

Document: GC 36/L.10
Agenda: 13
Date: 11 January 2013
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

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 Governors

Focal points:

Technical questions:

Lakshmi Menon

Head, Corporate Services Department
Tel.: +39 06 5459 2880
e-mail: l.menon@ifad.org

Michael Gehringer

Director, Human Resources Division
Tel.: +39 06 5459 2820
e-mail: m.gehringer@ifad.org

Rutssel Martha

General Counsel, Office of the General Counsel
Tel.: +39 06 5459 2457
e-mail: r.martha@ifad.org

Dispatch of documentation:

Deirdre McGrenra

Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Governing Council — Thirty-sixth Session
Rome, 13-14 February 2013

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. As required by Governing Council resolution 108/XXI (1998), the Executive Board will continue to be informed about the administrative arrangements for housing the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and also about Global Mechanism's activities.
2. In addition, at its ninth special session on 3 May 2012, the Executive Board adopted a resolution on the Amendment to the Memorandum of Understanding Between the Conference of the Parties of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and the International Fund for Agricultural Development Regarding the Modalities and Administrative Operations of the Global Mechanism (GM). Pursuant to this resolution, the Executive Board committed to report on such modalities and operations to the Governing Council at its 2013 session.
3. Established under article 21 of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD), the 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."
4. The Conference of the Parties (COP), which is the UNCCD's supreme governing body, decided that the GM should be hosted by an existing organization and IFAD was selected as the host agency 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 setting out the modalities and administrative operations of the GM was entered into on 26 November 1999.
5. In resolution 108/XXI (1998) the Governing Council decided that:
 1. 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.
 2. 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.
 3. 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.
 4. The President shall report periodically to the Executive Board on the administrative arrangements for the housing of the 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.

6. Pursuant to this MOU, IFAD has housed the GM since 1999 and has performed tasks in respect of the administration of the GM on behalf of the COP. In 2007, the eighth session of the COP mandated that the Joint Inspection Unit of the United Nations (JIU) undertake an assessment of the GM and submit the findings to COP9 for consideration. The JIU carried out its mandate and presented its report to the ninth session of the COP. The JIU report is available at https://www.unjiu.org/en/reports-notes/JIU%20Products/JIU_REP_2009_4_English.pdf.
7. By its decision 6/COP.9, the COP requested:
 - (a) The COP9 Bureau, together with the Managing Director of the GM and the Executive Secretary, and taking into account the views of other interested 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 or 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 COP10 a report on this evaluation for consideration and decision on the issue of GM reporting, accountability and institutional arrangements.
8. The COP Bureau commissioned consultants to prepare the evaluation report requested in the COP decision. 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/Lists/OfficialDocuments/cop10/4eng.pdf>.
9. 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 6/COP.10 in October 2011 (attached as annex I and available at http://www.unccd.int/Lists/OfficialDocuments/cop10/COP10_decisions/dec6-COP.10eng.pdf). The adoption of the COP decision was notified to IFAD in a letter from the President of the COP to the President of IFAD (attached as annex II).
10. Under this decision, the COP stipulated that the accountability and legal representation of the Global Mechanism would be transferred from IFAD to the UNCCD Secretariat, and mandated the Executive Secretary of the UNCCD to ensure that all accounts and staff managed by the GM are placed under one single administrative regime administered by the United Nations Office at Geneva, and managed under the financial rules and regulations of the United Nations. The decision also foresees the possible end of IFAD's role as the host of the GM and the beginning of a process to identify a new housing arrangement for the GM.

II. Amendment to the Memorandum of Understanding

11. In April 2012, IFAD and UNCCD negotiated a revision to the MOU to reflect the decisions adopted by the COP in decision 6/COP.10, which is attached as annex III. In accordance with operative paragraph 1 of the COP decision, those aspects related to the accountability of the GM that 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.

