strategies, or action plans. The latter should also take into consideration national action programs to implement the UNCCD, as well as plans for other Conventions if a multi-focal area project is proposed. Country priorities should be articulated in accordance with the new directives of the GEF2020 Strategy, which emphasizes drivers, impact, scalability, innovation.²⁰

²⁰ http://www.thegef.org/gef/sites/thegef.org/files/documents/GEFC.46.10_GEF2020_-_Strategy_for_the_GEF_May_15_2014.pdf

CHOICE OF GEF AGENCY

The role of GEF Agencies is to assist with the design and implementation of projects. But with a total 14 GEF Agencies now available, choosing the right one for a project is an important step toward a good proposal. The PIF should demonstrate that the choice is right by including a description of the Agency's comparative advantage based on its existing role, programs, and staff capacity in the country, as well as relevant past experience with implementing similar projects. The Agency is normally expected to bring a certain amount of co-financing to project in line with its role.

INCREMENTAL REASONING

The principle that GEF funds are incremental to the funds required for national sustainable development helps ensure that scarce resources are not diverted from development financing, and that GEF resources create Global Environmental Benefits. Incremental reasoning has to be applied throughout the description of the problem that the project is trying to address, the description of the baseline project, the incremental activities, and global environmental benefits to be delivered by the project.

- The problem. This might be a land degradation problem/threat, or a barrier to sustainable management of land that exists in the country or the project region. The PIF needs to be as specific as possible.
- Baseline Project. Incremental costs should be related to one or more clearly identified baseline project(s). Baseline projects are ongoing or planned activities for which the incremental GEF funding is sought. GEF funding requires solidly-funded

baseline projects. Baseline funding is not co-financing; however, in some cases the baseline funding contributes essentially to the objective of the GEF funded activities, so that parts of the baseline funding might constitute co-financing as defined by the GEF (see below).

- **Incremental Activities.** Incremental activities are basically those that are necessary to turn local socioeconomic and environmental benefits into global benefits.
- **Global Environmental Benefits.** The GEF provides resources to recipient countries to meet the incremental cost of activities that generate global environmental benefits. Projects implemented under Land Degradation Focal Area are expected to contribute to the following agreed global environmental benefits:
 - Improved provision of agro-ecosystem and forest ecosystem goods and services;
 - Reduced GHG emissions from agriculture, deforestation and forest degradation and increased carbon sequestration;
 - Reduced vulnerability of agro-ecosystem and forest ecosystems to climate change and other human-induced impacts.

Interventions proposed in the PIF must be concerned with globally significant land degradation. However, because land degradation problems are local most of the time, it is not always easy to make this distinction between global and local benefits. Quantifying the hectares of land that will benefit from proposed sustainable land management interventions, and thus deliver global environmental benefits will make a strong case. Specific details on the measurable improvements anticipated in the landscape with respect to vegetative cover, trees, and biomass will further strengthen the reasoning.

PROJECT DESIGN AND CONSISTENCY WITH FOCAL AREA STRATEGIES

The new PIF template makes it easy to align the proposal with the Focal Area strategy. A separate table in the template (table A) includes a drop down menu of the Focal Area objectives and related programs in line with the focal area results based framework. This choice of focal area programs depends on the how the project components are framed relative to the baseline. This in turn determines how the GEF grant amount is apportioned toward maximizing the delivery of global environment benefits.

STAKEHOLDER PARTICIPATION, SOCIO-ECONOMIC BENEFITS, AND GENDER

All key stakeholder, their roles and responsibilities need to be well defined. Relevant documents on Enhancing Civil Society Engagement and Partnership with the GEF and Public Involvement in GEF Projects provide information about the GEF policies and initiatives in this area. The PIF must demonstrate how those policies will be followed in the design and implementation of the proposed project.

PROJECT CO-FINANCING

The GEF defines co-financing as “resources that are additional to the GEF grant and that are provided by the GEF Partner Agency itself and/or by other non-GEF sources that support the implementation of the GEF-financed project and the achievement of its objectives.”²¹ This is directly linked to the discussion on incremental reasoning, which implies that GEF financing would only cover a part of the costs associated with implementing a project. The PIF must detail all other sources of funds that can be secured for project implementation, such as government grant, bilateral aid, or UN Agency financing.

PROJECT MANAGEMENT COSTS

Project management costs are the actual costs associated with managing, administering, and supervising the day-to-day activities of projects on the ground. They are included in project budget and financed from both the GEF grant and the co-financing sources. Since 2007, GEF policy instructs that project management costs from GEF funding should not exceed 5 percent (10 percent for MSPs) of the GEF grant amount.

