Conference of the Parties
Eleventh session
Windhoek, Namibia, 16–27 September 2013
Item 8 of the provisional agenda
Governance and institutional arrangements of the Global Mechanism, including recommendations on the new housing arrangements of the Global Mechanism

Implementation of decision 6/COP.10: Governance and institutional arrangements of the Global Mechanism, including recommendations on the new housing arrangements of the Global Mechanism

Report by the Executive Secretary

Summary

Pursuant to decision 6/COP.10, paragraph 11, the present document has been prepared to provide information on options for a new housing arrangement for the Global Mechanism (GM), including potential co-location with the secretariat of the United Nations Convention to Combat Desertification, giving due consideration to factors including costs, operational modalities and synergies, and governance efficiencies. In accordance with decision 6/COP.10, paragraph 14, a recommendation on the afore-mentioned new housing arrangement for the GM is presented by the Executive Secretary to the Conference of the Parties at its eleventh session for a final decision.
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Executive Summary and Recommendation

1. The current report, with recommendation, was prepared in response to decision 6/COP.10, taken by the Conference of the Parties (COP) at its tenth session, to provide information to the COP 10 Bureau on the possible options for a new housing arrangement for the Global Mechanism (GM), including potential co-location with the secretariat of the United Nations Convention to Combat Desertification (UNCCD), while giving consideration to the costs, operational modalities and synergies and governance efficiencies involved in each potential arrangement. The present report is the result of consultations held with the COP 10 Bureau since 1 July 2012, and has been revised to meet the requests of the Bureau of the COP, the Committee for the Review of the Implementation of the Convention (CRIC) at its eleventh session, and relevant stakeholders, including the International Fund for Agricultural Development (IFAD). Based on the information contained in this report, and taking into consideration all comments received, pursuant to decision 6/COP.10, paragraph 14, the following recommendation is presented to the COP at its eleventh session for a “final decision” on the outstanding issue of the most appropriate home for the GM.

2. Potential housing arrangement options include the GM remaining located at IFAD (I), relocation within Rome (II), co-location with the UNCCD secretariat at the UNCCD headquarters in Bonn (III), as well as relocation to Geneva (IV), New York (V), or Washington, D.C. (VI). Options for a new housing arrangement were assessed based upon feasibility and the criteria set out in decision 6/COP.10, paragraph 11, which include: (a) costs in terms of one-time relocation of staff and offices, staff expenses, and ongoing operations; (b) operational modalities and synergies including aspects relevant to the mandate and functions of the GM; and (c) governance efficiencies in view of COP oversight, GM accountability, and the management responsibilities of the Executive Secretary foreseen in decision 6/COP.10. Indicators were derived from the Convention and decision 6/COP.10, as well as from other relevant COP decisions, the COP 9 Bureau report on the Evaluation of the GM (ICCD/COP(10)/4), and in the Joint Inspection Unit (JIU) Report and recommendations (JIU/REP/2009/4), as further detailed in annex IV.

3. The analysis of these criteria allowed for a ranking of the best option for a new housing arrangement as follows:

   1. Co-location with the secretariat at the UNCCD headquarters in Bonn (III.)
   2. GM to remain with IFAD in Rome (I.)
   3. GM to relocate to the World Bank or Global Environment Facility (GEF) in Washington, D.C. (VI.)
   4. Other housing options including the GM to relocate to the United Nations Office at Geneva (IV.)
   5. GM to relocate to another entity (currently unknown) within Rome (II.)

4. In terms of costs, operational modalities, synergies and governance, the results indicate that co-location with the secretariat at the UNCCD headquarters in Bonn (III) or for the GM to remain with IFAD in Rome (I) are the only currently feasible housing arrangements for the GM. The report thus concludes that, although retaining the GM with IFAD in Rome would avoid the one-time cost of relocation to Bonn, estimated at EUR
350,894, the option of co-location with the secretariat at UNCCD headquarters in Bonn is the most cost effective option in the medium to long term. This is a result of lower annual costs for housing the GM offices (just under EUR 176,000 a year, almost EUR 78,000 less than the current costs at IFAD) as well as lower expenses for GM staff as compared to all other duty stations considered (25 per cent lower as compared to Rome). In just over four year, savings accrued through the reduced operational costs of co-location with the secretariat will compensate for the one-time costs of relocating the GM to Bonn. Additional savings are also possible through reduced travel and communication expenses required for the GM to coordinate work with the secretariat, as well as through economy of scale in managing the Convention’s financial and human resources more efficiently.

5. The arguments for co-location of the GM and secretariat are reinforced in view of the governance efficiencies that could be achieved, which would help to strengthen the oversight of the COP, as well as the accountability of the GM, under the management of the Executive Secretary. No other body than the UNCCD COP, supported by the Executive Secretary and secretariat, has a direct role to play in the governance of the GM. Moreover, any other housing scenario would have to provide that the role of the Executive Secretary in ensuring the GM’s adequate accountability to the COP, and the secretariat’s ability to assume legal representation for the GM, is not hampered. As a "supporting measure" to the Convention, the GM is serviced by the UNCCD secretariat which alone enjoys a legal “personality” and the ability to represent the GM. Furthermore, any other housing arrangement, with the exception of co-location with the secretariat under the existing headquarter’s agreement with the Government of Germany, will require the negotiation of supplementary agreements to ensure GM staff are granted the required staff rights and privileges under United Nations rules and procedures. Co-location with the secretariat at UNCCD headquarters in Bonn, together with the Executive Secretary, is therefore the most logical housing scenario in support of improving and streamlining governance efficiencies for the Convention. It also complies with the Paris Declaration on Aid Effectiveness, the “Delivering as One” approach of the General Assembly resolutions on system-wide coherence, as well as the financial rules and regulations of the United Nations.

6. In consideration of the mutually supporting mandates as well as successive COP decisions that have enjoined the secretariat and the GM to work in close cooperation, co-location would also be an effective way to ensure streamlined operational modalities and optimized synergies for the implementation of the Convention. For example, decision 6/COP.10 calls for GM accounts and staff to be integrated under one administrative regime for the Convention, while also introducing a number of specific requirements for compulsory cooperation between the GM and secretariat. This includes requiring the secretariat and the GM, through the Senior Management Task Force (SMTF), to streamline financial management and administration, develop internal rules and procedures, jointly implement workplans and programmes, unify the corporate identity of the Convention, and coordinate reporting requirements to the COP. Such operational activities require daily contact between the relevant focal points of the secretariat and the GM on an ongoing basis, in addition to the quarterly meeting of the SMTF, which would be facilitated by co-location.

7. Moreover, implementation of the Convention as a whole would be facilitated if the GM was relocated to the UNCCD headquarters as part of a coherent institutional arrangement at the service of the UNCCD Parties. For example, operational synergies and increased efficiencies are possible by capitalizing on economies of scale in shared areas of work of the secretariat and the GM. This includes in the areas of management and strategic programmes, policy and advocacy, resource mobilization, monitoring, knowledge management, and regional advisor/regional coordination, as well as communications and administration/finance. Beyond synergies with the UNCCD secretariat and those already established with the Rome-based United Nations agencies - IFAD, the Food and
Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) - if relocated to Bonn, the GM would also have the opportunity to develop its relationship with various other United Nations entities which have their headquarters in Bonn. This includes the United Nations Framework Convention on Climate Change (UNFCCC) and its related mechanisms, as well as the newly established Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES).

8. The importance of the expected decision at COP 11 on a new housing arrangement for the GM cannot be overstated. Despite over a decade of support following the creation of the GM and the recent amendment of the Memorandum of Understanding (MoU), the current housing arrangement with IFAD no longer appears to be the most appropriate home for the GM. Therefore, a decision to co-locate the GM at the UNCCD headquarters in Bonn, together with the secretariat, is the most cost efficient, logical and straightforward option, which provides the most benefits in terms of streamlined operational modalities, synergies between Convention bodies, and improved accountability and oversight resulting in governance efficiencies.

I. Introduction

A. Mandate

9. The Conference of the Parties (COP) to the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD or the ‘Convention’), by its decision 6, paragraphs 11–13, requested the Executive Secretary, in consultation with the Bureau of COP 10 and the CRIC, to undertake a process to identify a new housing arrangement for the GM. In conclusion of this process, the following outlines the basis upon which a recommendation on the new housing arrangement for the Global Mechanism (GM) has been made for the COP at its eleventh session to adopt a final decision (see decision 6/COP.10, paragraph 14).

B. Scope of the note

10. This document contains information on the available options to identify a new housing arrangement for the GM in accordance with decision 6/COP.10 adopted by the COP at its tenth session in Changwon, Korea in October 2011. Operative paragraph 11 of decision 6/COP.10 on the “Governance and institutional arrangements of the Global Mechanism”, 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.” The present document provides an update to the report submitted to the COP 10 Bureau on 1 July 2012, taking into consideration recent information as well as comments received from members of the Bureau of the COP and the CRIC and other stakeholders.

C. Possible action by the Conference of the Parties at its eleventh session

11. The COP at its eleventh session may wish:
(a) To take note of the recommendation contained in this document on a new housing arrangement for the GM, which points to co-location with the UNCCD secretariat, and, pursuant to decision 6/COP.10, paragraph 14, adopt a final decision;

(b) To consider allocating the required budget for the one-time relocation of Professional level GM staff and offices from IFAD in Rome to UNCCD headquarters in Bonn. The COP may also consider funding the optional costs of relocation of the General Service and non-core GM staff, subject to the approval of the United Nations Office of Human Resources Management (OHRM). Relocation of GM staff, all of which now hold UNCCD letters of appointment, would take place as part of a change of duty station according to United Nations administrative procedures;

(c) To recommend the Executive Secretary to prepare the draft terms, timeline and implementation plan for a new housing arrangement of the GM, in consultation with the International Fund for Agricultural Development and GM management.

II. Background

12. An assessment of the GM by the Joint Inspection Unit of the United Nations (JIU) was mandated by the COP at its eighth session (COP 8) through its decision 3/COP.8, paragraph 27, for the consideration of the COP at its ninth session (COP 9). The JIU report (JIU/REP/2009/4), entitled “Assessment of the Global Mechanism of the United Nations Convention to Combat Desertification” was welcomed by Parties in decision 6/COP.9. In the same decision, Parties requested the Bureau to present a report for consideration and decision on the issue of GM reporting, accountability and institutional arrangements to COP 10.

13. At COP 10, Parties took concrete action covering the institutional structure and the governance framework of the GM, as detailed in decision 6/COP.10 on the “Governance and institutional arrangements of the Global Mechanism”. Provisions stipulated in decision 6/COP.10 call for the identification of a new housing arrangement for the GM, for a final decision to be taken at COP 11, to be held in Windhoek, Namibia from 16 to 27 September 2013.

14. Specifically with reference to a new GM housing arrangement, COP 10 decided:

(a) To request the Executive Secretary, in consultation with the COP 10 Bureau, to identify a new housing arrangement for the GM, including potential co-location with the UNCCD secretariat, with consideration to information on costs, operational modalities and synergies, and governance efficiencies (to be provided to the COP 10 Bureau by 1 July 2012) (decision 6/COP.10, para. 11); and

(b) To direct the Executive Secretary to present a recommendation on the new GM housing arrangement, including potential co-location with the UNCCD secretariat, to COP 11 for a final decision (decision 6/COP.10, para. 14).

15. The Executive Secretary was further requested to take “all necessary measures as a matter of urgency”, in consultation with the Managing Director of the GM and the President of the International Fund for Agricultural Development (IFAD), to “ensure that the administrative, procedural and legal aspects of this decision are implemented” (decision 6/COP.10, para. 15). In addition to organizing an informal discussion with Parties during the eleventh session of the Committee for the Review of the Implementation of the Convention (CRIC 11), the Executive Secretary was requested to submit progress reports on the implementation of decision 6/COP.10 to the COP 10 Bureau, to the intersessional meeting of CRIC 11 and to COP 11 (paras. 12, 13 and 17).
III. Approach and methods of assessment

16. Options for a new housing arrangement are assessed based upon the criteria set out in decision 6/COP.10, paragraph 11, outlined in further detail below. These criteria include aspects relevant to the mandate and functions of the GM, costs, operational modalities and synergies, as well as governance efficiencies, which were used to undertake a feasibility study on potential housing arrangement options in section IV. The indicators for each criteria, both qualitative and quantitative, have been derived from the GM’s mandate and functions in accordance with the Convention (article 21), decision 6/COP.10, other relevant COP decisions, as well as criteria established in the COP 9 Bureau report, on the evaluation of the GM (ICCD/COP(10)/4) and in the JIU report and recommendations (JIU/REP/2009/4), as detailed in annex IV, below.

A. Overarching criteria in compliance with the Convention

17. Included as part of the operational modalities and synergies in the forthcoming analysis, overarching criteria is highlighted below due to its bearing on all further criteria relating to the feasibility of alternative housing arrangements for the GM. These include the advantages and disadvantages provided and relevance in terms of facilitation of the GM’s mandate, as provided for in the Convention, article 21, paragraph 4: “In order to increase the effectiveness and efficiency of existing financial mechanisms, a Global Mechanism to promote actions leading to the mobilization 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 country Parties, is hereby established”.1 The main functions of the GM encompass the management of an inventory of cooperation programmes for the implementation of the Convention; provision of advice on innovative methods of financing and sources of financial assistance and on cooperation activities at the national level; provision of information on available sources of funds and on funding patterns, as well as reporting to the COP on GM activities (article 21, para. 5).

18. In addition to enabling the GM to fulfil its core mandate and function, the housing arrangement must also facilitate its ability to implement relevant COP decisions, chiefly but not limited to decision 6/COP.10, and meet the criteria established in the above-mentioned COP 9 Bureau report on the evaluation of the GM (ICCD/COP(10)/4) and the JIU report and recommendations (JIU/REP/2009/4).2 For instance, provisions of this decision require ongoing coordination and cooperation between the GM and the secretariat (decision 6/COP.10, paras. 1–6), which might incur additional costs or benefits depending on the physical location of the GM, time difference considerations, staff travel, and so forth. Numerous previous COP decisions have also highlighted the need for enhanced cooperation and coordination between the GM and the secretariat, while avoiding duplication and overlapping in activities and using the Convention resources efficiently. As a measure of efficiency, preambular paragraph 8 of decision 6/COP.10 notes 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”.3

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1 Compare “Functions of the Global Mechanism and Criteria for Selecting an Institution to House it” established by COP 1, document ICCD/COP(1)/5, appendix I.
2 Document ICCD/COP(10)/31/Add.1.
3 Decision 6/COP.10, preamble.
19. Within this perspective, and building upon the strengthened institutional coherence and improved governance sought by Parties, a new housing arrangement should aid in solving identified problems, while taking full advantage of existing opportunities.

B. Costs and economic feasibility

20. At its tenth session, the COP requested the Executive Secretary, in consultation with the COP 10 Bureau, to consider the economic feasibility of a new housing arrangement for the GM (decision 6/COP.10, para. 11), while taking into account the criteria of “avoid(ing) duplication and overlapping in activities and to promote complementarities… with a view to enhancing cooperation and coordination and using the Convention resources efficiently” (decision 6/COP.10, preamble). In addition to the costs, the benefits posed by a new housing arrangement for the GM might also be considered. This includes any resulting savings or financial advantages offered by the housing entity, among other things through the provision of logistical and administrative support. This, however, does not bear incidence on the administration of the GM accounts and staff, which is the responsibility of the Executive Secretary, in cooperation with the Managing Director of the GM, in accordance with decision 6/COP.10, paragraphs 7 and 9. Where a monetary value cannot be attributed to the associated cost or benefit, such aspects will be assessed in terms of advantage or disadvantage or associated with criteria relating to the mandate and functions of the GM, operational modalities, synergies, or governance efficiencies.

21. Cost related information includes both one-time costs incurred through relocation as well as ongoing overhead expenses on an annual basis. Cost estimates for the relocation scenario are currently based on seven GM staff members who have been approved by the COP, and who are eligible for allowances or benefits for internationally recruited staff (Professional level and above), including separation travel expenses for themselves and eligible dependents, removal of household effects, and relocation grants. The GM also employs an additional two Professional level staff members who are funded from extra-budgetary contributions, for which the associated costs of transferring could either be covered by the respective source of funding, in consultation with the respective donors, or if the COP were so to decide, through the core budget or one-time supplementary funding. Five General Service category staff members would have to be locally recruited, although the COP might also consider providing additional funding to cover the cost of their relocation, including a one-time cost of repatriation, assignment grants, and travel, with United Nations Office of Human Resources Management (OHRM) authorization. The regional advisers are not considered due to their status as home-based consultants.

22. Accordingly, in the case of the relocation of the GM, the only financial incidence that would clearly fall under the GM core budget concerns the relocation costs of those GM staff members at the Professional level and above who were approved by the COP, namely the seven current staff members funded by the GM’s core budget (see table 1). It will be up to the COP to decide to allocate the required amount for both one-time relocation costs and ongoing operational costs incurred were the GM to be relocated, in accordance with staff

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4 Under United Nations Staff rules and regulations, non-eligible are staff in posts subject to local recruitment, namely General Service (G-level), National Professional Officers (NPO), and related categories. In addition, P-level staff (and above) locally recruited at a duty station are not entitled to the allowances and benefits. Two director level, seven Professional level and five General Service category core staff members of the GM have been approved by the COP, and seven of these positions are currently filled; Compare decision 10/COP.10.

5 This is assuming the absence at this stage of further indication by the COP on additional options delineated under paragraph 13 of this document, as noted in the report to COP 10 on office space availability and eventual costs (see ICCD/COP(10)/INF.7; compare ICCD/COP(10)/INF.2).
rules and regulations of the United Nations and the terms of decision 6/COP.10. Considerations in that respect might also include the willingness of the COP to cover optional costs incurred by the non-core GM staff hired through the GM’s extra-budgetary sources of income, or to limit it to the required costs of relocation only to those approved by the COP and paid through the GM’s core budget. A breakdown of optional one-time costs of relocation is included in annex III to this report.

Table 1
**Comparison of established posts and filled posts by source of funding in the Global Mechanism as at 1 April 2013**

<table>
<thead>
<tr>
<th>GM Staff</th>
<th>Core</th>
<th>Supplementary</th>
<th>Total</th>
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<tbody>
<tr>
<td>Grade Level</td>
<td>Approved</td>
<td>Filled</td>
<td>Approved</td>
</tr>
<tr>
<td>D-2</td>
<td>1</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>D-1</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>P-5</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>P-4</td>
<td>3</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>P-3</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>P-2</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>9</strong></td>
<td><strong>7</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td>GS</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>11</strong></td>
<td><strong>3</strong></td>
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Abbreviations: D = Director, P = Professional, GS = General Service.

23. Estimates will therefore present scenarios for relocation of GM staff using the current staffing levels, based on the approved post table as set out in decision 10/COP.10. In addition, the scenarios for operational costs include the GM’s full staffing capacity, as approved by the COP, staff funded from extra-budgetary sources and for temporary appointments, consultants and interns, resulting in a full staff body of up to 25 people (see tables 2, 3 and 4, in section IV.D). One-time relocation costs vary by location due to differences in the assignment grant which is based on the rates for daily subsistence allowances and post adjustment. Consequently, costs are the highest for New York, followed closely by Washington, D.C. and Geneva, with Bonn being the least expensive, as indicated in figure 1 below. Detailed relocation costs can be found in tables 2 and 3 following paragraph 74 of this report.
24. One-time costs also include the relocation of the GM offices, such as office disassembly at IFAD (packing, disposal, inventory, storage, shipping), as well as office set-up at new facility (purchase of office equipment, furniture, delivery and installation), and miscellaneous costs (see table 2, section IV.D, paragraph 74). The costs for office furniture and computer equipment are assumed to be constant for each relocation scenario (at USD 95,537 or EUR 73,829), and estimated for 25 people to represent the size of the GMs full staffing capacity, including all core, extra-budgetary and supplementary staff. However, moving costs vary according to location, and are the highest for Washington D.C. and New York (over USD 22,000), and less than half the cost for Bonn and Geneva (just over USD 10,000); moving costs for Rome assume relocation to another United Nations entity (under USD 4,000).

25. Ongoing operational costs include, inter alia, common services (or premises costs), UNOG services, communication and IT costs and supplies, as well as the provision of other logistical and administrative support, including programme support costs (see figure 2). Additional costs required for administering the GM’s accounts and staff through UNOG are assumed to be constant for each relocation scenario (USD 77,600) per year, regardless of the location of the GM. Costs also include those for programme support costs; in accordance with the financial rules of the COP and standard practice of the United Nations, at a rate of 13 per cent. These support services include administrative support staff who provide services in procurement, financial management, human resources management, information technology and travel. A summary of the total estimated operational costs of the GM according to potential housing location are provided in the figure below, the details of which can be found in table 4, in section IV.D, paragraph 76.

26. Costs are noted in both euro (EUR) and United States dollar (USD) figures, as the UNCCD uses EUR for budgeting purposes, while IFAD uses USD; the exchange rate applied is the yearly average for 2012 (January to October), or an equivalent of USD
1:EUR 0.773. An overview of the costs and economic feasibility of potential housing arrangement options of the GM can be found in section IV.D of this document.

C. **Operational modalities and synergies**

27. A housing arrangement for the GM should be assessed according to its ability to support the work and operations of the GM and facilitate synergies between relevant entities. Operational modalities are taken to mean the most effective methods or procedures for ensuring that the GM is able to work and function, on a day-to-day operational level, both administratively as well as substantively in the fulfilment of its mandate, as defined by the Convention text and subsequent COP decisions, and by the criteria established in the COP 9 Bureau report on the evaluation of the GM (ICCD/COP(10)/4) and in the JIU report and recommendations (JIU/REP/2009/4). In addition, the feasibility of such an arrangement must consider legal and operational requirements, such as the existence of a headquarters agreement with the host government, and the willingness of the housing or host government to extend the provision of privileges and immunities to GM staff (decision 6/COP.10, para. 9).

28. The operational framework for the new housing arrangement was specified in decision 6/COP.10, paragraph 9, within the context of the revision of the former MOU between the COP and IFAD, limiting such an arrangement to the provision of logistical and administrative support. This excludes the administration of GM accounts and staff, which are to be integrated under one administrative regime, administered by UNOG under the Financial Regulations and Rules of the United Nations (decision 6/COP.10, para. 5).

29. The COP at its tenth session (COP 10) further redefined the operational modalities of the GM, as well as those of the secretariat, in decision 6/COP.10. The Executive Secretary holds overall management responsibility for the GM and appoints the Managing Director of the GM, according to standard United Nations recruitment procedures. On a working basis, “the Executive Secretary delegates operational authority, as appropriate and in accordance with United Nations rules and regulations, to the Managing Director” of the GM for various administrative tasks (decision 6/COP.10, para. 7). This includes management of the GM’s programme and budget, implementing agreed workplans and programmes, entering into agreements with donors, and employing personnel. COP 10 also introduced a number of joint tasks to be undertaken by the “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” (decision 6/COP.10, para. 4). Such tasks comprise developing internal rules and procedures, joint implementation of workplans and programmes, joint corporate identity, streamlined financial management and administration, and coordinated reporting requirements.

30. Final considerations relating to the operational modalities of a new housing arrangement include the timeframe for implementation and the time required to achieve physical relocation, taking into consideration the need to enable a “timely termination” of the amended MOU between the COP and IFAD, “once the new housing arrangement has been concluded” (decision 6/COP.10, para. 10).

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6 The COP at its tenth session decided 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” (decision 6/COP.10, para. 3). “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” (decision 6/COP.10, para. 6.)
31. The proposed housing arrangement must also ensure operational synergies; synergy referring to combined actions or operations, and the effectiveness gained when efforts are combined; a mutually advantageous conjunction or compatibility of distinct organizational participants or elements such as resources or efforts. The proposed housing arrangement will thus be assessed based on its ability to facilitate effective, mutually advantageous, combined efforts and actions between the GM and its housing entity, as well as institutional coherence between the GM and the UNCCD secretariat, in support of implementation of the Convention and in fulfilment of their respective mandates. The relevance of synergies, especially between the GM and the secretariat, is found in numerous COP decisions, most notably decision 6/COP.10 which emphasizes 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” while also establishing internal management procedures between the GM and secretariat at the senior staff level (decision 6/COP.10, preamble and operative para. 4).

D. Governance efficiencies

32. Governance is the ‘action, manner, or process of governing an organization’, specifically, the ‘way in which an organization is managed at the highest level’, namely by the COP to the UNCCD, and the ‘procedures established for this purpose’. Efficiencies are the ‘quality or degree of being efficient’ or ‘producing the desired and expected effects or results’. A new housing arrangement will be assessed based on its ability to enable the GM to meet the expectations and requirements of the COP, in accordance with its mandate as defined in the Convention, which also established that the “...Global Mechanism shall function under the authority and guidance of the Conference of the Parties and be accountable to it” (article 21, para. 4).

33. Also at its tenth session, the COP took a decision on the terms for addressing inconsistencies in the governance and institutional arrangements of the GM “to find lasting solutions to the Global Mechanism institutional and managerial challenges recurrently identified by the various external assessments undertaken...which have impeded the delivery of better services to Parties” (decision 6/COP.10, twelfth preambular para.). By the same decision, the COP confirmed that ensuring COP oversight, adequate reporting and GM accountability to the COP is the primary responsibility of the Executive Secretary (see for example, paras. 2 and 3 among others).

34. A new housing entity must, therefore, facilitate and not hamper the role of the Executive Secretary in ensuring COP oversight, adequate reporting, and GM accountability to the COP. This must take into consideration implementation of the various administrative, legal, and management responsibilities delegated to the Executive Secretary, as foreseen in decision 6/COP.10. For example, the Executive Secretary is called upon to consolidate GM staff and accounts, while highlighting COP oversight in terms of review and guidance over the appointment and recruitment of GM staff, as well as management and auditing of GM accounts (decision 6/COP.10, sixth and tenth preambular paras..and,operative para. 5). Moreover, the housing arrangement must support the ability of the UNCCD secretariat to take on the accountability and legal representation of the GM as well as coordination of reporting and overall management responsibilities assumed by the Executive Secretary,

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8 In addition to decision 6/COP.9, decision 6/COP.8, and others.
including appointment of the Managing Director of the GM (decision 6/COP.10, paras. 1, 2, 3 and 6).

35. Decision 6/COP.10, paragraph 14 further indicates that COP 11 will adopt a “final decision” on the new housing arrangement for the GM on the basis of a recommendation to be presented by the Executive Secretary.