12. At its ninth special session on 3 May 2012, the Executive Board adopted the following resolution on this amendment to the MOU:

"The Executive Board,

Recalling article 6, section 8 of the Agreement Establishing IFAD, Governing Council resolution 108/XXI (1998), as well as Executive Board document EB 2004/82/R.28/Rev.1 entitled "Human Resources Policy";

Recalling also that:

- Established under article 21 of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD), the Global Mechanism is a subsidiary body of the UNCCD. 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.
- The Conference of the Parties (COP), the UNCCD's supreme governing body, selected IFAD as a housing institution for the Global Mechanism at the COP's first session in 1997.

Recalling further that in resolution 108/XXI, adopted in 1998, the Governing Council of IFAD decided as follows:

- '1. IFAD shall accept the decision of the Conference of the Parties (COP) of the UNCCD at its First Session to select IFAD to house the Global Mechanism thereof.*
- 2. 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.*
- 3. The President of IFAD is authorized to sign a Memorandum of Understanding between the COP and IFAD, containing such arrangements as the Executive Board may approve for the housing of the Global Mechanism.*
- 4. The President of IFAD is requested to 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.'*

Mindful that the Global Mechanism has been hosted by the Fund in accordance with the provisions of the Memorandum of Understanding since 1999, and that pursuant to this Memorandum of Understanding, the Fund, through its President, acting on behalf and for the account of the COP:

- Appointed the Managing Director of the Global Mechanism and managed the attendant legal relationship with the Global Mechanism;
- Engaged staff and consultants for the Global Mechanism, and regulated and managed the attendant legal relationship between the Global Mechanism and its staff and consultants;
- Administered the accounts of the Global Mechanism in accordance with the provisions of the Memorandum of Understanding.

Having considered in particular decision ICCD/COP(10)/L.22 of the COP of the UNCCD concerning the "Governance and institutional arrangements of the Global Mechanism", adopted by the COP at its tenth session in October 2011;

Having considered Executive Board document EB/2011/104/R.54 containing the Report on IFAD's Hosting of the Global Mechanism of the UNCCD submitted to the 104th session of the Executive Board, document EB 2012/S9/R.2 (inclusive of

document EB 2012/105/R.44/Rev.1) concerning the Housing Arrangement for the Global Mechanism submitted to the special session of the Executive Board held on 3 May 2012, and the report of the special session of the Audit Committee held on 16 April 2012:

1. **Decides** to accept the decision of the COP of the UNCCD to transfer the accountability and legal representation of the Global Mechanism from the Fund to the UNCCD Secretariat and considers this transfer to have been effected in principle by this amendment of the MOU, with the expectation that subsequent actions will be taken expeditiously to fully implement this transfer of administration and accounts as intended;
2. **Decides also** that the President, or any person acting on behalf of the President, shall no longer be authorized to act on behalf of, and for the account of, the Global Mechanism or the COP of the UNCCD, unless duly requested by the Executive Secretary of the UNCCD;
3. **Decides further** to accept the decision of the COP of the UNCCD to ensure that all accounts and staff managed by the Global Mechanism are brought under one single regime administered by the United Nations Office at Geneva and managed under the Financial Regulations and Rules of the United Nations;
4. **Directs** the President to transfer the balance of all Global Mechanism accounts to the UNCCD Secretariat;
5. **Recognizes** that any existing and potential future liabilities will be settled through due process;
6. **Accepts** on behalf of the Fund, without prejudice to the provisions of the Convention as well as existing and future decisions of the COP, the amendments to the Memorandum of Understanding required by paragraphs 1, 3, 6, 7, 8 and 9 of COP decision L/22 and therefore entered into between the COP of the UNCCD and IFAD, which were concluded between the President and the UNCCD Secretariat, in accordance with the terms of the Memorandum of Understanding;
7. **Requests** the President to inform the COP of the UNCCD accordingly;
8. **Calls upon** Management to start outreach and consultation together with the Secretariat of the COP to come to an amicable solution of the GM staff issue in a most cost-effective way for all parties;
9. **Directs** the President to seek Executive Board approval, using an expedited lapse-of-time procedure, before acting upon article VII C (terminating the MOU) or article VII D (further amending the MOU);
10. **Requests** that the Executive Board continue to follow this issue and be updated and consulted as appropriate, on a regular basis, on progress made, including costs and financial implications through the Audit Committee, and to report on this matter to the Governing Council at its 2013 session."