Developing a Final Project Document

In general, all elements included in templates as required for approval (MSP) or endorsement (FSP) by the GEF CEO must be adequately addressed. Furthermore, the final package submitted to the GEF is expected to provide greater detail on all aspects elaborated during project development, which are presented separately in the agency’s own project document. In addition, aspects that required consulta-

²¹ Co-financing Policy, GEF/C.46/09

tion with stakeholders and confirmation (e.g. baselines, targeted co-financing) must be fully addressed. Two specific elements that are required at this stage include the budgeted monitoring and evaluation framework, and the focal area tracking tools.

PROJECT MONITORING AND EVALUATION

Monitoring and Evaluation in the GEF takes place at different levels. For the purposes of this guide, two levels of M&E activities are highlighted: at the project or program level, and at the portfolio level. After the PIF has been approved, the development of a project logical framework with established baselines and indicators is an important task during the project preparation. GEF projects are expected to have SMART indicators and established baseline values for each indicator.

TRACKING TOOL

In GEF-5, alongside other focal areas, the Land Degradation Focal Area introduced a Portfolio Monitoring and Assessment Tool, also called the LD Tracking Tool. Focal area tracking tools are an important component of projects submitted to the GEF for incremental financing. These tools are invaluable for monitoring results of GEF operations in the various focal areas, including progress towards achieving the GEF mandate on global environmental benefits.

Portfolio level monitoring of GEF investments is conducted three times in the lifetime of a project (at

CEO endorsement, at mid-term, at completion) based on outcome indicators and targets set out in each focal area results-based framework. This requires information on key indicators at the project level that are amenable to aggregation. We expect that all the information required will essentially represent the established baseline for monitoring and eventually for impact assessment at project closure.

The LD Tracking Tool is a means to capture the necessary data and information during project design and implementation. The data is used to:

- Demonstrate GEF's catalytic role as a strategic partner for implementing/up-scaling SLM interventions to combat land degradation, specifically desertification and deforestation;
- Monitor global environmental benefits from GEF investments in production systems (agricultural, rangelands, and forest landscapes), including multi-focal area synergies involving biodiversity, international waters, and climate change;
- Report effectively and reliably on GEF financing for implementation of the UNCCD by Parties, including the 10-year Strategy; and
- Enhance portfolio level management and accountability for the LDFA

The latest LD Tracking Tool is available on the GEF website along with detailed guidelines on how it should be completed. For multi-focal area projects, the LD Tracking Tool must be accompanied by tracking tools from the other focal areas.



ANNEX 1

SUGGESTED FURTHER READING²²

GEF Publications on Land and Ecosystem Services

Combating land degradation in production landscapes: learning from GEF projects applying integrated approaches. (2014). GEF publication (accessible online: <http://www.thegef.org/gef/node/10670>)

The publication is the result of a new effort on portfolio review in the GEF Secretariat. This effort is intended to promote learning and knowledge synthesis from GEF projects under implementation. This particular portfolio review was focused on projects designed to combat land degradation through application of integrated approaches. It was financed under the two operational programs that preceded the current Land Degradation focal area: Integrated Ecosystem Management (OP 12) and Sustainable Land Management (OP 15). The emphasis was on understanding the catalytic nature of GEF financing to advance integrated approaches in countries affected by land degradation, including processes, practices, tools, and knowledge innovations that were embodied in the projects.

GEF Investments on Payments for Ecosystem Services Schemes. (2014). (Accessible online: <http://www.thegef.org/gef/node/10844>)

The GEF has engaged in pioneering development of mechanisms that reward good stewardship of natural resources, including the structuring of Payment for Ecosystem Services (PES) schemes. For the GEF, the concept of PES includes a variety of arrangements through which the beneficiaries of ecosystem services compensate those providing the services. This publication summarizes the investments of GEF in PES from a variety of institutional, thematic and geographic perspectives. The publication also highlights some of the trends and opportunities for the establishment of PES schemes to generate global environmental benefits. Investments have ranged from global projects aiming at building the human and institutional capacity

necessary to establish PES schemes, to stand-alone agreements between buyers and sellers in watersheds of high biodiversity value.

