

# Follow the Money: Navigating the International Aid Maze for Dryland Development

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*Funding to assist poor countries in combating desertification and other types of land degradation has been largely neglected in comparison to other sectors (especially water supply and sewage treatment, biodiversity, and climate change), despite continued warnings from the scientific community, staggering estimates of need, and the adoption and entry into force of the UN Convention to Combat Desertification in the mid-1990s.*

*This paper examines the aid flows for projects and programs to combat desertification and address drylands degradation and development. The paper reviews the major multilateral and bilateral sources of aid and elaborates how the development of projects that also address other key environment and development issues, including climate change, biodiversity loss, and the Millennium Development Goals have increased the aid flows to countries and regions suffering from severe dryland degradation.*

## Introduction

It is estimated that desertification and drought account for US\$42 billion in annual loss in food productivity worldwide (UNEP 2006). On top of this figure is the uncountable cost in human suffering and lives lost due to hunger and the need to abandon once productive land. These statistics are not only disturbing, they are preventable. Historically, the drylands, for the most part, have been bypassed by development. They attract little investment, usually because their importance and potential is unappreciated (UNDP 2005). This confines dryland dwellers to poverty and destitution despite international efforts to put drylands on the global agenda, including the UN Convention to Combat Desertification (UNCCD), which arose from the UN Conference on Environment and Development (UNCED) in 1992.

The challenge is how to improve economic and social development in the drylands without contributing to even greater environmental degradation in already fragile lands. For decades, bilateral and multilateral development assistance has been seen as the universal panacea and numerous attempts have been made to find ways to increase aid flows to the drylands. Funds to combat the destruction of soil resources, however, have not been a priority for the aid community. In fact, there were only 1,537 land degradation assistance projects between 1980 and 2000, with an allocated total of approximately \$4.6 billion over the entire period. This represents only about 2 percent of the funding goals set in Agenda 21, adopted in Rio de Janeiro at the Earth Summit in 1992. Of all environmental aid given in the twenty-year period between 1980 and 2000, aid to address land degradation represents only 3.23 percent (Hicks et al. 2008).

This paper examines the aid flows for projects and programs to combat desertification and address dryland degradation and development. The paper begins with some background about how this issue was addressed in the 1994 UN Convention to Combat Desertification, identifies the major multilateral and bilateral sources of aid, and elaborates how the development of projects that also address other key environment and development issues, including climate change, biodiversity loss, and the Millennium Development Goals, can increase the aid flows to countries and regions suffering from severe dryland degradation.

### **The Convention to Combat Desertification: Background**

While the African ministers' proposal for a convention to combat desertification was discussed during the UNCED preparatory process, it was only in Rio de Janeiro in June 1992 where, after protracted negotiation, delegates accepted the idea of a global convention in paragraph 12.40 of *Agenda 21*:

The General Assembly at its forty-seventh session should be requested to establish, under the aegis of the General Assembly, an intergovernmental negotiating committee for the elaboration of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, with a view to finalizing such a convention by June 1994 (United Nations, 1992:104).

In December 1992, the UN General Assembly took the first step in implementing this recommendation by adopting resolution 47/188, calling for the establishment of the Intergovernmental Negotiating Committee (INC), which would convene for five, two-week sessions with a view of finalizing the convention by June 1994. The INC held its organizational session in January 1993. The majority of the key negotiations on the socioeconomic and financial aspects of desertification were shaped by the opposing viewpoints of the Organization for Economic Cooperation and Development (OECD) group of countries and the Group of 77 (G-77) and China. Unlike many previous environmental negotiations, the INC was characterized by economic interdependence rather than ecological interdependence.

Developed countries held the purse strings to the financial and technical assistance needed by the affected developing countries. Thus, even though developing countries represented the larger of the two primary coalitions with greater voting power, the OECD group of countries formed an economic "veto coalition," which had the power to influence the course of the negotiations.

From the beginning there were divergent views on the need for new financial resources and mechanisms. The developing countries, particularly the Africans, argued that new and additional financial resources from developed countries were necessary to fund programs stemming from the convention. The Africans proposed that the convention should establish a "new, independent, democratic, less conditional, and transparent financial mechanism," such as a "fund for desertification" (United Nations 1993:64). The OECD group of countries believed there was no demonstrated need for either new or additional financial resources to implement the convention or for new financial mechanisms. They argued that lack of funding was not the problem. What was missing was information on the impact of funds, assessment of successes and shortcomings, and removal of bottlenecks. Existing financial resources and mechanisms should suffice, with suitable modifications to use them more effectively (United Nations 1993).

After three days of round-the-clock meetings in a small contact group, consisting of eight representatives from the G-77 and eight from the OECD group of countries at the final negotiating session in Paris in June 1994, a compromise was reached. The U.S. proposed the establishment of a "Global Mechanism" to promote actions leading to the mobilization and channeling of financial resources. After several lengthy discussions about the nature of such a Global Mechanism, the G-77 agreed to withdraw its proposal for a special desertification fund.

