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Report on IFAD's Hosting of the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

Note to Executive Board representatives

Focal points:

Technical questions:

Rutsel Martha
General Counsel
Tel.: +39 06 5459 2467
e-mail: r.martha@ifad.org

Dispatch of documentation:

Kelly Feenan
Head, Governing Bodies Office
Tel: +39 06 5459 2058
e-mail: gb_office@ifad.org

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For: Information

Report on IFAD's Hosting of the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

I. Background

1. Established under article 21 of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (the Convention), the Global Mechanism (GM) is a subsidiary body of the Convention. It is mandated to "increase the effectiveness and efficiency of existing financial mechanisms...[and]...to promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties."
2. The Conference of the Parties (COP) of the UNCCD, which is the Convention's supreme governing body, decided that the GM should be hosted by an existing organization and IFAD was selected to host the GM in 1997 at the COP's first session. This decision was accepted by the Governing Council under Resolution 108/XXI (1998), and a Memorandum of Understanding (MOU) between the COP and IFAD was entered into on 26 November 1999 in order to set out the modalities and administrative operations of the GM.
3. In Resolution 108/XXI (1998) the Governing Council decided that:
 - IFAD shall accept the decision of the Conference of the Parties (COP) of the CCD at its First Session to select IFAD to house the Global Mechanism thereof.
 - The Executive Board is authorized to approve the modalities, procedures and administrative arrangements to be contained in a Memorandum of Understanding between the COP and IFAD for the housing of the Global Mechanism by IFAD.
 - The President of IFAD is authorized to sign a Memorandum of Understanding between COP and IFAD, containing such arrangements as the Executive Board may approve for the housing of the Global Mechanism.
 - The President shall report periodically to the Executive Board on the administrative arrangements for the housing of the said Global Mechanism in IFAD and on such activities as IFAD may undertake in support of the Global Mechanism, while also keeping the Executive Board informed of the activities of the Global Mechanism.
4. The GM has been hosted by IFAD in accordance with the provisions of the MOU since 1999. Pursuant to this MOU, IFAD housed the GM and performed tasks in respect of the administration of the GM on behalf of the COP. In 2007, the eighth session of the COP mandated an assessment of the GM by the Joint Inspection Unit of the United Nations (JIU) to be submitted to COP 9 for consideration. The JIU carried out its mandate and presented its report to the ninth session of the Conference of the Parties. The JIU report is available at http://www.unjiu.org/data/reports/2009/en2009_04.pdf.
5. By its decision 6/COP.9 the COP requested:
 - (a) The COP 9 Bureau, together with the Managing Director of the GM and the Executive Secretary, and taking into account the views of other interested relevant entities such as the host countries and International Fund for Agricultural Development, to undertake and supervise an evaluation of existing and potential reporting, accountability and institutional arrangements for the GM and their legal and financial implications, including the possibility of identifying a new institution/

organization to house the GM, taking into account the scenarios presented in the JIU assessment of the GM and the need to avoid duplication and overlap in the work of the secretariat and the GM; and

(b) the COP Bureau to present to COP 10 a report on this evaluation for consideration and decision on the issue of GM reporting, accountability and institutional arrangements.

6. The COP Bureau commissioned consultants to prepare the evaluation report requested in the COP decision, and the report, after having been reviewed by the Bureau at sessions in November 2010 and February 2011, was finalized and submitted to the tenth session of the COP in October 2011. The full report of the Bureau is available at <http://www.unccd.int/cop/officialdocs/cop10/pdf/4eng.pdf> .
7. After reviewing the Bureau's report and considering the views of IFAD, as well as a management response from the GM, the COP adopted decision COP(10)/L.22, which is attached as Annex 1. The adoption of the COP decision was notified to IFAD in a letter from the President of the COP to the President of IFAD, which is attached as Annex 2. The COP decision foresees the end of IFAD's role as the host of the GM, and initiates a process to identify a new set of administrative and institutional arrangements for the GM.