Two Decades of Experience in the GEF: Investing in Ecosystem Services and Adaptation for Food Security. (2013). (Accessible online: <http://www.thegef.org/gef/pubs/two-decades-experience-investing-ecosystem-services-and-adaptation-food-security>)

Tackling global environmental threats is essential for long-term sustainability of mainstream development investments in food security. The GEF has been playing an invaluable role in supporting developing countries to pioneer practices that introduce sustainability and resilience features into agriculture and food security investments. To illustrate the types of solutions and interventions the GEF has been championing, this publication offers a succinct overview of the investments already made in maintaining ecosystem service flows and securing the resiliency for food systems throughout the developing world. The publication provides a synthesis of the GEF experience in supporting the agriculture and food security agenda of eligible countries based on projects financed over the last two decades (1991-2011).

Land for Life: Securing our Common Future. (2011). GEF and UNCCD Secretariat publication (accessible online: <http://www.thegef.org/gef/pubs/land-life-securing-our-common-future>)

Globally, the levels of resource degradation are unprecedented because land that anchors other resources continues to be degraded. Through high quality photos donated by GoodPlanet and other various sources, this publication shows how sustainable land management (SLM) practices are helping shape a sustainable future for people and the planet. It demonstrates how different interventions are innovatively contributing to improve soil, land, water, and vegetation management. It describes how harnessing natural, social, and cultural capital is addressing fundamental needs for livelihood and well-being—food, water, energy, and wealth—while delivering global environmental benefits.

²² There are numerous knowledge products generated from SLM projects financed by the GEF around the world, and are mostly accessible through project websites or the GEF Agencies. The suggestions included here are limited, however, only to materials generated and published by the GEF Secretariat and STAP.

Investing in Land Stewardship: GEF's efforts to combat land degradation and desertification globally. (2009). GEF publication. (Accessible online: <http://www.thegef.org/gef/node/13>)

Following the designation of the GEF as a financial mechanism of the UNCCD in 2003, the GEF has been investing resources to address land degradation, particularly desertification and deforestation. Land is the basis of all life-sustaining processes, and so supports a wide range of ecosystem goods and services that humanity depends on for survival. This publication outlines the GEF's approach toward financing sustainable land management as a means of ensuring the stewardship of land globally. It includes highlights of innovative actions and solutions to combating land degradation over the last decade and approach to financing projects.

GEF Publications on Climate Change Mitigation and Adaptation

GEF Programming Strategy on Adaptation to Climate Change, Least Developed Countries Fund, Special Climate Change Fund. (2014). (Accessible online: <http://www.thegef.org/gef/node/10957>)

Over the past decade, the GEF has financed a pioneering, global portfolio of adaptation projects and programs in over 124 countries with grant resources amounting to \$1.18 billion. These interventions are reducing the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change across key vulnerable sectors, including agriculture, water resources management, infrastructure, and health. This publication lays out the new programming strategy for the July 1, 2014 to June 30, 2018 period. Building on the GEF's solid experience in financing climate change adaptation, the Strategy presents the programming priorities for the next four years.

Land Use, Land-Use Change, and Forestry (LULUCF) Activities. (2012). GEF publication (accessible online: <http://www.thegef.org/gef/pubs/land-use-land-use-change-and-forestry-lulucf-activities>)

Consistent with its mandate, the GEF provides substantial resources to developing and transition countries to mitigate greenhouse gas (GHG) emissions by promoting conservation and enhancement of carbon stocks through sustainable management of land use,

land-use change, and forestry (LULUCF). These include reducing deforestation and forest degradation, enhancing carbon stocks in non-forest lands and soil, and management of peatlands. The publication presents strategies for reducing GHG emissions and increasing carbon sequestration. It highlights approaches and means of calculating carbon benefits associated with LULUCF projects.

Land, water and forests: assets for climate resilient development in Africa. (2011). GEF publication (Accessible online: <http://www.thegef.org/gef/pubs/land-water-and-forests-assets-climate-resilient-development-africa>)

One third of all African people live today in drought-prone areas, and 250 million are exposed to drought every year. This publication examines how the management of land, water, and forests can be integrated to foster climate resilient development in Africa. It covers the topics of land degradation, deforestation, desertification and water scarcity, with emphasis and examples in the Congo Basin, Lake Chad and the Sahel region.

GEF Publications on Civil Society, Indigenous Peoples, and Gender

The A to Z of the GEF: a guide to the Global Environment Facility for Civil Society Organizations (2011). GEF publication (Accessible online: http://www.thegef.org/gef/AZ_CS0)

The GEF is a partnership for international cooperation to address global environmental issues. Partners include national governments of member states, international institutions, private sector and civil society organizations. Cooperation with CSOs is particularly valuable to the GEF, since its projects and policies have greatly benefited from a diversity of views, experiences and perspectives. This publication synthesizes the modus operandi of the GEF at the level of engagement with its different partners and relevant stakeholders.

