



## Convention to Combat Desertification

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Item 8 (b) of the provisional agenda

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

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

## Consultants' report to the Bureau of the Conference of the Parties at its ninth session on the evaluation of the Global Mechanism

### *Summary*

Parties may recall that Paragraph 9 of Decision 6/COP.9 requested "...the COP 9 Bureau, together with the Managing Director of the GM and the Executive Secretary, and taking into account the views of other interested relevant entities such as the host countries and International Fund for Agricultural Development, to undertake and supervise an evaluation of existing and potential reporting, accountability and institutional arrangements for the GM and their legal and financial implications, including the possibility of identifying a new institution/organization to house the GM, taking into account the scenarios presented in the JIU assessment of the GM (document JIU/REP/2009/4) and the need to avoid duplication and overlap in the work of the secretariat and the GM, and further requests the COP Bureau to present to COP 10 a report on this evaluation for consideration and decision on the issue of GM reporting, accountability and institutional arrangements" ..

On the occasion of its first inter sessional meeting (February 2010), the COP Bureau decided to seek the support of external assistance for the submission of selected inputs that would be of assistance in the delivery of its mandate under decision 6/COP.9.

On the occasion of its fourth inter sessional meeting (February 2011), the COP Bureau reviewed the consultant's report and agreed that pursuant to its previous deliberations on this matter, the report will be also translated into French and Spanish languages and published as received.

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

BUREAU TO THE NINTH CONFERENCE OF PARTIES

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# Assessment of the Global Mechanism

Follow-up to Decision Six of the  
Ninth Conference of the Parties of the  
United Nations Convention to Combat Desertification

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*FINAL DRAFT*

20 February 2011

This Report has been submitted to the Bureau of the Ninth Conference of the Parties of the United Nations Convention to Combat Desertification in its inter-sessional process in follow-up to the Joint Inspection Unit assessment of the reporting, accountability and institutional arrangements for the Global Mechanism. Specifically, paragraph nine of decision six “requests the COP 9 Bureau, together with the Managing Director of the GM and the Executive Secretary, and taking into account the views of other interested relevant entities such as the host countries and International Fund for Agricultural Development, to undertake and supervise an evaluation of existing and potential reporting, accountability and institutional arrangements for the GM and their legal and financial implications, including the possibility of identifying a new institution/organization to house the GM, taking into account the scenarios presented in the JIU assessment of the GM (document JIU/REP/2009/4) and the need to avoid duplication and overlap in the work of the secretariat and the GM, and further requests the COP Bureau to present to COP 10 a report on this evaluation for consideration and decision on the issue of GM reporting, accountability and institutional arrangements.” (Decision 6/COP9)

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## List of abbreviations

CBAA	Core Budget Administrative Account (GM)
CCD	Convention to Combat Desertification
COP	Conference of the Parties
CSEA	Consolidated Strategy and Enhanced Approach (GM)
CST	Committee on Science and Technology
CRIC	Committee for the Review of the Implementation of the Convention
D	Director-level position (UN)
DLDD	Desertification, Land Degradation and Drought
EB	Executive Board (IFAD)
FC	Facilitation Committee
G	General-level position (UN)
GC	Governing Council (IFAD)
GECC	Global Environment and Climate Change (IFAD)
GEF	Global Environment Facility
GM	Global Mechanism
ICJ	International Court of Justice
IFAD	International Fund for Agricultural Development

IFS	Integrated Financing Strategy (GM)
IIF	Integrated Investment Frameworks
ILO	International Labour Organization
ILOAT	International Labour Organization Administrative Tribunal
JIU	Joint Inspection Unit
JWP	Joint Work Programme
MoU	Memorandum of Understanding
NAP	National Action Plans
OLA	Office of Legal Affairs (UN)
P	Professional-level position (UN)
PB	President's Bulletins (IFAD)
PRAIS	Performance Review and Assessment of Implementation System
RCM	Regional Cooperation Mechanism
RCU	Regional Cooperation Units
SLM	Strategic Land Management
SRCF	Special Resources for CCD Finance Account (GM)
TAG	Technical Advisory Group
ToR	Terms of Reference
UNCCD	United Nations Convention to Combat Desertification
UNOG	United Nations Office of Geneva
UNDP	United Nations Development Programme
VCAE	Voluntary Contributions Administrative Expenses Account (GM)

## Executive Summary

1. The Conference of the Parties (COP) of the United Nations Convention to Combat Desertification (UNCCD), comprising of accredited representatives of the contracting parties, constitutes the will of the Parties to the Convention. As a body composed of representatives of sovereign States, it is also empowered to act at the external level by adopting arrangements with international organizations and States. The Secretariat derives its legal standing from the hosting arrangement it has with the United Nations and is an institution and subsidiary body of the Convention.<sup>1</sup> The Global Mechanism (GM), on the other hand, which is “housed” at the International Fund for Agricultural Development (IFAD) through a decision of the COP of the UNCCD and a Memorandum of Understanding (MoU) between the COP and IFAD in Rome, is a subsidiary body of the Convention; and, as confirmed by the legal advice from the United Nations Office of Legal Affairs (UNOLA), it is without a legal standing or authority of its own, delegated or otherwise.<sup>2</sup>

2. **The evidence gathered through this and as many as five previous assessments point to the GM acting independently, and even in isolation of other Convention bodies including, in particular, the Secretariat.<sup>3</sup> The origins of these practices appear to be of an institutional nature, which can be traced back to legal and managerial inconsistencies founded in the housing arrangement, or MoU, established between the COP and IFAD in 1999 (Decision 10/COP.3).** Numerous practices which have been established as a result of the MoU during over ten years of operations of the GM, stand in stark contrast to the requirements of the Convention, its rules of procedures and financial rules and regulation, as well as numerous subsequent COP Decisions. Current practices and the institutional arrangements of the Convention likewise contradict the “Delivering as One” approach of the UN, as well as the financial rules and regulations of the United Nations which, for example, require financial matters to be under the close oversight, scrutiny and direction of the authorized body, in this case, the UNCCD COP.<sup>4</sup> The requirement of the introduction of corrective actions from the COP are embedded in Article 27 of the Convention, which require it to “consider and adopt procedures and institutional mechanisms for the resolution of questions that may arise with regard to the implementation of the Convention”. Evidence abounds that the existing institutional

<sup>1</sup> Established in the Convention, under Part IV “Institutions”, Article 23 “Permanent Secretariat”; Legal standing derived from UN 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; See also “Response from the UN Office of Legal Affairs” in ICCD/COP(9)/9/Add.2 Annex I and II.