As a result, the negotiations concluded without a strong commitment by developed country parties to contribute new and additional resources to UNCCD implementation and without a consensus on the nature of the financial mechanisms that would support its implementation (Falloux et al. 2006:130). The final text of Article 20 "Financial Resources" states that developed country parties will undertake to mobilize substantial financial resources, including grants and concessional loans; promote the mobilization of "adequate, timely, and predictable financial resources, including new and additional funding from the Global Environment Facility"; and explore innovative methods and incentives for mobilizing and channeling resources.

Affected developing country parties, taking into account their capabilities, undertake to mobilize adequate financial resources for the implementation of their national action programs. Furthermore, the parties will use resources already allocated for combating desertification more effectively and efficiently (UNCCD 1994).

Paragraphs 4–7 of Article 21 “Financial Mechanism” discuss the establishment of the Global Mechanism that will function under the authority and guidance of the Conference of the Parties (COP). At its first session, the COP would identify an organization to house the Global Mechanism and ensure that such mechanism identifies and draws up an inventory of bilateral and multilateral cooperation programs that are available to implement the convention, provides advice, on request, to parties on innovative methods of financing and sources of financial assistance and on improving the coordination of cooperation activities at the national level, and provides information on available sources of funds and on funding patterns in order to facilitate coordination among them (UNCCD 1994).

Not all parties were satisfied with the results. Developing countries, in particular, were concerned that these articles did not contain strong enough commitments by developed countries to provide new and additional financial resources or address the international economic environment that contributes to the socioeconomic causes of desertification. Unlike the 1992 Convention on Biological Diversity and the 1992 United Nations Framework Convention on Climate Change, which both benefited from well-defined issues for which the international political and scientific communities had created the urgency and direction needed to instigate an influx of financing, the UNCCD’s financial provisions were instead designed to mobilize, channel, and coordinate financial flows to fight poverty and land degradation in the drylands (Falloux et al. 2006:130). The UNCCD thus faces the challenge of financing a convention with a broad mandate and stagnating funding for environmental official development assistance (ODA). It has now been nineteen years since the UNCCD was adopted in June 1994 and traditional sources of funding and institutional roles in securing new and additional financial resources have not met expectations.

### **Following the Money: Where Are those “New and Additional” Financial Resources?**

The issue of financial resources has been at the center of global environmental politics for many years and will continue to be for the foreseeable future. Providing developing countries with financial and technical assistance to help them implement their obligations under environmental treaties remains a crucial challenge (Jacobson and Weiss 1998:527). For many developing countries, the major obstacle to effective implementation is the lack of adequate financial and technical resources to fulfill treaty obligations. These countries simply do not have the resources to comply effectively. For others, it provides valuable economic assistance, so resources can flow to other social needs, as well as political assistance, to ease domestic objections regarding adjustment costs. Successfully expanding and implementing global environmental treaties, like the UNCCD, require transitions to environmentally sound technologies and new strategies for natural resource management. Although they could yield long-term economic benefits, such transitions are costly in the short run and require significant investments to ease the transition (Chasek, Downie, and Brown, 2010:308).

Adequate funding to combat desertification and land degradation in the drylands has always been a challenge. Part of the problem is that both multilateral and bilateral donors do not have a common interpretation of what constitutes direct support to UNCCD implementation and what supports the objectives of the convention indirectly. The UNCCD is perceived as an environment convention, even though its primary focus is to fight land degradation through sustainable rural development while reducing poverty. According to Falloux et al. (2006:138) following the Earth Summit in Rio in 1992,

It was initially thought that the environment label would provide higher visibility and better support to the UNCCD. Unfortunately, this has not materialized. As a consequence, national UNCCD focal points are generally situated within ministries of environment without adequate links to ministries of finance, agriculture and other departments positioned to influence policies and budgets pertinent to UNCCD implementation (such as rural development and agriculture). . . . As a result, desertification is rarely cited among the priorities put forward by developing countries in their discussions with donor agencies.