III. Location of the Global Mechanism

13. As noted above, at its tenth session, by its decision 6 in paragraph 11, the COP requested the Executive Secretary, UNCCD, in consultation with the COP10 Bureau, to undertake a process to identify a new housing arrangement for the GM. In response to this decision, the Executive Secretary presented a report¹ to the meeting of the COP10 Bureau in November in Bonn.

¹ Identification of a new housing arrangement for the Global Mechanism, Note by the Secretariat (no date).

14. As reflected in that report, IFAD has made it clear to the UNCCD that IFAD will support whatever decision the COP may take with respect to the housing of the GM, on the principle that the GM is an organ of the COP and that IFAD's role is that of a host, without accountability or responsibility for the acts of the GM or its staff and does not hold any responsibility or liability towards its staff. IFAD has also indicated that there should be no cost or liability for IFAD associated with its current or potential future role as host of the GM.
15. The decision on the location of the GM will be decided by the COP at its next meeting in late 2013.
16. The Secretariat report considers various options, including keeping the GM at IFAD or transferring it to another Rome location; relocating it to Bonn, Geneva or New York; or locating it at the World Bank. The report concludes that co-locating the GM with the Secretariat at the UNCCD Headquarters in Bonn provides the most benefits in terms of streamlined operational modalities, synergies between Convention bodies, and improved accountability and oversight resulting in governance efficiencies.

IV. Staffing of the Global Mechanism

17. As noted in decision 6/COP.10, all staff managed by the GM are expected to be under one single administrative regime administered by the United Nations Office at Geneva (UNOG), and managed under the rules and regulations of the United Nations. IFAD has been informed that this has not yet occurred. The GM staff are currently working under six-month GM contracts issued on GM letterhead by IFAD at the direction of the Executive Secretary, the duration of which were set and authorized by the Executive Secretary. These contracts will expire on 31 March 2013.
18. IFAD has been informed that the Executive Secretary has been working with the United Nations Office of Human Resource Management (OHRM) in New York to determine the most expeditious way to implement this decision, but has met with little success. OHRM has resisted the simple transfer of GM staff to the UNCCD or their assumption by the UNCCD for bureaucratic reasons.
19. IFAD was invited as an observer to the COP Bureau meeting held in November 2012. On that occasion, the Executive Secretary informed the Bureau that he had no choice but to advertise all of the existing GM jobs as UNCCD positions, given the UNOHRM stance against a simple transfer. The Secretariat would carry out and manage the vacancy process with the assistance of UNOG. The Bureau took note of and supported the measures being taken by the Executive Secretary to recruit the GM staff as UNCCD staff and to offer the letters of appointment in accordance with United Nations Staff Rules and Regulations. The Bureau also noted and supported the Executive Secretary's intention to conclude this process by March 2013 at the latest, so as to avoid discontinuity in the functioning of the GM.
20. As noted above in paragraph 12, the Executive Board, at its special session of 3 May 2012, decided to accept the decision of the COP to ensure that all accounts and staff managed by the Global Mechanism are brought under one single regime administered by UNOG and managed under the Financial Regulations and Rules of the United Nations. The revised MOU between UNCCD and IFAD (annex III) states in this regard that IFAD will not be responsible for any element of the personnel management or financial management of the Global Mechanism, including the selection and recruitment of its staff and Managing Director and that IFAD is not, nor will it be, party to employment contracts with employees or contractors of the Global Mechanism. The amended MOU also specifies that IFAD rules and procedures will not apply to such contractors or employees.
21. Accordingly, it shall be the responsibility of the UNCCD Executive Secretary to ensure that **all** accounts and staff managed by the Global Mechanism are brought

under one single regime administered by UNOG and managed under the Financial Regulations and Rules of the United Nations.