<sup>2</sup> The exception would be if the GM were to be delegated expressed authority by the President of IFAD. However, inquiries with IFAD have revealed that there has been no such express delegation of authority from the President of the IFAD to the GM or its Managing Director. The Global Mechanism was established by the Convention, under Section Part III, Section 3 “Supporting Measures”, Article 21 “Financial mechanisms”.

<sup>3</sup> Previous assessments with relation to the bodies of the Convention were carried out by the JIU in 2009 and 2005; by Unisfera in 2009; CRIC in 2003; and the World Bank in 2003.

<sup>4</sup> See Section II.B.1.d; see also the “Delivering as One” Report of the UN Secretary-General which recommends consolidation of all UN programme activities at the country level, with one leader, one programme, one budget and, where appropriate, one office.

dichotomy has severely disrupted the effective and efficient implementation of the Convention and damaged its public image.<sup>5</sup>

3. **Although successive COP decisions have enjoined the GM to work in close cooperation with the Secretariat, these subsidiary bodies have not yet established any systemic or institutional relations beyond the minimum requirements established through joint reporting obligations.** Some overlapping areas of work have been identified through the Joint Work Programme (JWP). However, progress in coordinating such efforts remains ad hoc, limited and the outputs are focused on process and the fulfilment of reporting requirements, resulting in persistent duplication of efforts. Compounding these trends and counter to the Convention's unified public portrayal are, for example, the GM's development of its own separate visual identity and public image, its individual programmatic focus (Integrated Framework Strategy) and resource mobilization efforts, separate from those of the Secretariat's and the Convention as a whole. **The GM has taken the view that it is entitled and authorised to act at (sub-)regional, national and local levels independently of the Secretariat, whereas the Secretariat must focus its work at the global level.**<sup>6</sup> There does not appear to be any legal basis for this view nor for the GM's view that it is not mandated to mobilise resources to meet the procedural, or possibly operational, requirements of the Convention.

4. **It should be noted in this regard that Article 23 of the Convention establishes the Permanent Secretariat and entrusts it with functions for supporting sessions of the COP and all subsidiary bodies of the Convention which includes the GM.** Furthermore, Rule 34.2 of the COP Rules of Procedure 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).<sup>1</sup> **Inconsistent interpretations of the GM's role on resource mobilisation, defined in terms of fund-raising, have also proven to be a hindrance** to the coordination of many areas of work between the Convention bodies.

5. Moreover, **the GM does not consult with any other subsidiary body of the Convention on the development and implementation of the bulk of its programme of work funded by extra-budgetary or voluntary contributions in two of its three accounts, nor does it report on these two accounts** or their uses to the COP or the Committee for the Review of the Implementation of the Convention (CRIC).<sup>7</sup> The GM appears unique among subsidiary bodies of the entire network of multilateral environmental

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<sup>5</sup> This conclusion was evident from interviews conducted with key stakeholders, one of which even referred to the GM as a "rogue organization". For an independent example, see Earth Negotiation Bulletin / IISD COP9 report <http://www.iisd.ca/desert/cop9/>, <http://www.iisd.ca/download/pdf/enb04229e.pdf>, titled "A BRIEF ANALYSIS OF COP 9" which outlines the widely held perception of a UNCCD COP overshadowed by political and institutional obstacles caused by "a house divided" between the Secretariat and the Global Mechanism; it opens with the quote from Abraham Lincoln that "a house divided against itself cannot stand."

<sup>6</sup> The GM's "separate programmes", financed through its extra-budgetary accounts, include at the international level, resource mobilization and entering into what are perceived to be legally binding financial relations with international financial institutions and donor governments, and at the national level, capacity building, technical and financial advice and technology support to governments.

<sup>7</sup> These include the Voluntary Contributions Administrative Expenses Account and the Special Resources for CCD Finance Account, see Section II.A.3.



agreements in that it has continued to carry out its work independent of the other Convention bodies without fully disclosing to the COP for more than a decade, information regarding the financial resources that it has mobilized and how it has used these, including, for its own operational purposes.<sup>8</sup> It is only now, after over ten years in operation, that the GM has been requested to prepare information to present to COP 10 in 2011, pursuant to a COP 9 decision, relating to the voluntary funds that it has mobilized and the manner in which it has used these funds.<sup>9</sup>

6. Looking forward, the question at hand relates to the GM's accountability to the COP in fulfilling its mandate, as set out under the Convention, the effectiveness of its reporting and institutional arrangements in facilitating this, and its role in the collective programme of work of the Convention *as a whole*. The evidence, fully set out in the body of the report, leads to the conclusion that **the GM is acting independently, without adequate oversight of the COP, CRIC, or IFAD, and without the required cooperation and collaboration with the Secretariat and other convention bodies.**

7. The origin of many of these issues can be traced back to the incongruous institutional arrangement introduced as a result of the MoU with IFAD which has had a profound impact on the present state of affairs.<sup>10</sup> Although some of the decisions taken at COP 9 have laid the groundwork for improved transparency and cooperation by increasing the number of shared functions of the GM and the Secretariat, the persisting lack of more systemic coordination and effective accountability arrangements casts serious doubt over the probability of their effectiveness. The report thus sets out several options based on the three scenarios presented in the 2009 JIU report to address this anomaly and to suggest ways to create an institutional arrangement, through the introduction of an institutional mechanism and/or revision of the current MoU that would ensure collective decision-making, full accountability to the COP and the close oversight by the COP of the activities of all the subsidiary bodies, including those of the GM, as required by the Convention.