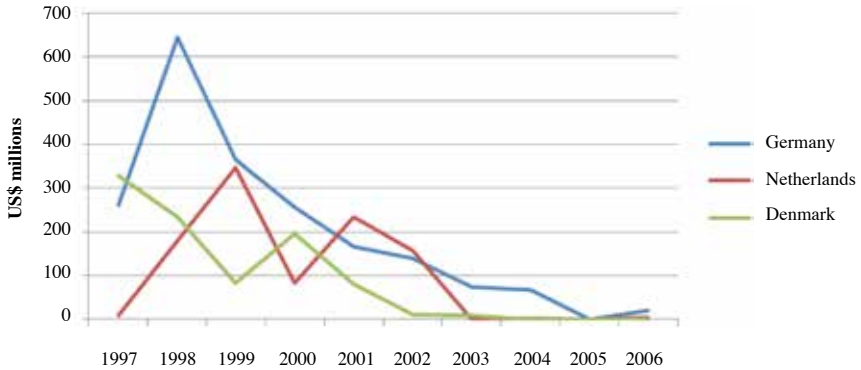
Developed countries, on the other hand, have located their focal points within development agencies. However, they have failed to take the lead in helping their developing country counterparts to raise the profile of desertification into development planning. The result is that the money is focused elsewhere (Falloux et al. 2006:138). This assessment is echoed by Hicks et al. (2008:5), who argue that “land use and desertification have arguably created the greatest numbers of environmentally related deaths over the past two decades. Yet we find this type of aid is relatively neglected and funding does not appear to be flowing to the places where it is most needed.” While there are cost-effective interventions for improving soil health and combating land degradation including erosion control, sediment recapture, fertilizers, green manure, fertilizer trees, crop residues, and water conservation, funds to combat the destruction of soil resources are only “trickling in” from the aid community (Hicks et al. 2008:39–41). Land degradation aid hovered near or below \$100 million a year until 1987 when two large projects boosted the traditional annual totals. That year, the Inter-American Development Bank Fund for Special Operations provided \$75 million for a reforestation project in Ecuador and the African Development Bank gave \$49 million for a reforestation project in Côte d’Ivoire. In 1990, a \$350 million afforestation project funded by the World’s Bank IDA—over four times larger than any previous project—was given to China.

The years following the Earth Summit in 1992 suggest the issue of land degradation was overshadowed by other concerns. Land degradation aid fell in 1993 to around \$260 million and followed a roller coaster ride of highs and lows over the next six years, with aid dipping to \$178 million in 1996 and peaking in 1997 at \$575 million. Looking back at twenty years of project-level data, the shifting size and types of land degradation aid projects reveal much about donors’ intended goals. While there are a handful of large land degradation projects, notably to China and India in the early 1990s, most aid given to countries comes in small packages averaging from \$2.4 million in 1980s to \$4.1 million in the 1990s (Hicks et al. 2008:42). An example would be a project from Canada to Haiti for \$3.9 million to promote “soil degradation control.” Another would be a project from Denmark to Zimbabwe for \$2.3 million to increase “productivity in community land in five districts in eastern Zimbabwe through sustainable use of forests and trees” (Hicks, et al. 2008, 42). These projects suggest narrowly targeted interventions with limited funds, which contribute to the inconsistency in aid flows. What tends to happen is that projects get funded for an initial period of a year to three years and then either the funding source dries up or recipients fail to secure additional funds to continue the project. The result is that the project dies and many short-term gains are lost.

Looking at the three largest donors during this ten-year period from 1997–2006, as reported by the Financial Information Engine on Land Degradation (FIELD), Germany, the Netherlands, and Denmark (see Figure 1), the fluctuation in annual official development assistance flows illustrates the challenges in achieving consistency when aid is predominantly project based.

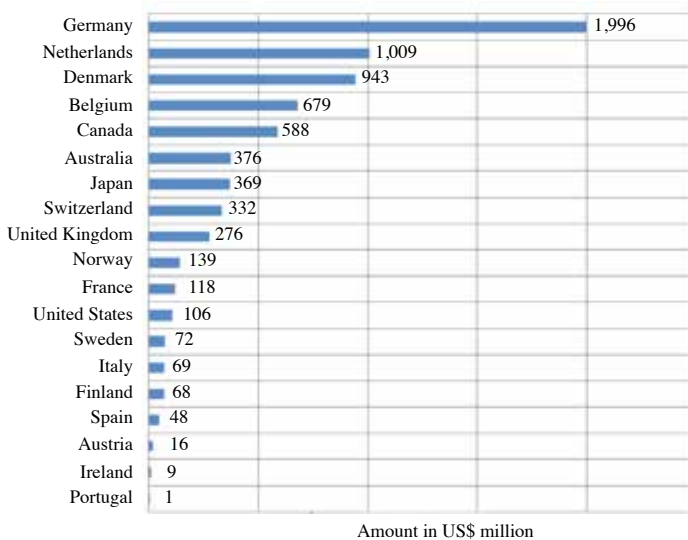
Overall, within the context of bilateral and multilateral aid flows (excluding foreign direct investment, NGO contributions, and other sources of financing to combat land degradation), there are a number of donors through which affected developing countries may seek financing. While this is not the same as having a dedicated fund, some would argue the amounts available, while much lower than expectations of affected developing countries in the early

**Figure 1: Bilateral Investment Fluctuations 1997–2006 (US\$ million)**



Source: Financial Information Engine on Land Degradation (FIELD) <http://www.gmfield.info>, accessed 8 December 2008.