IV. Potential housing arrangement options

36. The following section outlines the feasibility of each of the housing arrangement options for the Global Mechanism, based on the assessment criteria detailed in the previous section related to costs, operational modalities and synergies, and governance efficiencies. Potential options include for the GM to remain in Rome, a co-location of the GM with the UNCCD secretariat at the UNCCD headquarter premises in Bonn, as well as other potential arrangements, such as housing of the GM in the World Bank in Washington, D.C., in UNOG in Geneva, or in the United Nations Secretariat in New York.

A. International Fund for Agricultural Development, Rome, Italy

37. The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations, under the United Nations common system, which was established as an international financial institution in 1977. The GM has been “housed” at IFAD in Rome, Italy, since it took up operations in 1999. The legal standing of this housing arrangement, that is, the MOU concluded between IFAD and the UNCCD COP in accordance with decision 10/COP.3, was amended in April 2012 in compliance with decision 6/COP.10.

Background on the position of the International Fund for Agricultural Development, and the issue of liability

At COP 10, IFAD officials confirmed that “IFAD is ready to discuss a new working relationship, founded on two basic principles”: first, “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. IFAD would however agree to the GM moving physically to another location, if the COP were to so decide;” second, “there should be no cost or liability to IFAD associated with its role as host of the GM” (ICCD/COP(10)/INF.5; decision 6/COP.10). This position was likely a result of the legal and financial liability IFAD has had to assume for the past actions of GM staff, specifically those of the former Managing Director, based on administrative procedures established by the former MOU between IFAD and the COP (decision 10/COP.3), prior to decision 6/COP.10.

In a judgement from February 2010, the International Labour Organization Administrative Tribunal (ILOAT, No. 2867) decided that “administrative decisions taken by the [GM’s] Managing Director are, in law, the decisions of the Fund”. This decision was upheld by the International Court of Justice in an advisory opinion dated February 2012, as well as in an ILOAT judgement (No. 3003), followed by a third ILOAT judgement delivered in February 2013 which again orders IFAD to pay the

complainant additional damages and fees for the delay in and handling of payment (No. 3152). The ILOAT judgements were in response to a complaint against IFAD filed with the Tribunal by a former GM staff member due to the discontinuation of her fixed-term contract of employment by the GM Managing Director in 2006. This resulted in the ILOAT decision that the former GM employee be awarded a payment of lost salaries, allowances and entitlements, which, as of February 2013, equated to USD 438,000 in addition to at least USD 76,000 in additional damages and fees IFAD has been ordered to pay to the complainant in two subsequent ILOAT decisions. Although the April 2012 amendment of the MOU to address administrative and procedural inconsistencies, and full implementation of decision 6/COP.10, should remove IFAD’s accountability, responsibility and legal liability for the GM, the issues of past liabilities remain outstanding and in need of resolution, having weighed heavily on the relationship between the GM and IFAD.

In May 2012, IFAD’s Executive Board passed a resolution on the GM housing arrangement which recognizes “that any existing and potential future liabilities will be settled through due process” (see following box); more recent discussions of IFAD’s Executive Board have been held in closed sessions.

IFAD’s concern for avoiding costs or liability associated with its current or potential future role as host of the GM is likely to be related to complaints filed against

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12 This judgement (ILOAT No. 2867) was deemed to be valid by the International Court of Justice (ICJ), the principal judicial organ of the United Nations, in an advisory opinion dated 1 February 2012 (General List No. 146, see also <www.icj-cij.org/docket/files/146/16877.pdf>); as well as again in Judgment No. 3003 which on 6 July 2011 decided to dismiss the application by IFAD “for the suspension of the execution of Judgment 2867” while awarding the defendant additional costs in the amount of 4,000 euros to be paid by IFAD. ILOAT Judgment No. 3152 (6 February 2013) further orders IFAD to pay additional damages and fees to the complainant (see <www.ilo.org/dyn/triblex/triblexmain.fullText?p_lang=en&p_judgment_no=3152&p_language_code=EN&p_word=global%20mechanism>).

13 In the ILOAT case filed by a former GM staff member against IFAD, the complainant was awarded an estimated USD 438,000 by ILOAT in Judgement No. 2867, as well as an additional USD 4,000 in legal fees as a result of IFAD’s appeal, which was decided again in favour of the complainant in Judgment No. 3003 delivered on 6 July 2011. A third ILOAT judgement delivered on 6 February 2013 further orders IFAD to pay the complainant additional damages in the amount of EUR 50,000 as well as interest on the moral damages and costs awarded in Judgment No. 2867 of EUR 15,000 and interest on the costs awarded in Judgment No. 3003 of EUR 4,000, the costs of legal counsel of EUR 3,000 and EUR 25,000 for each month’s delay in the settlement of the awards made in this judgment (ILOAT Judgment No. 3152).

14 As of 1 April 2013, all current GM staff members have been re-recruited and hold UNCCD letters of appointment, and in May 2013, a trust fund was established for the GM under the UNCCD administrative regime administered by UNOG. During renegotiation of the housing MOU, IFAD initially proposed the inclusion of a provision in the amended MOU to establish an escrow account of GM funds “to settle outstanding claims in relation to Judgment No. 2867 of the Administrative Tribunal of the International Labour Organization”. However, this provision was not included in the revised MOU; a decision which was in accordance with the subsequently received (11 July 2012) opinion of the United Nations Office of Legal Affairs (OLA) on the matter upon request of the COP Bureau, and the mutual understanding that such funds could not be released without COP approval and were related to issues separate from that of the housing arrangement, which should be dealt with accordingly. Nevertheless, in subsequent correspondence received by the UNCCD secretariat from IFAD’s Financial Operations Department, dated 5 July 2013, IFAD has again proposed an escrow account equating to the estimated costs for GM legal cases currently in progress pending their settlement (which IFAD estimates at USD 3,729,275), as well as miscellaneous costs and advances, totalling USD 5,050,469. This issue was also addressed in letters to IFAD on 2 March 2012 and the response of the UNCCD secretariat, likewise annexed to the current report.

it with ILOAT by GM staff and the former GM Managing Director in the third quarter of 2012. Although judgements are still pending, these complaints were filed after decision 6/COP.10 transferred accountability and the legal representation of the GM from IFAD to the UNCCD secretariat. This was followed by an amendment of the housing MOU during the process of transferring GM accounts and staff under one single administrative regime administered by UNOG, which has since been completed. One complaint by the former GM Managing Director was also filed in October 2012 with the United Nations Dispute Tribunal (UNDT), which has jurisdiction over UNCCD, contesting the decision not to renew his fixed-term appointment, which the COP decided must be done through the recruitment process of the United Nations by the Executive Secretary. However, in April 2013 UNDT decided to reject the case against UNCCD, on the grounds that it is not competent to consider the present application since the applicant, as an IFAD staff member at the time of filing, does not have access to the jurisdiction of this Tribunal. No further complaints have been filed and no legal cases are pending against the UNCCD as of 1 July 2013.

1. Statement of interest

38. IFAD has repeatedly confirmed that it 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 does not hold any responsibility or liability over the GM and its staff”.  

39. IFAD noted at COP 10 that it would agree to the GM moving physically to another location if the COP were to so decide, while it has expressed its understanding that decision 6/COP.10 “foresees the end of IFAD’s role as the host of the GM” and the “termination of the housing arrangements for the GM”. It has been assured, however, that “should the

16 The UNDT judgement notes “60. The Applicant, from the beginning to the end of his contractual relationship with the Global Mechanism, was and remained an IFAD staff member; he never became a staff member of an organization falling under this Tribunal’s jurisdiction as per art. 3.1 of its Statute (i.e. UNCCD). Accordingly, and as the letter of 28 May 2012 from the Director, HRD, IFAD, indicated, the Applicant’s separation was done in accordance with the applicable Rules and Regulations of IFAD, which were the provisions governing his last contract extension. 61. In view of the foregoing the Tribunal finds that at the moment the decision not to extend the Applicant’s appointment was taken—as well as at his date of separation from service on 31 May 2012—he was an IFAD staff member. As such, he does not, in principle, have access to the jurisdiction of this Tribunal under the terms of articles 2 and 3 of its statute quoted above.”; Case No. UNDT/GVA/2012/087, Judgment No. UNDT/2013/065, see <www.un.org/en/oaj/files/undt/judgments/undt-2013-065.pdf>.

17 Communicated in a letter from the IFAD President to the UNCCD Executive Secretary, dated 8 August 2012, included in annex I.

18 Ibid., the same letter also notes that IFAD was under the impression that the COP had decided to relocate the GM to another location. Similarly, a report to IFAD’s Executive Board from November 2011 (IFAD EB 2011/104/R.54, paras. 7, 8, 10) states that “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.” As a “Next Step”, “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”; “a final report shall be submitted for the (IFAD) Executive Board’s consideration and transmittal to the Governing Council upon completion of the process of termination of the housing arrangements for the GM”. See <https://webapps.ifad.org/members/eb/104/docs/EB-2011-104-R-54.pdf>. In past communications between the Secretariat and IFAD, discussions with IFAD initially focused on termination of the
COP change its mind and request that IFAD continue hosting the GM, IFAD will oblige in accordance with the decision of our Governing Council.”

**Termination of the amended Memorandum of Understanding with the International Fund for Agricultural Development establishing housing for the Global Mechanism**

In April 2012, in accordance with decision 6/COP.10, the GM’s housing arrangement with IFAD was amended, and foresees its “timely termination once the new housing arrangement has been concluded”. The amended MOU can be “terminated at the initiative of the Executive Secretary or the President of the Fund with prior written notice of at least one month”. As such, once approval from the IFAD Governing Council and Executive Board has been gained, the GM’s housing arrangement established by the amended MOU could be terminated as early as one month after the eleventh UNCCD COP has agreed to a new housing arrangement, in accordance with decision 6/COP.10, paragraph 10. However, in reports on IFAD’s hosting of the GM to both IFAD’s Executive Board (7 December 2012) and Governing Council (11 January 2013), it was noted that “IFAD will support whatever decision the COP may take with respect to the housing of the GM” while indicating that “there should be no cost or liability for IFAD associated with its current or potential future role as host of the GM”. In conclusion to the

housing MOU and relocation of the GM, whereas IFAD understood that the GM might relocate as early as September 2012, one year after the conclusion of COP 10.

Furthermore, the letter dated 8 August 2012 notes that “unless the Governing Council reverses its decision, which is not the present case, IFAD remains willing to host the GM as long as the COP approves and the Governing Council’s decision remains in force”. See footnote 12. In the same letter, the President of IFAD confirmed that IFAD’s hosting of the GM is governed by the discussions of IFAD’s Governing Council and the COP”, not IFAD’s Executive Board. IFAD withdrew its plan to introduce a draft resolution to its Executive Board in early April 2012 foreseeing termination of the MOU (EB 2012/105/R.30, para. 54; see <https://webapps.ifad.org/members/eb/105/docs/EB-2012-105-R-30.pdf>); Compare to the report to the thirty-sixth session of IFAD’s Governing Council, which concludes that “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” (13–14 February 2013, GC 36/L.10, para. 25), <https://webapps.ifad.org/members/ge/36/docs/GC-36-L-10.pdf>.

It is also noted that decision 6/COP.10, paragraph 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.”

IFAD Executive Board, 107th Session, 7 December 2012, IFAD EB 2012/107/R.38, paragraph 14, see <https://webapps.ifad.org/members/eb/107/docs/EB-2012-107-R-38.pdf>; Compare to the report
same report, IFAD’s Executive Board and Governing Council approved that “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 arrangement for the GM, should that be so decided by the [UNCCD] COP at its eleventh session in 2013.” During the most recent IFAD Executive Board meetings in April 2013, agenda items relating to the housing of the Global Mechanism were held in closed sessions and reports not made available.

2. Governance efficiencies

40. IFAD does not play a role in the governance of the GM, or any other UNCCD body, according to the terms of the amended MOU in compliance with decision 6/COP.10. It is neither mandated with such a role, nor is it willing to take on any such oversight responsibilities, as it has clearly stated formally on numerous occasions. As such, IFAD is not in a position to ensure COP oversight, adequate reporting nor the accountability of the GM to the COP. The COP has also noted, in decision 6/COP.10, that the current housing arrangement does not meet its governance requirements, noting that “the inconsistencies and contradictions contained in the MOU between the COP and IFAD… have resulted in a lack of oversight, inadequate reporting and accountability by the Global Mechanism” (sixth preambular paragraph of decision 6/COP.10). Consequently, the amendment of the housing MOU with IFAD requested by the COP removes any reference to governance while clearly limiting IFAD’s role vis-à-vis the GM to the provision of office space as well as logistical and administrative services, accordingly.

41. In addition, the COP decided that governance responsibilities lay with the Executive Secretary in terms of oversight, adequate reporting and accountability of the GM to the COP. As a result, amendments to the housing arrangement with IFAD and supporting measures introduced in decision 6/COP.10 to improve COP governance and oversight over the GM, are largely dependent upon a number of managerial and administrative measures which must be put in place by the UNCCD secretariat, in cooperation with the GM. These have required the cooperation of IFAD to support the transfer of GM accounts and staff contracts, and for shifting accountability and legal representation of the GM to the secretariat. Efforts are under way to ensure that GM staff, who now hold UNCCD letters of appointment, are granted the required rights and privileges. Moreover, improving the

to the 36th session of IFAD’s Governing Council, which states 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.” (13-14 February 2013, GC 36/L.10, paras. 13-16),<https://webapps.ifad.org/members/gc/36/docs/GC-36-L-10.pdf>.

24 Ibid., IFAD EB 2012/107/R.38, paragraph 25, as well as IFAD GC 36/L.10, paragraph 25.
26 See ICCD/COP(10)/4, ICCD/COP(10)/INF.2, ICCD/COP(10)/INF.3, ICCD/COP(10)/INF.4, ICCD/COP(10)/INF.5, etc.
27 For example, by transferring accountability and the legal representation of the GM from IFAD to the UNCCD secretariat (decision 6/COP.10, para. 1); deciding that all issues relating to the implementation of the Convention will be reported to the COP through the Executive Secretary (decision 6/COP.10, para. 2); and deciding also that the Executive Secretary shall assume overall management responsibility, including coordinating reporting on, inter alia, accounting, performance and activities of the GM, to the COP (decision 6/COP.10, para. 3).
governance structure of the UNCCD requires long-term ongoing coordination and cooperation between the GM and the Executive Secretary. A future housing arrangement with IFAD must not impede such efforts.

3. Operational modalities and synergies

42. A criterion for selecting IFAD to house the GM, as decided by the first COP in 1997, was to support the “functional capacity” of the GM according to its mandate. IFAD was specifically chosen building on its comparative advantage as an international financial institution focusing on sustainable land management (SLM) and due to the “relevance of the mandate, general objectives and activities of the [housing] institution [IFAD] to the overall objective of the Global Mechanism”, as well as the “capacity of the institution to organize the global mechanism to perform its functions efficiently in order to assist the COP, as well as individual Parties... to meet Convention obligations regarding financing”. IFAD was also keenly interested in housing the GM at the time, which it expressed, inter alia, by charging relatively low fees for its housing services, and in the form of a pledge of IFAD grants which have since expired.

43. Rome is host to United Nations agencies specialized in agriculture, rural development and national resource management, namely the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), and IFAD. As noted by the Government of Italy, all three institutions have established strong partnerships with major finance institutions including the World Bank and regional development banks as well as foundations such as the Gates Foundation. The international and diplomatic representations located in Rome are also available to the GM. The Government of Italy has expressed its conviction on various occasions that the hosting arrangement with IFAD or one of the other Rome-based United Nations agencies will better serve the goals and objectives of the UNCCD and the implementation of its 10-year Strategy. Italy has thus proposed that the GM remain at IFAD and a new MOU be negotiated under the guidance of the next COP, which it considers the most efficient and most effective solution for the GM to execute its mandate as a special service provider in finance for the implementation of the Convention. A proposal from the Government of Italy will be submitted to the Parties at COP 11 for their consideration.

44. The COP at its tenth session (COP 10) noted 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” (decision 6/COP.10, fifth preambular paragraph). The same decision states 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”. This has also been the topic of numerous assessments undertaken, which have indicated unsatisfactory results in terms of duplication and overlapping of activities between the GM and the secretariat, as well as a lack of accountability, efficiency, effectiveness, transparency and institutional coherence under the current housing arrangement. 34

45. In terms of synergies with the UNCCD bodies, the physical separation of the GM and the secretariat has appeared to impede their day-to-day working relationship and implementation of the Convention as a whole. Physical separation of the GM and secretariat is likely to prove increasingly inhibiting for the fulfilment of a number of additional responsibilities of the Executive Secretary and the internal administrative and management requirements foreseen at the senior staff level between the GM and the secretariat, as introduced in decision 6/COP.10, paragraphs 1 to 7, inclusive. 35 Synergies developed between IFAD and the GM could be maintained, were the GM to remain in Rome, although IFAD has indicated that the location of the GM does not play a role in its relationship. 36 However, recent events relating to the previous MOU and the resulting liabilities incurred upon IFAD have placed a strain on the relationship with both the GM and the secretariat. 37

4. Costs and economic feasibility 38

a. Costs

46. Overhead and programme support costs that the GM pays from the core budget provided by the COP for its operations at IFAD in Rome currently amount to just over USD 210,000 annually. 39 This figure is limited to office space, including utilities (e.g. electricity, water, refuse collection), and related maintenance and operational costs of the GM, administration, IT and internet services, security services and the use of common facilities such as the bar and conference rooms. 40 It “excludes services and costs relating to human

34 Compare to ICCD/COP(10)/INF.2.

35 For example, this includes the costs/benefits involved in meeting a number of internal administrative and management requirements foreseen at the senior staff level between the GM and the secretariat, the secretariat’s ability to legally represent the GM while ensuring GM accountability, and the Executive Secretary’s ability to assume overall management and reporting responsibilities, also for the GM (decision 6/COP.10, para. 1 through 6).

36 Compare to ICCD/COP(10)/INF.2.

37 As further discussed in the box titled “Background on the position of the International Fund for Agricultural Development”.

38 Cost-related criteria are described in detail in section III.

39 As part of the negotiations for the revision of the MOU, IFAD requested the amount of USD 213,000 (or EUR 166,000) annually to cover the operational costs of the GM at its facilities in Rome in the future. Cost estimates were provided in a letter from the Italian Focal Point on 3 August 2012, and from the IFAD President to the UNCCD Executive Secretary, dated 8 August 2012, included in annex I. These figures were also confirmed by IFAD in an email correspondence of 18 October 2012 by the Director and Controller of IFAD’s Controller’s and Financial Services Division of the Financial Operations Department. As part of the renegotiations for revision of the MOU, in late June 2012, IFAD administration had initially estimated the GM’s overhead costs in the amount of 416,000 USD annually, noting that these costs are notional based on the assumptions of time allocations by staff in those areas and estimates based on staff standard costs, in email correspondence dated 25.6.2012 from IFAD’s Manager of Accounting and Financial Reporting. See email correspondence dated 25 June 2012, IFAD noted estimates of overhead costs (USD) as: Administration USD 163,000; IT 50,000; Legal, 83,000; Utilities, 53,000; Operations, 37,000; Office of the President, 30,000; Total estimated cost to IFAD = USD 416,000.

40 Costs are based on an assumed total workforce (including staff and consultants) of 25 persons. Any
services, legal services, protocol, finance, treasury, corporate services including Office of the President, rental fees and direct additional costs such as travel, teleconferencing, etc., which could be provided on a fee basis”.

If the GM were to remain with IFAD in Rome, the secretariat and IFAD would have to conclude a supplementary letter of agreement to the amended MOU between the UNCCD COP and IFAD, for the provision of administrative and other services to the GM and its staff beyond basic office facilities.

41. The cost of the GM’s operating expenses in Rome is also likely to rise as a result of measures introduced in decision 6/COP.10 to improve coordination and governance of the Convention bodies which require intensified travel and communication between the secretariat and the GM. For example, the Executive Secretary and the GM Managing Director are requested to develop internal rules and procedures, jointly implement workplans and programmes, implement a joint corporate identity, streamline financial management and administration, and coordinate reporting (decision 6/COP.10, para. 4).

To facilitate this work, a Senior Management Task Force (SMTF) was established by terms of reference agreed upon in early 2012 by the Executive Secretary and the Managing Director of the GM which require the SMTF to meet at least once quarterly, in addition to regular communication between various senior management focal points in both bodies. Day-to-day management of the GM’s operations includes requirements that the GM submit to the Executive Secretary for clearance and approval on an ongoing basis, procurement budgets, quarterly travel plans, staff contracts, agreements with host governments, etc. As a result, an increase in travel costs between Rome and Bonn are estimated at EUR 17,000 or USD 22,000 annually.

42. The agreement would include information and communication technology services, facility management, security services, protocol identification cards, license plates, etc. As of 1 July 2013, the cost per person per year would amount to USD 8,520, or USD 119,280 for 14 GM staff members, or USD 213,000 for the full 25 GM staff members.

43. The GM has suggested compensating the increase in costs foreseen by its housing in IFAD by redirecting the full 13 per cent of the GM’s core budget it pays in programme support costs to IFAD, which is currently receiving 8 per cent while the secretariat receives the remaining 5 per cent. According to the costed draft two-year work programme for the GM (2012–2013), “the programme support costs provided for in the Convention are calculated on the basis of 13 per cent of the overall core budget estimate. In the past, 8 per cent of the GM core budget goes to IFAD for administrative overhead costs for hosting the GM, and 5 per cent to secretariat for administrative overhead costs. Depending on the discussions between IFAD and the COP about the hosting arrangement of the GM, the full amount of the programme support costs may be needed in order to cover IFAD’s administration of the core budget expenses in the next biennium. Programme support for extrabudgetary contributions has been covered by IFAD’s services as an in-kind contribution to the GM’s operations up to this biennium (2010–2011)”, (ICCD/COP(10)/9/Rev.1, para. 39); <www.unccd.int/Lists/OfficialDocuments/cop10/9rev1eng.pdf>.

44. The SMTF was created according to the UNCCD internal rules and procedures (agreed upon between the Executive Secretary and the Managing Director of the GM, dated 6 December 2011 and 24 January 2012 respectively, in accordance with decision 6/COP.10, paras. 3 and 4) which require the SMTF to meet at least once quarterly (see rule 2, paras. f and g).

45. This figure assumes 12 missions from senior staff in Rome to Bonn including travel costs (USD 700 per mission) and daily subsistence allowance (DSA), USD 1140 per mission) to cover the costs of required regular meetings of SMTF, etc.
b. Benefits

48. If IFAD continues to house the GM at its facility in Rome, albeit at a somewhat higher service cost, one-time costs for relocating would not be incurred, and GM staff would not be required to relocate their residencies or workplace. This might help to avoid the loss of qualified staff who are not able or willing to relocate, including General Service category and other staff members; although no separation indemnities are expected. Finally, as part of its bid to house the GM in 1997, IFAD pledged USD 10 million in grants to the GM since it took up operations. This amount has been fully exhausted as of 2010 and since then, IFAD has provided no further funding to the GM. In sum, no financial benefits are anticipated, should the GM continue to be housed in IFAD, with the exception of the savings of one-time relocation costs.

B. Alternative locations in Rome, Italy

49. Since taking up operations in 1997/1998, the GM has been located in Rome, Italy – an "international hub for rural development and poverty alleviation" – housed at IFAD. IFAD is one of three specialized agencies with headquarters in Rome, alongside WFP and FAO. All three United Nations agencies work towards eradicating global hunger and poverty: WFP through humanitarian assistance in food aid provision, FAO through its technical expertise in agriculture and IFAD via international financial assistance. The synergies with FAO and WFP are in line with the objectives of the UNCCD 10-year Strategy on the improvement of the living conditions of affected populations. Amongst these, IFAD is the only international fund and “existing financial mechanism” located in Rome with the clear potential to facilitate the work and mandates of the GM, as foreseen in the Convention. However, as noted by Parties in decision 6/COP.10, the housing arrangement with IFAD in Rome has not been as effective as initially envisioned.

1. Statement of interest

50. The Government of Italy, host to the United Nations agencies in Rome, has expressed interest in maintaining the GM in Rome, if not at IFAD then with another agency, preferably the FAO. Specifically, in a letter from the Italian Foreign Minister (from 28 May 2012), “the commitment of the Italian Government to maintain the GM in Rome” was conveyed, as was the Italian Government’s commitment to “continue providing all the conditions deemed necessary to keep the GM in Rome”. The Italian Government

46. However, if IFAD does not agree to transfer staff entitlements to UNCCD, annual leave payments might be incurred.

47. The GM, in its report to COP 10, noted an IFAD contribution of USD 1.4 million for 2010. However, IFAD has contested the GM practice of calculating an in-kind contribution from IFAD of 13 percent programme support costs for management of its extra-budgetary funds. See GM implementation of costed two-year work programme (2010–2011), document ICCD/COP(10)/15, table 9. The IFAD Vice-President has noted that IFAD will not provide any further grants to the GM and the latter would have to bid for IFAD resources with other applicants within the framework of the IFAD Project regulations. Its provision of financial resources to the GM would thus be “unpredictable” in the future. See document ICCD/COP(10)/INF.2.

48. See annexed letters to the Executive Secretary from the Italian Government focal point to the UNCCD, dated 10 May and 15 June 2012.

49. See <www.wfp.org/about/partners/rome-based-un-agencies>.

50. This was transmitted in a letter from the Directorate General for Development Cooperation, Ministry of Foreign Affairs of the Government of Italy to the Executive Secretary, dated 8 May 2012. More recent correspondence has focused on the GM remaining at IFAD; see correspondence from 15 June and 3 August 2012. Compare to paragraph 42 of this report.
noted its intent to submit a “fully fledged proposal, including costing and all relevant details [as well as all] operational and technical details”, which has not yet been received, but is expected by COP 11. In correspondence from the Italian Foreign Minister and the Italian UNCCD focal point, the Government of Italy highlights that “keeping the GM in Rome, close to those institutions FAO, IFAD and WFP with their specific mandates for agricultural and rural development (food security, poverty alleviation and resource management), will bring major benefits to the GM in carrying out its mandate for financial resource mobilization especially in a moment of financial crisis” and that “this close cooperation, especially with FAO, IFAD, and WFP, has led to major benefits for the implementation of the UNCCD, while being in line with the goal set by the Secretary-General’s High-level Panel on System-wide coherence to harmonize and simplify the development efforts of the various United Nations funds and specialized agencies”. As further noted by the Italian Government, all three institutions (FAO, IFAD and WFP) have established strong partnerships with major finance institutions including the World Bank, regional development banks as well as foundations like the Gates Foundation. The international and diplomatic representations located in Rome provide additional opportunities for the GM. A further argument brought forth is the Italian Government’s wish to “respect the principle of independence between the GM and secretariat”.