8. The second section of this Report provides a summary of the evidence to support the above findings gathered from a study of successive evaluation reports and Convention documents including COP decisions and through various interviews with key stakeholders, including the JIU Inspectors who prepared the 2009 report, the Vice-President of IFAD and his senior staff including IFAD's Senior Legal Counsel, the Managing Director and senior staff of the GM, the Executive Secretary and senior staff of the Secretariat, the Senior Legal Counsel and his staff at the United Nations Office of Legal Affairs and senior representatives of the Governments of Germany and Italy.

<sup>8</sup> With the exception of its first Core Budget Administration Account, which the GM reports on regularly to the COP and has provided audited statements for, the GM has never reported comprehensively to the COP on the GM's receipts to and uses of its second and third accounts: the Voluntary Contributions Administrative Expenses Account and the Special Resources for CCD Finance Account, which are administered by IFAD and audited annually by PricewaterhouseCoopers International Limited. These audits indicate that the GM has been mobilizing or had accrued on behalf of the Convention, large sums of money averaging up to US\$ 23 million annually since 2006, and has been utilising these funds without the required oversight of the COP and without the necessary cooperation and collaboration with the Secretariat and other bodies of the Convention.

<sup>9</sup> In Decision 9/COP.9, the GM Managing Director was requested "to report to COP10 on the status of the extra-budgetary funds of the Global Mechanism", although the COP did not request access to the GM's audit reports or any additional details with specific reference to the second and third GM accounts.

<sup>10</sup> This refers to the legal implications of the current MoU which have impacted the reporting and accountability requirement of the GM to the COP, as well as IFAD's responsibilities toward the GM. See Box 2 and Section II.C.1.

9. To address the issues detailed above, the three scenarios presented in the 2009 JIU report were analysed and the following proposals are presented for the consideration of the Bureau, as detailed in the third section of the Report. These proposals are founded on the imperatives set out below. As pointed out in the 2009 JIU Report, all bodies of the Convention are required to follow a “delivering as one” policy as called for by the UN General Assembly<sup>11</sup> under the guidance and direction of the COP and towards this end:

- Portray a single and united face of the Convention in relations with Convention Parties, the international community and stakeholders
- Strengthen leadership within the Convention through a single line of management (reporting and accountability to the COP) while ensuring that each subsidiary body acts within the framework of their respective mandates
- Delineate roles and responsibility of the Secretariat, GM and other subsidiary bodies
- Streamline fund-raising for the programme of work of the Convention *as a whole* and not piecemeal
- Take overall management decisions collectively at the highest institutional level in order to secure cohesion in the development and implementation of a unified programme of work

10. Section three of this report elaborates proposals that the Bureau may wish to consider in preparing its report to COP 10, as outlined below. These are consistent with the requirement of Article 27 of the Convention, which mandates the COP in circumstances where questions arise with regard to the implementation of the Convention, to “consider and adopt procedures and institutional mechanisms” for the resolution of such questions.

11. The First Proposal considers measures for the strengthening of the status quo between the Secretariat and GM, without the introduction of any “procedures or institutional mechanisms” to resolve governance issues. Suggested measures include clarification of the role and mandate of the GM in terms of fund-raising; formalisation of the Joint Work Programme’s Task Force; ensuring that the JWP addresses all common areas of work and focuses on results; consolidation of the reporting requirement of the subsidiary bodies; and requiring joint advocacy/outreach efforts and representation. This might also include re-establishing an advisory body for the GM, possibly through the CRIC as well as direct communication with the IFAD President with a view to reviewing of the MoU to remove inherent contradictions and inconsistencies, as further discussed in the next proposal. However, this proposal is considered weak and unlikely to succeed given the GM’s firm view that it is entitled, under the Convention and the COP-IFAD MoU, to act as an independent entity. It is likely to be a repetition of the efforts made thus far by the COP to promote cooperation between the Secretariat and the GM, which, unfortunately does not seem to have yielded the desired results. The advantages and disadvantages of the first proposal are detailed in table 11.

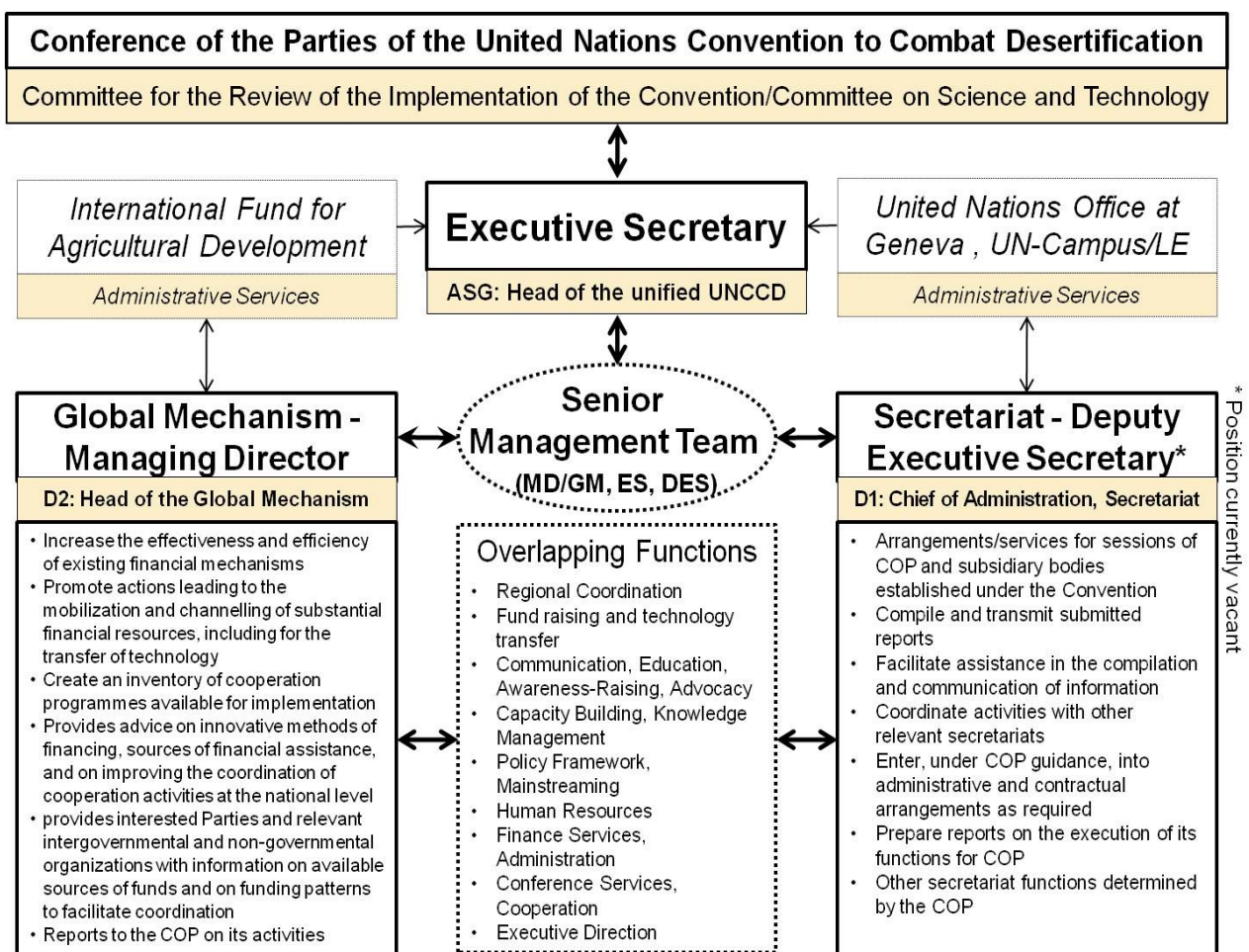
12. Proposals two through four set out procedural and institutional mechanisms for resolving governance, reporting and accountability questions of the GM. All proposals are based on the three scenarios presented by the Joint Inspection Unit (JIU) in its 2009 report to the COP.