II. Next Steps

8. Management welcomes the decision of the COP and looks forward to working with the UNCCD Secretariat to implement it. In accordance with the COP decision Management will consult with the Executive Secretary of the UNCCD to work out the modalities of implementation and to revise the MOU between IFAD and the COP to limit IFAD to providing (i) logistical and administrative support other than those provided by the UN Office at Geneva and (ii) administrative procedures related to privileges and immunities for GM staff through the Government of Italy. Management will then work with the Executive Secretary to further modify the MOU to enable its timely termination once a new housing arrangement for the GM has been concluded.
9. In accordance with operative paragraph 1 of the COP decision, those aspects of the accountability of the GM which were carried out by IFAD on behalf of the COP, have been transferred from IFAD to the UNCCD Secretariat with immediate effect. Accordingly, IFAD is no longer authorized to undertake any actions with respect to the financial or human resources management of the GM except at the request and on behalf of the Executive Secretary of the UNCCD, or those to whom he has delegated such authority.
10. As required by Governing Council Resolution 108/XXI (1998) the Executive Board will continue to be informed about the administrative arrangements for housing the GM as well as its activities. A final report shall be submitted for the Executive Board's consideration and transmittal to the Governing Council upon completion of the process of termination of the housing arrangements for the GM.



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Agenda item 8 (b)

Follow-up to the assessment of the Global Mechanism by the Joint Inspection Unit

Evaluation of existing and potential reporting, accountability and institutional arrangements for the Global Mechanism

Governance and institutional arrangements of the Global Mechanism

Draft decision submitted by the President of the Conference of the Parties at its tenth session

The Conference of the Parties

Recalling articles 20, 21, 22 and 23 of the Convention, and decisions 10/COP.3, 3/COP.7 and 3/COP.8,

Recalling also article 22 of the Convention, which states that in its function and capacity as the supreme body of the Convention, it shall take the decisions necessary to promote the effective implementation of the Convention, and *recalling* article 27 of the Convention, which requires the Conference of the Parties to consider and adopt procedures and institutional mechanisms for the resolution of questions that may arise with regard to the implementation of the Convention,

Recalling further decision 6/COP.9, notably its paragraph 9,

Welcoming the report by the Bureau of the ninth session of the Conference of the Parties on the evaluation of existing and potential reporting, accountability and institutional arrangements for the Global Mechanism as a follow-up to the assessment of the Global Mechanism by the Joint Inspection Unit,

Realizing that since the establishment of the Global Mechanism, progress in mobilizing and channelling of substantial financial resources, including for the transfer of technology, on a grant basis and/or on concessional or other terms, to affected developing countries has not yet met expectations, and that a new and more effective approach is needed at all levels within the framework of the implementation of the Convention under the authority, guidance and orientation of the Conference of the Parties,

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Noting that the inconsistencies and contradictions contained in the Memorandum of Understanding between the Conference of the Parties and the International Fund for Agricultural Development regarding the modalities and administrative operations of the Global Mechanism have resulted in lack of oversight, inadequate reporting and accountability by the Global Mechanism,

Having considered reports on progress made on the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9,

Recognizing the need to ensure accountability, efficiency, effectiveness, transparency and institutional coherence in the delivery of services by the Convention's institutions and bodies for the implementation of the Convention and its 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018) (The Strategy), in line with the relevant provisions of decision 3/COP.8,

Recognizing also the need to avoid duplication and overlapping in activities and to promote complementarities between the Global Mechanism and the permanent secretariat with a view to enhancing cooperation and coordination and using the Convention resources efficiently,

Mindful that the appointment and recruitment of staff, management and the auditing of the accounts of the Global Mechanism are under the rules and regulations of the International Fund for Agricultural Development and have not been subject to direct review and guidance by the Conference of the Parties,

Taking note of the letter contained in document ICCD/COP(10)/INF.5, in which the International Fund for Agricultural Development states that the "Memorandum of Understanding which currently governs the relationship between IFAD and the GM is out of date and needs to be reformulated" and further states that should the Conference of the Parties decide to retain the International Fund for Agricultural Development as a host for the Global Mechanism, there "should be no cost or liability to IFAD" in any future possible relationship,

Determined to find lasting solutions to the Global Mechanism institutional and managerial challenges recurrently identified by the various external assessments undertaken, including the 2009 Joint Inspection Unit report and the report by the Bureau of the ninth session of the Conference of the Parties, which have impeded the delivery of better services to Parties,