2. Governance efficiencies

51. As in the case of IFAD, no other entity or United Nations agency is mandated to play a role in the governance of the GM or any other UNCCD institution, which is the sole responsibility of the COP, with the support of the Executive Secretary. Moreover, governance related provisions introduced in decision 6/COP.10 - such as ensuring COP oversight, adequate reporting, and the accountability of the GM to the COP - rely heavily on the Executive Secretary and cooperation with the secretariat for implementation on an ongoing basis. Experience from the past has also reinforced the need for stricter financial oversight over the GM’s activities and programme of work, which continue to impact the GM, IFAD, and other Rome-based United Nations agencies.

GM’s outstanding invoices with the Food and Agriculture Organisation (FAO)

A cornerstone of the GM’s programme of work, the development of Integrated Financing Strategies (IFS), was carried out in cooperation with FAO’s Investment Centre Division (TCI). FAO argues that the services it undertook for the GM were done on the basis of a cooperation agreement with IFAD and that invoices equal to almost half a million euro remain unpaid as of 1 July 2013.

In late 2010, the FAO submitted to the GM outstanding invoices in the amount of

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51. Noted in letters to the Executive Secretary dated 8 May 2012, 15 June 2012 and 3 August 2012. However, the official proposal has not yet been received.

52. Stated in a letter addressed to the UNCCD Executive Secretary from the Italian National Focal Point, dated 8 May 2012; and from the Italian Foreign Minister in a letter from 28 May 2012.

53. Ibid.

54. Ibid.

55. As defined by the Convention: “this Global Mechanism shall function under the authority and guidance of the Conference of the Parties and be accountable to it” (article 21, para. 4), as has also been reinforced in numerous COP decisions. Moreover, the Convention solely encourages the coordination of activities between the UNCCD, UNFCCC and CBD. (article 8, para. 1).

56. For example, governance efficiencies require that respective institutional and administrative measures are effectively put in place, which support the accountability of the UNCCD secretariat for and legal representation of the GM, consolidation of GM staff and accounts, and the reporting and overall management responsibilities of the Executive Secretary.
USD 645,553 for services undertaken by the Investment Centre of FAO on behalf of the GM in the Latin America and the Caribbean (LAC) region between 2007 and 2009.\footnote{57} FAO is claiming that the basis for the collaboration between FAO and the GM was a cooperation agreement between FAO and IFAD dating back to 2000, which introduced a cost-sharing scheme in which IFAD shall reimburse FAO for all direct and additional indirect costs of the services performed by FAO in accordance with “appropriate arrangements” to be agreed between the parties”.\footnote{58} The agreement does not name the GM or the UNCCD as an executing entity.

In April 2011, the former Managing Director of the GM contested the amount claimed by the FAO in a letter requesting FAO to produce evidence that agreements or authorizations existed for such services.\footnote{59} No response was received until early 2013, whereby FAO submitted documentation that included invoices for services and e-mail correspondence between the FAO and the GM focal point (specifically with the former GM Programme Coordinator, LAC region, who left the GM in 2011). This correspondence indicates that the former GM Programme Coordinator cleared activities for FAO to undertake, although neither the former Managing Director of the GM nor the IFAD President were copied, and both were arguably not informed of the budget implications.

Therefore, it is currently unclear if the IFAD-FAO service agreement can be applied to the GM without further specification or a formalized agreement, or if the budget approval of a GM staff member constitutes an “appropriate arrangement” in accordance with the agreement, without the explicit authorization of the GM Managing Director or the IFAD president.

As part of the implementation of decision 6/COP.10 to streamline the financial management of the Convention, the secretariat and GM are working together with FAO and IFAD, to find an acceptable solution.\footnote{60}

### 3. Operational modalities and synergies

52. The feasibility of housing the GM at an agency in Rome depends on the ability of such an arrangement to support the work and operations of the GM, in accordance with its mandate to increase the effectiveness and efficiency of existing financial mechanisms, or to mobilize and channel substantial financial resources to affected developing country

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\footnote{57}{According to FAO, it carried out activities under four programmes of work, namely in the LAC region, in 2007, and again in 2008-2009, for the Design of Financial Integrated Strategy (DFIS), and Climate Change and Environmental Services (CCES). Six FAO invoices that have been presented date back to 2010 for services provided between 2007 and 2009.}

\footnote{58}{Under this agreement, a cost sharing formula of 33%/67% is derived, whereby FAO would incur 33% of costs and IFAD 67%, for all operations to be undertaken by the FAO/Investment Centre on behalf of IFAD. FAO is claiming that it has the authority to incur expenditure on behalf of the GM according to “approved” budgets.}

\footnote{59}{The former Managing Director of the GM responded to the TCI Director on 8 April 2011, expressing deep concern with the late receipt of invoices and lack of due notification, noting that the respective budgets no longer exist and donor agreements have since expired, while requesting an explanation for how and when these expenses were authorized. The letter further states that “the GM cannot recall having authorized these activities and would appreciate some indication of when and how these expenditures were authorized”, while also noting “the GM was with some difficulty able to cover the cost of these invoices”, as “budget lines for these expenses and the time period in question do not exist anymore and donor agreements have already been closed and audits performed”.}

\footnote{60}{This might include offsetting some of this outstanding claim against savings from the core budget of the GM. As the GM-FAO cooperation is based upon a cooperation agreement with IFAD, IFAD has suggested setting up an escrow account to cover what it considers to be outstanding GM debts which includes the contested FAO invoice amount.}
Parties. However, IFAD is the only United Nations specialized agency in Rome which is specifically an international “fund” or financial mechanism with the mandate of providing low-interest loans and grants for food production projects as well as by increasing the rural poor’s access to financial services, markets, technology, land and other natural resources. IFAD, similar to the WFP and FAO, works towards the overarching goal of eradicating global hunger and poverty; however, neither WFP nor FAO are financial mechanisms. No further international or intergovernmental entities are located in Rome with a mandate related to international finance. As such, were the GM to remain in Rome, it is best placed with the IFAD in terms of fulfilment of its mandate.

53. In terms of provision of logistical and administrative support, as well as the extension of United Nations privileges and immunities to GM staff, in theory, both the WFP and FAO would probably be equipped to do so. Both agencies have a joint Headquarters Agreement with the Government of Italy, and already employ between 1,200 and 2,000 staff, respectively, as compared to IFAD’s more than 500 employees. However, if any entity other than a United Nations agency was selected to house the GM, they may not have a Headquarters Agreement and would not be able to extend United Nations privileges and immunities to GM staff under such an agreement, thus requiring that a

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61 See section III for more information.

62 IFAD, a specialized agency of the United Nations, was established as an international financial institution in 1977 as one of the major outcomes of the 1974 World Food Conference. See <www.ifad.org/governance/index.htm>. Accordingly, IFAD was chosen by the COP to house the GM because of IFAD’s ability to support the “functional capacity” of the GM according to its mandate as well as “…to assist the Conference of the Parties, as well as individual Parties… to meet Convention obligations regarding financing. See document ICCD/COP(1)/5, appendix I. According to IFAD, it was chosen because its “mandate, objectives and capacity … should substantially complement the GM’s work” and so that the GM could “draw upon the expertise and comparative advantage of this institution in discharging its work”. Compare <www.ifad.org/partners/gm/index.htm>.

63 The WFP is a United Nations organization whose mandate as the world’s largest humanitarian agency is to fight hunger worldwide through food aid programmes. WFP’s five objectives: Save lives and protect livelihoods in emergencies; Prepare for emergencies; Restore and rebuild lives after emergencies; Reduce chronic hunger and undernutrition everywhere; Strengthen the capacity of countries to reduce hunger. See <www.wfp.org/about>. FAO’s mandate is to raise levels of nutrition, improve agricultural productivity, better the lives of rural populations, and contribute to the growth of the world economy by sharing information, policy expertise, and technical expertise in agriculture. <www.fao.org/about/en/>.

64 In addition, the United Nations Interregional Crime and Justice Research Institute (UNICRI) and the International Development Law Organization (IDLO) are located in Rome. However, due to their mandates as a research and training institute in crime prevention and criminal justice, and in promoting the rule of law and good governance as an inter-governmental organization with United Nations observer status, respectively, neither are considered feasible housing entities for the GM as they do not have mandates relating to finance. UNICRI’s Statute was adopted by ECOSOC by Resolution No. 1989/56 of 24 May 1989, see <www.unicri.it/institute/structure/mission_statute/>; <www.idlo.int/english/WhoWeAre/Pages/Home.aspx>.

65 FAO currently employs 1,835 Professional level staff and 1,856 General Service category support staff of which approximately 53 per cent are based at FAO headquarters in Rome; WFP employs roughly 12,390 staff, only 10 per cent of which work in Rome; in comparison, IFAD currently employs 298 Professional and higher-category staff and 226 General Service staff (percentage in Rome unknown), while the GM employs 23 staff members in Rome, of which 14 have been approved by the COP through its core budget (9 Professional level or higher, and 5 General Service category). See <www.fao.org/about/en>, <www.wfp.org/faq4>, <www.ifad.org/governance/internal/index.htm>, <http://documents.wfp.org/stellent/groups/public/documents/communications/wfp219968.pdf>.
54. Some opportunities may exist for synergies between the GM and FAO, and to a lesser degree WFP, all of which have established partnerships with major finance institutions. However, the objectives and operations of these entities do not support the GM’s brokering role with regard to “existing financial mechanisms”; indeed, their respective activities might even compete with the mandate of the GM as a supportive measure of the UNCCD. For example, the efforts and target audience of WFP as a humanitarian agency providing food aid could be inconsistent with the financial brokering role of the GM in support of implementation of the UNCCD. The goals of FAO and the UNCCD are distinct but mutually supporting; however, the GM’s mandate is similar enough to the FAO’s resource mobilization strategy to suggest potentially competing operational efforts. All three entities, FAO, WFP and the GM, are primarily funded and financed through voluntary donor contributions, while the GM and FAO have received funding and voluntary contributions from a number of the same bilateral donors.

55. As a result, a housing arrangement with FAO or WFP would not directly facilitate the mandate of the GM, nor would it enable the GM to avoid duplication and overlapping in activities with the secretariat, or promote complementarities. The prospect of the GM being housed with another entity in Rome would not solve known issues or streamline operational modalities, nor would it lead to increased accountability, efficiency, effectiveness, transparency or institutional coherence in the delivery of services to the Parties to the Convention, which is the responsibility of the Executive Secretary, in cooperation with the UNCCD subsidiary bodies (see decision 6/COP.10). It might also continue to compromise the day-to-day working relationship between the GM and the secretariat by inhibiting execution of an increasing number of administrative and management responsibilities, as well as incurring unnecessary costs to the core budget of the Convention.

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66 UNCCD does not have a Headquarters Agreement between the Government of Italy and UNCCD, but only with the Government of Germany. Both IFAD and FAO have such an agreement. See also <http://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=III-2-2&chapter=3&lang=en>.

67 The GM has advised in its cooperation with FAO that it has already been able to benefit from the mutual support granted by the combination of substantive and logistical attributed to FAO. The GM has been able to take advantage of FAO’s presence with offices at the country and subregional levels for joint efforts with FAO on financing strategies and other actions leading to increased financial flows to land. In some cases the GM has legal agreements with FAO that already implement and co-finance UNCCD related programmes. Housing by FAO could also promote complementarities with the UNCCD secretariat since the secretariat could work more closely with FAO at the policy level on behalf of the Executive Secretary. The GM already works with the Collaborative Partnership on Forests on finance (FAO is chair) and could perhaps then do more along such lines with regard to other issues of concern to UNCCD such as the Global Soil Partnership and Climate Smart Agriculture, where we already contribute on finance in its Source Book.


4. Costs and economic feasibility

a. Costs:

56. Were the GM to remain in Rome but to relocate from IFAD to another agency’s premises, a number of one-time relocation costs would be nevertheless incurred, estimated to be EUR 89,359 (USD 115,634). These include costs for office disassembly (packing, disposal, inventory, storage, shipping) and set-up at the new facility (purchase of office equipment, furniture, delivery and installation), marketing costs (new staff business cards and information), as well as contingency and miscellaneous costs, etc. However, staff relocation costs would be avoided. Moreover, there would be a number of ongoing costs such as rental of office space, furniture and equipment, upkeep and maintenance, utilities, and for the provision of other logistical and administrative support, etc. The price and conditions for a housing arrangement are estimated to be similar to that of IFAD, and thus to cost at least EUR 166,000 (USD 213,000) annually for operating costs; however, this estimate has not been confirmed by FAO or WFP. Moreover, COP 10 introduced a number of concrete coordination and management requirements, which are likely to result in an increase in travel and communication costs for both the secretariat and the GM in addition to the costs of administering the accounts and staff contracts, as outlined in paragraph 47 of this report.

b. Benefits:

57. If the GM were to continue to be housed in Rome with an alternative United Nations entity, some one-time costs for relocating would not be incurred, such as staff relocation entitlements, assignment grants, travel and post-adjustment. This might also ease the transition for GM staff, who would not be required to relocate their residencies. Funds for the health insurance of GM staff will continue to come from the same source: the core budget of the GM provided by COP through the secretariat, regardless of the location of the GM. Further benefits to the GM, were it to remain located in Rome, are contingent upon the terms of such an arrangement in accordance with a bid of interest from the entity in question.

C. Secretariat of the United Nations Convention to Combat Desertification in Bonn, Germany

58. The UNCCD, for which the Global Mechanism is a "supporting measure" according to the Convention, is the sole legally binding international agreement linking environment and development to sustainable land management with a specific focus on arid, semi-arid and dry-sub-humid areas. The UNCCD has its official headquarters in Bonn, Germany; the

70 Cost related criteria are described in detail in section III.
71 The Government of Italy noted its intent to submit a “fully-fledged proposal, including costing and all relevant details” in letters to the Executive Secretary dated 8 May, 15 June and 3 August 2012. However, to date the “official proposal” has not yet been received, and accordingly, the three letters from the Italian UNCCD focal point are annexed to the present report.
72 This might help to avoid the loss of qualified staff who are either not able or willing to relocate, including General Service category and other staff members; however, no separation indemnities are expected.
73 GM staff will have to change insurance provider when they transfer to UNCCD contracts (UNOG) as these have other providers than IFAD. Even though the GM staff enjoy health insurance under the IFAD staff insurance scheme, it is not funded by IFAD but by the COP. See document ICCD/COP(10)/INF.2, paragraph 230.
secretariat which services all subsidiary bodies to the Convention has been located in Bonn, Germany since 1999, and since 2006 at the United Nations Campus in Bonn, at the former premises of the German Bundestag. Article 23 of the Convention establishes the Permanent Secretariat and entrusts it with functions for supporting sessions of the COP and providing services, including administrative and contractual arrangements to all subsidiary bodies of the UNCCD. The secretariat derives its legal standing/personality from the Convention. It is the sole body of the Convention to enjoy this status and flowing from this legal “personality” it has the ability to enter into agreements such as the Headquarters Agreement with the Government of Germany, under which GM staff are also subsumed. The UNCCD secretariat also has an institutional linkage with the United Nations, as a recognized United Nations entity, that reports to the General Assembly through the Secretary-General.

59. The co-location of the GM with the secretariat at the UNCCD headquarters in Bonn has the potential to resolve the majority of outstanding issues highlighted in as many as six assessments of the UNCCD institutions which have been conducted over the last decade and have all drawn similar conclusions. The most recent of these assessments presented to COP 10, building on the previous, has focused on the need for reforming the institutional framework of the working relationship between the secretariat and the GM, to efficiently address the gap in cohesion between the two bodies. Moreover, implementation of the Convention as a whole would be facilitated if the GM was relocated to the UNCCD headquarters as part of a coherent institutional arrangement at the service of the UNCCD Parties. This includes improvement of COP governance and oversight over the GM, implementation of managerial and administrative measures for the Convention as a whole, improving transparency and institutional coherence, and thus, the GM’s accountability to the COP, in the most efficient and cost-effective manner. Co-location of the GM at the UNCCD headquarters in Bonn would also comply with the “Delivering as One” approach of the General Assembly resolutions on system-wide coherence, as well as the financial rules and regulations of the United Nations, which prescribes consolidated programmes and the reduction of systemic fragmentation, with one executive, one budget and, where appropriate, one office, in conformity with the Paris Declaration on Aid Effectiveness.

1. Statement of interest

60. To comply with COP decisions, and specifically decision 6/COP.10, the Executive Secretary can prepare the path for the GM to be co-located with the secretariat at the UNCCD headquarters in Bonn, under the existing agreement with the host Government of Germany. As such, the secretariat, in addition to the current report, has provided details of

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74 Specifically, the UNCCD secretariat’s legal standing is derived from General Assembly Resolution 47/188, 23 December 1994, A/RES/49/234; UN General Assembly Resolution 241/27, 12 September 1994, A/AC.241/27; UN General Assembly Resolution 52/198 of 18 December 1997 (see also resolution 51/180, A/52/549); a Headquarters Agreement was concluded between the UNCCD and the Government of Germany in 1998, Decisions 4/COP.2 and 5/COP.1; see also “Response from the United Nations Office of Legal Affairs” in ICCD/COP(9)/9/Add.2 Annex I and II.


76 This has also resulted in a steady increase in COP decisions requesting closer cooperation and coordination between the GM and the secretariat while detailing various functions and reporting requirements. See ICCD/COP(10)/4, ICCD/COP(10)/INF.2.

the possibility of housing the GM to both the ninth and tenth COP sessions in follow-up to the respective assessments. The Government of Germany has expressed no reservations, and has recently successfully supported the establishment of new United Nations representation in Bonn.

2. Governance efficiencies

61. COP 10 confirmed that ensuring COP oversight, adequate reporting and the GM’s accountability to the COP is the responsibility of the Executive Secretary. In this respect, decision 6/COP.10 delegated overall management responsibility to the Executive Secretary, including reporting to the COP on the GM (decision 6/COP.10, paras. 2 and 3). These responsibilities of the Executive Secretary would be significantly facilitated, should the GM be co-located with the secretariat at UNCCD headquarters.

62. By breaking down physical barriers, co-location of the GM and secretariat would facilitate the Executive Secretary’s role and improve governance efficiencies for the Convention (in compliance with UNCCD, article 21, paragraph 4 and decision 6/COP.10). For example, the Executive Secretary’s delegation of authority to the GM Managing Director for the day-to-day management of the GM’s operations calls for a number of measures for ensuring transparency and oversight of the GM which would be simplified, were both bodies to be in the same location. This includes requirements that the GM submit to the Executive Secretary for clearance and approval on an ongoing basis, procurement budgets, quarterly travel plans, staff contracts, agreements with governments and other partners, etc. Improvement of COP governance and oversight over the GM, facilitated through the Executive Secretary, is thus largely dependent on the implementation of a number of managerial and administrative measures, which require daily cooperation between the GM and secretariat on an institution-wide, working level. Relocation of the GM to Bonn, to the premises of the secretariat, would be an efficient and cost-effective way of ensuring the fulfilment of these responsibilities by improving transparency and institutional coherence, and thus, the GM’s accountability to the COP.

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78 See the COP 10 information document ICCD/COP(10)/INF.7 entitled “The report of the Executive Secretary on office space availability and eventual costs”.

79 At the recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) plenary meeting on 19 April 2012 in Panama City, the German city of Bonn was chosen to host the IPBES secretariat, a United Nations affiliated expert panel on biodiversity equivalent to the Intergovernmental Panel on Climate Change (IPCC). In addition, the Interim Secretariat of the Green Climate Fund, currently located in Bonn, Germany, received six expressions of interest to the Fund’s Board for hosting the Fund of the United Nations Framework Convention on Climate Change (UNFCCC), including one from the Government of Germany.

80 To ensure consistency in service delivery and because the GM was not delegated with any legal authority under the housing arrangement with IFAD, in late 2011, authority for the day-to-day management of the GM’s operations was delegated to the Managing Director of the GM by the Executive Secretary, in accordance with United Nations rules and regulations and decision 6/COP.10, paragraph 7. The secretariat is mandated by the Convention with responsibility for entering into administrative and contractual arrangements (Convention, article 23, para. 2). The GM, until recently, has lacked the delegated authority to conclude institutional agreements. IFAD confirmed in email correspondence that there has been no such express delegation of authority from the President of the IFAD to the GM or its Managing Director. Consequently, a UNCCD Memorandum entitled “Delegation of authority on financial matters” was signed by the Executive Secretary (7 December 2011) and the GM Managing Director (22 December 2011), in compliance with decision 6/COP.10, paragraph 7, to delegate such authority.
3. Operational modalities and synergies

63. The feasibility of the GM being relocated to UNCCD headquarters in Bonn is based on the ability of such an arrangement to support the work and operations of the GM. Thus, both in terms of substantive and administrative support, and in accordance with its mandate and main functions, outlined in the Convention and subsequent COP decisions. The GM’s mandate and main functions, as defined by the Convention, are compatible with co-location in Bonn. Numerous financial mechanisms exist in close proximity to the UNCCD headquarters in Bonn, including German bilateral donors and multilateral funds such as the Interim Secretariat of the Green Climate Fund (until it is relocated to Korea) and those of the UNFCCC (most of which are operated by the GEF). Moreover, there is no provision of the Convention or any subsequent COP decision that indicates that the GM requires physical or operational independence from the secretariat or any other body of the Convention. On the contrary, dozens of decisions have been taken by the COP, most recently at COP 10, that require the GM and secretariat to work together in the areas of regional coordination and regional coordination mechanisms, fund-raising strategy and resource mobilization, advocacy and communication strategy, relationships with the GEF and donors, partnership building, capacity-building, performance/impact indicators, technical assistance, among others. Therefore, the co-location of the GM with the secretariat at the UNCCD headquarters in Bonn has the potential to help resolve the majority of outstanding issues highlighted in as many as six assessments of the UNCCD institutions which have been conducted over the last decade and have all drawn similar conclusions. The most recent of these assessments presented to COP 10, building on the previous, has focused on the need for reforming the institutional framework of the working relationship between the secretariat and the GM, to efficiently address the gap in cohesion between the two bodies.

64. Most recently, Parties adopted decision 6/COP.10 to thoroughly reform the governance and institutional arrangements of the GM, under the overall management of the Executive Secretary, while also calling for an amendment of the current MOU and its termination upon selection of a new housing arrangement. COP 10 also introduced a number of specific requirements for compulsory cooperation between the GM and secretariat, such as requesting the Executive Secretary and the Managing Director of the GM to develop internal rules and procedures, jointly implement workplans and programmes, implement a joint corporate identity, streamline financial management and administration, and coordinate reporting (decision 6/COP.10, para. 4). To facilitate this work, a SMTF was established by terms of reference agreed upon in early 2012 by the

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81 The main functions of the GM, as defined by the Convention, include the management of an inventory of cooperation programmes; provision of advice on innovative methods of financing, sources of financial assistance and on cooperation activities at the national level; the provision of information on available sources of funds and on funding patterns; and reporting to the COP (article 21, paras. 4 and 5).

82 For example, the GM and the UNCCD secretariat share a number of donors while their goals and mandates should be mutually reinforcing. For this reason, the COP has called upon the GM and the secretariat to continue their joint work to develop and implement a common fund-raising strategy, among a number of other shared responsibilities. COP 10 introduced a number of specific requirements for yet stronger cooperation between the two. See decision 7/COP.10 on the common fund-raising strategy, as well as decision 6/COP.10, para. 4, document ICCD/COP(10)/31/Add.1, and compare ICCD/COP(10)/INF.2.

83 This has also resulted in a steady increase in COP decisions requesting closer cooperation and coordination between the GM and the secretariat while detailing various functions and reporting requirements. See documents ICCD/COP(10)/4, and ICCD/COP(10)/INF.2.

Executive Secretary and the Managing Director of the GM which require the SMTF to meet
at least once quarterly, in addition to regular communication between various senior
management focal points in both bodies.\textsuperscript{85} At COP 10 it was also decided that the Executive
Secretary should delegate operational authority to the Managing Director of the GM to
manage the GM programme and budget, implement agreed workplans and programmes,
enter into agreement with donors, and employ personnel, in accordance with United
Nations rules and regulations (decision 6/COP.10, para. 7). However, these functions are
under the supervision of the Executive Secretary, and under the terms of the delegation of
authority signed by the Executive Secretary and the GM Managing Director in December
2011, the GM Managing Director must gain authorization or clearance from the Executive
Secretary for a number of regular operational activities, for example for the management of
GM funds and the signature of agreements.\textsuperscript{86} Thus, the operational modalities of the GM
are dependent on the synergies between it and the secretariat, which would be facilitated
were both bodies to be co-located in Bonn.

65. Co-location of the GM with the UNCCD secretariat in Bonn has strong potential to
enhance higher visibility for the Convention and a strengthened relationship between the
GM and the Executive Secretary. Fulfilment of the GM’s mandate and functions to the
benefit of the Convention as a whole, and especially numerous responsibilities defined in
subsequent COP decisions, would be facilitated by the GM’s closer physical proximity to
the secretariat, were it to be housed at UNCCD Headquarters in Bonn.\textsuperscript{87} Specifically, the
Executive Secretary and secretariat, together with the GM, have been required to undertake
concrete measures to reorganize and streamline the administration and management of both
the GM and the secretariat, which will require daily coordination between both bodies at all
levels. In addition, COP decisions, especially those of COP 10, have irrevocably linked the
terms of efficient operation of the GM to its working relationship and synergies with the
secretariat in such a way that any arrangement other than relocation of the GM to the
UNCCD headquarters in Bonn might even inhibit the work of the Convention bodies in
implementing the Convention and relevant decisions, particularly decision 6/COP.10.

**Implementation of one administrative regime of the United Nations Convention to
Combat Desertification**

Independent of the outcome of the COP decision on the best housing arrangement
for the GM, decision 6/COP.10 requested the Executive Secretary to streamline financial
management and administration and to integrate all GM accounts and staff under one
administrative regime administered by UNOG under the United Nations Financial Rules
and Regulations (decision 6/COP.10, paras. 4 and 5).\textsuperscript{88} It is noted that such provisions bring
the operations of the GM into compliance with rule 34.2 of the COP rules of procedure,

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\textsuperscript{85} The Senior Management Task Force (SMTF) was created according to the UNCCD internal rules and
procedures (agreed upon between the Executive Secretary and the Managing Director of the Global
Mechanism, dated 6 December 2011 and 24 January 2012 respectively, in accordance with decision
6/COP.10, paragraphs 3 and 4) which require the SMTF to meet at least once quarterly (see rule 2,
paragraph f and g).

\textsuperscript{86} UNCCD memorandum titled “Delegation of authority on financial matters” signed by the Executive
Secretary (7 December 2011) and the GM Managing Director (22 December 2011).