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<sup>11</sup> Report of the UN Secretary-General's High-level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance, and the Environment, (UNGA document A/61/583) and the related UNGA Resolution 62/277 System-wide Coherence ( UNGA document A/Res./62/277).

13. The **Second Proposal**, while supported by the measures introduced in the first proposal, introduces procedures and institutional mechanisms, which may be considered by the COP within the framework of Art. 27 of the Convention, and entails the creation of a Senior Management Team (SMT) comprising the Executive Secretary (head), Managing Director of the GM and the Chief of Administration of the Secretariat (possibly, the Deputy Executive Secretary) to take collective decisions on basic policy issues relating to the implementation of the Convention, including programme development, budget and resource mobilization, communications and administration, within their respective areas of competence and mandates. Under this arrangement, the Secretariat and GM would report to the COP in a consolidated manner through the Executive Secretary whereas CRIC will continue to review and advice on the reports submitted to it and the Committee on Science and Technology (CST) will continue to consult with the Executive Secretary, the Secretariat and the GM on matters within its mandate. This institutional mechanism, to ensure effectiveness, would also entail the revision or re-negotiation of the MoU between the COP and IFAD to echo the new relationship, by removing indirect lines of accountability and reporting by the GM, through the President of IFAD. It will not, however, require any amendment of the Convention. The necessary arrangements could be made through a COP decision adopted within the powers vested in the COP by Article 27. Under this proposal, GM would continue to operate from the IFAD offices in Rome.

14. The advantages and disadvantages of the second proposal are detailed in table 12. A draft organigram of this scenario is presented below.



15. The **Third Proposal** which builds on the Second Proposal calling for the establishment of a Senior Management Team requires, in addition, the assimilation of the human and financial resources of the GM with those of the Secretariat. This would thus ensure that all staff are treated as Convention staff and GM accounts are administered, as those of the Secretariat, by the UNOG or another agreed body. Under this proposal, the GM will continue to remain in Rome, physically housed by the IFAD, as an out-posted office of the Secretariat.

16. IFAD's support to the GM under this proposal will be limited accordingly to the provision of office space, equipment and facilities, thereby relinquishing it of all other obligations. This Proposal would be a significant step closer to resolving the problems of governance, leadership, duplication, accountability, reporting to the COP and lack of corporation and coordination between the GM and the Secretariat. It may be considered as a transitional arrangement to allow time for the GM and the Secretariat to be fully integrated in one venue, as discussed under the Fourth Proposal.

17. It should be noted that the existing MoU is likely to be re-negotiated in any event, at the request of the IFAD, due to recent events, in particular, the decision of the Administrative Tribunal of the International Labour Organization (ILOAT) in the matter relating to the discontinuation of a GM staff member. In this case, the ILOAT decided that "*the administrative decisions taken by the Managing Director in relation to staff in the Global Mechanism are, in law, decisions of the Fund*". This decision is currently being appealed by IFAD in the International Court of Justice. Against this background, the COP is likely, sooner or later, to give serious consideration to the value-added of the GM remaining "housed" by IFAD in Rome, separated from the Secretariat, with services provided by IFAD limited to office space (for which, in any case, the COP pays a contribution) and the financial management of its three accounts.

18. The advantages and disadvantages of the third proposal are detailed in table 13.

19. Finally, the **Fourth Proposal** seeks to secure full integration of the GM within the framework of the Convention together with the Secretariat and other subsidiary bodies of the Convention by *re-locating the GM to Bonn*, according to a timeframe to be set by the COP. This proposal would effectively discontinue the current MoU with IFAD.

20. The advantages and disadvantages of the Fourth Proposals are detailed in table 14.

### **Legal and financial implications**

21. None of these proposals entail an amendment of the Convention. The changes proposed, including introduction of a senior management team and revision or termination of the MoU with IFAD, could be taken through appropriate COP decisions after consultation with the relevant stakeholders, including GM, IFAD, the Secretariat, and possibly the Governments of Italy and Germany. Legal requirements for the revision of the MoU are outlined in Section II.C.2; its termination is discussed in Section III.D.2.b. The COP has the legal authority as the voice of sovereign states parties to the convention and specifically under Article 27, to adopt decisions to implement these proposals including to relocate the GM to the headquarters of the Convention Secretariat in Bonn and set out procedures and processes for its effective functioning in collaboration with the Secretariat and other convention bodies. Consequently, there are no legal impediments to the establishment of these institutional changes.