1. *Decides* that the accountability and the legal representation of the Global Mechanism shall be transferred from the International Fund for Agricultural Development to the UNCCD secretariat;
2. *Reaffirms* that the Global Mechanism is accountable to and reports to the Conference of the Parties under its mandate, and *decides* that all issues related to the implementation of the Convention will be reported to the Conference of the Parties through the Executive Secretary;
3. *Decides also* that the Executive Secretary shall assume overall management responsibility, including coordinating reporting on, inter alia, accounting, performance and activities of the Global Mechanism, to the Conference of the Parties;
4. *Requests* the Executive Secretary, in consultation with the Managing Director of the Global Mechanism, with the support of senior staff of the UNCCD secretariat and the Global Mechanism and others as appropriate, to inter alia:

(a) Develop internal rules and procedures for the relationship between the UNCCD secretariat and the Global Mechanism;

(b) Coordinate and facilitate the joint implementation of workplans and programmes as per the decision of the Conference of the Parties;

(c) Develop and implement a joint corporate identity with joint information and communication strategies;

(d) Undertake streamlining of financial management and administration for cost efficiency;

(e) Coordinate the required reporting to the Committee for the Review of the Implementation of the Convention and the Conference of the Parties through the Executive Secretary;

5. *Requests also* the Executive Secretary to ensure that all accounts and staff managed by the Global Mechanism are under one single administrative regime administered by the United Nations Office at Geneva and managed under the Financial Regulations and Rules of the United Nations;

6. *Decides* that the appointment of the Managing Director of the Global Mechanism shall be done through the recruitment process of the United Nations by the Executive Secretary;

7. *Decides also* that the Executive Secretary delegates operational authority, as appropriate and in accordance with United Nations rules and regulations, to the Managing Director of the Global Mechanism to:

(a) Manage the programme and budget assigned to the Global Mechanism, including entering into service contracts, arrange travels and missions;

(b) Take such actions as the Managing Director deems relevant to implement the agreed workplans and programmes of the Global Mechanism;

(c) Enter into agreement with donors on programmes and voluntary contributions;

(d) Employ personnel for the Global Mechanism;

8. *Decides further* to revise its Memorandum of Understanding with the International Fund for Agricultural Development contained in decision 10/COP.3, regarding the modalities and administrative operations of the Global Mechanism, and *requests* the President of the Conference of the Parties to notify the International Fund for Agricultural Development of this decision no later than 1st November 2011;

9. *Directs and authorizes* the Executive Secretary, in order to address the governance issues immediately, and under the guidance of the Bureau of the tenth session of the Conference of the Parties and in consultation with the President of the International Fund for Agricultural Development, to revise and implement the Memorandum of Understanding between the Conference of the Parties and the International Fund on Agricultural Development to limit IFAD to (1) logistical and administrative support other than those provided under paragraph 5 and (2) privileges and immunities to Global Mechanism staff through the Government of Italy;

10. *Directs also* the Executive Secretary to work with the International Fund for Agricultural Development to further modify the Memorandum of Understanding to enable its timely termination once the new housing arrangement has been concluded;

11. *Requests* the Executive Secretary, in consultation with the Bureau of the tenth session of the Conference of the Parties, to undertake a process to identify a new housing arrangement for the Global Mechanism, including potential co-location with the UNCCD secretariat, with consideration to information on costs, operational modalities and synergies,

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and governance efficiencies, and to provide this information to the Bureau of the tenth session of the Conference of the Parties no later than July 1, 2012;

12. *Requests also* the Executive Secretary to organize an informal discussion with Parties in conjunction with the eleventh session of the Committee for the Review of the Implementation of the Convention on the results of the process;

13. *Requests further* the Executive Secretary to submit progress reports to the Bureau of the tenth session of the Conference of the Parties on the implementation of this decision;

14. *Directs* the Executive Secretary to present to the eleventh session of the Conference of the Parties a recommendation on the new housing arrangement for the Global Mechanism, including potential co-location with the UNCCD secretariat, for the eleventh session of the Conference of the Parties to adopt a final decision;

15. *Requests* the Executive Secretary to take all necessary measures as a matter of urgency, in consultation with the Managing Director of the Global Mechanism and the President of the International Fund for Agricultural Development, to implement the governance arrangements in this decision to ensure that the administrative, procedural and legal aspects of this decision are implemented;