\textsuperscript{87} Examples are provided in document ICCD/COP(10)/INF.2.

\textsuperscript{88} The secretariat was given the mandate to “make arrangements for sessions of the Conference of the
Parties and its subsidiary bodies established under the Convention and to provide them with services
as required” (UNCCD, Part IV “Institutions”, Article 23, 2(a)). Furthermore, Rule 34 (2) of the COP
Rules of Procedure furthermore enable the secretariat “to enter, under the guidance of the Conference
of the Parties, into such administrative and contractual arrangements as may be required for the
effective discharge of its functions” (UNCCD, Article 23, 2(e)).
which provides that “the head of the Permanent Secretariat shall arrange for the provision of staff and services required by the Conference of the Parties and its subsidiary bodies, within available resources. The head of the Permanent Secretariat shall manage and direct such staff and services and provide appropriate support and advice to the presiding and other officers of the Conference of the Parties and of its subsidiary bodies” (decision 1/COP.1). As of 1 April 2013, all current GM staff hold UNCCD letters of appointment, and in May 2013, the Office of Controller of the United Nations opened the Trust Fund for Voluntary Financing of the Global Mechanism (account “GMZ”) to ensure that all accounts and staff managed by the GM 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, in fulfilment of decision 6/COP.10.

66. Co-location with the secretariat has the potential to significantly facilitate fulfilment of the GM’s mandate as well as the secretariat’s responsibility to provide logistical and administrative support for the GM, including the administration of GM accounts and staff. Co-location might provide additional advantages of economy of scale in management to improve institutional efficiency by helping to avoid duplication and overlapping in activities and to promote complementarities with a view to enhancing cooperation and coordination and using the Convention resources efficiently (decision 6/COP.10). For example, increased transparency in staff hiring of both the GM and secretariat might help to avoid duplication of work in the areas of administration, communication, or regional coordination, among others, as detailed in the box below. Co-location has the potential to facilitate an improved institutional relationship between the GM and secretariat and significantly assist in solving many known problems, such as those relating to inconsistencies in terms of accountability, efficiency, effectiveness, transparency and institutional coherence in the delivery of services. Such an arrangement would take advantage of the opportunities provided by the UNCCD Headquarter Agreement with the Government of Germany. Hence, were GM staff to be relocated to Bonn, the immunities and privileges accorded by the Government of Germany to the secretariat staff in accordance with their Headquarter Agreement, would automatically attach to them, without the need for renegotiation. As the Executive Secretary and the President of IFAD are currently liaising on the implementation of decision 6/COP.10, the secretariat is already best placed to develop a timeframe with IFAD for such implementation and physical relocation, while enabling a “timely termination” of the existing MOU with IFAD.

67. Beyond synergies with the UNCCD secretariat and those already established with the Rome based United Nations agencies IFAD, FAO and WFP, if relocated to Bonn, the GM might also have the opportunity to develop additional synergies with various other United Nations entities which have their headquarters in Bonn; for example, the UNFCCC (a sister Rio convention) and its related Clean Development Mechanism. Specifically, article 8, 1 of the Convention notes that “Parties shall encourage the coordination of activities carried out … under other relevant international agreements, particularly the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, in order to derive maximum benefit from activities under each agreement while avoiding duplication of effort”.

Comparison in operations of the Global Mechanism and the secretariat

The GM currently employs a total of 14 staff members, plus three vacancies, for a total of 17 positions (2 Director level, 9 Professional level and 6 General Service category staff positions). Of these, 14 have been approved by the COP in the core budget of the GM
(2 Director level, 7 Professional level, and 5 General Service category). Another 2 Professional and 1 General Service staff members are paid through the GM’s supplementary or extra-budgetary funds. This is in addition to at least 8 regional advisers (consultants) not physically located at the GM’s offices at IFAD in Rome.

Staff of the secretariat total 54, which includes 46 staff located in the United Nations Campus in Bonn, Germany, and 8 at other duty stations. For operating expenses, the secretariat allocates an average of USD 241,000 annually for utilities of around 6,000 sq m in office/conference and common space, including security, common services and information. The GM pays overheads to IFAD equivalent to an average of USD 190,000 annually (USD 50,000 less than the secretariat pays), for a staff size less than one third of that of the secretariat. According to the terms of the amended MOU with IFAD, housing of the GM will be on a “cost recovery basis” in the future, having been estimated at USD 213,000 a year, not including UNOG services or supplies.

Parallel areas of work of the GM and the secretariat include, but are not limited to, strategic programmes, policy and advocacy, resource mobilization, monitoring, knowledge management, and regional adviser/regional coordination, as well as communications and management, administration/finance.

4. Costs and economic feasibility

a. Costs

68. The one-time costs for the GM’s relocation to Bonn and co-location with the secretariat are the second lowest option, next to the GM remaining in Rome. This is a result of the close proximity of Bonn (as well as Geneva) to Rome for shipping costs, as well as lower post adjustment and daily subsistence allowance (DSA) rates, and low retail price indices, as shown in tables 2 and 3 following paragraph 74.

69. Required one-time costs associated with moving the GM core staff (1 Director and 6 Professional level staff) eligible for relocation entitlements to the UNCCD headquarters in Bonn, including travel, relocation and assignment grants, total EUR 228,297 (USD 295,423), not including programme support costs (13%), as detailed in table 2 following paragraph 74 below. In addition, optional costs include the relocation of core General Service staff as well as non-core, extra-budgetary Professional and General Service staff (EUR 219,881 or USD 284,533, including programme support), subject to the approval of the United Nations Office of Human Resources Management (OHRM), as further specified in annex III.

70. The ongoing costs for the GM’s annual operations, were they to be housed at the UNCCD Headquarters with the secretariat in Bonn, are estimated at EUR 176,000 (USD 228,000) a year. Table 4 in the following section, paragraph 76, provides a summary of the yearly operational costs of the GM at the various potential housing locations. Although some travel to Rome, and other locations, might be necessary as part of the GM’s general work programme, this is unlikely to outweigh the costs of maintaining the ongoing

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90 For more details, refer to paragraph 0 on page 12. In addition, banking, treasury and human resource services provided to the secretariat by the UNOG amount to USD 196,000. UNOG services have been estimated at over USD 77,000 for the GM, based on its staff number.
91 Cost-related criteria are described in detail in section III.
92 The costs of UNBONN common services for the potential housing arrangement co-locating the GM with the Secretariat are estimated to amount to between USD 7,000 and 27,000 annually.
operations between the secretariat and the GM, were the GM to be based elsewhere than in Bonn.

b. **Benefits**

71. As is the case with IFAD in Rome, the UNCCD secretariat pays no fees for the rent of their facilities in Bonn, which are covered according to the Headquarters Agreement concluded between the UNCCD and the Government of Germany in 1998. The same Headquarters Agreement would also apply to the GM as a convention institution, as does the government’s extension of privileges and immunities to GM staff, as staff of the Convention. This could result in annual savings of EUR 78,000 for housing at the UNCCD secretariat in comparison to the terms of the new housing arrangement with IFAD, were the GM to be co-located with the secretariat. As such, the savings accrued from co-location with the secretariat would cover the one-time cost of relocation to Bonn after only four to five years. Such an arrangement would also allow for the secretariat to draw on existing budgetary and human resources for the GM’s operational and administrative needs, thus saving in transactions costs while providing numerous opportunities to avoid duplication and overlapping in activities and to promote complementarities in compliance with the Convention (article 21, para. 6) and decision 6/COP.10. For example, the GM could hold workshops in the facilities of UNBONN at no extra charge, including presentation equipment and internet access, and utilize the Conference Services unit to edit, translate and print documentation in all six official United Nations languages instead of four, using the framework agreements of the secretariat and the Administration and Finance Services unit to make travel arrangements and prepare payments of daily subsistence allowances for participants.

72. In addition, savings are foreseen through a reduction in staff travel and communication costs with the ability of secretariat and GM staff to meet face-to-face in Bonn and to fulfill various management and administrative responsibilities at all levels, including SMTF, in compliance with decision 6/COP.10, paras. 2–6. This is estimated to result in at least EUR 17,000 (USD 22,000) in annual savings in staff travel and communication, were the GM to be co-located with the secretariat. For example, the GM estimated a total of USD 2.6 million required for Convention related coordination in the budget period 2012–2013 (of which an estimated USD 1.53 million is from its core budget). In 2010 alone, GM reported an estimated USD 1.8 million in expenses related to COP and CRIC reporting requirements including for the joint work programme and joint communication efforts. Many of these costs might not be incurred, were the GM to be located at the premises of the secretariat.

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93 The language of the agreement states “Whereas the United Nations acknowledges that the offer of the Government of the Federal Republic of Germany to provide, inter alia, premises in Bonn to the UNCCD Secretariat, free of rent and on a permanent basis, has been accepted by the UNCCD/COP”, see also decisions 4/COP.2 and 5/COP.1.

94 It should be pointed out that when travel is necessary, the GM would have three international airports, Düsseldorf, Bonn/Cologne, and Frankfurt, to choose from in order to select the least expensive air ticket.

95 Including for “CRIC/COP/CST and UNCCD decisions, communication and management” in the costed draft two-year work programme for the Global Mechanism (2012–2013), ICCD/COP(10)/9/Rev.1, table 12.

96 See document ICCD/CRIC(9)/14, dated 25 October 2010.
D. Other housing options for the Global Mechanism

73. The following section outlines potential housing options in locations other than Rome (I or II) or Bonn (III), such as at UNOG (IV) the United Nations Secretariat or UNDP in New York (V), or the World Bank or Global Environment Facility (GEF) in Washington, D.C. (VI). These are primarily compared in terms of known costs, both of relocation and ongoing operations. Issues relating to governance efficiencies as well as synergies, operational modalities and efficiencies are also briefly discussed.

1. Costs and economic feasibility

74. Tables 2, 3, and 4 provide an overview of the costs and economic feasibility of the various potential housing arrangements for the GM according to location. According to criteria set out in section III, as well as the current staffing situation of the GM, table 2 below presents an overview of actual required costs for Rome, Bonn, Geneva, New York and Washington, D.C. This includes relocation of all current core staff at the Professional level (7 staff members) as well as office set-up and equipment on site for 25 people.

Table 2
Overview of required one-time costs of relocating the GM, by location
(United States dollars)

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>II. Rome</th>
<th>III. Bonn</th>
<th>IV. Geneva</th>
<th>V. New York</th>
<th>VI. Washington, DC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required costs (USD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Office furniture and computer equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer equipment and software licenses</td>
<td>58,037</td>
<td>58,037</td>
<td>58,037</td>
<td>58,037</td>
<td>58,037</td>
</tr>
<tr>
<td>Office furniture</td>
<td>37,500</td>
<td>37,500</td>
<td>37,500</td>
<td>37,500</td>
<td>37,500</td>
</tr>
<tr>
<td>A. Subtotal</td>
<td>95,537</td>
<td>95,537</td>
<td>95,537</td>
<td>95,537</td>
<td>95,537</td>
</tr>
<tr>
<td>B. Office moving costs</td>
<td>6,794</td>
<td>10,870</td>
<td>10,482</td>
<td>22,128</td>
<td>22,516</td>
</tr>
<tr>
<td>C. Relocation of Professional staff (core)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation grant</td>
<td>0</td>
<td>95,000</td>
<td>95,000</td>
<td>95,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Assignment grant</td>
<td>0</td>
<td>173,423</td>
<td>229,689</td>
<td>220,758</td>
<td>206,656</td>
</tr>
<tr>
<td>Travel</td>
<td>0</td>
<td>27,000</td>
<td>18,000</td>
<td>72,000</td>
<td>72,000</td>
</tr>
<tr>
<td>C. Subtotal</td>
<td>0</td>
<td>295,423</td>
<td>342,689</td>
<td>387,758</td>
<td>373,656</td>
</tr>
<tr>
<td>D. Programme support costs (13%)</td>
<td>13,303</td>
<td>52,238</td>
<td>58,332</td>
<td>65,705</td>
<td>63,922</td>
</tr>
<tr>
<td>Grand total in USD (A+B+C+D)</td>
<td>115,634</td>
<td>454,069</td>
<td>507,040</td>
<td>571,129</td>
<td>555,632</td>
</tr>
<tr>
<td>Grand total in EUR (A+B+C+D)</td>
<td>89,359</td>
<td>350,894</td>
<td>391,830</td>
<td>441,355</td>
<td>429,380</td>
</tr>
<tr>
<td><strong>Total Ranking (least to most expensive)</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

97 Cost-related criteria are described in detail in section III.
NOTES:

* The estimate for Rome assumes relocation of the GM office within the city boundaries, for example to FAO or WFP (both of which are about 10 km from IFAD). If the GM were to remain at IFAD in Rome, where it is currently being housed, the relocation costs would equate to zero (0). For both scenarios, the Rome option is the least expensive in terms of one-time costs of relocation.

A. Computer and furniture costs are based on the average standard office set up requirements for the secretariat and are shown for 25 people, which is the size of the GMs full staffing capacity and includes all core and extra-budgetary staff of the GM as well as consultants, interns, etc. Computer equipment and software licenses are estimated to cost 2,321 USD per staff member (x25), and include: Laptop, Docking station, Microsoft Office, Lotus notes client licenses, IT setup fees. Office furniture is estimated to cost 1,500 USD per staff member (x25), and include: Desk, Office chair, Visitor chairs, Rolling container, and Round meeting table.

B. Office moving costs are based on moving a 20/40 feet container of office equipment, cost quotations received on 5 October 2012 from Interdean Relocation Services.

C. As of 1 June 2013, professional staff funded from the core budget of the GM includes a total of 7 staff members (1 D-1, 2 P-5, 2 P-4, and 2 P-2), with two posts currently vacant. Assignment grants are based on the rates for daily subsistence allowances and post adjustment for the month of October 2012, and take into consideration the actual grade, steps and dependencies of current GM staff members.

D. In accordance with the financial rules of the COP and standard practice of the United Nations, a rate of 13 per cent is charged to the estimated costs presented in this document for programme support services, or overheads. These support services include administrative support staff that provide services in procurement, financial management, human resources management, information technology and travel.

Grand total: Exchange rate used is the average rate between the USD and EUR for the biennium (1 USD: 0.773 EUR).

75. Table 3 below provides an overview of the post adjustment classifications and threshold figures used for calculating rental subsidies (or deductions) as of May 2012, as well as retail price indices as of February 2012. Retail price indices relate to living expenditures of United Nations officials for the potential housing arrangements. The post-adjustment index is comprised of total in-area (excluding housing) expenditures for food, beverages and tobacco, clothing, furniture, equipment and maintenance of the house, health, transport, communication, recreation and culture, education, restaurants and hotels and other miscellaneous expenditures; expenditures for housing, medical insurance and contribution to the United Nations Joint Pension Fund of staff members. Based on this information, Geneva is the most expensive city, while Bonn represents the least expensive in terms of cost of living.

Table 3
Overview of costs of living by location

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>I/II. Rome</th>
<th>III. Bonn</th>
<th>IV. Geneva</th>
<th>V. New York</th>
<th>VI. Washington, DC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post adjustment index/multiplier</td>
<td>161.9 / 64.3</td>
<td>146.0 / 46.9</td>
<td>193.8 / 94.4</td>
<td>170.1 / 68.7</td>
<td>151.4 / 50.6</td>
</tr>
<tr>
<td>Ranking (1 = least expensive)</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Retail price indices / all inclusive</td>
<td>96 / 101</td>
<td>86 / 95</td>
<td>119 / 118</td>
<td>89 / 96</td>
<td>89 / 96</td>
</tr>
<tr>
<td>Ranking (1 = least expensive)</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Daily Subsistence Allowance (USD)</td>
<td>391</td>
<td>313</td>
<td>419</td>
<td>378</td>
<td>363</td>
</tr>
<tr>
<td>Ranking (1 = least expensive)</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total (Accumulative) Ranking</td>
<td>4 (10)</td>
<td>1 (3)</td>
<td>5 (14)</td>
<td>3 (9)</td>
<td>2 (6)</td>
</tr>
</tbody>
</table>


76. Table 4 provides an overview of the estimated operational costs of the GM by location.

### Table 4

**Overview of estimated annual operational costs of the GM by location**

(United States dollars, services for 25 staff members)

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>I/II. Rome</th>
<th>III. Bonn</th>
<th>IV. Geneva</th>
<th>V. New York</th>
<th>VI. Washington, DC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs (USD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common services (premises costs)</td>
<td>163,000</td>
<td>10,000</td>
<td>293,707</td>
<td>550,000</td>
<td>436,869</td>
</tr>
<tr>
<td>UNOG services</td>
<td>77,642</td>
<td>77,642</td>
<td>77,642</td>
<td>77,642</td>
<td>77,642</td>
</tr>
<tr>
<td>Communication costs</td>
<td>-</td>
<td>61,467</td>
<td>62,010</td>
<td>76,231</td>
<td>170,707</td>
</tr>
<tr>
<td>Information technology</td>
<td>50,000</td>
<td>34,238</td>
<td>34,541</td>
<td>54,000</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>-</td>
<td>18,143</td>
<td>18,304</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Subtotal (USD)</td>
<td>290,642</td>
<td>201,490</td>
<td>486,204</td>
<td>777,873</td>
<td>705,218</td>
</tr>
<tr>
<td>Programme support costs (13%)</td>
<td>37,783</td>
<td>26,194</td>
<td>63,207</td>
<td>101,123</td>
<td>91,678</td>
</tr>
<tr>
<td>Grand total (USD)</td>
<td>328,425</td>
<td>227,684</td>
<td>549,411</td>
<td>878,996</td>
<td>796,896</td>
</tr>
<tr>
<td>Grand total (EUR)</td>
<td>253,800</td>
<td>175,949</td>
<td>424,573</td>
<td>679,269</td>
<td>615,824</td>
</tr>
<tr>
<td>Ranking</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

---

* a Services are estimated for 25 staff members.
* b UNOG figures are estimated for 25 staff members.
* c Rome: Administration (common services) and IT service costs based on an assumed total workforce (including staff and consultants) of 25 persons. All costs, with the exception of UNOG charges, were based on estimated costs by IFAD.
* d Bonn: Premises cost is based on the assumption that GM staff would be seated within the secretariat’s space allocation of three floors of the Langer Eugen Building (low-end) or with the three floors and an additional half-floor (high-end). Incremental costs take into account the increase in the number of staff for common building services, such as facilities management and security. Costs are based on estimates provided by the Common Services Unit of UNBONN, and have been slightly adjusted (in the 1 July 2013 version) to reflect a 7% increase requested by UNBONN from 2014, as well as the potential need to moderately expand the space requirements for additional GM staff members, beyond the space already allocated to the UNCCD. Communication, IT and supplies are based on the secretariat’s budget for the biennium 2012-2013 for per person costs for 25 people.
Geneva: As UNOG confirmed that the GM could not be accommodated in the Palais des Nations, the premises costs were estimated based on yearly commercial rates provided by UNOG for 697 sqm of office space for 450 CHF per sqm. Communication, IT and supplies are based on the secretariat’s budget for the biennium 2012-2013 for per person costs for 25 people. Other arrangements were noted by the UNCCD focal point from Switzerland to be possible, although no additional details were provided as of 1 July 2013.

New York: Premise costs are based on the following information provided by the Office Space and Assets Unit in UN New York. Rental Rate: per UN policy on rental of space, the current approved rental rate is $77.00 per square foot (SF) per year including the $17 for basic maintenance component. IT costs are not included in the rental rate. Extra services are also additional as requested on a need basis. Rentable Floor Area: (a.) floor area requirement can be calculated based on rentable 215-250 SF (square feet) per person as commonly used by the real estate industry, which factors in Common Areas within the floor such as corridors and Support Facilities such as meeting rooms as well as common areas for the entire building such as main entry lobby and elevators. Rentable Square Feet has a loss factor of about 27% to usable square feet, or (b.) per office space planning guideline, you can add square footage of each space requirement: GS workspace=48-64 SF, P workspace=96 SF, D workspace=192 SF. Office support space and Internal office circulation are additional floor area, and Building common areas floor area (which is percentage of total area) to be included in the calculation. Communication, IT and supplies are based on historical costs for the year 2011 for the New York Liaison Office and adjusted for per person costs for 25 people.

Washington, D.C.: IT costs are included in communication costs, which are based on per person costs for 25 people using the 2013 budget for the GEF. Premise costs are based on office space and supplies assumptions for staff by grade level, as provided by the Global Environment Facility and the 2013 budget for the GEF.

2. Governance efficiencies

77. Similar to the scenario of the GM remaining at IFAD, no third party entity, regardless if a financial mechanism or not, has any role to play in the governance of the GM, which is the sole competence of the COP, with the support of the Executive Secretary and secretary. Moreover, the legal liability the GM has posed to IFAD as a result of its housing arrangement might negatively affect the housing considerations of another international financial institution. Although these liabilities will be transferred to the secretariat once decision 6/COP.10 is fully implemented, such issues would need to be clearly addressed if such an institutional arrangement was envisioned and might be a cause of hesitancy for entities considering housing the GM other than the UNCCD secretariat, which has explicitly been transferred legal representation.

3. Operational modalities and efficiencies

78. IFAD was chosen to house the GM because it is an international financial institution from which the GM benefited, in fulfilment of its mandate "to increase the effectiveness and efficiency of existing financial mechanisms". The arguments for relocating the GM to an entity which does not clearly support the role of the GM, in fulfilment of its mandate as per the Convention, and for the overall goal of its implementation, are likely unsustainable. Furthermore, housing options are limited by legal and operational requirements, such as the existence of a Headquarters Agreement with the host government, and the willingness of the housing or host government to extend the provision of privileges and immunities to GM staff (decision 6/COP.10, paragraph 9).

79. UNOG is the second largest of the four major office sites of the United Nations, located in Geneva, Switzerland. UNOG hosts the offices for a number of programmes relating to trade, development and humanitarian affairs, and Geneva hosts different multilateral funds, such as the UNEP Finance Initiative and Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) as well as numerous international civil society
UNOG administers the staff and accounts of the UNCCD secretariat according to the terms of an MOU established for the purpose; in accordance with decision 6/COP.10, it will soon administer the staff and accounts of the GM. Although some operational synergies might exist between the GM and UNOG in terms of administration, this does not extend to the COP’s oversight, nor the various responsibilities which require daily coordination between the secretariat and the GM. The costs for relocation to Geneva would reflect those for the housing arrangement with the secretariat detailed in section IV.C.5. The ongoing costs of operations and living expenses for GM staff are estimated to be significantly higher in Geneva than they are in Bonn or Rome, as outlined in section IV.D.1. However, Switzerland, as a host country for the United Nations, provides start-up funding and subsidies for office space covering the renting costs either partially or entirely. Furthermore, 171 countries are represented through diplomatic missions in Geneva, which allows for further cost savings. Geneva also allows for substantial synergies, as it is a first-rate environmental hub in the United Nations system, hosting the IUCN, Ramsar, UNEP Regional Office, the joint secretariat of the conventions in the chemicals and waste cluster, CITES, GCOS, GEO, UNEP Financial Initiative, the World Meteorological Organization (WMO), the IPCC, plus top international academic institutions in Geneva with highly relevant expertise on environment issues, as well as over 250 non-governmental organizations, many of which are active in the field of environment. The Swiss authorities have expressed an interest in hosting the GM, as shown in the letter in annex III. However, no further details have been provided as at 1 July 2013.

The United Nations Secretariat in New York, USA, is composed of the Secretary-General and staff of international civil servants and services the other principal organs of the United Nations. The UNCCD secretariat enjoys an institutional linkage, including related administrative arrangements, with the United Nations. The UNCCD also maintains a liaison office in New York at the United Nations Headquarters composed of one Coordinator, one CBD/UNCCD liaison officer and one secretary, which facilitates the work of the Convention and the COP. The United Nations Development Programme (UNDP), United Nations Development Group (and Multi-Partner Trust Funds), United Nations Women, and others, have their headquarters in New York, as do numerous international civil society organizations. However, the relocation of the GM staff to New York is the most expensive housing option assessed in the current report, mainly due to the ongoing costs of office space and operations. Daily communication and coordination requirements of the GM and the secretariat would face an additional layer of complexity due to the time difference, in addition to substantial costs incurred through travel and daily subsistence allowance fees. Furthermore, relocation of the GM staff to New York would not address the issues of operational modalities and synergies nor governance efficiencies.

The World Bank Group, founded in 1944 in Washington, D.C., is currently composed of five development institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), as well as the International Finance Corporation (IFC), the Multilateral Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). In addition,
the World Bank is home to the GEF Secretariat, which was designated a financial mechanism of the UNCCD and holds an MOU with the COP.\(^{102}\) Although the COP has requested the GM to collaborate with the GEF on numerous occasions, the MOU does not create a specific role for the GM and instead established the secretariat as the main facilitator of the Convention with the GEF.\(^{103}\) The GM has the potential to play a significant role vis-à-vis the GEF, as a financial mechanism of the Convention and in accordance with the GM’s mandate “to increase the effectiveness and efficiency of existing financial mechanisms”, by leveraging SLM co-finance and investment for GEF funded projects.\(^{104}\) In addition to the World Bank and GEF, a number of bilateral (USAID) and multilateral financial mechanisms are located in Washington, D.C. (such as the Inter-American Development Bank and International Monetary Fund) in addition to numerous international civil society organizations. Nevertheless, relocating the GM to Washington, DC would not only incur higher costs in the short run (one-time travel costs for relocating staff) but in higher operational costs on a par with New York. Similar to the scenario of relocating the GM to New York, issues of time difference, and substantial costs incurred through travel and daily subsistence allowance fees indicate significant barriers, as well the lack of opportunities to address the issues relating to operational modalities and governance efficiencies.

82. Table 5 provides an analytical overview of the various potential housing arrangements assessed in this report. The full table of selection criteria and indicators is included in annex IV. Options are assessed according to the criteria and objectives relating to costs, operational modalities and synergies, and governance efficiencies, in compliance with decision 6/COP.10 and the GM’s mandate. Additional criteria were derived from the COP 9 Bureau report on the evaluation of the GM (ICCD/COP(10)/4), the JIU report and recommendations (JIU/REP/2009/4) and the 10-year strategic plan and framework to enhance the implementation of the Convention (The Strategy) (decision 3/COP.8). Each of the six potential housing scenarios (I. to VI.) is ranked in order from 1 to 6, with 1 being the most advantageous option with the most benefits, and 6 representing the least benefits and highest cost. According to this ranking, co-location with the UNCCD secretariat (III) represents the best option, followed by the option of retaining the GM at IFAD (I) or with the World Bank in Washington, D.C. (VI); lagging far behind these options are relocation of the GM to UNOG in Geneva (IV), or relocation within Rome (II), and lastly, relocation to New York (V).