22. As shown more fully in the report, these Proposals do not envisage the creation of any new posts. The one time administrative costs for Proposal Three and relocation costs resulting from the Fourth Proposal would probably be significantly offset by the 13% programme support costs, 8% of which is currently received by IFAD, and the savings from

institutional efficiency and economy of scale. Accordingly, the three proposals do not entail any noteworthy increase in costs to the Parties and instead could result in long-term savings for the Convention.

## Conclusions

### Concrete findings and evidence based appraisals on accountability and reporting lines to better service Parties

23. A lack of GM's accountability to the COP, as demonstrated through incomprehensive reporting, the resulting lack of oversight by the COP (and IFAD) together with the lack of cooperation with the Secretariat or other subsidiary bodies of the Convention has led to shortcomings relating to the effective implementation of the Convention. These might include the inefficient use of resources and ineffective cooperation in areas of work critical to the Convention such as NAP alignment, PRAIS, regional cooperation, awareness raising and communication, among others. This has resulted in an urgent need for the COP to address these issues - of leadership, coordination, responsibility, communication, reporting and management - through a clearly defined institutional setting.

24. GM's actions in regard to resource mobilization and programme development and implementation are largely carried out without consultation with the Secretariat and outside the mainstream of the Convention Secretariat's programmatic activities. This has changed marginally since the introduction of the 10-Year Strategy, the Joint Work Programme and other reporting requirements incorporating RBM/RBB methods during COP8 and 9.

25. Evidence has established that the GM's unilateral approach to decision making is underpinned by the dual institutional structure and resulting isolation of the GM from the Convention. This is also evidenced by:

- A lack of consultation, cooperation and collaboration with the Secretariat, for example in the areas of NAP alignment, donor relations, PRAISE and GEF collaboration
- No information being provided on the financial resources it has mobilized from donor countries and agencies and the manner in which such funds were spent for almost a decade
- Failure to forward information to Parties or the COP regarding IFAD court cases related to the GM and its institutional agreement
- The provisions of the MOU between the COP and IFAD, as the GM's housing agency, which has established GM's primary line of accountability (through reporting) to the President of IFAD and only indirectly to the COP

26. The current institutional arrangements and practices do not appear to comply with the requirements of the obligations of the GM under the Convention. For example:

- Over 25 COP decisions including the 10-Year Strategic Plan clearly and unequivocally call on the GM to collaborate with the Secretariat on programmatic, budgetary, communication and administrative matters. This remains unachieved
- Article 21 (5) circumscribes the mandate of the GM, which limits it to drawing up inventories of available financial resources; providing advice to Parties on innovative financing methods and sources and improving coordination at national level; providing information on sources of funds etc.

to interested parties. The current activities of the GM appear to go beyond the limits of the functions assigned to it under the Convention

- Article 21(5) states clearly and unequivocally that the GM “shall function under the authority and guidance of the COP” and reports” and also that “it shall report to the COP”. This clearly does not happen, largely due to the implications of the MOU with IFAD
- The GM has sought to use the words “inter alia” in the chapeau of Article 21 (5) to expand its mandate. Rules of interpretation in both international law and national universally provide that the words such as “include” and “inter alia” must be interpreted narrowly within the context of and limited to the same or similar functions as are set out in the relevant list that follows such words in the chapeau

### **Concrete findings and evidence based appraisals on a coherent institutional arrangement that will be consistent with the mandate entrusted by the COP**

27. The MOU between the COP and IFAD relating to housing the GM (Decision 10/COP.3) contains serious inconstancies and contradictions, such as that the GM while having a separate identity will “be an organic part of the structure of the Fund directly under the President of the Fund” but states elsewhere that the GM “will function under the authority of the Conference and be fully accountable to it”. At the same time it provides also, that “The chain of authority will run directly from the Managing Director of the GM to the President of the Fund to the COP” and also that the MD shall “prepare the GM’s programme of work and budget including staffing, “which will be reviewed and approved by the President of the Fund before being forwarded to the Executive Secretary” for consideration in the preparation of the budget estimates.

28. The MOU is at the centre of the case currently before the International Court of Justice in appeal from a finding of the ILO Administrative tribunal, that the “Global Mechanism is to be assimilated to the various administrative units of the Fund for all administrative purposes’ and that the “effect of this is that administrative decisions taken by the Managing Director are, in law, the decisions of the Fund”. IFAD in its memorial to the ICJ has denied that it exercises any managerial powers of GM and its staff, including the Managing Director and is not liable for actions of the GM.

29. As for as the COP is concerned, the net result of the inherent inconsistencies and contradictions in the MOU and the findings of the ILO Administrative Tribunal and the rebuttal made by IFAD to the ICJ is:

- the recognition that the MOU is fundamentally flawed and has created a parallel line of accountability for the GM which has resulted in the GM distancing itself from both the COP and the Secretariat relating to programmatic, resource mobilization and budgetary matters, and
- that the MOU needs to be revisited, reviewed and revised or re-negotiated, to reflect the institutional arrangements that the COP may take within Article 27 of the Convention, to resolve the questions that have arisen by the GM’s conduct, in regard to the implementation of the Convention
- That Article 27 provides the COP with a legal basis within the Convention to address, through a COP decision, the above mentioned issues relating to implementation of the Convention brought about by the parallel lines of authority exercised by the GM and the Secretariat

