

# **RESOURCE MOBILIZATION AND THE STATUS OF FUNDING ACTIVITIES RELATED TO LAND DEGRADATION**

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the Economic and Social Costs  
of Desertification**

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# REPORT BACKGROUND

- Initiative of GEF and GM for the IYDD.
- Objectives:
  - Provide information on the current status of funding for activities to combat desertification
  - Clarify the role and contribution of GEF in SLM.



# METHODOLOGY

- Team: Len Berry, Lakhdar Boukerrou and Jennifer Olson with contributions by WB, GEF, GM and other agencies, and reviewed by experts.
- Collection of all available monetary data on international investments in SLM from the GM, GEF, UNEP, WB, UNDP, etc.
- Literature review and analysis of secondary data on the economic impact.

# FINDING # 1

## EXTENT AND COST OF LD

- Strong impact on ecosystem services.
- Affects approximately 2.6 billion people in 100 countries.
- Especially affects the drylands.
- Cost of lost agricultural productivity is estimated at \$65 billion annually.



# FINDING # 2

## INSTITUTIONAL RESPONSE

- Growing awareness of the problem and institutionalization of a response.
- Internationally, UNCCD, projects of UN and bilateral agencies, GEF OP#15, etc. Some mainstreaming of issue.
- Nationally, programs, projects and NAPs. Some mainstreaming of NAPs into country development plans.

# FINDING # 3

## FINANCIAL RESPONSE

- Formidable problems of data collection and data comparison.
- Varying definitions of land degradation, SLM and UNCCD-related activities.
- Reporting uneven, for example some double counting of project investments (e.g., GEF counts co-financing as investment, as do donor countries).

# MULTILATERAL INVESTMENT

- Between 1999 and 2003, multilateral donors accounted for over two thirds of total investment in UNCCD-related activities, while bilateral donors accounted for about one fourth.
- The largest multilateral donors were:
  - World Bank, 38% of total (mostly loans)
  - IFAD, 15%
  - GEF, 12%
  - IADB, AfDB, EU, UNDP, ADB, UNEP...

# TOTAL INTERNATIONAL INVESTMENT

- Bilateral and multilateral loans and grants to recipient countries are estimated at approximately US\$4 billion annually.
- Cost of lost productivity due land degradation is estimated at approximately \$65 billion annually.



# RECOMMENDATION #1

- Better accounting procedures are needed to track levels of investment.
- Knowledge generation and sharing is critical for successful SLM activities because of:
  - Inter-related social and environmental aspects
  - The multiple scales of interventions (field, landscape, national).
  - The need for improved project design and impact monitoring.

# RECOMMENDATION #2

- SLM is a long-term commitment for donors and host countries, with significant returns at national, local and international levels.
- Commitment provides multiple, synergistic benefits more than sectorally-specific development or environmental programs.
- Increased donor and country financing is important for these objectives.



# RECOMMENDATION #3

- An additional 10-15% a year of new investment, with a total international investment approaching US\$10-12 billion a year by the end of the decade, would address removing the barriers to SLM, and support significant on-the-ground programs.
- This level of funding would require strong partnerships and levels of coordination between GEF, GM, agencies and countries.

# THE ROAD AHEAD



- How to promote land degradation so it receives the same level of national and international political attention as biodiversity and climate change?
- Could a large increase in investment be absorbed?

# THE ROAD AHEAD



- How to coordinate donor investments to:
  - Prevent overlap of efforts
  - Ensure coverage of critical locations and activities
  - Ensure synergy with national goals and objectives



**THANK YOU**