16. *Requests also* the Executive Secretary and the Managing Director of the Global Mechanism, through regular or special meetings based on availability of extra-budgetary funds of, inter alia, Regional Coordination Mechanisms, in particular the Regional Committees, to seek the views of Parties and relevant actors on issues relating to the work of the Global Mechanism, notably on implementation of Global Mechanism programmes and operations at the regional, subregional, national and local levels, and to report to the Conference of the Parties the views expressed for Parties consideration and action ;

17. *Requests further* the Executive Secretary to prepare and submit to the intersessional meeting of the eleventh session of the Committee for the Review of the Implementation of the Convention and the eleventh session of the Conference of the Parties, reports on progress made on the implementation of this decision.

Korea Forest Service
Government Complex-Daejeon
139 Seonsa-ro, Seo-gu, Daejeon
Republic of Korea 302-701



Tel : 82-42-481-4081
Fax : 82-42-481-4036
E-mail : forest@forest.go.kr
http://english.forest.go.kr



Date : November 1, 2011

Ref. No.: KL 11-123

H.E. Mr. Kanayo F. Nwanze
President
International Fund for Agricultural Development
Via del Serafico, 107
00142 Rome, Italy
Fax: +39-065043463

cc: H.E. Mr. Luc Gnacadja
Executive Secretary
UNCCD
UN Campus-Langer Eugen
Hermann-Ehlers-Str. 10
D-53113 Bonn, Germany
Fax +49-228 815 2898

Your Excellency,

I have the pleasure to write to you in relation with decision ICCD/COP(10)/L.22 (in-session reference) on the “Governance and institutional arrangements of the Global Mechanism”, as recently adopted by the tenth session of the Conference of the Parties to the UNCCD. The same decision has, in Operative paragraph 8, requested me in my capacity as President of the tenth session of the Conference of the Parties to “...*notify the International Fund for Agricultural Development of this decision no later than 1st November 2011*”.

With the adoption of this decision, Parties to the UNCCD have taken a concrete action on the report of the COP9 Bureau (ICCD/COP(10)/4), as presented under agenda item 8 (b) on the “Implementation of decision 6/COP.9 - Evaluation of the Global Mechanism”. I would like to take this opportunity to thank you and through you IFAD, for its contribution and full support to the inter-sessional process of the COP9 Bureau, which has been key in facilitating the elaboration of this report.

In that respect, allow me as well to draw your kind attention to core elements of this decision, herewith attached for ease of reference, which either introduce substantive changes in the current institutional set up and governance structure or call for an early and important interaction with the UNCCD Executive Secretary.

You will note in that regard that Parties have decided in Operative paragraph 1 that “*the accountability and the legal representation of the Global Mechanism shall be transferred from the International Fund for Agricultural Development to the UNCCD secretariat*” and that “*the*

Korea Forest Service
Government Complex-Daejeon
139 Seonsa-ro, Seo-gu, Daejeon
Republic of Korea 302-701



Tel : 82-42-481-4081
Fax : 82-42-481-4036
E-mail : forest@forest.go.kr
<http://english.forest.go.kr>

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Executive Secretary shall assume overall management responsibility, including coordinating reporting on, inter alia, accounting, performance and activities of the Global Mechanism, to the Conference of the Parties”.

The important changes introduced through decision ICCD/COP(10)/L.22 are to be operationalized through different steps outlined in further operative paragraphs, namely 8, 9, 10, 11, 14 and 15, that capture the vision of Parties in terms of new governance structure and accompanying administrative steps.

I will invite the Executive Secretary to initiate early consultations with your office to work out on modalities to implement the different provisions of this decision, as he is due to submit progress reports to the COP10 Bureau as well as to the eleventh sessions of the CRIC and COP on progress made on the implementation of this decision.

I remain on my part convinced that IFAD will continue to extend its most-appreciated cooperation and assistance to the UNCCD at this strategic venture of its process and hence contribute to meet Parties' expectations in terms of enhanced institutional coherence and governance structure of its institutions and bodies.

Thanking you again for your unfailing support, please accept, Your Excellency, the assurances of my highest consideration.

Don Koo Lee, Ph.D.
President of the UNCCD COP10
Minister of the Korea Forest Service

Enclosure: Document ICCD/COP(10)/L.22