## Recommendations

1. That the Bureau report to the COP that the evidence adduced in this and the previous six evaluation reports, has adequately established the presence of serious and continuing problems relating to the effective implementation of the Convention.<sup>2</sup>
2. That in these circumstances, the COP is mandated by Article 27 of the Convention to consider and adopt “*procedures and institutional mechanisms*” for the resolution of such problems.
3. That the Bureau consider the four (4) proposals presented in this Report, which are based on the three Scenarios outlined in the 2009 JIU Report, for the resolution of the governance, accountability and reporting questions brought about by the parallel supporting structures for the GM and Secretariat.
4. That the Bureau consider the following matters in reviewing the four Proposals set out in this Report:
  30. The First Proposal - strengthening the status quo - though examined at length in the report as required by the TOR, must be seen against the difficulty the COP has had, though its decisions, to bring about consultation and cooperation between the GM and the Secretariat. Such difficulty might be partially attributable to the institutional housing arrangement with has resulted in the GM’s ability to act as an entirely independent specialized subsidiary body of the Convention that is not required to consult or collaborate with the Secretariat, or subject itself fully to the overview of the COP and that it is free to independently mobilize and channel financial resources to affected developing country parties, as it deems fit. The problems of governance are rooted in the lack of a systemic, institutional mechanism to compel cohesive and collective decision making between the GM and the Secretariat under the guidance of the COP.
  31. That Proposals Two, Three and Four are designed to allow for the COP to introduce, as called for in Article 27, appropriate “procedures and institutional mechanisms” to resolve the governance problems without dislocating the work of the convention bodies.
  32. The Second Proposal allows the status quo to continue, but establishes a Senior Management Team (SMT) comprising the Executive Secretary, the Managing Director of the GM and the chief of administration of the Secretariat, would be empowered by the COP in a Terms of Reference that would be attached to the related COP decision, to take consider and adopt within the framework of the Convention and the COP directives, internal policy decisions relating to programmatic, budgetary, communication and management matters. The Secretariat and the GM would then be free to develop and implement its activities within the framework of such collective internal policy decisions. This would effectively put an end to the current unilateral decision making approach of the GM and foster cohesion in the Convention’s decision making process.
  33. The Third Proposal combines the institutional mechanism of the Senior Management Team, with the assimilation of the GM staff and accounts with those of the Secretariat to bring all Convention staff and accounts (including those of the GM) within the United Nations staff and financial rules and regulations. Under this Proposal, the GM and its staff would continue to remain in Rome, as long as the COP is convinced that the value-added of such location outweighs the value-added of the GM being re-located in Bonn. In any event, this Proposal could be considered a transitory stage, to enable the GM staff under IFAD contracts to complete their tenures of service under those contracts, upon the conclusion of which, new contracts could be selected by the Managing Director of the GM, and approved by the Executive Secretary, as Secretariat staff. This arrangement would require consequential

changes to the MOU between the COP and IFAD, as the GM staff would no longer be appointed by the President of the IFAD. Having regard to the averments in the IFAD memorial to the ICJ, that IFAD has absolutely no management control over the staff of the GM, the IFAD would most surely agree to such revision of the MOU to echo, what the IFAD itself has stated to the ICJ. The Fourth Proposal would allow for the re-location of the GM at Bonn, and the grant of UN immunities and privileges by the Government of Germany, which the representative of the German Government who was interviewed, stated should not cause any difficulties.

34. There are no legal consequences that would prevent the adoption of the above decision, rooted in the Convention or in International Law. The financial consequences have been examined in the report with the conclusion that these will mostly relate to the one-time relocation costs, which it appears will be offset by the retainment of the full 13% programme support costs as well as medium and long term gains to the Convention from the operation of its subsidiary bodies in a cohesive and collective manner under the guidance of the COP.



## **I. Introduction**

### **A. Submission of the report in accordance with the Terms of Reference**

35. This FINAL DRAFT has been prepared according to the Terms of Reference (ToR) and submitted to the Bureau of the Ninth Conference of the Parties (COP9) of the United Nations Convention to Combat Desertification (UNCCD) in its inter-sessional process in follow-up to the sixth Decision of COP9 regarding the assessment of the reporting, accountability and institutional arrangements for the Global Mechanism (GM). This draft is submitted on 13<sup>th</sup> of February, a mutually agreed extension from 9<sup>th</sup> of February 2011, after having received feedback from the members of UNCCD COP9 Bureau and other relevant Parties by the 21<sup>st</sup> of January 2011 in accordance with the Bureau “Road-Map” and the ToR.

36. Efforts were made to address the comments received on the previous drafts, submitted to the Bureau in 2010 on 17 December, 17 November, and 29 September, as well as inputs received during and in follow-up to the third inter-sessional Bureau meeting on 15–16 November in Bonn, into this version of the report. It is noted that this is the last and final report submitted to the Bureau on behalf of the consultants providing advisory assistance to the COP9 Bureau in its inter-sessional process as per the ToR.

37. Furthermore, much effort went into gathering a solid body of evidence to substantiate the conclusions drawn in the report as extensively documented through supporting citations and statements from the relevant stakeholders in the annexed footnotes. Although every effort has been made to minimize repetition, the nature of the Expected Outputs detailed in the ToR, which include as many as 40 specific outputs in nine areas, is such that some reiteration of key points is inevitable. It must also be emphasized that the Report focuses on institutional issues relating to governance, reporting and accountability as set out in the TOR and does not include a performance appraisal of the activities of either the GM or the Secretariat or any other convention body.

### **B. Structure of the report**

38. Following submissions of the zero, first, and second drafts and receipt of comments and suggestions thereon from members of the Bureau and other relevant parties, this FINALDRAFT Report, while taking on board these comments and suggestions, has been structured so as to respond to each of the Expected Outputs contained in the ToR, as proposed in the draft outline submitted to the Bureau on 30 July 2010. Following the introduction, section two provides an analytical review of existing arrangements and practices while presenting the evidence and supporting documentation gathered with a view to identifying underlying causes of the issues identified. Section three elaborates several proposals for alternative arrangements and their potential for addressing the underlying causes of the issues identified as well as the possible legal and financial implications of their implementation. Section four summarises the conclusions and recommendations emanating from this evaluation.

### **C. Conceptual approach and methodology**

39. An analysis of fundamental issues relating to mandates and reporting responsibilities, governance and accountability, and institutional arrangements of the subsidiary bodies of the Convention was required for preparation of the report according to

the expected outcomes as detailed in the ToR. A review of key Convention (UNCCD) documents and evidence gathered indicating current arrangement and practices, as measured against principles of public international law and United Nations standards, constituted the principal benchmark upon which the analysis was carried out.

