



## **MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE GLOBAL MECHANISM OF THE UNITED NATIONS CONVENTION TO COMBAT  
DESERTIFICATION (HEREINAFTER REFERRED TO AS GM)**

**AND**

**THE GLOBAL ENVIRONMENT FACILITY SMALL GRANTS PROGRAMME  
(HEREINAFTER REFERRED TO AS GEF SGP)**

**FOR**

**COMMUNITY-BASED SUSTAINABLE LAND MANAGEMENT PARTNERSHIP**

### **Background and Context:**

The Global Mechanism was established by the United Nations Convention to Combat Desertification (UNCCD) to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing countries (Article 21, UNCCD).

The GM is conceived as an innovative brokering and partnership-building institution that helps to rationalize the allocation of financial and technical resources and to facilitate the mobilization of financial resources to combat land degradation and poverty. The Consolidated Strategy and Enhanced Approach of the GM is a comprehensive approach to resource mobilization which envisages increased country leadership in the development of an enabling environment for investments in sustainable land management. With a view to sharpen its brokering function and increase the impact of its intervention the GM will engage through more targeted activities especially aimed at building new partnerships to make available information and knowledge from sources outside the GM.

The UNCCD recognizes the important role of civil society (Non-Governmental Organisations – NGOs, and community-based organizations - CBOs) for the implementation of the Convention. Combating desertification and land degradation depends, in the end, on how farmers, herders and other natural resource users manage their land. Therefore, traditional knowledge and appropriate technologies developed at the grass-roots level will always play a significant role in the fight against land degradation. In order to take advantage of this knowledge and ensure ownership and participation of the local communities, the GM focuses on facilitating capacity building and the provision of incentives for increasing investment in sustainable land management. Currently, the GM, guided by its mandate, supports civil society through its Community Exchange and Training Programme (CETP). The CETP, developed as a joint partnership between the GM and the International NGO Network on Desertification (RIOD), facilitates community participation and the contribution of civil society to NAPs implementation. Working through small-scale community exchange and training projects, it aims to enhance:

- the ability of local communities to identify, articulate and respond to limiting factors and opportunities in natural resource management and production;
- policy dialogue, transfer of technology and building on indigenous knowledge among communities, for better natural resource management and alternative income generation;
- the capacity of NGOs and CBOs to respond to local community needs;
- the production and dissemination of knowledge.

The GM introduced the CETP programme in 2000. By April 2003, the GM had approved 16 projects to a total value of US\$ 366,436 in support of NGOs. This had generated co-financing from the World Bank, UNEP and CIDA, NORAD as well as participating NGOs. Discussions with the Facilitation Committee, and the GEF Small Grants Programme have resulted in a decision to the effect that the GEF SGP will take on responsibility for the operational aspects of the Programme and the GM will focus on facilitating resource mobilization according to the Consolidated Strategy and Enhanced Approach.

This is particularly opportune at this point in time given that land degradation has now become a focal area of the GEF. It should therefore be possible to generate considerable benefits for the CBO and NGO community through a formalized cooperation between the GM and the GEF SGP.

The GEF SGP is implemented by UNDP and executed by UNOPS. GEF SGP is a decentralized and country-driven mechanism to support national NGOs and CBOs to achieve global environmental benefits through local initiatives. GEF SGP's starting point in terms of global environmental benefits is to ensure that each project concept/proposal fits the GEF criteria, and that each proposal clearly articulates how project objectives and activities would have an impact in the GEF focal areas, as well as for local livelihoods. GEF SGP also seeks to empower local communities and to help reduce poverty through environmental projects. GEF SGP has been operating since 1992 and is recognized as a cost-effective mechanism for delivering financial and technical resources to local communities, and has an established, well-tested modality of working with local communities through CBOs and NGOs. The organizational infrastructure consists of a decentralized decision making body, a funds disbursement mechanism, a monitoring and evaluation framework, a working modality based on building partnerships. A National Steering Committee (NSC), with mixed composition (UNDP, government, academia, civil society, and donors) but with NGO and CBO majority, is the decision-making body for the selection of grants. A

National Coordinator in each country is responsible for the day to-day operations of GEF SGP including monitoring and evaluation of projects.

GEF SGP projects have influenced and benefited the lives of many communities. These initiatives have included the conservation and restoration of arid and semi-arid areas; soil conservation; afforestation; prevention of forest fires; and organic farming. A number of SGP projects have also addressed policy and other barriers to sustainable land management such as land tenure and access to natural resources. As of November 2005 GEF SGP's grant portfolio in land degradation included 163 projects — of a total portfolio of more than 6000 projects — with an approximate value of US \$3.8 million and US \$4.8 million in co-financing. Many SGP projects in other focal areas such as Climate Change have had important sustainable land management components.

Whereas GEF SGP funds are limited to pursuit of global environmental benefits, partnerships provide a link to additional financial and expert resources which allow flexibility to both SGP and participating partners in achieving more integrated goals. In certain circumstances for instance, the partner organization might handle the marketing and trading activities, with SGP committing to the corresponding rehabilitation of land and development of sustainable land management activities.