**Figure 2: Bilateral UNCCD-related Investments 1997–2006 (US\$ million)**

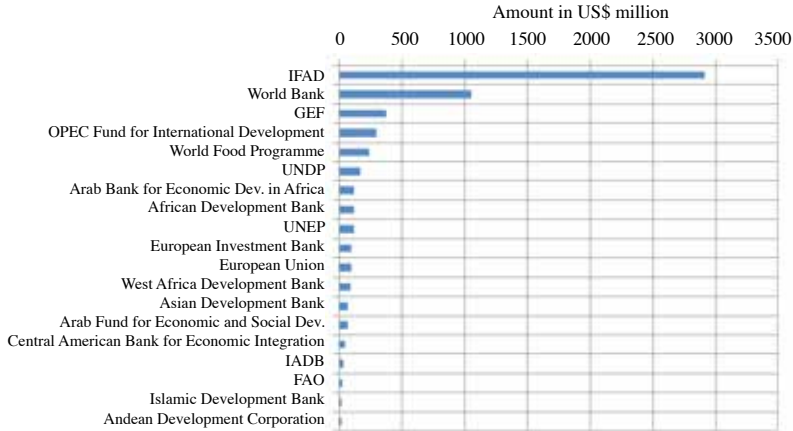


Source: Financial Information Engine on Land Degradation (FIELD) <http://www.gmfield.info>, accessed 8 December 2008.

1990s, may be more than if a separate fund was established under and possibly managed by the convention (See Figures 2 and 3).

Despite the totals of UNCCD-related investments, the percentage of bilateral aid given for UNCCD-related aid is quite small. According to FIELD, the average percentage of bilateral ODA for the period 2001–2003 runs from a high of 5.9 percent in the Netherlands to under 0.5 percent in Sweden, the U.S., Norway, Greece, and Portugal (FIELD 2008). Needless to say, this is not what countries were hoping for. Not only are the amounts available less than expected, not all countries benefited equally. According to FIELD, between 2000 and 2003, the only countries that received more than \$100 million in bilateral ODA were Bolivia, Burkina Faso, China, Egypt, and Morocco. Those receiving between \$50–100 million included Mauritania, Mali,

**Figure 3: Multilateral UNCCD-Related Investments 1997–2006 (US\$ million)**



Source: Financial Information Engine on Land Degradation (FIELD) <http://www.gmfield.info>, accessed 8 December 2008.

Niger, Chad, Ghana, Mozambique, Malawi, Zambia, South Africa, and India (FIELD 2008). Overall, during the same period, Africa received 56.4 percent of the total desertification-related bilateral ODA, amounting to \$1739.3 million.

At the adoption of the UNCCD, many affected developing countries, particularly in Africa, saw this new convention as a mechanism for targeting more financial resources towards dryland development, combating desertification, and mitigating the effects of drought. The reality is that this has not become a focus of multilateral and bilateral development assistance and the compromise Global Mechanism has not really helped.

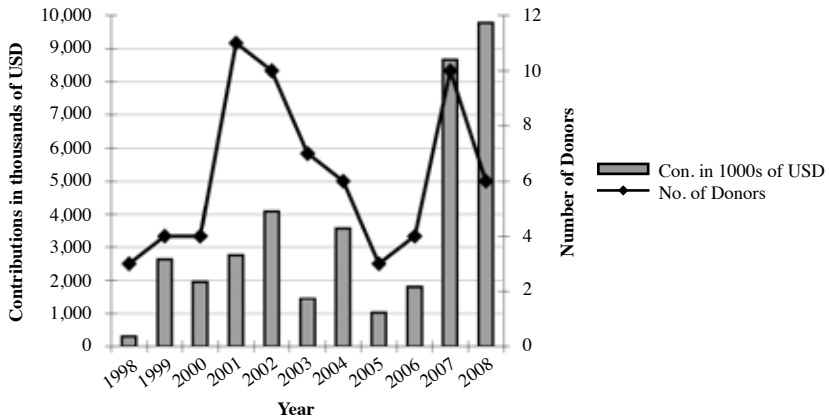
*Global Mechanism*

The Global Mechanism (GM) began operations as a compromise organization that did not really address the developing countries’ desire for “new and additional” financial resources to combat desertification and mitigate the effects of drought. Instead, the GM was defined as an organizational entity mandated “to increase the effectiveness and efficiency of existing financial mechanisms . . . [and] . . . to promote actions leading to the mobilization and channeling of substantial financial resources to affected developing country parties” (UNCCD 1994). In essence, the GM serves as a broker or matchmaker between donors and recipients, providing a range of financial advisory services to parties to the convention, in cooperation with international financial institutions, including its host organization the International Fund for Agricultural Development (IFAD). However, concern that the GM was not facilitating the mobilization of resources and was not providing adequate services to parties to the UNCCD never disappeared. In 2009, in response to a request from the UNCCD Conference of the Parties, the Joint Inspection Unit (JIU) of the UN conducted an evaluation of the GM entitled “Assessment of the Global Mechanism of the United Nations Convention to Combat Desertification” (Ortiz and Inomata 2009).