40. Information was gathered through desktop studies, interviews and responses to questionnaires, in addition to the study of relevant documents of the Convention (reports of the COP and other convention bodies, decisions, etc.) and other supporting materials. The opinions of key stakeholders and supporting documents were gathered during various personal interviews and meetings, email and telephone correspondences and through questionnaire responses. Main stakeholders consulted include the JIU Inspectors and authors of 2009 report, the Vice-President of IFAD and senior staff (Legal Counsel, Financial and Administration Departments, etc.), the GM Managing Director and senior staff, the Executive Secretary and senior staff of the Secretariat, the Senior Legal Counsel and staff at the United Nations Office of Legal Affairs and senior representatives of the Governments of Germany and Italy.

41. Information on the respective mandates and responsibilities of the Convention bodies was gained through review of the provisions of the Convention and related COP decisions.<sup>3</sup> Beyond COP related governance, a number of documents relating to IFAD's system of governance were collected and reviewed, as well as legal documents relating to the International Court of Justice (ICJ) and International Labour Organisation Administrative Tribunal (ILOAT) court cases.<sup>4</sup> In preparing the current report, insight was likewise gained from comparing the results of the 2005 and 2009 assessments of UN Joint Inspection Unit as well as reports of several previous assessments of the GM and Secretariat, many of which touched upon issues of governance, oversight and accountability.<sup>5</sup> Relevant principles of public international law and UN Standards include UN Financial Rules and Staff rules; the Vienna Convention on the Law of Treaties; and the "One UN" or "Delivering as One" Policy, as per the UN General Assembly Resolutions on System-wide Coherence (A/61/583, A/Res./62/277). References have been added where possible to build upon a body of evidence and to provide further examples and estimates relating to the conclusions drawn in the report.

#### ***Note from the Authors***

The authors would like to express their appreciation to the Executive Secretary of the Convention and to the Managing Director of the GM and their respective staff who discussed various issues in a very transparent and frank manner in an environment of trust and cordiality. The authors were also provided many important insights relating to their views of the underlying institutional issues and other causes of the various challenges faced by the Convention and its subsidiary bodies as well as on the relative strengths and demerits of the alternative scenarios and their potential implications, from their respective perspectives. The authors would additionally like to thank the author of the JIU evaluations and his colleagues for their insights and for clarifying many aspects of their report. We also express our appreciation to the Vice-President of the IFAD and his staff who helped us clarify several issues relating to the relations between the COP, IFAD and the GM and to the Senior Legal Officers of the UN Office of Legal Affairs who provided invaluable advice and guidance on the legal issues underlying the evaluation. Thanks also go to the representatives of the Governments of Italy and Germany who met with us to informally share their views. A final word of thanks to the Bureau and support staff of the UNCCD Secretariat and GM who significantly helped to facilitate our work.

## II. Analytical review of existing arrangements and practices with a view to identifying underlying causes of the issues identified

42. Section two provides an overview of existing practices of the Global Mechanism and other Convention bodies with particular focus on reporting, accountability/governance and institutional arrangements. These issues are closely inter-related and thus efforts were made to present the evidence and supporting documentation gathered as concisely as possible with a view to addressing the expected outputs specified in the Terms of Reference.

### A. Existing reporting arrangement for the GM

43. This section provides an overview of the existing reporting arrangements for the GM, with a view to analysing and reviewing the governance and oversight of the GM's activities by the COP and IFAD in accordance with relevant COP decisions. It also looks at the actual role played by the Secretariat, the Bureau and the COP in this regard, examines the data and information provided by the GM to the COP on financial resources it has mobilized, and analyzes the adequacy of such reporting against its mandate as set out in the Convention and relevant COP decisions.

#### ***Box 1. Delivering as One***

The "Delivering as One" Report of the UN Secretary-General recommends consolidation of all UN programme activities at the country level, with one leader, one programme, one budget and, where appropriate, one office. It also recommends "that stronger and more effective mechanisms must be developed for governance and funding. These mechanisms must incorporate clear lines of accountability and robust oversight of performance and results. To deliver lasting change, they must be transparent, inclusive and decisive... (and overseeing bodies must) have the power to take decisions." (para. 54) "Through consolidation, priority-setting and the elimination of duplication, a reconfigured development system will improve performance and increase cost effectiveness. It will significantly increase managerial accountability and effectiveness without creating a large centralized bureaucracy. And at the country level, it would provide the framework for One UN."(para. 62.). These same principles are driving efforts by UN agencies and bodies to improve intra and inter institutional collaboration, efficiency and programme delivery.

### 1. Governance and oversight of the GM as exercised by IFAD

#### **SUMMARY**

The housing arrangement between IFAD and the COP - as reconfirmed in related COP decisions including that which set out the MoU between the COP and the IFAD (Decision 10/COP.3) - established an indirect reporting line from the GM Managing Director to the COP, namely through the President of IFAD in the first instance, as further described in the following section.<sup>6</sup> In addition to the GM's various reporting requirements to the COP, according to the MoU and governing practices within IFAD, the GM is also required to submit reports to the IFAD Governing Council, Executive Board (EB), and is subject to decisions set out in IFAD Presidential Bulletins. For example, a 2006 decision of

the EB , **authorized the GM to disburse the funds accrued in its Special Resources for CCD Finance (SRCF) account “directly”, thus no longer requiring that they be used for the development of National Action Plans (NAPs), nor with input from the GM Technical Advisory Group.** The legitimacy of this decision is questionable as the GM did not gain COP approval nor did it inform the COP of this decision. There appears to be no authority whatsoever for IFAD’s EB to take such a decision and grant the GM these rights, there being no such authority delegated to IFAD under the MoU between the COP and IFAD (Decision 10/COP.3). The GM’s Facilitation Committee (FC) also **questioned the GM’s refocus of strategy as to whether this represented a diversion from the GM’s core mandate of resource mobilization** and how it lent to supporting Parties in meeting their obligations under the Convention. However, since 2005–2006, no internal IFAD decisions of the GC, EB, nor President appear to have been made governing the GM, and the semi-formal Technical Advisory Group (TAG) and GM Advisory Group established by IFAD to advise and guide the GM, have been disbanded. The FC, as the sole advisory body of the GM established by the COP, is not currently playing an active role and last met during COP9 in 2009; nor is it clear what role the FC will play in the future under the current circumstances, including how it will meet the various outstanding requests of the COP. Consequently, **neither the IFAD nor the FC is providing any active oversight or governance over the activities of the GM, including over the use and disbursement of funds from its three accounts.**<sup>7</sup> This is in line with the results of the JIU report which concluded that “the current arrangements do not involve any accountability, oversight and/or coordination functions to be enforced by IFAD over the GM, as this is the prerogative of the COP.”<sup>8</sup> Moreover, **IFAD has noted that its grants will become an “unpredictable” source of funding for the GM in the future and, that as a result of legal issues it is currently considering revision of the MoU with the COP which established the housing arrangement for the GM.**