V. Legal matters

22. On 30 August 2012, IFAD received three Statements of Appeal filed before the International Labour Organization Administrative Tribunal (ILOAT) by three GM staff members against IFAD. On 23 October 2012, the Registrar of the ILOAT forwarded to IFAD the requests made by seven GM staff to enter the process and link their cases to the three appeals. These cases are at the stage of written proceedings.
23. In a letter dated 29 October 2012 to the counsel for the complainants (annex IV), the Executive Secretary of the UNCCD announced his intention to conclude the process of offering GM staff UNCCD Secretariat letters of appointment in accordance with United Nations staff regulations and rules by March 2013 at the latest. Therefore, further decisions by IFAD regarding these proceedings will be taken having due regard to the actions undertaken by the Executive Secretary to ensure that all accounts and staff managed by the Global Mechanism are brought under one single regime administered by UNOG and managed under the Financial Regulations and Rules of the United Nations.

VI. Conclusion

24. Management is committed to accomplishing, in close coordination with the UNCCD, a successful conclusion to these matters in order to achieve the timely transition of the GM and its staff to the UNCCD, ensure the appropriate resolution of human resource issues, and minimize any potential liabilities for IFAD.
25. 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, should that be so decided by the COP at its eleventh session in 2013.

Decision 6/COP.10**Governance and institutional arrangements of the Global Mechanism***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,

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

ICCD/COP(10)/31/Add.1

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 the International Fund for Agricultural Development and the Global Mechanism 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 the International Fund for Agricultural Development" 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 the International Fund for Agricultural Development 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, 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;

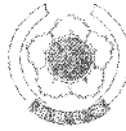
ICCD/COP(10)/31/Add.1

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.

9th plenary meeting
21 October 2011

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,

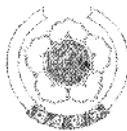
I have the pleasure to write to you in relation with decision ICCD/COP(10)/L.22 (in-session reference) on the "Governance and institutional arrangements of the Global Mechanism", as recently adopted by the tenth session of the Conference of the Parties to the UNCCD. The same decision has, in Operative 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

Page 2/2 (Mr. Nwanze)

November 1, 2011

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.

Handwritten signature of Don Koo Lee in black ink.

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

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

Annex III

EB 2012/105/R.44/Rev.1

Amendment to the Memorandum of Understanding (hereinafter referred to as "MOU") between the Conference of the Parties (hereinafter referred to as "the Conference of the Parties" or "the COP") to the United Nations Convention to Combat Desertification, particularly in Africa (hereinafter referred to as "the Convention") and the International Fund for Agricultural Development (hereinafter referred to as "IFAD" or "the Fund") regarding the modalities and administrative operations of the Global Mechanism, dated 26 November 1999.

WHEREAS, pursuant to Article 21, paragraph 5 of the Convention, the Conference of the Parties by its Decision 24/COP.1 selected IFAD to house the Global Mechanism established under Article 21, paragraph 4, of the Convention;

WHEREAS, pursuant to the Memorandum of Understanding between the Conference of the Parties to the United Nations Convention to Combat Desertification and the International Fund for Agricultural Development, the Fund has been performing services on behalf of the COP, including engaging staff and consultants for the Global Mechanism, and managing the attendant legal relationship between the Global Mechanism and its staff and consultants, as well as administering the accounts and financial resources of the Global Mechanism.

WHEREAS The Conference of Parties by decision 10/COP.3 adopted the above mentioned MOU between the COP and IFAD and brought it into force on 26 November 1999,

WHEREAS decision 6/COP.10 adopted at the 10th session of the Conference of the Parties to the United Nations Convention to Combat Desertification, which is attached hereto as Annex 1 and forms an integral part of this Amendment, decided, inter alia, 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,

WHEREAS decision 6/COP.10 further directed and authorized the Executive Secretary of the secretariat of the Convention (hereafter referred to as "UNCCD secretariat"), 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 for 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;

Annex III

EB 2012/105/R.44/Rev.1

NOW THEREFORE, the amendments to the above mentioned Memorandum of Understanding between the Conference of the Parties and IFAD are as follows:

1. Delete in full the Preamble to the MOU and substitute therefore the Preamble set out above.
2. Delete in full the following Articles of the said MOU:
 - **I. FUNCTIONS OF THE GLOBAL MECHANISM.**
 - **II. STATUS OF THE GLOBAL MECHANISM WITHIN THE FUND**
 - **III. RELATIONSHIP OF THE GLOBAL MECHANISM TO THE CONFERENCE**
 - **IV. COLLABORATIVE INSTITUTIONAL ARRANGEMENTS**
 - **V. FIELD OFFICE SUPPORT FOR THE GLOBAL MECHANISM**
3. Delete Article VI. ADMINISTRATIVE INFRASTRUCTURE and Article VII. FINAL PROVISIONS and substitute therefor the following text.