During the assessment, the inspectors analyzed the overall resources mobilized by the GM over the years and also assessed the level of satisfaction by stakeholders concerning the use and impact of these funds, based on feedback from donors to and beneficiaries of GM activities, as well as from other partners and stakeholders. Overall, the GM received \$38 million during the period 1998–2008 from a variety of donors, of which more than \$20 million was received between 2005 and 2008. The number of donors has decreased, but the

amount of the average contribution per donor has increased, as can be seen in Figure 4 (Ortiz and Inomata 2009:12).

**Figure 4: Evolution of donor contributions to the Global Mechanism 1998–2008**



Source: Ortiz and Inomata 2009:13

The JIU Report also noted that while GM was successful in targeting and leveraging bigger amounts of contributions from its active donors, it had not succeeded in efficiently exploring and systematically integrating other funding avenues beyond the traditional donor community already targeted by all other intergovernmental organizations. Contacts with foundations, private sector, or other nontraditional donors were not a central component of the GM fund-raising strategy, limiting those to ad hoc efforts at national level and only in countries in which the GM has developed activities, such as workshops and seminars on IFS to which it invited representative NGOs, civil society organizations and private foundations to dialogue with government officials and multilateral donors (Ortiz and Inomata 2009:14).

Dissatisfaction on the part of many affected developing countries about the lack of a desertification fund in combination with the paucity of funds mobilized through the GM gave momentum to continued calls for additional funding, particularly in the form of a new “window” under the Global Environment Facility (GEF).

### *Global Environment Facility*

The GEF was established in 1990 as a three-year pilot program, which was restructured and permanently established in 1994 as a global environmental funding mechanism. The purpose of the GEF is to assist developing countries in their efforts to address global environmental problems. Initially, there were four focal areas: climate change, biological diversity, international waters, and the ozone layer. The restructured GEF was entrusted to become the financial mechanism for both the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change. In partnership with the Montreal Protocol of the Vienna Convention on Ozone Layer Depleting Substances, the GEF started funding projects that enabled the Russian Federation and nations in Eastern Europe and Central Asia to phase out their use of ozone-destroying chemicals. The GEF subsequently was also selected to serve as financial mechanism for two more international conventions: the Stockholm Convention on Persistent Organic Pollutants (2001) and the UNCCD (2003).

Project proposals are developed by countries in cooperation with one of the GEF implementing agencies—the African Development Bank (AfDB), the Asian Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the Food and

Agriculture Organization (FAO), the Inter-American Development Bank (IADB), the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), and the World Bank (IBRD). Project proposals are submitted for approval to the GEF Council, whose members represent thirty-two constituencies (sixteen from developing countries, fourteen from developed countries, and two from countries with transitional economies) and implementation is undertaken through partnerships between the relevant country or region and the GEF implementing agency.

When the GEF became the financial mechanism for the UNCCD in 2003, many developing countries hoped this would be the panacea to the financing problem. Between 2003 and the beginning of 2012, the GEF has approved ninety-six projects under the land degradation focal point in the amount of \$346 million, which generated an additional \$1,848 million in co-financing (GEF 2012)—far more than the GM had managed to mobilize. Cofinancing comes from bilateral donors, multilateral agencies (especially the GEF implementing agencies), NGOs, and other sources. Of these projects, the largest GEF grant was for \$29 million for a project “LDC and SIDS Targeted Portfolio Approach for Capacity Development and Mainstreaming of Sustainable Land Management.” The largest project in terms of GEF grant money and cofinancing in the amount of \$135 million (mostly from cofinancing), was for establishing the Central Asian Initiative for Land Management (CACILM), a multi-country and donor partnership to support the development and implementation of national level programmatic frameworks for more comprehensive and integrated approaches to sustainable land management, combating land degradation, and improving rural livelihoods in the region.

There were nine “global” projects, which averaged \$10 million in GEF grants and cofinancing, seventeen “regional” projects—primarily in Africa and Central Asia—averaging \$16 million in GEF grants and cofinancing. The remaining seventy projects were “country” projects, which averaged \$26 million in GEF grants and cofinancing (GEF 2012). The regional breakdown is in Figure 5.

