

Decision 25/COP.1Collaborative institutional arrangements in support
of the Global MechanismThe Conference of the Parties,

Having examined decision 10/18 of the Intergovernmental Negotiating Committee for the Elaboration of a Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (INCD), taken at its resumed tenth session, which, inter alia, invites the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP) and the World Bank to consult on and develop a proposal on the possible collaborative institutional arrangements for the Global Mechanism for submission to, consideration by and appropriate action by the Conference of the Parties (COP) at its first session,

Welcoming, as an important element in the successful functioning of the Global Mechanism, the agreement of IFAD, UNDP and the World Bank on collaborative institutional arrangements for the Global Mechanism, as reflected in document ICCD/COP(1)/CRP.1, annexed to this decision,

1. Decides that this agreement shall serve as the initial basis for collaborative institutional arrangements in support of the Global Mechanism by the three organizations;

2. Decides also that, in carrying out the functions of the Global Mechanism, in accordance with its decision 24/COP.1, the organization to house the Global Mechanism shall, as the lead organization, fully cooperate with the other two institutions that entered into the collaborative institutional arrangements described in document ICCD/COP(1)/CRP.1;

3. Urges the three institutions concerned to proceed with the arrangements proposed in document ICCD/COP(1)/CRP.1, including the establishment of a facilitation committee, and requests the three institutions to actively pursue and develop further those arrangements and report to the second session of the COP;

4. Invites relevant institutions, programmes and bodies of the United Nations system, including the Food and Agriculture Organization of the United Nations (FAO), the Global Environment Facility (GEF), the United Nations Environment Programme (UNEP) and the World Food Programme (WFP), regional and subregional organizations and regional development banks, as well as interested non-governmental organizations (NGOs) and the private sector, to actively support the activities of the Global Mechanism, as contemplated in paragraph 5 of the annex to document ICCD/COP(1)/CRP.1 and, in this connection, to establish and/or strengthen programmes to combat desertification in affected developing countries;

5. Requests the organization housing the Global Mechanism to report to the second session of the COP on modalities regarding collaboration between itself and the NGO community, as well as collaboration with other interested organizations, including the private sector.

ANNEX

COLLABORATIVE INSTITUTIONAL ARRANGEMENTS FOR THE GLOBAL MECHANISM OF THE UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION 19 SEPTEMBER 1997

I. Context

1. Operative paragraph 3 of the INCD 10 Resumed Session decision on the housing of the Global Mechanism (GM) invited IFAD, UNDP and the World Bank to “consult on and develop a proposal on the possible collaborative institutional arrangement for the Global Mechanism for submission to, consideration and appropriate action by the COP at its first session”.
2. Designated representatives of IFAD, UNDP and the World Bank met at IFAD headquarters in Rome on 18–19 September to discuss their response to the above invitation of the INCD. The following was agreed.

II. The Global Mechanism

3. The three institutions share the view that the objective of the Global Mechanism is to increase the flow of resources for CCD implementation, while increasing the effectiveness and efficiency of existing financial mechanisms.
4. In order to serve Parties effectively in meeting the Convention's financial provisions, the three institutions based their proposal on the following principles as embodied in the spirit of the CCD:
 - demand-driven but also pro-actively responsive to the needs and priorities of Parties;
 - oriented towards issues of finance (including for the transfer of technology);
 - non-duplicative of existing mechanisms and facilities, but adding value to these;
 - non-monopolistic, and geared towards promoting multi-source, multi-channel financing;
 - highly flexible in operations, responding to emerging opportunities;
 - lean and efficient, drawing on other institutions, including its housing institution, to the extent possible, as well as access to the United Nations system-wide capacities and facilities, in particular the Office of the Resident Coordinator;
 - neutrality and universality will form the basis for the operations of the GM;
 - the GM would have access to resources, through its host and other organizations, as outlined in paragraph 4(e) of INCD negotiating text on the functions of GM;
 - and
 - the administrative and operating budget of the GM would be financed by the COP.

III. Support for the Global Mechanism

5. The three institutions recognize that the Global Mechanism would need to draw on the support of a large number of relevant organizations. This would include IFAD, UNDP and the World Bank as well as Regional Development Banks, FAO, WFP, UNEP and other organizations, including NGOs.

6. The World Bank, while not seeking to house the GM, would actively support the GM. Regardless of whether IFAD or UNDP house the GM, and without prejudging the nature of any collaborative institutional arrangement, the three institutions would at least support the CCD and the GM in the ways outlined below.

General

7. IFAD, UNDP and the World Bank would establish a “Facilitation Committee” for the GM, to coordinate support from the three institutions, comprised initially of focal points to be designated by each institution. The functions and scope of the work of this committee would be developed by the three institutions in consultation with the institution housing the GM and the Head of the GM.