"Article VI- ADMINISTRATIVE INFRASTRUCTURE

1. In accordance with the provisions of decision 6/COP.10:
 - a. While the Global Mechanism will have a separate identity within the UNCCD secretariat, it will be an organic part of the structure of the secretariat directly under the Executive Secretary.
 - b. The accountability and the legal representation of the Global Mechanism are hereby transferred from the International Fund for Agricultural Development to the UNCCD secretariat.
 - c. The Executive Secretary shall assume overall management responsibility, including coordinating and reporting on, inter alia, accounting, performance and activities of the Global Mechanism, to the Conference of the Parties.
 - d. Until such time that all accounts and staff managed by the Global Mechanism shall be under one single administrative regime administered by the United Nations Office at Geneva and managed under the Financial Regulations and Rules and Staff Rules of the United Nations, IFAD shall continue to, in consultation with the Executive Secretary, provide personnel and financial management services to employees or contractors of the Global Mechanism. Accordingly, IFAD is not, and will not be, responsible for any element of the personnel management or financial management of the Global Mechanism, including the selection and recruitment of its staff and Managing Director. Furthermore, IFAD is not, nor will it be, a party to employment contracts with employees or contractors of the Global Mechanism, and the IFAD rules and procedures will not apply to such employees or contractors.
 - e. 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.

Annex III

EB 2012/105/R.44/Rev.1

- f. Until such time as the full implementation of Decision 6/COP.10, IFAD shall house the Global Mechanism and provide sufficient office space for its offices on the basis of an agreement to be concluded between the Executive Secretary and the President of IFAD.
- g. IFAD shall also provide the Global Mechanism with logistical and administrative support services as set out in a supplementary Letter of Agreement to be concluded between the Executive Secretary and the President of IFAD pursuant to Article VII E of this Amendment to the MOU.
- h. The provision of office space under (f) above and the logistical and administrative support services under (g) above, shall be on the same conditions of access and use granted to other IFAD users.
- i. At the request of the Executive Secretary, the following services related to the privileges and immunities of staff members of the Global Mechanism in Italy shall be provided by IFAD:
- Provision of services related to the privileges and immunities of the staff members of the Global Mechanism in Italy, including, but not limited to, submitting requests for visas, diplomatic identity cards, diplomatic license plates, tax exemption and tax reimbursement.
 - Provision of badges to the Global Mechanism staff allowing them access to IFAD premises.
 - The office space allocated to the Global Mechanism, being within the Headquarters of IFAD, is, in accordance with Section 4 of the Headquarters Agreement, inviolable and subject to the sole control and authority of IFAD. The inviolability of IFAD's headquarters seat is for the benefit of IFAD alone, and may be waived by IFAD in accordance with the provisions of such Headquarters Agreement.

2. The President of IFAD and the Executive Secretary shall cooperate to the fullest degree to ensure the smooth implementation of this Amendment to the Memorandum of Understanding and any other decision which may be made by the Conference of the Parties relative to any new housing arrangement that may be concluded for the Global Mechanism."

VII. FINAL PROVISIONS

A. Entry into operation

The present Amendment to the Memorandum of Understanding, which amends and replaces the Memorandum of Understanding dated 26 November 1999, shall enter into operation upon signature by the Executive Secretary and the President of the Fund.

B. Implementation of the Memorandum of Understanding

The Executive Secretary and the President of IFAD may enter in such supplementary arrangements for the implementation of this Amendment to the Memorandum of Understanding as may be found desirable.