The GEF and Civil Society Organizations: a strategic partnership. (2010). GEF publication (Accessible online: <http://www.thegef.org/gef/pubs/CSOs>)

As a partnership for international cooperation, GEF has fostered partnerships with the public, private and nonprofit sector to increase its impact in the

developing world. The GEF is cognizant of the fact that meaningful partnerships are the foundation for success. This publication provides an account of the diversity, scope and extent of CSO involvement in GEF projects and policies, and offers directions to further strengthen this unique partnership to address global environmental challenges.

Principles and Guidelines for Engagement with Indigenous Peoples. (2012). (<http://www.thegef.org/gef/pubs/principles-and-guidelines-engagement-indigenous-peoples>)

The paper briefly describes the main concerns and desires expressed by Indigenous Peoples and other experts with respect to Indigenous Peoples engagement in GEF-financed projects and processes. The paper also summarizes relevant policies and processes of the GEF and GEF Partner Agencies as they relate to engagement with Indigenous Peoples.

Roadmap for gender equality. (2014). (Accessible online: <http://www.thegef.org/gef/roadmapgender>)

The GEF invests in local actions thereby creating opportunities for social inclusion to achieve global environmental benefits. This publication showcases the heightened level of strategic gender consideration and inclusion in GEF projects; enhancing project value as well as advancing gender equality, equity, social inclusion and women's empowerment.

Mainstreaming Gender at the GEF. (2013). (Accessible online: <http://www.thegef.org/gef/node/1548>)

Gender relations play a key role in the access to and control over environmental resources and the goods and services that they provide. Accounting for gender dimensions is an important consideration when running environmental projects. This publication highlights the GEF's efforts and renewed commitment to link gender equality and environmental sustainability.

Technical Reports and Advisory Documents of the GEF Scientific and Technical Advisory Panel (STAP)

Managing Soil Organic Carbon for Global Benefits. (2013). A STAP technical report (Accessible online: <http://www.thegef.org/gef/pubs/managing-soil-organic-carbon-global-benefits>)

This publication examines the potential for sustainable land management to contribute to both food security and multiple global environmental benefits. Through this publication, the STAP specifically presents an approach for soil organic carbon management as a basis for capturing global environmental benefits in production systems, an objective held in common by the Conventions supported by the GEF. This includes the protection of biodiversity (above and below-ground), resilience of ecosystems, climate change mitigation, sustainable land management, and protecting the environment from persistent organic pollutants.

Payments for Environmental Services and the GEF. (2010). (Accessible online: http://www.thegef.org/gef/pubs/STAP_PES)

Payments for Environmental Services (PES), sometimes called Payments for Ecosystem Services, are a popular intervention in GEF projects that aim to generate ongoing financial incentives for environmental objectives. This advisory document summarizes the evidence base for PES effectiveness and the key issues to consider in the design and selection of PES programs in the GEF portfolio.

ANNEX 2

GEF-6 LDFA RESULTS FRAMEWORK

Goal:	To contribute to arresting and reversing current global trends in land degradation, specifically desertification and deforestation.
Impact:	Sustained productivity of agro-ecosystems and forest landscapes in support of human livelihoods
Corporate Level Target:	120 million hectares under Sustainable Land Management
Indicators:	(a) Change in land productivity (greenness measure as proxy - NPP, NDVI –corrected by RUE) (b) Improved livelihoods in rural areas (Farmer income – disaggregated by gender) (c) Value of investment in SLM (\$ generated from diverse sources, co-financing in projects)
Gender Indicators:	Focal Area projects will use and incorporate GEF Gender Indicators, which will be monitored and aggregated at the Focal Area portfolio and Corporate levels. ²²