**Figure 5. Allocation of GEF Funds for Land Degradation and Desertification Projects: 2004–2011**

Region	GEF Grants (US\$)	Cofinancing (US\$)	# of Projects	Percent of Total Projects	Percent of total GEF grants
Africa	176,940,639	1,054,269,319	42	60%	67%
Asia	14,357,000	19,300,000	5	7%	5%
Europe and Central Asia	30,900,977	275,704,165	13	19%	12%
Latin America and the Caribbean	41,989,161	221,039,129	10	14%	16%
<b>TOTAL</b>	<b>264,187,777</b>	<b>1,570,312,613</b>	<b>70</b>	<b>100%</b>	<b>100%</b>

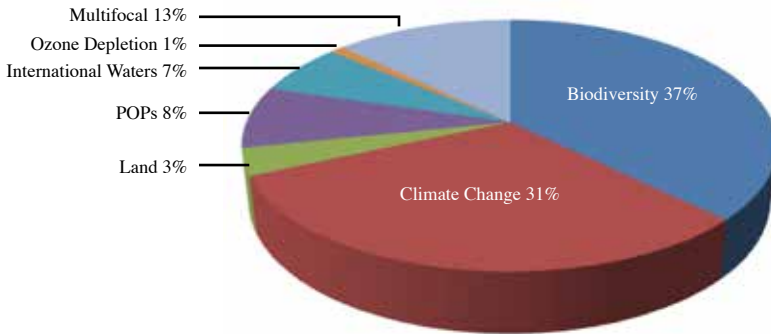
Source: GEF 2012

While the GEF and related cofinancing has contributed significantly to projects aimed at implementing the UNCCD, when compared to other GEF focal areas, the picture does not look as good. And, despite GEF successes, it is these figures that come to mind when government delegates complain about the lack of new and additional financial resources at various



UNCCD and other related meetings. For example, since its inception through the end of 2011, the GEF funded 2,787 projects. Yet only 3 percent of these projects have been for desertification and land degradation (see Figure 6). In response to the argument that the GEF was funding climate change, biodiversity, international waters, and ozone depletion projects since 1991, the GEF started funding the Stockholm Convention in 2001, only two years before the UNCCD, and there have been more than twice as many projects (222) when compared to the ninety-six for desertification and land degradation (GEF 2012).

**Figure 6. GEF Projects by Focal Area: 1991–2011**



Source: GEF 2012

The funding picture does not look much different (See Figure 7). Sixty-two percent of all GEF grants went to climate change and biodiversity projects. Only 4 percent went to land projects. In terms of the co-financing leveraged by the GEF grants during this twenty-year period, climate change projects received 47 percent of all cofinancing, followed by 18 percent for biodiversity and 15 percent for international waters. Land projects leveraged about 4 percent of all cofinancing.

**Figure 7. GEF Funding by Focal Area: 1991–2011 (in US\$)**

Focal Area	GEF Grants	Cofinancing	Total
Biodiversity	2,798,567,800	7,519,474,100	10,318,041,900
Climate Change	2,981,231,400	19,934,473,000	22,915,704,400
Land	346,401,980	1,847,492,710	2,193,894,690
POPs	425,499,768	722,981,346	1,148,481,114
International Waters	1,081,559,000	6,356,475,700	7,438,034,700
Ozone Depletion	186,702,530	200,588,080	387,290,610
Multifocal	1,464,792,400	5,872,524,200	7,337,316,600
<b>Total</b>	<b>9,284,754,878</b>	<b>42,454,009,136</b>	<b>51,738,764,014</b>

Source: GEF 2012

Finally, it is important to look at the multifocal activities. These projects address more than one of the six GEF focal areas and make up 13 percent of all projects and 16 percent of all GEF grants distributed—four times the amount that goes to land-related projects. However, upon a search of the GEF project database (2012) for reference to “desertification,” “land degradation,” or “drought” explicitly in any of the project descriptions for multifocal activities,

the results are sobering. Only twenty-two of the 355 multifocal projects approved between 1991 and 2011 address these issues. On the positive side, this added an additional \$97.8 million in GEF grants and leveraged an additional \$520.5 million in co-financing (GEF, 2012). However, these projects are not always calculated as UNCCD projects, which is part of the bigger problem. More funding does come into areas that are affected by land degradation and desertification, but not all of it is labeled as such. As a result, it is harder to track this funding and demonstrate that additional financial resources are available and being used.

### **Overcoming the Challenges**

“Follow the money” everyone always says and since land degradation and desertification disproportionately affect the least developed countries, especially in Africa, funding is a big issue. It is not so much that there is an absence of funding for implementation of the UNCCD from bilateral and multilateral donors, but when compared to other environment and development funding, the figures reinforce the oft-heard comment that the UNCCD is the “poor sister” of the Rio Conventions. There are challenges with both bilateral and multilateral funding that must be overcome to move beyond this reality.

First, the majority of foreign aid is provided by bilateral donors who determine their own priorities. Many countries do not give priority to land degradation and desertification when development policies and strategies are set. The contribution of land resources to national development, poverty reduction, green growth, and other sustainable development objectives, and the potential sustainable land management has to reverse the degradation of fragile ecosystems, are too often not recognized. Other, more “visible” and pressing issues are very often higher on the political agenda and therefore receive more attention and funding (Global Mechanism 2012).