The Global Mechanism and GEF SGP operate on the basis of strategic partnerships and initiatives based on the principles of complementarity, value-added, facilitation and capacity building with international, regional, national and local partners. It is within this context that Global Mechanism and GEF SGP foster partnerships with bilateral and multilateral agencies in the implementation of enabling activities such as the CETP.

In this regard, the Global Mechanism and GEF SGP have agreed to initiate a partnership on CETP and other future NGO and CBO programmes, to provide opportunity for civil society stakeholders to engage in an exchange of lessons learned from the transfer of knowledge at the community level. Particular emphasis will also be given to facilitate the identification of needs, constraints and opportunities to create an enabling environment for communities living in degraded areas to use trade as an incentive to increase investment in sustainable land management. For this reason the CETP concept has been expanded through Focal Areas based on GM Strategic Programmes.

**The Purpose of this agreement is to:**

1. Establish and maintain a partnership between GM and GEF SGP to implement joint programmes to improve the livelihoods of communities and reduce poverty through sustainable land management;
2. Provide a broader framework through which local communities can become active partners in combating land degradation and contribute to the implementation of the UNCCD;
3. Change in local, national, and international policy in creating sustainable land management regimes and for combating desertification through community action and experiences;
4. Facilitate the analytic and economic work of GM towards its strategic programmes, through knowledge and lessons learnt generated at the local level by communities;

5. Improve efficiency in grant-making and programme management in sustainable land management, through the identification of new strategies, procedures and opportunities to create incentives for increasing community investment in sustainable land management through trade and market access;
6. Transfer the operational management of community based programmes and projects to the GEF SGP in places where it has the capacity of implementation, whilst the Global Mechanism works in partnership with other institutions on similar initiatives. Thus, the Global Mechanism can focus more on its mandate of facilitating resource mobilization and then partner with key stakeholders for implementation at the field level.

**The expected Outcomes of this agreement are:**

- Well managed community-based programmes;
- Increased capacity of communities to make decisions and manage their land resources sustainably;
- Improved livelihoods and reduction of poverty at the community level;
- Increased community investment in sustainable land management;
- Improved access to markets and trade development of community-based products;
- Knowledge products, lessons learnt and best practices to inform local, national and international sustainable land management policies and larger development issues.

**Under the terms of this Memorandum, it is hereby agreed that:**

1. GM will mobilize resources to provide GEF SGP with
  - i) Grant funding to CBOs/NGOs,
  - ii) Non-grant funding (up to 6% of the total grant funding) to cover:
    - a) transaction costs (up to 1%) incurred by UNDP or other agencies in the implementation of joint programmes (based on the UNDP Universal Price List);
    - b) Project administration, monitoring and evaluation costs incurred by GEF SGP related to joint programmes;
2. GEF SGP and GM will manage joint programmes. This will entail the following:
  - Provide 1:1 co-financing to match joint programme financing provided by GM (GEF SGP co-financing can only entail activities that are aligned with GEF mandates in the focal area of Land Degradation),
  - Selecting and approving the grants based on the Land Degradation Strategic Guidance document of the GEF SGP and relevant frameworks provided by the GM such as the Strategic Programme on Market Access and Trade and the Guidelines for the CETP Trade Focal Area,
  - Monitoring the implementation of projects,
  - All activities and procedures will follow GEF SGP Operational Guidelines and established practices.

3. Joint programmes will give priority to countries where GM and GEF SGP has long term engagement.
4. All publications and other material produced under this memorandum shall give credit to GM and GEF SGP and other relevant partners and display the GM logo and GEF SGP Monogram.
5. All correspondence regarding this Memorandum between GM and GEF SGP should be addressed to:

**At GM:**

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With copy to:

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**At GEF SGP:**

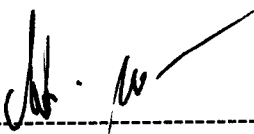
***Mr. Delfin Ganapin***

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With a copy to:  
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E-mail: uygar.ozesmi@undp.org

12. Any dispute arising out of or in connection with this Memorandum shall, if attempts at settlement by negotiation have failed, be submitted to arbitration in New York by a single arbitrator agreed to by both parties. Should the parties be unable to agree on a single arbitrator within thirty days of their request for arbitration, then each party shall proceed to appoint one arbitrator and the two arbitrators thus appointed shall agree on a third. Failing such agreement, either party may request the appointment of a third arbitrator by the President of the United Nations Administrative Tribunal. The arbitrator shall rule on the costs, which may be divided between parties. The decision rendered in the arbitration shall constitute the final adjudication of the dispute.
13. This Memorandum shall be in effect from the date of its signature.
14. This Memorandum may be terminated by either party by giving notice in writing to the other party. The period of notice shall be 14 days.
15. No change in or modification of this Memorandum shall be made except by prior written agreement between GM and GEF SGP.

**Signed by GM**

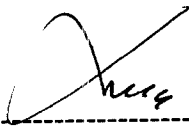


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**Mr. Christian Mersmann**

**Managing Director, GM**

**Signed by GEF SGP**



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**Mr. Delfin Ganapin**

**Global Manager, GEF SGP**

Date: 23.2.2006

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