Agency to take into account all the circumstances surrounding an investment”. When compared to the vision set out by the GM with reference to “mainstreaming” integration of SLM into broader development frameworks, which requires “political support at the highest level”, the GM maintains “that successful mobilization of financial resources involves the mobilization of instrumental resources (strategic frameworks and policy instruments)”; see <http://global-mechanism.org/en/About-Us/Our-Vision>.

\(^{102}\) Decision 6/COP.6, decision 6/COP.7 and decision 3/COP.8.

\(^{103}\) This is likewise demonstrated by the body of current information provided by the secretariat’s website <www.unccd.int/en/about-the-convention/GEF/Pages/default.aspx>; see also ICCD/COP(10)/15, compare to ICCD/COP(10)/INF.2, box 9. Cooperation with GEF (operational objective five).

\(^{104}\) See document ICCD/COP(10)/INF.2, box 9. Cooperation with GEF. Compare to GM comments: It is probably within the GEF that the GM’s mandate and functions could have the most benefit. Working in synergy and complementarity inside GEF with support to the land degradation focal area staff on a daily basis to increase country access and absorption of GEF funding in existing country level programmes and investment frameworks would in all likely hood be the most efficient use of the resources currently allocated to the GM’s mandate and functions.
Table 5
Ranking of the potential housing options for the GM, according to relevant selection criteria

<table>
<thead>
<tr>
<th>SCENARIOS:</th>
<th>I. IFAD (Rome)</th>
<th>II. Other (Rome)</th>
<th>III. UNCCD (Bonn)</th>
<th>IV. UNOG (Geneva)</th>
<th>V. Sec./ UNDP (N.Y.)</th>
<th>VI. World Bank (D.C.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost effectiveness</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>GM’s mandate and functions</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Operations and Synergies</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Governance</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL (ranking)</td>
<td>8</td>
<td>13</td>
<td>5</td>
<td>13</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>OVERALL RANKING</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Additional Criteria:

| COP9 Bureau’s Report                           | 3              | 5                | 1                 | 4                 | 4                   | 2                     |
| JIU Recommendations                            | 2              | 3                | 1                 | 4                 | 3                   | 2                     |
| The Strategy                                   | 2              | 4                | 1                 | 3                 | 4                   | 2                     |
| TOTAL (ranking)                                | 7              | 12               | 3                 | 11                | 11                  | 6                     |
| OVERALL RANKING                                | 3              | 5                | 1                 | 4                 | 4                   | 2                     |

V. Conclusion

83. Based on these findings, including the possible co-location with the UNCCD secretariat, the Executive Secretary will include the estimated costs of the new housing arrangements of the GM in the preparation of the Convention budget for the biennium 2014–2015.

84. Decision 6/COP.10, paragraph 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.” According to these selection criteria and objectives, the following housing option scenarios (I to VI) were assessed:

I. GM to remain with IFAD in Rome,

II. GM to relocate to another entity (currently unknown) within Rome,

III. Co-location with the secretariat at the UNCCD headquarters in Bonn;

IV. Other housing options including the GM to relocate to the United Nations Office at Geneva (UNOG),

V. GM to relocate to the United Nations Secretariat (or UNDP) in New York, or

VI. GM to relocate to the World Bank or GEF in Washington, D.C.

85. Costs: The assessment presented in the current report demonstrates that the Rome option is the most cost effective in terms of one-time relocation; however, co-location with the UNCCD secretariat in Bonn represents the most cost effective option in the medium term. Specifically, the savings which could be accrued were the GM to
be co-located with the secretariat (EUR 78,000 a year) would cover the minimum one-time costs of relocating to Bonn (EUR 350,000) after just over four years. The costs for relocation to another entity in Rome (II) are currently unknown, whereas ongoing operation costs should be similar to that of the current housing arrangement with IFAD (EUR 254,000 a year). In comparison, relocation to the UNCCD headquarters in Bonn (III) has the potential to accrue significant savings due to the relatively lower costs for the GM's ongoing operational costs (EUR 176,000 or USD 228,000 annually). In addition, the costs of living for GM staff, in terms of daily subsistence allowance (DSA) rates, post adjustments and retail prices, are around 25 per cent lower in Bonn, as compared to Rome. Additional savings are foreseen for the co-location option (III) through reduced staff travel and communication costs, estimated at EUR 17,000 (USD 22,000) annually, through economy of scale in managing and coordinating the Convention's financial and human resources more efficiently, as well as for streamlining of reporting and other COP requirements, including for the joint work programme, joint fund-raising strategy and joint communication efforts. The costs for the GM to relocate to Geneva (IV) are assumed to be slightly higher than that of relocation to Bonn, whereas the ongoing costs for the GM's office operations are significantly higher (depending on the proposal from the Swiss Government). Geneva is also the most expensive option in terms of the costs of living for GM staff, including DSA rates, post adjustments and retail prices. The costs for both relocation and especially ongoing operations for the GM in New York (V) or Washington, D.C. (VI), are estimated to be significantly higher than Bonn or Rome, equivalent to triple or quadruple the costs; however, the costs of living in both United States cities, although higher than in Bonn, are lower than Rome or Geneva. Overall, relocation to Bonn offers the most benefits in terms of medium- to long-term savings, thus currently representing the most cost-effective option. As already substantiated in paragraph 72 above, many of these costs might not be incurred, were the GM to be located at the premises of the secretariat.

86. Operational modalities and synergies: The current report assesses the ability of the housing option scenarios (I to VI) to support the operational modalities and synergies of the GM, in accordance with its mandate and in compliance with decision 6/COP.10, among other COP decisions, and in fulfilment of the criteria also established by the COP 9 Bureau report on the evaluation of the GM, the JIU report and recommendations and The Strategy. As the results of several evaluations and assessments which have revolved around the GM and the secretariat have pointed to the dichotomous nature of their work, successive COP decisions have enjoined both convention bodies to work in close cooperation with each other. Correction of these developments remains the overarching objective of decision 6/COP.10, and consequently, the selection of a housing arrangement. In terms of operational modalities and synergies, the option of co-locating the GM at UNCCD headquarters in Bonn (scenario III) provides the most benefits and enables the demands of various COP decisions to be fulfilled, most significantly decision 6/COP.10. Although UNOG (IV) might offer some benefits in terms of the implementation of current reforms of the UNCCD’s administrative regime, both IFAD in Rome (I) and the World Bank in Washington, D.C. (VI) present some potential advantages for the GM in fulfilment of its mandate and functions. These results are confirmed when compared to the criteria derived from the COP 9 Bureau report, the JIU recommendations and The Strategy, which likewise highlight the advantages of co-location.

105 Specifically, were the GM to remain housed with IFAD in Rome (scenario I), the one-time costs of relocating the GM’s staff and office could be avoided. Only relocation costs for the GM office would be accrued in the case of relocation within Rome; estimates are, however, currently unknown until a proposal is received from the Government of Italy.
87. Governance efficiencies: The COP, through the Executive Secretary and with the support of the secretariat, has sole responsibility in the governance of the GM. Consequently, no non-Convention body or third party entity, regardless if a financial mechanism or not, has any role to play. Therefore, co-location with the secretariat at UNCCD headquarters in Bonn (III), where the Executive Secretary is stationed, is the most logical housing scenario in support of improving and streamlining governance efficiencies for the Convention. Moreover, any other scenario must provide that the role of the Executive Secretary in ensuring the GM's adequate reporting and accountability to the COP, and the secretariat's ability to assume legal representation for the GM, is not hampered.

88. The importance of taking a decision on a new housing arrangement that facilitates the work of the GM according to its mandate and in support of the implementation of the Convention cannot be overstated. The current housing arrangement with IFAD, despite an amendment of the MOU, may no longer be the most appropriate home for the GM. This is a result of legal liabilities that the GM has incurred upon IFAD, as well as increasing costs for the GM to remain with IFAD in Rome, and an overall lack of advantages posed by continued housing with IFAD in terms of cost benefits, governance efficiencies, operation modalities and synergies. Although the prospect of retaining the GM in Rome is appealing, especially to GM staff and the Government of Italy, Rome may lack an appropriate facility (according to the criteria set out above deriving from decision 6/COP.10) to take on such a responsibility, with the exception of IFAD, as the other United Nations entities in Rome are not international financial institutions. The implications of the GM being relocated to an entity within Rome, or elsewhere, which does not explicitly further its objectives and mandate, in accordance with the Convention, might have highly undesirable repercussions for the Convention, such as maintaining the status quo with a substantial increase in costs. Moreover, such an arrangement would not fulfil the required terms of decision 6/COP.10 due to the lack of governance efficiencies and synergies, as well as the complex operational modalities involved. For similar reasons, in addition to the substantial costs involved, relocating the GM to an entity such as UNOG, the United Nations Secretariat in New York, or the World Bank in Washington, D.C. are not likely to be feasible options. A possible exception might be a housing arrangement with a financial mechanism such as the World Bank or the GEF, which would be attractive in terms of facilitating the objectives and mandate of the GM, although it would be unlikely to fulfil the criteria set out in decision 6/COP.10, namely those relating to costs, operational modalities, synergies, and governance efficiencies.

89. In conclusion, a decision to co-locate the GM at the UNCCD headquarters in Bonn, together with the secretariat, has the potential to resolve the majority of outstanding issues identified in numerous evaluations and accrue long-term savings for both these Convention institutions; it is thus the most cost efficient, logical and straightforward option, which provides the most benefits in terms of streamlined governance efficiencies.

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106 The international community has taken note of the increasingly visible agenda item relating to assessment of the GM and its cooperation with the secretariat, which, although in dire need of final resolution, has distracted from substantial issues regarding implementation of the Convention related to Desertification/Land Degradation and Drought (DLDD). See Earth Negotiation Bulletin / IISD COP 10 report which states that “many noted that the COP has still focused primarily on “housekeeping” issues, and has not yet moved into discussing key questions related to the substance of actions to catalyze efforts to address DLDD.” ENB COP 9 report titled “A BRIEF ANALYSIS OF COP 9” outlines the widely held perception of a COP overshadowed by political and institutional obstacles between the secretariat and the Global Mechanism and notes that “a house divided against itself cannot stand.”
operational modalities, synergies between Convention bodies, and improved accountability and oversight resulting in governance efficiencies.
Annex I

Relevant correspondence
1. Letter dated 5 July 2013 from the Financial Operations Department, IFAD to the UNCCD secretariat, outlining IFAD’s suggested transition arrangement for handing over to UNCCD the financial services currently offered to the Global Mechanism

05 July 2013

Dear Sir

1. The revised MOU between the UNCCD and IFAD signed in 2012 refers to the housing arrangements for the Global Mechanism and specifies that all accounts managed by the Global Mechanism shall be in accordance with the Financial Regulations of the United Nations. Accordingly, it envisages the discontinuation of financial services currently provided by IFAD. As instructed by you, IFAD’s Financial Operations Department has continued to provide such services since 2012 but wishes to notify you hereby that we intend to fully handover all financial services, including accounts and balances, to UNCCD by the end of the third quarter of 2013.

Services currently offered

2. The full range of services currently being provided by IFAD Financial Operations Department to the Global Mechanism include the following:

- Issuance of Budget allotments
- Accounting services, including preparation of annual financial statements and donor statements
- Supplier’s payments including travel tickets and other miscellaneous expenses also through UNDP
- Consultancy and individual contracts payments (until 1 April 2013 also payroll services were included)
- Bank transfers to implementing partners for workshops and other events as per donor agreements.

Services for immediate discontinuance

3. Some of the above services have been discontinued immediately as you have indicated readiness to take certain activities over without further delay. These services are as follows:

a) Issuance of Budget allotments: As PeopleSoft access will not be granted to the GM staff, this service cannot be continued.
b) Consultants payments Processing: IFAD will no longer handle the contracting process, payments currently being made only to the extent they are processed out of the SRCF funds currently in IFAD’s custody.
c) Travel payments
d) Payroll services

4. With the above services being discontinued immediately, this leaves Accounting, Reporting, Suppliers payments and Bank transfer services to be considered for handover for both core budget and non-core budget accounts. It is worth noting at this point that during a meeting that took place between IFAD and UNCCD in May 2013, IFAD was advised that UNCCD is not currently in a position...
to immediately take over accounting services and Bank accounts for the non-core account, given that authorisation had not yet been given to establish a Trust Fund to which the related assets would be transferred. We understand that this Trust Fund has since been set up and as such provides availability of a framework for the smooth handover of these services to take place. This letter provides an explanation of the proposed handover methodology and proposed transition arrangements.

5. Below is the proposed handover approach:

   i. Handover of all accounts and services is targeted to be completed by 30th September 2013. Beyond this date, IFAD will no longer provide the services and all services and account balances will be handed over (subject to point (iii) below) following full reconciliation of period end balances, including funds due to iFAD and other funds. We are providing a three month transition period from July 2013 to 30th September 2013. After we close the second quarter accounts as at 30th June 2013 we will consider that date as cut off and then start the gradual transfer and consider transactions in the transition period as adjustments to be made in the intervening period so that UNCCD will be self-sufficient as of 1st October 2013. These adjustments will include, inter alia, the settlement of all receivables and pending advances as at 31 May 2013.

   ii. Advantages of this approach are as follows:
       - Better planning on both IFAD and UNCCD’s side with the notice in the transition period
       - Advance notice will provide an opportunity for preparation on UNCCD’s side

   iii. An amount equating to the estimated costs for GM legal cases currently in progress and FAO invoices, both of which we understand are disputed by GM management will be transferred to an escrow account pending the full settlement of such underlying events. This may require retention of monies, also from donor agreements, as per the letter of the President of IFAD to UNCCD dated 18 September 2012. Pending staff advances will also be transferred to this escrow account pending clearance of related items either by way of expense confirmation or appropriate recovery as the case may be. As per the President’s letter of 8 February 2012, a transfer has been made out of the GM accounts for the original costs incurred by IFAD for the Saez case, which includes the payment of USD 438,242, provision for which has already been made in the GM accounts, and an amount of USD150,000 relating to specific legal costs.

   iv. Below is the breakdown of the Funds to be transferred into escrow

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal cases involving staff and the former MD</td>
<td>3,729,275</td>
</tr>
<tr>
<td>FAO Disputed invoices which may be presented for IFAD’s payment</td>
<td>645,533</td>
</tr>
<tr>
<td>UNDP Miscellaneous Advances</td>
<td>102,846</td>
</tr>
<tr>
<td>UNDP Staff advances</td>
<td>212,140</td>
</tr>
<tr>
<td>Pending Travel Advances</td>
<td>360,675</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,050,469</strong></td>
</tr>
</tbody>
</table>

6. Considering that the Trust Fund is now in place, we trust that the achievement of the above handover plan will be relatively smooth. In view of the foregoing, the draft Service Level Agreement will be amended accordingly and the financial services foreseen thereto will be deleted.
7. IFAD intends to continue demonstrating goodwill in continuing to backstop activities for GM, in order to avoid unnecessary complexities, the handover of Financial services is not meant to be immediate.

8. Looking forward to hearing from you regarding any inputs for this transition which will allow us to progress to the status envisaged under the revised MOU.

Sincerely Yours

Iain M. Kellet
Associate Vice President, Financial Operations Department

Mr Lyndie Lindow
Coordinator of Administration and Finance Services
United Nations Convention to Combat Desertification
Hermann-Ehlers-Str. 10, D-53113
Bonn, Germany
2. Letter dated 16 July 2013 from the UNCCD secretariat (in response to IFAD’s letter of 5 July 2013 outlining a suggested transition arrangement for handing over to UNCCD the financial services currently offered to the Global Mechanism)

Dear Mr. Kellel,

I would like to thank you for your letter of 5 July 2013 in regard to the financial services provided by the International Fund for Agricultural Development (IFAD) and welcome the proposed timeline for the eventual transfer of funds held by IFAD to the secretariat of the United Nations Convention to Combat Desertification (UNCCD).

As to the matter of withholding an amount of USD 1,226,275 for legal cases involving staff and the former Managing Director of the Global Mechanism, I draw your attention to the amended Memorandum of Understanding (MoU) between the Conference of the Parties (COP) to the UNCCD and IFAD, dated 2 April 2012, whereby under the termination clause “the COP and IFAD will jointly consult on understanding on the most practical and effective means of carrying out any responsibilities assumed under the [MoU] and its Amendments”. To this effect, the President of IFAD in his letter to the President of the 10th session of the COP, dated 13 September 2012, declared “…IFAD’s intention to claim from the COP all financial liabilities linked to these appeals, including the amount of approximately USD 450,000 resulting from the [International Labour Organization Administrative Tribunal’s decision in the Szafr case].”

According to article 22 of the Convention as well as the UNCCD financial rules (Decision 2/COP.1) the COP shall “approve a programme and budget for … its subsidiary bodies, and undertake necessary arrangements for their implementation.” It is with this understanding that the COP Bureau requested the UNCCD Executive Secretary to write to the IFAD President copy attached of the UNCCD letter dated 2 March 2012) recalling that the Bureau has no authority to decide on subjects with budgetary implications. The Bureau therefore advised the IFAD President to wait for a final decision on this matter by UNCCD Parties on the occasion of the Eleventh session of the Conference of the Parties to be held in the autumn 2013. Please note that COP 11 will convene from 16-27 September this year in Windhoek, Namibia. Pending consideration of this issue by COP 11, I request IFAD to release the funds of the GF.

As to the matter of the outstanding invoices of the Food and Agriculture Organization of the United Nations (FAO), the secretariat and the GFM are in contact with the FAO on the matter. It is anticipated that the UNCCD and FAO will resolve this matter in due course.

I would like to take this opportunity to thank you for the continued cooperation between our two organizations.

Yours sincerely,

[Signature]

Coadjutor of the Administration and Finance Services unit

Mr. Ian M. Kellel
Associate Vice President
Financial Operations Department
International Fund for Agricultural Development

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3. The European Union’s compiled list of questions regarding 6/COP.10 in response to the request by the UNCCD Executive Secretary at CRIC 11. Received by the secretariat on 13 May 2013

The European Union would like to thank the UNCCD Secretariat and Executive Secretary for preparing the progress report on the status of the implementation of decision 6/COP.10, discussed at the intersessional meeting of the eleventh session of the Committee for the Review of the Implementation of the Convention (CRIC 11) hosted in Bonn, April 15–19 2013.

In response to the Executive Secretary’s request at CRIC 11 to Parties to submit detailed and focused questions regarding 6/COP.10, please find below compiled questions from the European Union and its Member States.

1. Staffing

Could you please inform us of:

- the details of the staff compliment of the global mechanism including information as to grade, function, nature of contract (fixed term/short term etc.) and length of service in the GM, broken down between those who are paid under the convention core budget and those on contracts paid out of voluntary contributions?
- Are we right to assume that only those who are funded by the core budget have been given UN contracts or are these contracts used for all staff irrespective of the funding source?
- We would also appreciate receiving updated information on the recruitment process of the Managing Director of the Global Mechanism (D-2) and the expectations regarding his appointment.

2. Staffing liabilities

Costs for the relocation to Bonn should include a rough estimate of the legal costs related to the potential settlement of the 13 cases of GM staff that have addressed the International Labor Organization (ILO) Administrative Tribunal against IFAD. Have you received any advice from the UN legal counsel or personnel office regarding potential liabilities that might fall on the Convention?

3. Operationally

The operation of the GM requires its staff to have regular contacts with a wide range of partners both in the UNCCD Secretariat, other UN organisations based in Rome, (such as FAO, IFAD and others), Permanent Missions to the UN in Rome and elsewhere and with "client" parties to the Convention. In this regard we ask:

- Has any assessment been done as to the frequency and nature of such operational contacts as the basis of understanding the likely implications, positive or negative, of different location positions?
- With respect particularly to a possible move from Rome, how substantial and frequent are GM staff contacts with aforementioned UN Entities and Governmental institutions based in Rome? Could a diary analysis over the last 6-12 month provide any relevant information?
- Consistent with the point above, what would be the estimated cost of mission (travel + DSA) of GM and Secretariat staff to travel to Rome in order to attend technical coordination meetings and events, held at the UN agricultural hub, and relevant to their mandates?
- What are the frequency and costs (travel+DSA) of GM and Secretariat staff over the last 24 months, disaggregated by year (i.e. 2011; 2012 and 2013), between Bonn and Rome?
4. Continuity

The staff of the GM are clearly an important resource to the work of the Convention. With this in mind we ask the following:

- How many staff members (core and extra-budgetary) have left the GM since COP10 and how many of them have been replaced?
- Do we have any information as to the likely impact of a location move on the intentions of the staff members to continue their engagement with the GM?
- Do we have any information on the potential likelihood of staff withdrawing their cases brought to the ILO, should their contractual situation be clarified and their physical location remains in Rome?

5. Costs

Are there any more up to date figures relative to projected costs of staff transfers for GM staff to Bonn should the COP make this decision? In particular, have you taken into account the potential 885,000 USD needed for the one-time relocation of staff from Rome to Bonn (in the case all staff members have dependents) and the costs under question 2 (resulting from the legal cases)?
4. **Message from the Ministry of Foreign Affairs of Ecuador related to the document "Arrangements to host the GM". Email received by the secretariat on 11 April 2013**

En referencia a su solicitud de comentarios al documento de "Arreglos para hospedar el Mecanismo Mundial", me permito dar a conocer el pronunciamiento de Ecuador:

Se expresa que en lo referente a los costos, las modalidades de funcionamiento, sinergias y la eficiencia en la gobernanza resulta mucho más conveniente que el Mecanismo Mundial se instale en la ciudad de Bonn, por lo que se reitera su apoyo a que la sede del Mecanismo Mundial se desarrolle junto a la Secretaría de la CNULD, por los siguientes motivos:

- El Mecanismo Mundial (MM) desde su inicio en el año 1999 y de acuerdo al análisis realizado por los países parte en la COP 10, tomó nota, manifestándose que: "desde que se estableció el Mecanismo Mundial no se han realizado los progresos esperados en la movilización y canalización de recursos financieros sustanciales, entre otras cosas para la transferencia de tecnología, a título de donación y/o en condiciones favorables de otro tipo, a los países en desarrollo afectados" (decisión 6/COP.10, párrafo 5 del preámbulo). En esa misma decisión también se señaló que "es preciso adoptar un enfoque nuevo y más efectivo a todos los niveles, en el marco de la aplicación de la CNULD y bajo la autoridad, el asesoramiento y la orientación de la Conferencia de las Partes". Ese ha sido también el tema de numerosas evaluaciones realizadas, que han arrojado resultados no satisfactorios en términos de duplicación y superposición de actividades entre el Mecanismo Mundial y la Secretaría, así como a carencia de funciones de rendición de cuentas, eficiencia, efectividad, transparencia y coherencia institucional con arreglo al actual acuerdo de acogida con el FIDA.

En este sentido, se sugiere que la Secretaría de la CNULD realice todos los esfuerzos necesarios y posibles para el mejoramiento de los procesos y mecanismos que desarrolla el MM y las iniciativas y proyectos de las partes se canalicen y viabilicen en el corto y mediano plazo; en el caso de Ecuador, la sinergia Ministerio del Ambiente (Punto Focal de la CNULD) - MM, ha venido de más a menos, por loque es importante poner a consideración también un cambio total en el esquema o estructura de apoyo para el país y cumplir con los fines para los que fue creado el MM, lográndose así la implementación de las iniciativas que genera o innova el punto focal nacional ecuatoriano de la CNULD (MAE).

- En cuanto a las sinergias con los órganos de la CNULD, la separación física entre el MM (Roma - Italia) y la Secretaría de la CNULD (Bonn - Alemania) ha dificultado la relación cotidiana de trabajo y la aplicación de la Convención en su conjunto. Esta separación física entre el MM y la Secretaría de la CNULD, seguirá dificultando la coordinación e implementación de procesos, cada vez en mayor medida, el desempeño de varias responsabilidades adicionales del Secretario Ejecutivo y el cumplimiento de los requisitos administrativos y de gestión internos previstos a nivel de personal superior entre el MM y la Secretaría, se expone en la decisión 6/COP.10 (párrafos 1 a 7)33. Con lo expuesto se sugiere y como fue la decisión en la COP 10, que el MM esté anexo a la Secretaría y se manje y funcione bajo sus preceptos; para complementar lo expuesto y
con el propósito de optimizar los recursos de toda índole y aprovechamiento adecuado de los talentos humanos, de acuerdo a lo conocido y concertado con otras partes en la COP 10, el MM debe ubicarse en Bonn, sede de la CNULD.

· En lo referente a las responsabilidades de gobernanza, de acuerdo a las partes, estas recaen sobre el Secretario Ejecutivo en términos de supervisión, adecuación de la presentación de informes y rendición de cuentas del MM ante la COP. Por lo tanto, las enmiendas al acuerdo de acogida con el FIDA y las medidas de apoyo introducidas en la decisión 6/COP.10 para mejorar la gobernanza de la COP y su supervisión del MM dependen en gran medida de una serie de medidas de gestión y administrativas que deberán ser adoptadas por la secretaría de la CNULD, en cooperación con el MM. Para ello, estamos de acuerdo como país, que será necesaria la cooperación del FIDA durante un corto período o hasta la extinción del memorando de entendimiento enmendado, con el fin de apoyar la transferencia de las cuentas y contratos del personal del MM y trasladar la obligación de rendir cuentas y la representación jurídica del MM a la Secretaría de la CNULD. Igualmente se sugiere y se comparte el criterio, que para mejorar la estructura de gobernanza de la CNUCLD es necesaria una coordinación y cooperación continuada y duradera entre el MM y el Secretario Ejecutivo, con el apoyo del la Secretaria.

Saludos cordiales,

Dirección de Medio Ambiente y Cambio Climático.
Ministerio de Relaciones Exteriores, Comercio e Integración.
Quito - Ecuador

Secretariat, will hindering the coordination and implementation of processes, each time greater extent, the performance of several additional responsibilities Executive Secretary and the fulfillment of the requirements internal management and administrative staff level provided higher between the GM and the Secretariat, stated in the decision 6/COP.10 (paragraphs 1-7) 33. As discussed and suggested as was the decision at COP 10, the GM is attached to the Secretariat and manage and operate under its provisions, to complement the above and in order to optimize the resources of all kinds and proper utilization of human talents, according to the known and agreed with other parties at COP 10, the GM should located in Bonn, home of the UNCCD.