A common problem with government-to-government aid is that “donor” and “recipient” politicians, parties, and officials are often more concerned about benefit from the aid for themselves, than about it reaching those most in need. Some donors, who try to benefit the disadvantaged, cannot get the aid past the gatekeepers—the politicians and officials who often manipulate it for their own benefit (Crocombe 2001:557). According to Hicks et al. (2008:34), funding to control land degradation does not provide the same benefits to donor countries as water and sanitation projects, which can lead to lucrative contracts for Western construction, equipment and consulting firms, creating a political constituency for support within donor countries. Projects designed to control land degradation and desertification in developing countries, on the other hand, offer few direct benefits to voters in developed countries and often garner less support from voters and interest groups. Furthermore, if a politician is looking for rapid results, the construction of a water treatment plant fits nicely within an election cycle and can quickly show demonstrable results, whereas land reclamation projects take much longer and cannot be easily packaged for political gain in a donor country.

The GM has noted that with development aid allocation increasingly subject to national-level negotiations, the availability of external public finance in support of sustainable land management programs depends on the importance given to sustainable land and ecosystem management by the recipient government. Compelling economic arguments are needed to make the case for sustainable land management to ministries of finance, in particular. To this end, the GM has recognized that by assessing the total economic value of ecosystem goods and services, the direct and indirect costs of natural capital depreciation, and the net benefits of alternative land use approaches, it is possible to generate enough economic evidence to justify responsible land use policies and increased public and private investments into sustainable ecosystem management practices and initiatives (Global Mechanism 2012). But this does not always happen.

A second challenge relates to multilateral donors, most notably the GEF. The GEF has provided much needed financing for land degradation and desertification projects, but many critics

argue that it is insufficient in volume and that certain changes must be made so that the funding is better utilized. Some of the structural problems are similar to those faced with bilateral aid: donor control over the aim and the direction of the GEF. Critics claim that multilateral development banks and donor countries alike use GEF money as a tool to get recipient governments to commit to larger loans with political conditionality. Some recipient governments note an unwieldy bureaucracy in the GEF and other multilateral funds and report that UN agencies routinely assess unreasonable administrative fees. For example, a 26 January 2009 audit of GEF by Deloitte Touche Tohmatsu showed that more than \$17 million went to pay for fees during the 2008 accounting period and more than \$15 million was spent on fees in 2007 (Lattanzio 2010:12). Others, especially recipient countries, have complained that the project cycle needs to be streamlined.<sup>1</sup>

A third issue has been the relationship between country-driven strategic development and project success rates. In spite of the 2005 Paris Declaration on Aid Effectiveness, funding remains donor driven rather than recipient driven. Recommendations to strengthen recipient country ownership include: 1) reforming in-country corporate programs to include greater project portfolio identification and enhanced stakeholder coordination and 2) developing a more flexible and transparent resource allocation framework (Lattanzio 2010:13; GEF, 2010). Other recommendations to strengthen GEF partnerships include: 1) enhancing accountability to the conventions and protocols; 2) streamlining the project cycle and refining the programmatic approach; 3) enhancing engagement with the private sector; 4) implementing the results-based management framework; 5) clarifying the roles and responsibilities of GEF entities, agencies, and conventions; and 6) enhancing engagement with civil society organizations (Lattanzio 2010:13).

On the other side, recipient country governments need to engage in a dialogue with bilateral and multilateral donors to ensure that a greater percentage of aid is recipient driven and meets national environmental and development priorities; the two must be linked. Until there is greater aid rationalization and coordination, the culture of scarcity and the competition between government ministries and departments will continue. In addition, there will continue to be a plethora of redundant projects that do not accomplish much in the long term. By improving their ability to determine national priorities and sell these to potential donors, national governments have an opportunity to change the aid flow so it is more recipient driven.

Affected developing countries must also encourage donors by establishing aid coordination offices and linking development assistance with existing environmental programs and projects. Donor and recipient countries and multilateral donors also need to work together to ensure that projects fit into larger programs that will continue to bring benefits once the initial funding period is complete.

Finally, beyond better rationalizing and utilizing existing funds, countries need to better coordinate their action plans under the three Rio Conventions and develop both projects and larger programs that can effectively implement the UNCCD *and* either the Convention on Biological Diversity or the UN Framework Convention on Climate Change (UNFCCC). To some extent, when it comes to the UNFCCC, this can be considered “bandwagoning,” which Jinnah (2011) says occurs when linking agents purposefully expand an international treaty or regime’s mission to include new climate-oriented goals, typically by foregrounding potential climate mitigation or adaptation benefits of these linkages. Linking agents usually bandwagon, because they believe that doing so will further their own agendas, regardless of whether the linkages detract from the common good (Jinnah 2011). The UNCCD has long seen bandwagoning as critical for mobilizing finances to combat desertification, both under the GEF and with other bilateral and multilateral donors.