C. Termination

For the purposes foreseen under the provisions of operative paragraph 10 of decision 6/COP.10, the Memorandum of Understanding including the present Amendment thereto may be terminated at the initiative of the Executive Secretary or the President of the Fund with prior written notice of at least one month. In the event of termination, the Executive Secretary and the President of IFAD will jointly reach an understanding on the most practical and effective means of carrying

Annex III

EB 2012/105/R.44/Rev.1

out any responsibilities assumed under the present Memorandum of Understanding and its Amendment.

For all other purposes, the Memorandum of Understanding including the present Amendment thereto may be terminated at the initiative of the Conference of the Parties or the Fund with prior written notice of at least one year. In the event of termination, the Conference of the Parties and IFAD will jointly reach an understanding on the most practical and effective means of carrying out any responsibilities assumed under the Memorandum of Understanding and its Amendment.

D. Amendment

The present Amendment to the Memorandum of Understanding may be revised by mutual consent in writing between the Executive Secretary and the President of IFAD. The amendment shall be effective on the day of signature.

E. Interpretation

If differences arise in the interpretation of the present Amendment to the Memorandum of Understanding, the Executive Secretary or the President of the Fund shall reach a mutually acceptable solution on the basis of the English text thereof.

Signed in Bonn and Rome, respectively

**FOR THE CONFERENCE OF THE PARTIES TO THE
CONVENTION TO COMBAT DESERTIFICATION**



Executive Secretary

Date: 02/04/2012

**FOR THE INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT**



President

Date: 02/04/2012



Date: 29 October 2012
 Ref.: 8572
 cc: MND, LL

Dear Lawrence Christy,

I would like to thank you for your letter of 15 October 2012 in respect to the staff contracts of the Global Mechanism.

With respect to the governance and institutional arrangement of the Global Mechanism, the Conference of the Parties, by its decision 6/COP.10, requested the Executive Secretary (a) to ensure that all staff managed by the Global Mechanism (GM) are under one single administrative regime administered by the United Nations Office at Geneva under the Financial Regulations and Rules of the United Nations and (b) to take all necessary measures as a matter of urgency, in consultation with the Managing Director of the GM and the President of International Fund for Agricultural Development (IFAD) to implement the governance arrangements in that decision to ensure that the administrative, procedural and legal aspects of the decision are implemented.

Part of the different efforts undertaken to implement this mandate included the secretariat's consultations with the United Nations Office of Human Resources Management (OHRM) in New York, specifically seeking advice on the procedures required to ensure that the administrative, procedural and legal aspects related to the Human resources management of the Global Mechanism staff were in full conformity with the prevailing United Nations (UN) staff regulations and rules. Following several exchanges with OHRM, including meetings with UNCCD secretariat representatives to clarify this matter, and ultimately a personal intervention by the COP President, UNHQ indicated that the basic position of the UN on the matter is that there was no institutional linkage with the GM. Hence, the UN had no administrative authority over the GM and could not therefore facilitate the transfer of GM staff under UN Regulations and Rules.

OHRM has indicated that to give effect to the COP decision under the existing institutional linkages (between the UN and UNCCD secretariat), GM staff would first have to become UNCCD secretariat staff, as they presently do not hold UN letters of appointment.

Under these circumstances, the measures the Executive Secretary would take to implement the governance arrangements in the COP's decision ensuring that the administrative, procedural and legal aspects of the decision are implemented is to offer GM staff UNCCD secretariat letters of appointment in accordance with the UN staff regulations and rules. This would in turn entail a recruitment process for the GM staff. Accordingly, the secretariat is currently in the process of classifying GM posts to initiate the recruitment process that should conclude prior to the 31 March 2013 deadline of current GM staff contracts.

Lawrence Christy
 Via della Luce, 3B
 00153 Rome, Italy
 E-mail: lawrence_christy@yahoo.com



Furthermore, I find it worth recalling that in regard to the grievance procedure, I have said on several occasions to GM staff to send to the Coordinator of Administration and Finance Services, Mr. Lyndle Lindow, any grievances that GM staff have as a result of administrative decisions that have taken place, rather than grievances related to actions they believe may happen. These grievances will be addressed in consultation with IFAD.

I thank you for your attention.

Yours sincerely,

Luc Gnacadja
Executive Secretary