· With regard to the responsibilities of governance, According to the parties, these fall to the Executive Secretary terms of supervision, adequacy of reporting and GM accountability to the COP. Therefore, the amendments the host agreement with IFAD and the support measures introduced 6/COP.10 the decision to improve the governance of the COP and its GM monitoring depend largely on a series of measures and administrative management to be adopted by the secretariat of the UNCCD, in cooperation with the GM. To do this, we agree as a country, that will require the cooperation of IFAD for a short period or until the expiry of the memorandum of understanding amended, in order to support the transfer of the accounts and GM staff contracts and transferring the obligation to pay accounts and GM legal representation to the Secretary of the UNCCD. It was also suggested and shared the view that for improve the governance structure is needed CNUCLD coordination and cooperation continued and lasting between the GM and the Executive Secretary, with the support of the Secretariat.

Best regards,

Directorate of Environment and Climate Change.
Ministry of Foreign Affairs, Trade and Integration.
Quito - Ecuador
5. European Union response to updated version (December 2012) of the Report prepared pursuant to Decision 6/COP10 on “Identification of a new housing arrangement for the Global Mechanism.” Received by the secretariat on 4 March 2013.

European Union response to updated version (December 2012) of the Report prepared pursuant to Decision 6/COP10 on “Identification of a new housing arrangement for the Global Mechanism”

The European Union thanks the UNCCD Secretariat for drafting an updated version (December 2012) of the Report prepared pursuant to Decision 6/COP10 on “Identification of a new housing arrangement for the Global Mechanism”.

The European Union recalls that Decision 6/COP10 requested the Executive Secretary in consultation with the Bureau of the COP of the tenth session of the COP to undertake a process to identify a new housing arrangement for the Global Mechanism (GM), in order to advise the secretariat for submitting a final report to COP11.

The European Union wishes to acknowledge that a number of our comments, made in our submission of 20th September 2012, have been taken on board and thus have improved the report before us.

We note with interest the comments made by other groups and Parties on this issue.

We acknowledge the efforts made by the UNCCD Secretariat to quantify and assess the potential costs and synergies involved in housing the GM in various locations and with various international bodies.

The European Union reiterates its view that the issue of the location of the GM is one of a number of challenges the GM faces. As explained previously, the issue of location of the
GM will have to be placed in the context of its function and services, strategy and deliverables, as well as its financial viability.

The European Union would have wished a clearer focus in the report on more accurate and measurable governance efficiencies and long-term benefits than can be obtained in the different location scenarios, in view of fulfilling the Ten Year Strategy objectives, as well as on the related short and long term costs, with clear and objective indicators.

We remain concerned that the report as presented still contains a number of assumptions and value judgements which are opaque and not always clear how they have been arrived at. With this in mind we have provided some additional observations in Annex 1, which we believe could further clarify and strengthen the report.

However, mindful of the request contained in 6/COP10 to 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 (CRIC) on the results of the process, the European Union wishes not to delay the process of preparations for such informal discussion at CRIC11.

It is the European Union’s intention to actively engage with Parties and other groups at CRIC11 and to listen to their views on possible options for a new housing arrangement for the GM with a view to deciding the matter at COP11.
Annex I - Observations

COST ANALYSIS

1. Based on the calculations available in the report, the total amount of relocating all the above staff categories would amount to between 550,000 USD (in the case no staff members have dependents) and 885,000 USD (in the case all staff members have dependents). These figures includes the expenses of moving internationally recruited staff as well as staff currently recruited nationally, who would become internationally recruited should the COP decide to move them to Bonn.

2. The costs for the relocation to Bonn should also include a rough estimate of the possible UNCCD liability towards the GM staff, who have addressed the International Labor Organization Administrative Tribunal (ILO-AT) against IFAD.

3. In the Report Bonn is seen as a better housing option than Rome because, even if no relocation costs would occur were the GM to remain in IFAD, there would be long-term benefits due to the lower cost of living index in Bonn in comparison to Rome. The report does not specify the timeframe that the consultant has not considered for such “long-term benefits” to be visible, nor it has considered the higher costs incurred by the GM and UNCCD staff to travel to Rome, which, as the United Nations’ agricultural hub, would still play a very important role for the GM to discharge its mandate. In addition, we consider the report’s focus on the cost of living index problematic.

4. Table 1 on page 22 outlines issues related to the one-time relocation costs. As noted previously, computer equipment and software licenses, as well as office furniture,
shall be removed from column II, foreseeing relocation within Rome. These items are comprised in the programme support costs.

5. Table 3 on page 23: Any agreement with IFAD, which charges EUR 196,000 per year, includes information technology and supplies. The annual operational costs of the GM should therefore total no more, or less, than USD 213,000, i.e. EUR 196,000, as stated in other paragraphs.

ISSUES RELATED TO GOVERNANCE EFFICIENCIES AND INSTITUTIONAL MANDATE OF THE GM

1. The report questions the value of the option to house the GM in Rome. Whilst we understand that, for example, the FAO is not an international financial institution, its role in the context of the UNCCD, and in broader terms in sustainable land management, may be considered.

2. A new housing entity would not hamper the role of the ES, since 6/COP10 addresses accountability and legal issues already. A remote location of the GM should not represent a problem for the ES to implement his role, as set forth in 6/COP10. In this context we note the need to make efficient use of ICT facilities.

3. There is no mention on the fact that GM synergies with FAO and WFP are in line with the objectives of the UNCCD Ten-Years Strategy on the improvement of the living conditions of affected populations.
ISSUES RELATED TO MANAGEMENT EFFICIENCY

1. The advantages in terms of governance and organizational efficiency of locating the GM within the Secretariat HQ mentioned are not based on measurable indicators.

2. The report does not give sufficient consideration to the benefits or not of the operational independence of Secretariat and GM.

3. The risk of possible overlaps, duplications, performance of similar functions and uncoordinated actions between the Secretariat and the GM is often cited, but it should be noted that a clear delineation of tasks and functions between the two has always been insisted upon by Parties.

4. The report often states that a co-location of the GM and the Secretariat within the UNCCD HQ in Bonn has “the potential to resolve” issues. Further detailed explanation is required on which issues could be solved and how.

OFFICIAL STATEMENT OF INTERESTS

1. Paragraph 52 (page 17) – We question the inclusion of the last sentence. The Government of Germany has not made any official statements on the location, therefore no inference, positively or negatively, should be drawn from this.
6. Comments from the Armenian National Focal Point. Received by the secretariat on 28 February 2013

I would like to inform you that I examined document on new housing arrangements for the GM. In my opinion, a decision to collocate the GM at the UNCCD Headquarters in Bonn, together with the secretariat, is most cost efficient, logical and most beneficial for UNCCD Secretariat and Country Parties in terms of implementation of Convention.

best regards,

Nino Chikovani
UNCCD NFP for GEORGIA
http://www.unccd.int/en/about-the-convention/The-Global-Mechanism/Pages/Follow-up.aspx

7. Comments from Armenia. Received by the secretariat on 25 February 2013

1. The consultant carried out the detailed analysis on new housing arrangement for the Global Mechanism based on 6 scenarios including cost, operational modalities and synergies, and governance efficiencies.
2. Co-location with the Secretariat (scenario III) is the most cost effective in regard to the cost of living of the GM staff and on-going operations of the GM, despite the fact that the case of Rome (scenario I) is the most effective in regard on-time relocation. In the framework of the convention the scenario III is the most effective in regards to the governance and coordination of the financial and human resources.
3. In regard to the operational modalities and synergies, the co-location of GM with the Secretariat in Bonn will assist in carrying out the reforms in administrative regime in the UNCCD as well as it seems the most logical scenario to optimize governance efficiencies of the convention.
4. Additionally, the co-location of the GM and the Secretariat (scenario III) will facilitate the functioning of the GM according to its mandate, will improve GM reporting and accountability.

Комментарии

1. Со стороны консультанта проведен подробный анализ относительно нового расположения Глобального Механизма, изучая VI сценариев с рассмотрением информации о расходах, условий функционирования и взаимодействия, а также управления эффективностью.

2. Совместное размещение с секретариатом КБО в Бонне (сценарий III) представляет собой наиболее экономически эффективный вариант с точки зрения стоимости жизни для сотрудников ГМ и текущих операций офиса ГМ, несмотря на то, что вариант Рима (сценарий I) является экономически эффективным с точки зрения переселения. В рамках Конвенции сценарий III более эффективен при управлении и координации финансовых и человеческих ресурсов.

3. С точки зрения условий функционирования и взаимодействия, размещение ГМ в Bonne (сценарий III.) обеспечит большую выгоду и самое главное, поможет осуществлению текущих реформ административного режима КБО. Совместное размещение ГМ с секретариатом КБО в штаб-квартире в Bonne (сценарий III) является наиболее логичным сценарием в поддержку улучшения и оптимизации управления эффективностью по Конвенции.

4. Кроме того, совместное размещение ГМ с секретариатом КБО (сценарий III,) облегчает работу ГМ в рамках ее мандата, улучшит подотчетность и надзор в плане управления эффективностью для осуществления Конвенции.
8. Response from Algeria to the Comments received from Switzerland. Email received from the secretariat on 20 November 2012

Dear Mr. President, COP Bureau members,

Further to the comments and proposals of Mr Yves Guinand, focal point of Switzerland and our colleague in the bureau of the COP 10 on the proposals contained in the report on the options for the relocation of the global mechanism of the UNCCD, I have the honour to inform you that the proposals made are interesting and it is necessary that they be taken into account by the secretariat in the final report which will be submitted during the next CRIC.

Please accept, Mr President, and my colleagues in the bureau of the COP 10, the expression of my perfect consideration.

KHELIFA Abdelkader

Algeria

1. General remarks on the 2nd draft of the document

Switzerland acknowledges the efforts which were made in the revision of the previous draft and we commend the Secretariat on its work. However, we are not entirely convinced yet that the assessment done of the possible geographical location and institutional hosting factored in all relevant information provided by Parties.

Geneva and the Lake Geneva region are already today one of the foremost hubs for international policy and diplomacy, where many international organizations and non-governmental organizations base their headquarters.

Switzerland's role as a host state is recognized throughout the world. To strengthen this position, on 22 June 2007, the Swiss Parliament adopted a law that brings together all the existing legal bases in relation to host state policy – the Federal Act on the Privileges, Immunities and Facilities and the Financial Subsidies granted by Switzerland as a Host State (Host State Act, HSA).

Switzerland is in a position to offer to all entities with UN-Status, thus the like to the GM, a wide range of privileges and immunities.

Switzerland offers organizations and its personnel based on its territory advantageous working and living conditions. The Confederation and those cantons that host international organizations and conferences cooperate closely in this field. Swiss cities regularly top the quality-of-life indexes.

International officials and members of diplomatic missions enjoy the privileges and immunities prescribed by international law. At the same time, Switzerland makes every effort to ensure that an attractive range of office premises is available to these organizations.

The Swiss Confederation contributes to the provision of conference facilities and such are at the disposal of selected organizations free of charge.

2. Specific comments

- **Para 68 & Table 3: Overview of estimated operational costs of the GM by location:**
  We recognize the efforts made by the Government of Germany to provide to international organizations office space and other facilities in Bonn at very favorable conditions. However, we doubt that the costs for premises at other potential locations would amount to the figures as contained in table 3. As the underlying factors for this cost estimation, such as the surface, are not known, we cannot make an assessment on the accuracy of those costs. Moreover, what relates to Geneva, Washington, and New York, we assume that the estimations were made for a commercial rental. We have to reiterate that Switzerland is in a position to provide to international organizations office facilities at concessional terms. Such encompass e.g. start-up funding for office equipments, long term rental subsidies and rent-free conference facilities.

  **Request:** We request that underlying factors such as surface and assumptions on market rates are to be disclosed. Once this is done, Switzerland will provide with great pleasure figures for a concessional rent.

- **Para 74 and Table 4: Ranking of the potential housing options for the GM, according to relevant selection criteria:**
  The first 5 of the 7 selection criteria contained in table 4, are neither being explained, nor are there underlying indicators and benchmarks made transparent which would lend objectivity to the ranking. Moreover, it is questionable whether all selection criteria should be weighed equally. Additionally, the criteria exclude for example a very important criterion such as transport infrastructure and international connectivity or access to a dense network of global players.

  In conclusion, Table 4 of this 3rd Draft does not differ much from the former Table 6 in the 2nd Draft on which we already commented in our submission of 4 September 2012.

  **Request:** We request that a proper analysis of these criteria for all the proposed locations is being done before this analysis is being translated into other UN Languages and released to all other focal points for the preparation of the CRIC in April 2013.
10. EU and its MS Comments for the revised Note from the Secretariat “Identification of a new housing arrangement for the Global Mechanism”, forwarded in an email from 15 November 2012

Cover page:
The cover page should contain the date and the label “Revised/updated version”.

Page 8-9, Box:
The UNCCD Secretariat shall provide an accurate estimation of the costs related to any legal dispute potentially arising between GM staff and IFAD associated with a possible new housing arrangement, as well as the name of the institution(s) required to bear the related legal expenses.

Page 10, para 32:
The advantages in terms of governance and organizational efficiency of locating the GM within the Secretariat HQ mentioned are not based on measurable indicators.

Page 11, para 37:
The objectives of the GM and the Secretariat are different, therefore their day-to-day working relationships are not strictly functional to improve their respective efficiency.

Page 13, para 42:
The letter of the Italian Ministry of Foreign Affairs H.E. Giulio Terzi shall be listed among all other official communications. Given the importance of Italy’s institutional support, clarification shall be provided on the reasons why this document has never been attached and mentioned.

Page 14, para 46:
The synergies with FAO and WFP are in line with the objectives of the UNCCD Ten-Years Strategy on the improvement of the living conditions of affected populations.

Page 15:
The source of the figures below need to be specified, with particular regard to the estimation of the relocation cost within the same city, amounting to 140,000 USD. Further, in both cases of housing and hosting, the equipment is normally provided by the hosting organization, therefore no one-time cost per computer or for other equipment needs to be considered.

“48. Were the GM to remain in Rome but to relocate from IFAD to another agency’s premises, a number of one-time relocation costs would be nevertheless accrued, estimated to cost between EUR 88,000 and 109,000 (USD 113,000 to 140,000). These include costs for office disassembly (packing, disposal, inventory, storage, shipping) and set-up at the new facility (purchase of office equipment, furniture, delivery and installation), marketing costs (new staff business cards and information), as well as contingency and miscellaneous costs, etc.”

Page 16, para 51:
This paragraph states that a co-location of the GM and the Secretariat within the UNCCD HQ in Bonn has “the potential to resolve” issues. Further detailed explanation is required on which issues could be solved and how.
Page 19 Note 78:
The figures quoted cannot be considered official. Please, specify the sources and the functions of the officials involved in the mentioned email exchanges.
"In Email correspondence dating 06/25/2012, IFAD noted estimates of overhead costs (USD) as: Administration USD 163,000; IT 50,000; Legal, 83,000; Utilities, 53,000; Operations, 37,000; Office of the President, 30,000; Total estimated cost to IFAD = 416,000. However, these costs have been re-estimated at 213,000 USD annually, in correspondence with IFAD and the Government of Italy." 31/10/2012

Page 20:
According to these figures and the ones listed in Table 1 (page 21), it is more expensive to relocate the GM within Rome than to relocate it to another country. More explanations are needed.

The one-time costs for the GM's relocation to Bonn and co-location with the secretariat are the second lowest option, next to the GM remaining in Rome. This is a result of the close proximity of Bonn (as well as Geneva) to Rome for shipping costs, as well as lower post adjustment and daily subsistence allowance (DSA) rates, and low retail prices indices, as shown in Table 2 following paragraph 67 on page 22. The costs for relocation of the GM's office are assumed to be constant for all relocation scenarios (estimated at between EUR 74,000 and 89,000 or USD 95,000 to 114,000). However, moving costs are estimated at between EUR 4,000 to 8,400 for Bonn (or USD 6,000 to 11,000), similar to that of Geneva and less than half that of New York and Washington, D.C.

Page 21, para 66, Table 1:
A column hypothesizing that the GM remains at IFAD with a relocation cost equal to zero has not been included in the table and it has to be added.

Page 25, para 77:
The conclusion to the report is short and it poorly takes simplistic conclusions without mentioning the several complexities analysed, many of which are still in the process of being defined.
11. **Letter from the President of IFAD to the President of the UNCCD COP10, dated 8 August 2012**

Mr Luc Gnacadja,

I acknowledge receipt of the UNCCD Secretariat’s 30 June 2012 Report to COP 10, and take note that the recommendation of the Report is that the Global Mechanism (GM) should be relocated to Bonn and that a final decision on this matter is expected at the COP 11 Session, scheduled for October 2013.

In relation to the content of the Report, I wish to highlight that I have discerned inconsistencies with respect to the views attributed to the International Fund for Agricultural Development (“IFAD”) and, with this letter, I wish to clarify and reiterate the position of IFAD vis-à-vis the housing of the GM with particular reference to three issues.

Firstly, the Report in question suggests that IFAD no longer wishes to host the GM. You will recall that IFAD sent a delegation to the COP 10 Session held in Changwon, South Korea, from 8-13 October 2011, where the position of my organization, as communicated in our statement before the COP 10 Session, has always been to support whatever decision the COP may take with respect to the housing of the GM, on the basis of the principle that the GM is an organ of the COP and that IFAD does not hold any responsibility or liability over the GM and its staff.

It is also worthwhile to mention that in 1999, the Governing Council of IFAD decided that IFAD shall host the GM upon the approval of the COP. Therefore, unless the Governing Council reverses its decision, which is not the present case, IFAD remains willing to host the GM as long as the COP approves and the Governing Council’s decision remains in force.

Furthermore, the Report recognizes the Decision 6/COF.10, which 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. Should the COP change its mind and request that IFAD continue hosting the GM, IFAD will oblige in accordance with the decision of our Governing Council. In addition, our Executive Board has fully endorsed the amendment to the MOU to pursue the housing arrangements of the GM in accordance with the COP Decision 6/COF.10. The Executive Board has been regularly updated with regards to the GM housing and has taken an active oversight role in ensuring that IFAD’s position is consistent with the decision taken by the COP.

Mr Luc Gnacadja
Executive Secretary
United Nations Convention
to Combat Desertification
Bonn
During the discussions held between representatives of the UNCCD, UNOG and IFAD, concerning the implementation of the COP Decision 6/COP.10, in response to the information provided by the UNCCD, IFAD expressed the view that should a physical relocation of the GM staff be envisaged by the UNCCD, a time schedule should be agreed. Again, that statement was made against the background of a decision by the COP to relocate the GM in another location.

Secondly, the Report inadvertently reports the costs for hosting the GM at IFAD. It cites email correspondence dating 06/25/2012 between the UNCCD and IFAD where IFAD provided estimates of overhead costs in USD for the housing of the GM. Under the revised MOU, IFAD no longer has any representational or administrative responsibility for the GM and it is necessary to clarify that the costs reproduced in the Report were based on estimates of standard staff costs under the previous MOU and administrative arrangements. They do not reflect the limited role of IFAD as reflected in the amendment to the MOU to merely provide office space, including utilities, and related maintenance and operating costs, to the GM. Please note that the estimated housing costs per annum under the anticipated new administrative arrangements actually amount to 213 000 USD\(^1\) and not 416 000 USD as is indicated in the Report. This should also be revised.

Finally, the report also indicates that the termination of the amended housing Memorandum of Understanding ("MOU") for the GM will be considered in the agenda of the next session of IFAD’s Executive Board, scheduled for 20-21 September 2012. This is not correct. As I have noted above, IFAD’s hosting of the GM is governed by the discussions of the IFAD Governing Council and the COP, and it is not on the agenda of the September session of IFAD’s Executive Board.

I hope this clarifies IFAD’s position regarding our willingness to continue to host the Global Mechanism.

Accept, Mr Gnacadja, the assurances of my highest consideration.

\[\text{Signature}\]

Kanayo N. Nwanze

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\(^1\) This amount specifically excludes services and costs related to human resources, legal services, protocol, finance, Treasury, corporate services. The amount also excludes rental fees and direct additional costs such as travel, teleconferencing, etc., which could be provided on a fee basis.
12. Letter/Comments from JUSCANZ member states (Japan, US, Switzerland, Canada, Australia, Norway, and New Zealand), forwarded to COP Bureau in an email from 4 September 2012

Dear Mr. President,

please find hereunder and attached my comments on the issued draft version of the document prepared by the Secretariat on a possible option for a new housing arrangement for the Global Mechanism.

I would like to draw your attention to the following comments that need to be taken into consideration for a revised version of the document:

General Comments:

- It seems that chances for relocation of the GM to Bonn are looking good, but nevertheless Switzerland has to bring your attention that the document postulates, especially in Para 72, inaccurate as well as untrue statements concerning the Geneva location. Switzerland commented on those parts of the text directly in the document (the document is annexed to this message). Switzerland is NOT suggesting these changes in view of favoring the Geneva location to Bonn or any other location for the GM, but only for the sake of correcting facts. This document should be as factual as possible and as little tendentious as possible. See also in annex the COP 10 Swiss position on the GM issue as stated at the COP 10 in Changwun.

- The understanding concerning the document is based on the convention's article 214, stating that GM is accountable to the COP, and that the secretariat's task is to facilitate the work of the convention. I also note that the understanding of decision 6/COP10 is that GM is operationally independent of the secretariat and that it is the administrative responsibility that has been transferred to the secretariat in the decision's operative paragraph 1.

- It is necessary to distinguish between two issues discussed in the document: the overall accountability and legal responsibility for GM, and the housing issue. Much of the argumentation seems to assume that the decision to transfer accountability and legal responsibility for GM from IFAD to the UNCCD secretariat implies that co-location is the best solution for housing. This assumption cannot be taken for granted as modern communication technology provides for easy communication over distance and there may be advantages from being present at more than one location. There has been much argumentation along these lines in the case of Regional Co-ordination Units.

- An argument against an alternative location in Rome other than IFAD, is that none of the other UN organisations in Rome is a financial mechanism. This argument needs to be balanced against the fact that neither is the UNCCD Secretariat, and that this argument could go in favour of either of the options. In general, little weight is put on the value of UNCCD's organization to be present at more than one location, and in the case of Rome there would be obvious advantages to being close to FAO, WFP and IFAD in order to find synergies with them. Concerning competition for resource mobilization between GM and a Rome based host, Norway thinks this is unlikely, as GM has a different mandate and why would there be more competition in the future than there has been in the past?

- Israel would appreciate more reasoning, based on past experience, regarding the expected efficiency and effectiveness of the GM operations in each of the optional sites. Israel also suggests that the document of the Secretariat would reflect on how each location attends the points raised in the JIU report.

Particular Comments:

Para 3. b): There is reference to the ES preparing “draft terms” for a new host arrangement. This must be a misunderstanding, since decision 6/COP10 provides only for a recommendation on this for COP11.

For clarification a few edits are requested by the USA in the sections below in paras 52 and 55. (Edits are in red text, with deletions in strikethrough and additions are underlined – please let me know if for some reason that formatting does not appear correctly on your computer). Para 52: “COP 10 confirmed that ensuring COP oversight, adequate reporting and the GMs accountability to the COP is the primary responsibility of the Executive Secretary. In this respect, decision 6/COP 10 delegated overall management responsibility to the Executive Secretary, including...
reporting to the COP on the GM (paragraphs 2 and 3). These responsibilities of the Executive Secretary would be significantly facilitated, should the GM be co-located with the secretariat at UNCCD's headquarters.

Para 55: "Most recently, Parties adopted decision 6/COP.10 to thoroughly reform the governance and institutional arrangements of the GM, under the overall management of the Executive Secretary, while also calling for an amendment of the current MoU and its termination upon selection of a new housing arrangement. COP 10 also introduced a number of specific requirements for compulsory cooperation between the GM and secretariat, such as requesting the Executive Secretary and the Managing Director of the GM to develop internal rules and procedures, jointly implement workplans and programmes, implement a joint corporate identity, streamline financial management and administration, and coordinate reporting (paragraph 4). To facilitate this work, a Senior Management Task Force (SMTF) was established by Terms of Reference agreed upon in early 2012 by the Executive Secretary and the Managing Director of the GM which require the SMTF to meet at least once quarterly, in addition to regular communication between various senior management focal points in both bodies. The COP 10 additionally decided that the Executive Secretary delegate operational authority to the Managing Director of the GM to manage the GM programme and budget, implement agreed workplans and programmes, enter into agreement with donors, and employ personnel, in accordance with United Nations rules and regulations (paragraph 7). However, these functions are under the supervision of the Executive Secretary, and under the terms of the delegation of authority signed by the Executive Secretary and the GM Managing Director in December 2011, as such the GM Managing Director must gain authorization or clearance from the Executive Secretary for a number of regular operational activities, for example for the management of GM funds and the signature of agreements. [1] COP has thus decided that Thus, the operational modalities of the GM are dependent on the synergies between it and the secretariat, which would be supported were both bodies to be co-located in Bonn."

Para 65: This paragraph pre-empts conclusion that Bon is the best option. But this document is precisely about identifying the best option for a GM housing arrangement and hence should not pre-empt conclusions that the COP Bureau members need to discuss and on which a decision will be taken at COP 11 (see also comment in annexed draft document with track changes and comments included).

Para 70: “Moreover, as in the case of IFAD or another United Nations entity, due to the legal liability the GM has posed to IFAD as a result of its housing arrangement, it might be unlikely that another international financial institution such as the World Bank or a United Nations programme such as the UNDP, would be willing to take such potential liabilities of the GM by housing it. This statement is speculative: I suggest to delete the entire statement or at least the following part: “such as the World Bank or a United Nations programme such as the UNDP” (see also comment in annexed draft document with track changes and comments included).

Para 72: I suggest making the following corrections and rephrasing this paragraph as follows (see corrections and track changes in the annexed document): “Similarly, the UNOG is the second-largest of the four major office sites of the United Nations, located in Geneva, Switzerland. UNOG hosts the offices for a number of programmes and funds related to trade, development and humanitarian affairs, and International Geneva hosts different funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund). UNOG administers the staff and accounts of the UNCCD secretariat according to the terms of a MoU established for the purpose; in accordance with decision 6/COP.10, it will soon administer the staff and accounts of the GM. Although some operational synergies might exist between the GM and UNOG in terms of administration, this does not extend to COP’s oversight, nor the various responsibilities which require daily coordination between the secretariat and the GM. The costs for relocation to Geneva would reflect those for the housing arrangement with the secretariat detailed in section M. Error! Reference source not found. on page Error! Bookmark not defined. However, Switzerland as a host country provides start-up funding and subsidies for office space covering the renting costs either partially or entirely. Furthermore, 171 countries are represented through diplomatic missions in Geneva, which allows for further cost savings.