8. The three institutions will endeavour to ensure that the GEF would develop projects that address desertification, as it relates to GEF focal areas. In this context: (i) the respective focal points for GM matters within the World Bank and UNDP, as GEF Implementing Agencies, and IFAD would support the GM entity to explore possibilities for new and additional funds from GEF for CCD activities; (ii) co-financing or parallel funding arrangements with GEF funded dryland related activities would be pursued by all three institutions; and (iii) it is strongly recommended that GM be granted observer status with GEF Council.

The World Bank

9. The World Bank would support the GM, housed by IFAD and/or UNDP, as follows:

(a) The Bank through its Drylands Knowledge Node would support the GM by generating and disseminating information and knowledge on technical issues and financial resource information flows;

(b) The Bank would integrate appropriate drylands management policies in its Environmental Sector Work and Country Assistance Strategies and use these in its ongoing dialogue with affected countries to internalize drylands management issues within the countries' economic development programmes, and thus bring them forward for financing in the Bank's active portfolio and other donors' support;

(c) The Bank would participate in high-level meetings with IFAD and UNDP to facilitate activities of the GM, and provide advice and support; and

(d) The Bank would establish an institutional focal point to liaise with the GM, and with IFAD and UNDP on GM issues.

IFAD

10. IFAD's offer to house the Global Mechanism is contained in ICCD/COP(1)/5. Notwithstanding what it would offer if selected as housing institution, IFAD would nevertheless support the GM as follows:

(a) IFAD would seek to achieve optimal convergence between its financial assistance for poverty alleviation in the drylands and Affected Country priorities under the Convention;

(b) IFAD would participate in high-level meetings with UNDP and the World Bank to facilitate activities of the GM, and provide advice and support; and

(c) IFAD would establish an institutional focal point to liaise with the GM and with UNDP and the World Bank on GM issues.

UNDP

11. UNDP's offer to house the Global Mechanism is contained in ICCD/COP(1)/5. Notwithstanding what it would offer if selected as housing institution, UNDP would nevertheless support the GM as follows:

(a) Provide technical backstopping to National Action Programme (NAP)/Sub-regional Action Programme (SRAP) process;

(b) Provide technical backstopping to National Desertification Fund (NDF) establishment;

(c) Continue its work on Drought Preparedness and Mitigation (DPM), Environmental Information System (EIS)/Desertification Information System (DIS) and indicators, including monitoring and assessment linked appropriately to the work of the Committee on Science and Technology (CST);

(d) Continue its work on special thematic initiatives (water management, women, NGO participation, advocacy on drylands);

(e) Continue to mobilize seed/catalytic resources through UNDP Trust Fund for the above activities;

(f) Continue to support activities for combating drought and desertification through UNDP core and non-core system;

(g) UNDP would participate in high-level meetings with IFAD and the World Bank to facilitate activities of the GM, and provide advice and support; and

(h) UNDP would establish an institutional focal point to liaise with the GM, and with IFAD and the World Bank on GM issues.

IV. Specific Features of Collaborative Institutional Arrangements for the GM

12. The selection of the head of GM would take place through consultation between the President of IFAD and the Administrator of UNDP, keeping the President of the World Bank informed.
13. The GM would operate according to the modus operandi and procedures agreed upon in harmony with those of the GM housing institution.
14. The Administrator of UNDP and the President of IFAD would meet periodically, to agree on strategies for implementing the CCD and to harmonize their support for the work of the GM. This process would involve the President of the World Bank, as appropriate.
15. At the request of the GM, the three institutions may establish ad hoc task forces to develop ideas and work on specific issues, particularly innovative resource mobilization approaches, to help the GM entity in its work. Other organizations, including NGOs, would be associated.
16. The three institutions would advise and support the GM in developing its operational strategy, work programme and budget through the facilitation committee (referred to above).
17. The GM would report to the COP through the Head of the Housing Organization.
18. The GM would report to the COP on its activities and would also cover, in consolidated fashion, the support it receives from the three institutions and others.

V. Additional Considerations Involving IFAD–UNDP

19. It is agreed that whether UNDP or IFAD houses the GM in–depth consultations between the two agencies would be held on a number of areas that would require substantive collaboration in support of GM. This would include in particular:
 - (a) Consultation and agreement on the preparation and implementation on a strategic plan for collection and collation of information and its transformation into knowledge for all stakeholders, taking into account respective institutional comparative advantage;
 - (b) The role of the GM in relation to the role of collaborating institutions in actual project and programme development and implementation; and
 - (c) The possibility of drawing on existing initiatives and arrangements such as the CGIAR and NARs, and the work of the inter–agency working group on environmental funds in facilitating the work of the GM.

VI. Lead Institution Approach

20. Taking the above into account, and considering the important role that the three institutions can play in supporting the GM, it is proposed to consider support for the GM as a collaborative arrangement drawing upon the comparative advantages and commitment, as specified above, of the three institutions to the GM and the CCD process. However, in the interest of streamlining accountability, the COP may wish to select either IFAD or UNDP to assume a lead role and the responsibility for housing the GM.