Along these lines, in its 2011 report to the UNCCD COP’s Committee for the Review of the Implementation of the Convention, the GEF reported that investments in sustainable land management also benefited from other funding windows during the reporting period:

1. The GEF Council has since responded and took a number of streamlining decisions for both project and programmatic approach cycles at its June 2010 meeting (GEF 2012:17).

Because of their emphasis on production systems and vulnerability of human livelihoods, three major funding windows focused on climate change adaptation are particularly 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 a high potential to sequester carbon. Therefore, GEF eligible countries focusing on activities to combat land degradation (desertification and deforestation) can take full advantage of the adaptation funds being managed by the GEF: the LDCF (Least Developed Countries Fund) and SCCF (Special Climate Change Fund) under the UN Framework Convention on Climate Change (UNFCCC), and the Adaptation Fund under the UNFCCC's Kyoto Protocol (UNCCD 2011:11).

For example, the Adaptation Fund has been established by the parties to the Kyoto Protocol of the UNFCCC to finance concrete adaptation projects and programs in developing countries that are parties to the Kyoto Protocol. During 2010–2011, the GEF reported that UNFCCC Adaptation Fund projects have been approved in ten countries for a total of \$60.57 million. At least four of the projects—Eritrea, Ecuador, Solomon Islands, and Turkmenistan—were focused on enhancing resilience or reducing risks and vulnerabilities in production systems (mainly agriculture) that underpin food security and livelihoods. Other projects, such as those in watersheds (Nicaragua, Honduras, and Mongolia) and in vulnerable coastal areas (Senegal, Maldives) also have direct implications for resilience of production systems. These projects are clear examples of the potential for affected parties to combat desertification and land degradation in the context of climate change adaptation by defining their priorities in accordance with principle on country-drivenness (UNCCD 2011).

The UNCCD has also attempted to bandwagon with the Millennium Development Goals (MDGs). The UNCCD has argued that by controlling and reversing desertification, curbing the effects of drought and restoring productive lands, there is an opportunity to make a direct positive contribution to reducing poverty, improving people's lives and meeting the targets of the MDGs. Addressing desertification ensures that reducing poverty and improving development are sustainable over the long term, especially with an expanding global population (UNCCD Press Release 2011). Yet it is not always possible to determine how funds allocated for the MDGs have directly impacted UNCCD implementation. This is, in part, due to the fact that there are also many initiatives that do not use the "desertification" label, but which alleviate dryland degradation, sometimes as a secondary goal to poverty alleviation, afforestation schemes, improving rural livelihoods—for example through community vegetable gardens that can reduce soil erosion—and introducing alternative energy sources can help reduce deforestation (Stringer 2006).

The GM has also provided lists of alternative sources of funding as part of a finance information kit for affected developing countries. For example, the GM lists twenty-four adaptation funds through which investors can implement projects and programs having adaptation to climate change as their objective. Adaptation activities are those that seek to provide adjustment to the adverse impact of climate change on the environment, and they revolve around the development of coping strategies. The GM also lists thirty-two carbon funds, which are funds established with the objective of allowing participants to invest in projects that seek to reduce greenhouse gas emissions worldwide. Since many of the countries struggling with land degradation and drought are also facing serious food security problems and hunger, the GM lists seven food security funds, since by acknowledging the importance of sustainable land management in ensuring sustainable food production and food security, there are great opportunities to access these funds (Global Mechanism 2012a).

To further supplement more traditional bilateral and multilateral sources of aid, the GM also identified thirty-seven foundations and ten civil society organizations that also provide funds for health, agriculture, environment, food security, and climate change in many

countries also affected by land degradation, desertification, and drought (Global Mechanism 2012a). While determining the amount of aid from these nontraditional sources would require additional research, and could be the subject of a future project, for the purposes of this paper, it is notable that the GM has recognized that traditional bilateral donors and even the GEF funding is not enough to meet the needs of affected developing countries.

Since the adoption of the UNCCD in 1994, and especially after naming the GEF as the financial mechanism for the convention, new and additional financial resources have been mobilized to combat land degradation and desertification. Despite these achievements, the convention has also faced several obstacles, including the perception of desertification as a mainly developing-world problem and failure to link land degradation in the drylands with other environment and development issues, including climate change, biodiversity loss, food security, and poverty alleviation. Developing countries may have the political will to tackle the issue, but they often lack the financial resources, technology, and capacity for sustainable, long-term activities. Conversely, developed countries have the resources, but lack the interest and political will to invest in the problem (Stringer 2006). Until developed countries are willing to invest responsibly in sustainable land management and affected developing countries are willing to better utilize existing, new, and different resources to combat desertification while addressing other environmental and development issues, there will be no end to the excuses for failure to combat land degradation and alleviate poverty and hunger in the drylands.

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