Finally, Geneva allows for substantial synergies, as it is a first-rate environmental hub in the UN system, hosting the IUCN, Ramsar, UNEP Regional Office, the joint secretariat of the conventions in

[1] The Senior Management Task Force (SMTF) was created according to the UNOG's internal rules and procedures (approved upon between the Executive Secretary and the Managing Director of the Global Mechanism, dated 6 December 2011 and 24 January 2012 respectively, in accordance with decision 6/COP.10, paragraphs 3 and 4) which require the SMTF to meet at least once quarterly (see Rule 2, paragraph 1 and g).

UNCCD/11/COP.3 Report of the Executive Secretary (3 December 2011) and the GM Managing Director (22 December 2011)
the chemicals and waste cluster, CITES, GCOS, GEO, UNEP Financial Initiative, the World Meteorological Organization (WMO), the Intergovernmental Panel on Climate Change (IPCC), plus top international academic institutions in Geneva with highly relevant expertise on environment issues as well as over 250 NGOs, many of which are active in the field of environment.

Para 74 and table 6, p. 26:
- In general the document provides a lot of arguments but less systematication and analysis of those arguments. The document would benefit from a more substantial tabulation of arguments, costs and benefits than the table on page 26. This would facilitate COP’s consideration of how to minimise the costs and to maximise the benefits of the proposed options.
- The analysis is incomplete without the Italian proposal fully developed.
- Why does UNCCD have a liaison office in NY if no synergies are possible?
- Geneva is a first-rate environmental hub in the UN-system, see above comments on para 72. It is difficult to imagine that no synergies would be possible.

See also para 72 comments on costs for Geneva

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<th>Options</th>
<th>Costs</th>
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<th>Synergy</th>
<th>Governance &amp; efficiency</th>
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Annex: Swiss position at COP 10 on the GM relocation issue

La délégation suisse maintiendra une position de principe et restera pragmatique sur (1) l'éparpillement du MM et sur la difficulté de distinguer, dans ses rapports, les progrès qu'il a permis de réaliser d'une multitude d'activités nationales et régionales sans profil clair et (2) elle soutiendra toutes décisions allant vers une amélioration des relations entre le MM et le Secrétariat et qui par conséquence donnera une valeur ajoutée.

Annex: Swiss position at COP 10 on the GM relocation issue

La Suisse doit se positionner sur des principes et ne pas prendre position pour ou contre une des 4 propositions évoquées dans l'évaluation et de plutôt de relancer le débat de la façon suivante : (1) en se basant sur l'hypothèse qu'il y a une connaissance politique qui se maintient sur le rôle crucial et irremplaçable de la convention ; (2) demander de rendre explicites les raisons pour lesquelles les deux instruments devraient être séparés ; (3) S'il n'y a pas une raison d'être à cette séparation, la Suisse pourrait appuyer une réunification au sein d'un seul corps, mais sans définir encore où en mettre le siège. Et si finalement une réunification est approuvée par les états membres, (4) proposer un mécanisme de mise en compétition (tender) pour choisir d'abord le pays et ensuite l'institution hôte.

1 L'exemple du COCAR pourrait aider : au sein du COCAR le fonds de la FAO est basé à Bonn, il est le seul à maintenir des relations directes avec les institutions de l'ONU.

EU and its MS Comments for Note from the Secretariat “Identification of a new housing arrangement for the Global Mechanism”

1. Background

The document “Identification of a new housing arrangement for the Global Mechanism” has been prepared according to decision 6/COP.10 in order to provide information on the possible options for a new housing arrangement for the Global Mechanism.

At decision 6/COP.10, requested the Executive Secretary (ES), in consultation with the Bureau of the tenth session of the COP (COP 10), to undertake a process to identify a new housing arrangement for the Global Mechanism (GM), in order to advice the secretariat for submitting a final report to COP 11.

According to the aforementioned Decision the COP Bureau had the obligation to a) take note of the information contained in this document on a new housing arrangement for the GM and, pursuant to paragraph 14 of decision 6/COP.10, advise the secretariat to submit the final report to COP 11, and b) Recommend the Executive Secretary to prepare the draft terms for a new housing arrangement of the GM, in compliance with decision 6/COP.10.

The approach and methods of assessment for a new housing arrangement are based upon the four criteria set out in paragraph 11 of decision 6/COP.10 namely: a) Overarching criteria in compliance with the Convention; b) Costs and economic feasibility; c) Operational modalities and synergies; and d) Governance efficiencies.

There was described the following housing options: A) Continuation under a revised agreement with IFAD, B) Alternative locations in Rome, Italy, C) Co-location of the GM with the UNCCD Secretariat in Bonn, and D) Other housing options such as UNOG, the United Nations Secretariat or UNDP in New York, Washington, D.C, and Geneva.

Conclusion of the Note

The report concludes that the preferred option taking all of the above into account is the relocation of the GM Mechanism to Bonn. The current housing arrangement with IFAD, despite amendment of the MoU, may no longer be the most appropriate home for the GM. This is a result of legal liabilities that the GM has incurred upon IFAD, as well as increasing costs for the GM to remain with IFAD in Rome, and an overall lack of advantages posed by continued housing with IFAD. Although the prospect of retaining the GM in Rome is appealing, especially to GM staff and the Government of Italy, Rome may lack an appropriate facility (according to the criteria set above deriving from decision 6/COP.10) to
take on such a responsibility, as the other United Nations entities in Rome are not
international financial institutions. The implications of the GM being relocated to an entity
within Rome, or elsewhere, which does not explicitly further its objectives and mandate, as
per the Convention, might have highly undesirable repercussions for the Convention, such
as maintaining the status quo with a substantial increase in costs.

A decision to co-locate the GM at the UNCCD Headquarters in Bonn, together with the
secretariat, has the potential to resolve the majority of outstanding issues and accrue long-
term savings for both Convention's institutions; it is thus the most cost efficient, logical and
straightforward option, which provides the most benefits in terms of streamlined
operational modalities, synergies between Convention bodies, and improved accountability
and oversight resulting in governance efficiencies.

2. Comments of EU and MS

The EU and its MS acknowledge the efforts made by the UNCCD Secretariat to quantify and
assess costs and synergies of a potential new housing arrangement of the Global
Mechanism.

Primarily, the EU and its MS stress the fact that the location issue of the Global Mechanism
is only one of the challenges facing the GM. The EU and its MS see the need for having a
broader discussion on the future function and services, strategy and deliverables expected
by the GM and let the location issue be guided by the outcome of such a discussion. GM
mandate is enhancing investments in sustainable land management in affected countries.
Given the fact that financial opportunities for enhanced investments in sustainable land
management relate currently not only to GEF, but to different sources of climate finance,
market based instruments, food security, such opportunities and their consequences for
GM's operational strategy and added value have to be taken into account. Towards this end
the EU and its MS will prepare a paper in preparation for discussing the GM issue at the next
COP meeting. In the document it is noted that the conclusion of the assessment clearly
points out to the co-location of the Global Mechanism at the UNCCD Headquarters in Bonn
stating that this solution could resolve outstanding issues and bring long-term savings.
According to the report this option is considered to be the most cost efficient, logical and
straightforward option.

The EU and MS express their concerns on the overall approach taken on reaching this
conclusion. The presented options need further analysis on the basis of a more balanced
assessment of all relevant criteria and expected consequences and in particular on the
criteria for assessing pros and cons.

The final version of the report integrates a comparative analysis on the effectiveness and
efficiency of reaching the objectives of the GM as stated in COP10 decisions. However such
an analysis is not yet included in the report.
The report, in numerous paragraphs, focuses on the managerial oversight of the GM by the ES as established by decision 6/COP 10 paragraph 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.

The EU recalls the decision on the operational independence of the GM in decision 6/COP 10 paragraph 4 "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 program 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 work plans and program of the Global Mechanism;

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

(d) Employ personnel for the Global Mechanism;

in order to assure operational independence between the functions of the Secretariat and the GM."

This aspect of decision 6 on the GMs has not been taken adequately into account in the assessment presented in the report. The EU therefore underlines the need to assess ways and means strengthen operational independence of the GM in order to facilitate GM fulfilling its mandate. It is considered that the report is unbalanced when it only emphasizes the advantages of a physical integration of GM to the Secretariat without carefully analyzing the importance of maintaining its operational independence, as decided in the last COP in Changwon.

Furthermore in the report it is mentioned repeatedly that option C, the relocation of the housing mechanism in Bonn, is preferable due to its proximity to the Secretariat. However, the report does not take into account the synergies which exist in Rome, between IFAD, FAO and WFP. In addition clarification is required due to that the report is contradictory when on one side it stresses that the relocation of GM to Bonn would develop synergies with other UN entities based there, such as the UNFCCC bodies while on the other side it underestimates the value of the option to keep GM in Rome. It is not clear why the synergies with UNFCCC bodies should be more important than those created by GM with FAO, IFAD and WFP on agriculture and food security issues, which are closely related to the desertification matters.

Additionally the report underestimates the risk factors involved in the relocation to Bonn such as the existing legal dispute between GM staff and IFAD and the risk of a significant staff turnover as well as the consequent further weakening of GM.
The EU and its MS believe that strong and poorly justified and documented statements such as "The housing arrangement with IFAD has not, however, helped to facilitate the fulfillments of the GM’s mandate to the satisfaction of the COP" (paragraph 35 of the Note) should be avoided. As mentioned in the beginning of Section 2 the challenges that the GM is faced are numerous and cannot be attributed or solved to the location and housing of the Mechanism.

Several assumptions are not based on facts and figures neither any official document exists to support a number of statements (e.g. Paragraphs 3, 31, 36, 37, 38, 47). In particular, the report’s presentations of IFAD stands do not match with those expressed in the official declarations emerged neither at its Governing Council nor at its Executive Board (e.g. Paragraphs 29, 30, 31). To the EU knowledge IFAD Executive Board has never officially expressed its interest in terminating the housing arrangement by written, but is ready to continue housing the GM if the legal and accountability issues were resolved. Moreover, the IFAD Executive Board has made it clear that the decision where to house GM has to be taken only at the next COP, not before. If so, any related documents should be attached to the report. This applies as well to other written statements by Delegations, such as the letter sent by the Italian Foreign Minister to the UNCCD Secretariat on May, 2012.

The analysis of costs should be more balanced by integrating updated information on the option of IFAD keeping the Global Mechanism. Data are incomplete or need further clarification for all other options. At the same time data used in the report should be verifiable.

The report affirms that there would be an increase of the costs for housing the GM if remains under IFAD. This is not true. The Italian Government verified with IFAD official representatives that under the revised MoU between IFAD and the UNCCD the costs would be lower since the administrative activities will no longer be charged.

Comments on specific issues:

• The budget of UNCCD is established in Euros, therefore any analysis of the budget should be conducted in Euros to allow for better assessment of budgetary impacts.

• Underlying costs for the budget of the annual USD 100,000 earmarked for travel and communication in case the GM would remain in Rome should be specified.

• Overheads related to the budget turn over and costs related to staff number (e.g. operational costs related to office space) are mixed up not allowing for a valid comparison of financial consequences. Provide for a table with precise references to costs or overheads (47, 58 and subsequent table).
Taking into account all the aforementioned, the EU and its MS support that additional information should be included and analyzed in a balanced and objective manner in light of the objectives of and future strategies for the GM before a conclusion on the relocation of the Global Mechanism can be reached.

The decision on the housing should be guided by functional aspects related to the operational strategy and the future expected deliverables of the GM. Housing arrangements for the GM should provide an enabling institutional surrounding for up scaling those instruments developed by the GM, that have proven to enhance resource mobilization for improved sustainable land management.

MINISTRY OF AGRICULTURE
TELEPHONE: +268 24042731-9 P O BOX 162
FAX: 24047430 MBABANE
Website: www.swazigov.sz

RE: COMMENTS ON THE DRAFT CONSULTANT DOCUMENT ON THE HOUSING ARRANGEMENTS FOR THE GLOBAL MECHANISM.

1. The submissions below are a result of intensive consultations within the African group on the report by the consultant engaged by the Secretariat to provide information on the new housing arrangement for the Global Mechanism after the adoption of decision 6COP.10.

2. The tenth session of the Conference of the Parties (COP) by its decision 6 requested the Executive Secretary, in consultation with the Bureau of the tenth session of the COP (COP 10), to undertake a process to identify a new housing arrangement for the Global Mechanism (GM).

3. In doing so the Secretariat was requested to consider information on costs, operational modalities and synergies, and governance efficiencies.

4. Having accomplished the assignment the Secretariat was to provide this information to the Bureau of the tenth session of the Conference of the Parties and the COP Bureau may:

   a) Take note of the information contained in the document on a new housing arrangement for the GM and, pursuant to paragraph 14 of decision 6/COP.10, advise the secretariat to submit the final report to COP 11;

   Or

   b) Request the Executive Secretary to prepare draft terms for a new housing arrangement of the GM, in compliance with decision 6/COP.10;

5. The African group has considered the consultant document and also reflected on previous reviews of the GM by different groups. In addition to the above correspondence between the Secretariat and IFAD on GM affairs were reviewed.
6. All the above was done to get a complete picture of where we stand and where we are coming from on the GM issues so that any view on the consultant’s report is taken with that full picture.

7. Our position is in agreement with the findings of the consultant. The current housing arrangement with IFAD, despite amendment of the MoU, is no longer appropriate GM. The issue of legal liabilities that the GM has incurred upon IFAD has opened a number of hidden issues surrounding the housing arrangement and has raised tensions which we believe, based on previous engagements with IFAD, are no longer repairable.

8. In addition the increasing costs for the GM to remain with IFAD in Rome, and lack of synergistic approach to programmes between the GM and the Secretariat and reporting challenges raised on several occasions support our position.

9. The same would apply even if the GM would relocate to be housed under one of the UN agencies in Rome whether FAO or WFP and there is very little advantaged to be gained by housing the GM with any one of the two.

c) In conclusion, the African group supports a decision to co-locate the GM at the UNCCD Headquarters in Bonn, together with the secretariat. In addition we propose that the Bureau in its next meeting in November takes a decision to request the Executive Secretary to prepare draft terms for a new housing arrangement of the GM, in compliance with decision 6/COP.10. This recommendation is to facilitate a decision by COP 11 on the new housing arrangement otherwise we might come out of COP 11 without a decision and the current administrative challenges will continue unabated.
15. Letter from the Italian national Focal Point to the COP 10 President dated 3 August 2012

Rome, 3rd August 2012

Excellency,

With reference to the document “Identification of a new housing arrangement for the Global Mechanism” submitted by the UNCCD Secretariat to the Bureau of the tenth session of the Conference of Parties, I would like to inform you on additional elements of the Italian Government’s official position on this matter.

Italy believes that the close cooperation of the Global Mechanism (GM) with the Rome-based agencies, i.e. FAO, IFAD and WFP, brings major benefits to the implementation of the UNCCD. In our view, the variety of policy debates on food security, climate-smart agriculture and rural development to which the GM is exposed in Rome is critical to assist national, regional and international stakeholders in their fight against desertification. Particularly relevant to the accomplishment of the GM’s mandate in the field of financial resource mobilization are also the opportunities offered by the wide international arena that includes all the diplomatic representations to Italy, the Holy See and the UN agencies.

As known, the GM is housed by IFAD in accordance to a Memorandum of Understanding (MoU) that has recently been revised. In this regard, the Italian Government verified with IFAD official representatives the costs of housing the GM under the terms of the amended MOU. Since the charges will henceforth be limited to the provision of office space, including utilities, and related maintenance and operating costs, the annual total costs will amount to 213,000 USD. This implies that the future costs per annum will remain substantially unchanged, despite the increased costs estimated by the above mentioned report.

After thorough consideration of the above, Italy proposes the GM to remain at IFAD and a new MoU to be negotiated under the guidance of the next COP. We believe that this is the most effective solution for the GM to execute its mandate as a special service provider in finance for UNCCD implementation. Please be informed that the Italian position has been
expressed at the highest political level through the letter of the Minister of Foreign Affairs of Italy, H.E. Min. Giulio Terzi, sent to the UNCCD Secretariat on the 28th May 2012.

I avail myself of the opportunity to send you, Excellency, the assurances of my highest consideration.

Yours Sincerely,

Pier Francesco Zazo

To: H.E. Mr. Don Koo Lee
   Minister of the Korea Forest Service, Republic of Korea
   H.E. Mr. Don Koo LEE
   President of COP10
   189 Cheongsa-ro, Seo-gu,
   Daegu
   Korea Forest Service
   Fax: +82-42-481-4036

cc: Mr. Lue Gesandja
   Executive Secretary
   Hermann-Ehlers Strasse 10
   53113 Bonn, Germany
   Fax: 00 49 228 915 2898/99

   Mr. Franz Bredtwieser
   Federal Ministry for European and International Affairs, Austria
   Vice-President of COP10
   Minoritenplatz 8 1014 Vienna, Austria
   Fax : + 43 50 111-594446
16. Letter from the Executive Secretary to the President of the International Fund for Agricultural Development, dated 2 March 2012

Dear Mr. President,

I would like to refer to our recent exchange of letters dated 8 and 16 February 2012 regarding the advisory opinion of the International Court of Justice ("the ICJ") on the request of IFAD concerning the validity of Judgment 2867 of the International Labour Organization Administrative Tribunal ("ILOAT").

Please be advised that the Bureau of the Conference of the Parties ("COP") to the UNCCD was informed of Mr. Belli's letter at its meeting held in Seoul, Republic of Korea on 22-24 February 2012. On that occasion, the Bureau reviewed your letter and the proposal made to recover the estimated compensation costs to the complainant from the accounts of the Global Mechanism.

After thorough consideration, the COP Bureau concluded that the proposal should be submitted to the United Nations Office of Legal Affairs ("UNO LA") for further guidance. Meanwhile, the Bureau recalled that it has no authority to decide on matters with budgetary implications. The Bureau therefore reiterated the relevant provisions of decision 6/COP.10, whereby any final decision could only be taken by the Eleventh session of the Conference of the Parties to be held in the autumn 2013.

With regard to the deadline set by IFAD to relocate the Global Mechanism, the COP Bureau requested me to convey to your kind attention that without a decision by the Conference of Parties, there is no legal mandate from the UNCCD side to relocate the GM staff by September 2012. In that respect, the COP Bureau further reiterated that a decision on the new housing arrangement for the Global Mechanism will be taken at COP 11. In view of the forgoing, the Bureau would like to invite IFAD and its Executive Board to wait for such a decision by the COP. In the meantime and in accordance with decision 6/COP10 on the governance and institutional arrangements of the Global Mechanism, all administrative, procedural and legal aspects of this decision will continue to be implemented in close consultation with the IFAD.

Mr. Kanayo Nwanze
President
International Fund for Agricultural Development ("IFAD")
Via del Seralillo, 107
00142 Rome, Italy
Fax +39-065334363
On 1 February 2012, the International Court of Justice ("the ICJ" or the "Court") delivered its Advisory Opinion with regards to the validity of Judgment 2007 of the International Labour Organization Administrative Tribunal ("ILOAT") in a public sitting held at the Peace Palace in the Hague. In its Advisory Opinion, the Court opined that the ILOAT was competent to hear the complaint introduced against IFAD by Ms. A.T.S.G. ("the Complainant"), a staff of the Global Mechanism ("GM"). The practical effects of the ICJ's Opinion is to hold IFAD responsible for the decision taken by the GM Managing Director not to renew the Complainant's contract.

As a result, IFAD was ordered to pay compensation, costs and moral damages to the Complainant which amount to approximately USD 458,655. The ICJ Opinion issued on 1st February last a final and binding and therefore the Complainant has a right to receive, immediately and without further delay, the damages that were awarded to her under ILOAT Judgments 2007 and 2003.

It is to be noted that as early as 2005, IFAD through its Office of the General Counsel, forewarned the GM Managing Director of the serious legal and financial risks a decision of not renewing the contract of the Complainant would entail. Notwithstanding the legal advice, the GM Managing Director took the decision which was subsequently questioned by the ILOAT. It will also be recalled that in his letter dated 14 May 2010 the General Council recommended to the Managing Director that the Conference of the Parties be made aware of the procedure before the International Court of Justice, which, as noted in the report of the Bureau, that has not happened.

In line with the decision by the Conference of the Parties taken at its 10th session (L.22) to limit IFAD's role with respect to the GM to logistical and administrative support as well as the UNCCD – IFAD agreed minutes of meetings held in Rome and Bonn in December 2011, where it has been agreed that IFAD will recover its costs for the funding of the GM as from 1 December 2011, please note that the above-mentioned amount will be recovered by IFAD on the GM accounts.

Yours Sincerely,

Katsuya T. Hayakawa

Dr. Lucas-Maria Gnacadja
Executive Secretary
UNCCD Secretariat
Bonn
18. Letter from the Italian Government focal point to the UNCCD (Directorate General for Development Cooperation, Ministry of Foreign Affairs of the Government of Italy) to the Executive Secretary, dated 15 June 2012

Roma, June 15, 2012

Dear Mr. [Name],

In reply to your letter dated June 5, 2012 with which you requested more details on the proposal of the Italian Government to host the GM, I would like to underline that our Government believes that a close cooperation of the GM with the Rome-based Agencies, i.e. FAO, IFAD and WFP, is extremely important to the implementation of the UNCCD.

In our view, keeping the GM in Rome, close to these institutions with their specific mandates for agricultural and rural development, will bring major benefits to the GM in carrying out its mandate for financial resource mobilization especially in a moment of financial crisis.

In addition, we believe that we should respect the principle of independence between the GM and the Secretariat. Our Minister of Foreign Affairs sent you a letter strongly reaffirming our point of view.

GM is currently housed by IFAD, based in Rome, in accordance to a Memorandum of Understanding (MoU) that, as decided by Parties with Decision 6/CP10, has recently been revised in order to limit IFAD's liability to (1) logistical and administrative support and to (2) privileges and immunities to Global Mechanism staff which are administered through the Government of Italy. The MoU will remain in force unless Parties will decide to transfer the GM to a different location. A decision will be taken in the next COP, as you know. For this reason, in the approved budget, no dedicated financial resources have been allocated for the costs of relocation.

On this issue, a specific COP Bureau report is envisaged for next July. We reiterate, that in our opinion this report should consider the option of maintaining GM in Rome.
On this regard, we remember that prior to the revision of the MoU, IFAD charged the UNCCD core budget only with relevant programme support costs, amounting to 3% of the core budget. Such costs included: facility services (furniture, electricity supply); information and communications technology services (computers, telephones, IT technical support etc); personnel services (issuance of contracts and administrative support on personnel queries); accounting services (processing of payments for goods and services, as well as for consultancy contracts, institutional contracts and other legal agreements) and administrative support on budget-related issues; legal services (administrative support on clearance of the legal agreements and other legal-related issues). In 2011, for instance, the costs to house the GM in IFAD, as approved by the COP, amounted to USD 196,413.

The renewed MoU limits the yearly costs to maintain the GM in IFAD to:
- Telephone expenses;
- Provision of paper and printing services;
- ICT costs (networking, IT support) which will be included in case that it will be decided that IFAD keeps providing the GM with computer equipment;
- Building services (furniture and electricity supply, maintenance of meeting rooms, other types of support within the building, heating, air conditioning, etc.).

No cost for the rest of the GM office spaces is charged to IFAD, as the Government of Italy provides them at no charge.

An official proposal containing all operational and technical details will be sent to the COP President, when available.

I avail myself of this opportunity to send you the assurances of my highest consideration.

Sincerely,

Min. Pll. Pier Francesco Zazo

Mr. Luc Gnacajia
Executive Secretary of the UNCCD
Bonn, Germany
19. **Cover letter from the Italian Ambassador to Germany, Michele Valensise, addressed to the Executive Secretary, dated 30 May 2012**

Berlin, 30th May 2012
Prot. 2515

Mr. Executive Secretary,

I have the honour to enclose herewith the letter of the Italian Minister of Foreign Affairs, Mr. Giulio Terzi, on the new housing agreement for the Global Mechanism (GM).

I wish to convey to you, dear Executive Secretary, the Italian commitment to maintain the GM in Rome in order to best serve the objectives of the UNCCD and UN in general and would like to assure you that the Italian Government will continue providing all necessary conditions to this end.

Please accept, Mr. Executive Secretary, the assurances of my highest consideration.

Sincerely yours,

(Michele Valensise)

Mr. Luc Gnacadja
Executive Secretary
UNCCD
Hermann-Ehlers-Str. 10
53113 Bonn
Germany
20. Letter from the Italian Minister of Foreign Affairs, Mr. Giulio Terzi, on the new housing agreement for the Global Mechanism (GM), addressed to the Executive Secretary, dated 28 May 2012

Il Ministro degli Affari Esteri

Rome, 28 MAG. 2012

Dear Executive Secretary,

as you know, in accordance with the Decision on the Governance and Institutional Arrangements of the Global Mechanism (GM), adopted at the last Conference of Parties of the United Nations Convention to Combat Desertification of last October, the Executive Secretary of the UNCCD has been requested to identify a new housing agreement for the GM, currently hosted in Rome by IFAD, and to present a report on this matter no later than next July 1st.

For decades, the Italian Government has invested significant political efforts and financial resources to host in Rome the main UN Organizations specialized in agricultural and rural development, food security, poverty alleviation and resources management.

Moreover, the GM is a partner in a large number of initiatives carried out by Rome-based agencies. This close cooperation, especially with FAO, IFAD and WFP, has led to major benefits for the implementation of the UNCCD, while being in line with the goal set by the Secretary General’s High-level Panel on System-wide coherence to harmonize and simplify the development efforts of the various UN funds and specialized agencies. Keeping the GM in Rome would therefore best serve the objectives of the UNCCD and the UN in general.

The Italian Government attaches great political significance to the role of Rome as the United Nations hub for most of the issues being relevant to the UNCCD; hence, the option of a physical relocation of the GM elsewhere is not acceptable to our Government. Italy has informed of this official position the other European Union Member States, who are now expected to give their full support in the absence of other European Union candidatures.

I wish to add that the Italian Government is fully committed to continue providing all the conditions deemed necessary to keep the GM in Rome. To this end, we have been in close contact on this subject with IFAD, FAO and the other Rome-based Organisations. We also intend to convey to the Secretary-General of the United Nations the commitment of the Italian Government to maintain the GM in Rome.

Mr. Lye Gnacadjia
Executive Secretary
United Nations Convention
to Combat Desertification
BONN
Against this background, I sincerely hope that your report will point to Rome as the best possible option for the future housing arrangement for the GM, including in terms of cost effectiveness. Our offices will be at your disposal for any assistance you may need during the process leading to the finalization of the report.