OBJECTIVES	PROGRAM PRIORITIES	EXPECTED OUTCOMES AND INDICATORS
LD-1: Agriculture and Rangeland Systems: Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods	Program 1: Agro-ecological Intensification Program 2: SLM for Climate Smart Agriculture	Outcome 1.1: Improved agricultural, rangeland and pastoral management Indicator 1.1 Land area under effective agricultural, rangeland and pastoral management practices and/or supporting climate-smart agriculture Outcome 1.2: Functionality and cover of agro-ecosystems maintained Indicator 1.2 Land area under effective management in production systems with improved vegetative cover Outcome 1.3: Increased investments in SLM Indicator 1.3: Value of resources flowing to SLM from diverse sources (including climate change adaptation and mitigation)
LD-2: Forest Landscapes: Generate sustainable flows of forest ecosystem services, including sustaining livelihoods of forest dependent people	Program 3: Landscape Management and Restoration	Outcome 2.1: Support mechanisms for forest landscape management and restoration established Indicator 2.1: Types of innovative mechanisms, institutions, legal and regulatory frameworks functioning to support SFM and restoration Outcome 2.2: Improved forest management and/or restoration Indicator 2.2 Land area under sustainable forest management and/or restoration practices Outcome 2.3: Increased investments in SFM and restoration Indicator 2.3: Value of resources flowing to SFM from diverse sources (e.g. PES, small credit schemes, voluntary carbon market)
LD-3: Integrated Landscapes: Reduce pressures on natural resources from competing land uses in the wider landscape	Program 4: Scaling-up sustainable land management through the Landscape Approach	Outcome 3.1: Support mechanisms for SLM in wider landscapes established Indicator 3.1: Demonstration results strengthening cross sector integration of SLM Outcome 3.2: Integrated landscape management practices adopted by local communities based on gender sensitive needs Indicator 3.2: Application of integrated natural resource management (INRM) practices in wider landscapes Outcome 3.3: Increased investments in integrated landscape management Indicator 3.3: Increased resources flowing to INRM and other land uses from diverse sources
LD-4: Maximizing transformational impact: Maintain land resources and agro-ecosystem services through mainstreaming at scale	Program 5: SLM Mainstreaming in Development	Outcome 4.1: SLM mainstreamed in development investments and value chains across multiple scales Indicator 4.2: Increased investments in SLM Outcome 4.2: Innovative mechanisms for multi-stakeholder planning and investments in SLM at scale Indicator 4.2: Innovative mechanisms, institutions, legal and regulatory frameworks functioning to support SLM

22 Refer to the core GEF Gender Indicators identified under the gender section of the Strategic Positioning Paper for GEF-6 replenishment. The five Gender Indicators are:

1. Percentage of projects that have conducted gender analysis during project preparation.
2. Percentage of projects that have incorporated gender sensitive project results framework, including gender sensitive actions, indicators, targets, and/or budget.
3. Share of women and men as direct beneficiaries of project.
4. Number of national/regional/global policies, legislations, plan, and strategies that incorporates gender dimensions (e.g. NBSAP, NAPA, NAP, TDA/SAP, etc).
5. Percentage of Project Implementation Reports (PIR), Mid-term Evaluation (MTE) and Terminal Evaluation Reports (TER) that incorporate gender equality and women's empowerment and assess results/progress. Projects will use gender-sensitive indicators and sex-disaggregated data, and it will be systematically recorded, reported and integrated into adaptive management responses at the project level. GEF will undertake periodic reviews of the portfolio and highlight best practices in mainstreaming gender in projects, including through Annual Monitoring Review and Learning Missions.



PHOTOGRAPHY

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PRODUCTION CREDITS

Production Date: January 2015

Design: Patricia Hord.Graphik Design

Printer: Professional Graphics Printing Co.

ABOUT THE GEF

The Global Environment Facility is a partnership for international cooperation where 183 countries work together with international institutions, civil society organizations and the private sector, to address global environmental issues.

Since 1991, the GEF has provided \$13.5 billion in grants and leveraged \$65 billion in co-financing for 3,900 projects in more than 165 developing countries. For 23 years, developed and developing countries alike have provided these funds to support activities related to biodiversity, climate change, international waters, land degradation, and chemicals and waste in the context of development projects and programs.

Through its Small Grants Programme (SGP) the GEF has made more than 20,000 grants to civil society and community based organizations for a total of \$1 billion.

Among the major results of these investments, the GEF has set up protected areas around the world equal roughly to the area of Brazil; reduced carbon emissions by 2.3 billion tonnes; eliminated the use of ozone depleting substances in Central and Eastern Europe and Central Asia; transformed the management of 33 major river basins and one-third of the world's large marine ecosystems; slowed the advance of desertification in Africa by improving agricultural practices—and all this while contributing to better the livelihood and food security of millions of people.

During the latest replenishment of the GEF (GEF-6) 30 donor countries have pledged the record amount of US\$4.43 billion to support developing countries' efforts over the next four years to prevent degradation of the global environment.

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