With my best regards,

Giulio Terzi
21. Letter from the Italian Government focal point to the UNCCD (Directorate General for Development Cooperation, Ministry of Foreign Affairs of the Government of Italy) to the Executive Secretary, dated 8 May 2012

Dear Mr. Gracida,

in accordance with Decision 6/COP/3 on the Institutional Arrangements of the Global Mechanism (GM) and the UNCCD Secretariat, I, the Executive Secretary of the UNCCD, in consultation with the bureau of the ninth session of the Conference of the Parties, have been requested to undertake a process to identify a new hosting arrangement for the GM, currently hosted by IFAD based in Rome, Italy, and to provide this information to the bureau no later than July 1, 2012.

As you know, the Government of Italy hosts the three main UN organizations in Rome: an agricultural, rural development, and natural resources management, namely the Food and Agriculture Organization (FAO), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). All three organizations have established strong partnerships with major finance institutions like the World Bank, the regional development banks as well as foundations like the Gates Foundation. This has led to the formation of an international hub for rural development and poverty alleviation in Rome, where all major policy processes are initiated and conducted and decisions on the future support are being prepared.

As a matter of fact, during the past 12 years, the GM has been a partner in a large number of initiatives of the Rome-based agencies, benefiting from the complementary work on finance, which the GM is undertaking. The close cooperation between GM and FAO, IFAD and the WFP has indeed led to major benefits for the implementation of the UNCCD.

The Government of Italy has therefore expressed its conviction at various occasions that the hosting arrangement with IFAD or one of the other Rome-based UN
agencies, in particular FAC, will better serve the goals and objectives of the UNCCD and the implementation of its 10-Year Strategy.

Consistently with the above, in my capacity of Italian National Focal Point I am pleased to confirm the candidature of Rome for hosting the GM. A fully-fledged proposal, including costing and all relevant details, has been developed and will be shared in due course.

Let me therefore ask you to kindly include Rome in your report as one of the possible options concerning the future housing arrangement for the GM, which will be discussed at COP 11 in the fall of 2013.

I avail myself of this opportunity to convey to you the assurances of my highest consideration.

Min. Ptea. Pier Francesco Zara
Italian National Focal Point

Mr. Luc Gracadja
Executive Secretary of the UNCCD
Bonn, Germany
Annex II

Relevant provisions of decision 6/COP.10, amended Memorandum of Understanding

Amendment of the Memorandum of Understanding, new housing arrangement

- Request the Executive Secretary with the COP10 Bureau to identify a new housing arrangement for the GM, including potential co-location with the UNCCD secretariat, with consideration to information on costs, operational modalities and synergies, and governance efficiencies (provided to the COP 10 Bureau by 1 July 2012) (paragraph 11);
- Direct the Executive Secretary to present a recommendation on the new GM housing arrangement, including potential co-location with the UNCCD secretariat, to COP 11 for a final decision (paragraph 14);
- Revise the Memorandum of Understanding (MoU) with the International Fund for Agricultural Development (IFAD) (decision 10/COP.3) regarding the modalities and administrative operations of the Global Mechanism, and authorizes the Executive Secretary (under the guidance of the COP 10 Bureau) to limit IFAD to provision of logistical and administrative support other than those provided under paragraph 5, as well as privileges and immunities to GM staff through the Government of Italy (paragraph 8 and 9)
- Direct the Executive Secretary to work with IFAD to enable the timely termination of the MoU once the new housing arrangement has been concluded (paragraph 10)

Governance efficiencies

- Transfer accountability and legal representation of the GM from the IFAD to the UNCCD secretariat (paragraph 1)
- Delegate overall management responsibility to the Executive Secretary, including reporting to the COP on the GM (paragraph 2 and 3)
- Appoint the GM Managing Director through United Nations recruitment process by the Executive Secretary (paragraph 6)

Operational modalities and synergies

- Request the Executive Secretary, with the GM Managing Director, to develop internal rules and procedures, jointly implement workplans and programmes, implement a joint corporate identity, streamline financial management and administration, and coordinate reporting (paragraph 4)
- Request the Executive Secretary to integrate all GM accounts and staff under one administrative regime administered by the United Nations Office at Geneva (UNOG) under United Nations Financial Rules and Regulations (paragraph 5)
- Delegated operational authority, through the Executive Secretary in accordance with United Nations rules and regulations, to the GM Managing Director to manage GM
programme and budget, implement agreed workplans and programmes, enter into agreement with donors, and employ personnel (paragraph 7)

**Other**

- Request the Executive Secretary to take all necessary measures, as a matter of urgency, with the GM Managing Director and IFAD President, to implement the governance arrangements in this decision to ensure that the administrative, procedural and legal aspects of this decision are implemented (paragraph 15)

- Request the Executive Secretary to organize an informal discussion with Parties during CRIC 11, submit progress reports to the COP 10 Bureau, to the intersessional meeting of CRIC 11 and to COP 11 (paragraph 12, 13, 17)

- Request the Executive Secretary and GM Managing Director to seek the views of Parties and relevant actors on issues relating to the work of the GM and its implementation of programmes and to report to COP (paragraph 16)

**Amended MoU¹**

VI. 1. f. Until such time as the full implementation of decision 6/COP.10, IFAD shall house the GM and provide sufficient office space for its the offices on the basis of a lease agreement to be concluded between the Executive Secretary and the President of IFAD.

VI. 1. g. IFAD shall also provide the GM 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 B of this amendment to the MoU.

VII. C. For the purposes foreseen under the provisions of operative paragraph 10 of decision 6/COP.10 (Directs also the Executive Secretary to work with IFAD to further modify the MoU to enable its timely termination once the new housing arrangement has been concluded), the MoU 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.

¹ Amendment to the MoU, dated 02.04.2012, as requested by the last COP in decision 6/COP.10, specifically paragraphs 8 through 11.
### Annex III

[English only]

**Overview of optional one-time costs of moving the GM by location***

<table>
<thead>
<tr>
<th>Optional costs (USD)</th>
<th>Ill. Bonn</th>
<th>IV. Geneva</th>
<th>V. New York</th>
<th>VI. Washington, DC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E. Relocation of Professional staff (extra-budgetary)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation grant</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Assignment grant</td>
<td>49,621</td>
<td>67,801</td>
<td>63,897</td>
<td>60,108</td>
</tr>
<tr>
<td>Travel</td>
<td>9,000</td>
<td>6,000</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>E. Subtotal</strong></td>
<td>88,621</td>
<td>103,801</td>
<td>117,897</td>
<td>114,108</td>
</tr>
<tr>
<td><strong>F. Relocation of General Service staff (core)</strong>**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation grant</td>
<td>55,000</td>
<td>55,000</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Assignment grant</td>
<td>71,187</td>
<td>95,641</td>
<td>90,594</td>
<td>87,627</td>
</tr>
<tr>
<td>Travel</td>
<td>13,500</td>
<td>9,000</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td><strong>F. Subtotal</strong></td>
<td>139,687</td>
<td>159,641</td>
<td>181,594</td>
<td>178,627</td>
</tr>
<tr>
<td><strong>G. Relocation of General Service staff (extra-budgetary)</strong>**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation grant</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Assignment grant</td>
<td>11,991</td>
<td>15,231</td>
<td>14,961</td>
<td>14,511</td>
</tr>
<tr>
<td>Travel</td>
<td>1,500</td>
<td>1,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>G. Subtotal</strong></td>
<td>23,491</td>
<td>26,231</td>
<td>28,961</td>
<td>28,511</td>
</tr>
<tr>
<td><strong>H. Programme support costs (13%), USD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32,734</td>
<td>37,657</td>
<td>42,699</td>
<td>41,762</td>
</tr>
<tr>
<td><strong>Grand total in USD (E+F+G+H)</strong></td>
<td>284,533</td>
<td>327,330</td>
<td>371,150</td>
<td>363,008</td>
</tr>
<tr>
<td><strong>Grand total in EUR (E+F+G+H)</strong></td>
<td>219,881</td>
<td>252,953</td>
<td>286,817</td>
<td>280,524</td>
</tr>
<tr>
<td><strong>Total Ranking (least to most expensive)</strong></td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

* The option of retaining the GM in Rome assumes the ranking of one (1), as no staff related relocation costs would be accrued.

** The relocation of General Service staff is subject to the approval of the United Nations Office of Human Resources Management (OHRM).

E. Assumption of two professional level GM staff funded through extra-budgetary sources.

F. Assumption of four general service level GM staff funded through the UNCCD core-budget.

G. Assumption of one general service level GM staff funded through extra-budgetary sources.

H. In accordance with the financial rules of the COP and standard practice of the United Nations, a rate of 13 per cent is charged to the estimated costs presented in this document for programme support services, or overheads. These support services include administrative support staff that provide services in procurement, financial management, human resources management, information technology and travel.

Grand total: Exchange rate used is the average rate between the USD and EUR for the biennium (1 USD: 0.773 EUR).
**Annex IV**

**Ranking of the potential housing options for the GM, according to relevant selection criteria and indicators**

NOTE: Indicators are formulated in the positive, so that a positive answer corresponds with more points and a higher ranking. Thus, when indicator points are totalled, the highest total equates to best ranking, 1. Each of the six potential housing options is ranked in order from 1 to 6, 1 being the most advantageous option with the most benefits, and 6 the one with the least benefits and highest cost. The following criteria and indicators, especially those not subject to quantitative measurement, could also be used as the basis for a stakeholder survey.

**Summary table of rankings**

<table>
<thead>
<tr>
<th>Global Mechanism Housing selection</th>
<th>TOTAL RANKING</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>WASH. D. C.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Cost effectiveness, economic feasibility</td>
<td></td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>mandate and functions of the Global Mechanism</td>
<td></td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Operations and Synergies</td>
<td></td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td></td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>8</td>
<td>13</td>
<td>5</td>
<td>13</td>
<td>16</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Overall Ranking</td>
<td></td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Report of the COP 9 Bureau</td>
<td></td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Recommendations of the Joint Inspection Unit</td>
<td></td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>The Strategy</td>
<td></td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (additional criteria)</strong></td>
<td></td>
<td>7</td>
<td>12</td>
<td>3</td>
<td>11</td>
<td>11</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Overall Ranking (additional criteria)</td>
<td></td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

**Table with a breakdown of rankings according to indicator**

<table>
<thead>
<tr>
<th>Global Mechanism (GM) Housing selection</th>
<th>CRITERIA / OBJECTIVES</th>
<th>INDICATOR</th>
<th>RANKING (1 = most advantageous/benefits, least expensive; 6 = least benefits and highest cost)</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>WASH. D. C.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost effectiveness, economic feasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>One-time costs for relocation (see table 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Ongoing living costs for GM staff (table 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Ongoing/annual operational costs for GM offices (table 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost, Ranking Total</strong></td>
<td></td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>12</td>
<td>14</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Global Mechanism (GM) Housing selection

**CRITERIA / OBJECTIVES**

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Access to financial mechanisms: (yes = 1, no/unknown = 0)</th>
<th><strong>RANKING</strong></th>
<th><strong>GM’s Mandate, Total (indicators)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. Is the proposed housing entity a financial mechanism (included in GM’s inventory)?</td>
<td>1 0 0 0 0 1</td>
<td>8 3 7 3 3 7</td>
</tr>
<tr>
<td></td>
<td>b. Is a bilateral financial mechanism located in the same compound or same city?</td>
<td>1 1 0 0 1 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Is a multilateral financial mechanism located in the same compound or city?</td>
<td>1 0 1 1 1 1</td>
<td></td>
</tr>
</tbody>
</table>

**Cost, RANKING**

2 3 1 5 6 4

**2. Facilitation of the GM’s mandate and functions (as per the Convention)**

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>GM’s Mandate, RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Increase effectiveness and efficiency of existing financial mechanisms (Art. 21, paragraph 4)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>2.2 Promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms (Art. 21, para. 4)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>2.3 Function (a) identifies and draws up an inventory of relevant bilateral and multilateral cooperation programmes that are available to implement the Convention (Art. 21, para. 5)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>2.4 Function (b) 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 (Art. 21, para. 5)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>2.5 Function (c) provides interested Parties and relevant intergovernmental and non-governmental organizations with information on available sources of funds and on funding patterns in order to facilitate coordination among them (Art. 21, para. 5)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>2.6 Function (d) reports to the Conference of the Parties... on its activities (Art. 21, para. 5)</td>
<td>1 3 2 3 3 2</td>
</tr>
</tbody>
</table>

**(NOTE: highest total for indicators equates to ranking = 1 = most advantageous/benefits, least expensive)**

**3. Operational Modalities and Synergies (in compliance with decision 6/COP.10)**

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>GM’s Mandate, RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 New and more effective approach to GM’s progress in mobilizing and channelling of substantial financial resources at all levels within the framework of the implementation of the Convention under the authority, guidance and orientation of the COP (6/COP.10, preamble clause)</td>
<td>1 3 2 3 3 2</td>
</tr>
<tr>
<td>3.2 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 (6/COP.10, preamble clause)</td>
<td>1 3 2 3 3 2</td>
</tr>
</tbody>
</table>
### Global Mechanism (GM) Housing selection

#### CRITERIA / OBJECTIVES

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>(No / Unknown = 0, Yes = 1, unless otherwise indicated; highest total for indicators equates to ranking = 1)</td>
<td>(1 = most advantageous/benefits, least expensive, 6 = least benefits and highest cost)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CRITERIA / OBJECTIVES</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>WASH DC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid duplication and overlapping in activities 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 (6/COP.10, preamble clause; compare to COP9 Bureau Evaluation of the GM, ICCD/COP(10)/4)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ES to appoint, through the UN recruitment process, and to delegate operational authority to the GM Managing Director (6/COP.10, para. 6, 7)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ES, in consultation with the GM Managing Director and with the support of senior staff, to (6/COP.10, para. 4): (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</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ES to ensure the administration of GM accounts and staff under one UNCCD regime administered by UNOOG under UN rules and regulations (6/COP.10, para. 5)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Provision of logistical and administrative support other than administration of GM accounts and staff (6/COP.10, para. 9 (1))</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Provision of privileges and immunities to GM staff (6/COP.10, para. 9 (2))</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Timeframe for implementation to enable timely termination (of the current housing arrangement) once the new housing arrangement has been concluded (6/COP.10, para. 10)</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>

(NOTE: highest total for indicators equates to ranking = 1 = most advantageous/benefits, least expensive) Operations and Synergies, Total (indicators) | 4 | 2 | 13 | 6 | 2 | 2 | 0 |

Operations and Synergies, RANKING | 3 | 4 | 1 | 2 | 4 | 4 | 0 |
**Global Mechanism (GM) Housing selection**

**CRITERIA / OBJECTIVES**

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<tr>
<th>INDICATOR</th>
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<tbody>
<tr>
<td>(No / Unknown = 0, Yes = 1, unless otherwise indicated; highest total for indicators equates to ranking = 1)</td>
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<tr>
<td>(1 = most advantageous/benefits, least expensive; 6 = least benefits and highest cost)</td>
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**4. Governance Efficiencies** (in compliance with decision 6/COP.10)

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<tr>
<th>CRITERIA / OBJECTIVES</th>
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<tbody>
<tr>
<td>4.1 Function under the authority and guidance of the Conference of the Parties and be accountable to it (Art. 21, para. 4; decision 6/COP.10, preamble clause and para. 2)</td>
<td>Does the housing entity have a mandated role in the GM’s accountability to the COP? (yes=1, no=0; NOTE: For qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 1</td>
</tr>
<tr>
<td>4.2 UNCCD secretariat’s accountability and the legal representation of the GM (decision 6/COP.10, para. 1)</td>
<td>Does the housing entity have a mandated role in the ability of the UNCCD secretariat to take on the accountability and legal representation of the GM? (yes=1, no=0; NOTE: For qualitative arguments, see full report.)</td>
<td>1 0 1 0 0 0</td>
</tr>
<tr>
<td>4.3 Executive Secretary to ensure GM’s accountability and reporting to the COP under its mandate (decision 6/COP.10, para. 2)</td>
<td>Does the housing entity have a mandated role to ensure COP oversight (i.e., review and guidance over GM staff and accounts, management and auditing of GM accounts) (yes=1, no=0; NOTE: For qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 0</td>
</tr>
<tr>
<td>4.4 Executive Secretary (ES) to assume overall management responsibility, including coordinating reporting on, inter alia, accounting, performance and activities of the GM to the COP (6/COP.10, para. 3)</td>
<td>Can the housing entity facilitate the ES’s ability to assume overall management responsibility for the GM, including reporting? (yes=1, no=0; NOTE: For qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 0</td>
</tr>
<tr>
<td>4.5 Lasting solution to the GM institutional and managerial challenges recurrently identified by the various external assessments undertaken, including the 2009 Joint Inspection Unit report and the report by the COP9 Bureau (Decision 6/COP.10, preamble clause)</td>
<td>Does the housing entity present a lasting solution to the GM institutional and managerial challenges recurrently identified by the various external assessments undertaken? (yes=1, no=0; NOTE: For qualitative arguments, see full report. See below criteria for more details.)</td>
<td>0 0 1 0 0 0</td>
</tr>
</tbody>
</table>

(Note: highest total for indicators equates to ranking = 1 = most advantageous/benefits, least expensive)

| Governance, Total (indicators) | 1 0 5 0 0 1 |
| Governance, RANKING | 2 3 1 3 3 2 |

**5. Criteria established in the COP9 Bureau’s Report on the Evaluation of the GM (ICCD/COP(10)/4)**

<table>
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<tr>
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<tr>
<td>5.1 In a position to clearly contribute, by its mandate and institutional positioning within the UNCCD architecture, to addressing in a systematic manner the issues of governance, reporting and accountability of the GM (ICCD/COP(10)/4, para. 63)</td>
<td>Is the housing institution in a position to clearly contribute, by its mandate and institutional positioning within the UNCCD architecture, to addressing in a systematic manner the issues of governance, reporting and accountability of the GM? (yes=1, no=0; NOTE: See criteria 3.1, 3.2, 4; for qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 0</td>
</tr>
<tr>
<td>5.2 Facilitates full implementation of a Delivering as One policy, in accordance with the provisions of the Convention, and closer interaction with other bodies of the Convention (para. 63 (c))</td>
<td>Does the housing entity lend to the implementation of a Delivering as One policy, in terms of “one leader, one programme, one budget and, where appropriate, one office”, in accordance with the provisions of the Convention, and closer interaction with other bodies of the Convention? (yes=1, no=0; NOTE: For qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 0</td>
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<tr>
<td>5.3 The housing institutions should put an end to the dual supporting structure which has resulted in serious institutional dissonance, inefficiency, in effectiveness and the removal of the GM from the oversight and direction of the COP and improve corporation and</td>
<td>Does the housing entity put an end to the dual supporting structure and improve corporation and coordination among Convention bodies, in particular the GM and the Permanent Secretariat? (yes=1, no=0; NOTE: see criteria 3.3, 3.5; for qualitative arguments, see full report.)</td>
<td>0 0 1 0 0 0</td>
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### Global Mechanism (GM) Housing selection

**CRITERIA / OBJECTIVES**

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<td>for implementation, in particular the GM and the Permanent Secretariat, single line of accountability to the COP and improved reporting (para. 63 (d))</td>
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<td>qualitative arguments, see full report.</td>
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<tr>
<td>Does the housing institutions ensure economy of scale in management and institutional efficiency brought about through unification and implementation of the Convention as a whole, which could result in long-term savings (para. 63 (e))</td>
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<td>Does the housing entity provide advantages in greater use of economy of scale in managing financial and human resources more efficiently (consolidated financial and HR administration); more efficient use of human resources and some savings in transactions costs (communication, IT, HR, etc.) (para. 63 (f))</td>
<td></td>
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<td>Does the housing institution help to improve use of resources mobilised for implementation, in the new context of the GEF serving as a financial mechanism of the UNCCD (para. 63 (g))</td>
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<td>Does the housing institution help to enhance future resource mobilisation for the convention arising from greater stakeholder confidence in the Convention bodies to act cohesively and collectively (para. 63 (h))</td>
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<tr>
<td>Does the housing institution minimize the cost to the convention in terms of a loss of international credibility and confidence in the convention institutions, which cannot be easily quantified (para. 63 (i))</td>
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**RANKING**

1 = most advantageous/benefits, least expensive; 6 = least benefits and highest cost

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<tr>
<th>COP9 Bureau’s Report, Total (indicators)</th>
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<td>COP9 Bureau’s Report, RANKING</td>
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6. **Criteria established in the JIU Report and recommendations** (JIU/REP/2009/4)

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6.1 The GM and the UNCCD secretariat should submit a report to the COP containing a total work programme and the total cost estimate involved in the context of their future biennium and medium-term work programme and plan so that the COP can exercise governance and oversight over the mobilization, allocation and use of voluntary contributions and core resources for the entire activities of the UNCCD bodies, the GM and the secretariat. (JIU recommendation 1, p. 15).

Does the housing entity facilitate ongoing cooperation in implementing the joint work programme of the secretariat and the GM, taking into consideration their costed two-year work programmes as well as the mobilization, allocation and use of voluntary contributions and core resources for the entire activities of the UNCCD bodies? (yes=1, no=0; NOTE: See criteria 3.1, 3.2; for qualitative arguments, see full report.)

6.2 The COP should revisit the current arrangements governing the reporting and accountability lines of the GM to the Convention to eliminate the side effects that

Does the housing entity lend to the development of effective collaboration (with the Secretariat), and avoid alienation of the GM in respect of the COP and its governance

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<tr>
<th>Global Mechanism (GM)</th>
<th>CRITERIA / OBJECTIVES</th>
<th>INDICATOR</th>
<th>RANKING</th>
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<tbody>
<tr>
<td>Housing selection</td>
<td>have hampered the development of effective collaboration, and that have led to an increasing alienation process of this financing mechanism in respect of the COP and its governance and oversight structure. (JIU recommendation 4, p. 21).</td>
<td>(No / Unknown = 0, Yes = 1, unless otherwise indicated; highest total for indicators equates to ranking = 1)</td>
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<td></td>
<td>and oversight structure?</td>
<td>(yes=1, no=0; NOTE: See criteria 3; for qualitative arguments, see full report.)</td>
<td>(yes=1, no=0; NOTE: See criteria 3, 4; for qualitative arguments, see full report.)</td>
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<tr>
<td></td>
<td>Would the housing entity led directly to the GM’s achieving its (joint) programme of work (together with the Secretariat) while avoiding duplication and overlapping with the housing entity’s own mandate and that of other organizations, or with other subsidiary bodies or institutions of the Convention? (yes=1, no=0; NOTE: See criteria 3; for qualitative arguments, see full report.)</td>
<td>1 0 1 0 0 1</td>
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<td></td>
<td>Is the housing entity a “sister organizations” or member of the Facilitation Committee, and able to promote enhanced cooperation, coordination and effectiveness with other organizations, or with other subsidiary bodies or institutions of the Convention? (yes=1, no=0; NOTE: See criteria 3; for qualitative arguments, see full report.)</td>
<td>1 1 0 1 1 1</td>
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**NOTE:** highest total for indicators equates to ranking = 1 = most advantageous/benefits, least expensive

**JIU Recommendations, Total (indicators)**

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**JIU Recommendations, RANKING**

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**INDICATORS**

<table>
<thead>
<tr>
<th>7.</th>
<th>Criteria established in the 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018)</th>
<th>(Decision 3/COP.8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Mindful that the Convention, its secretariat and other institutions, and supporting bodies, including the Global Mechanism (GM), and the Convention’s financial mechanisms, including the Global Environment Facility (GEF), should cooperate and coordinate their activities (Decision 3/COP.8, preamble).</td>
<td>Does the housing entity facilitate cooperation and coordination of activities of the GM, its secretariat and other institutions and supporting bodies, and the GEF? (yes=1, no=0; NOTE: See criteria 3)</td>
</tr>
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<td></td>
<td>0 0 1 0 0 1</td>
<td>0 0 1 0 0 1</td>
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<td>7.2</td>
<td>GM to promote actions leading to the mobilization of international and national resources needed by affected countries Parties to enhance the implementation of the Convention through The Strategy, maintaining a geographical balance so that countries with less capacity can also benefit from these new and additional international and national resources (section D., paragraph 19).</td>
<td>Das the housing entity lend to the GM’s mandate with consideration of maintaining a geographical balance? (yes=1, no=0; NOTE: See criteria 2)</td>
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<td>0 0 0 0 0 0</td>
<td>0 0 0 0 0 0</td>
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<td>7.3</td>
<td>Directs the Executive Secretary and the GM, within their respective mandates, to implement The Strategy in order to ensure consistency and complementarity in the delivery of services, and to strengthen their coordination and cooperation from headquarters to country level (section E., paragraph 24).</td>
<td>Can the housing entity ensure consistency and complementarity in the delivery of services and strengthen coordination and cooperation between the GM and Secretariat? (yes=1, no=0; NOTE: See criteria 3; for qualitative arguments, see full report.)</td>
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<td></td>
<td>0 0 1 0 0 0</td>
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### Global Mechanism (GM) Housing selection

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#### RANKING

(1 = most advantageous/benefits, least expensive; 6 = least benefits and highest cost)

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<td>7.6</td>
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#### Notes

- Does the housing entity facilitate the GM’s fulfilment of operational objectives 5 (financing and technology transfer)? (yes=1, no=0; NOTE: See criteria 2, 3; for qualitative arguments, see full report.)
- Does the housing entity facilitate the GM’s supporting role of operational objectives 1 (advocacy, awareness raising and education) and 2 (policy framework)? (yes=1, no=0; NOTE: See criteria 2, 3; for qualitative arguments, see full report.)
- Does the housing entity offer services that are more effective or provide more added-value than those currently offered by IFAD? (yes=1, no=0; NOTE: See criterion 3; for qualitative arguments, see full report.)
- Is the proposed housing entity a donor, private sector, financial institutions and other relevant institutions? (yes=1, no=0; NOTE: See criteria 2, 3; for qualitative arguments, see full report.)
- Does the proposed housing entity facilitate advice and assistance to affected developing country Parties regarding the development of integrated investment frameworks? (yes=1, no=0)
- Does the housing entity represent a new source of finance and financing mechanism? (yes=1, no=0; NOTE: See criteria 2, 6.3; for qualitative arguments, see full report.)
- Would the proposed housing entity facilitate GM’s support for the development of (sub)regional financing platforms among donor institutions? (yes=1, no=0)
- Does the housing entity lend to the secretariat and the GM strengthening their coordination and cooperation from headquarters to country level? (yes=1, no=0; NOTE: See criteria 3, 5, 6; for qualitative arguments, see full report.)

#### The Strategy, Total (indicators)

6 2 9 3 2 6

#### The Strategy, RANKING

2 4 1 3 4 2

(Note: highest total for indicators equates to ranking = 1 = most advantageous/benefits, least expensive)