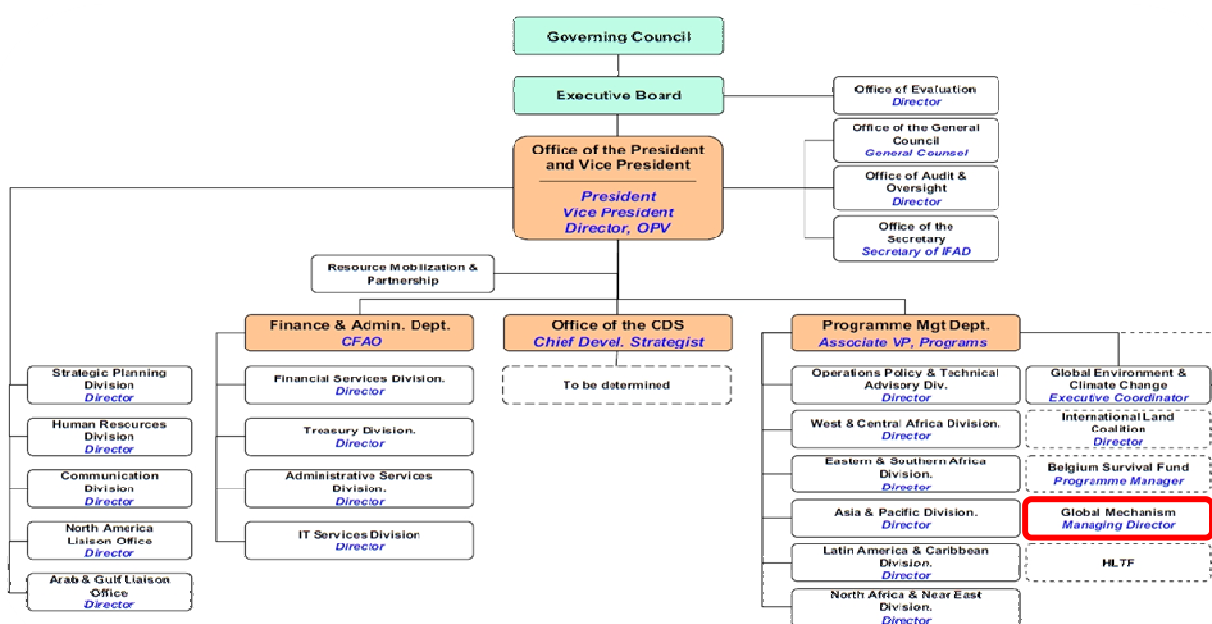
44. The organigram below provides an overview of the governance and oversight over the GM as exercised by IFAD, the CRIC and COP according to the current housing arrangement. It demonstrates the various layers of the GM’s reporting and accountability through the IFAD President in the first instance, and through the CRIC to the COP, which has implications for its oversight over the GM, as well as GM’s accountability to the COP.<sup>9</sup>

Figure 1  
Existing Reporting and Accountability Arrangements of the Global Mechanism



45. Furthermore, although IFAD’s de facto oversight and governance over the GM might be limited to administrative matters, organisationally, the GM is located under the IFAD’s Programme Management Department, and not under its Finance and Administration Department, as shown below.<sup>10</sup>

Figure 2  
IFAD’s Organizational Structure as of January 2010



a. *IFAD's Governing Council*

46. Since the Global Mechanism (GM) took up operations at IFAD in 1998/1999, it has submitted progress reports to IFAD's Governing Council (GC), IFAD's highest decision-making authority, at each of its annual sessions.<sup>11</sup> These reports focus on the GM's budget administration and its substantive work undertaken in collaboration with IFAD.<sup>12</sup> According to the published reports, **IFAD's GC does little but take note of the progress reports submitted by the GM**, nor does it appear to have adopted any resolutions or taken decisions related to the GM.<sup>13</sup>

b. *IFAD's Executive Board*

47. In addition, IFAD's Executive Board (EB), responsible for overseeing the general operations of IFAD and for approving its programme of work, also takes note of the GM's progress report, which it then approved for submission to the Governing Council.<sup>14</sup> Occasionally, the EB provides procedural comments, such as one which "welcomed its [the report's] focus on the complementarities between the GM's approach to country support and the IFAD Strategic Framework and operating model."<sup>15</sup> Furthermore, the EB approves IFAD grants to the GM, submitted through IFAD's President; the last of which was approved in August 2009, resulting in the fulfilments of IFAD's initial pledge of USD 10 million to the GM. No further grants were approved during the EB in 2010 and **IFAD Management has confirmed that IFAD will not make any further grants to the GM and that IFAD funds will henceforth become "unpredictable" while subject to competitive project funding; it also noted is that the physical location of the GM does not play a role in its grant eligibility.**<sup>16</sup>

48. IFAD's EB also advises on IFAD's financial and administrative procedures of relevance to the GM, in addition to provisions for the disbursement of funds from the GM's SRCF account as established through IFAD President's Bulletin (PB) in 1999, as specified in the following section<sup>17</sup> According to the 2006 Report, IFAD's Executive Board was "informed by the Global Mechanism that it was the intention of the COP that the funds held in the third account no longer be used only for grants, and that the Global Mechanism should be able to disburse them directly to carry out strategic work and co-financing arrangements".<sup>18</sup>

49. Following the GM request, **IFAD's EB in 2006 authorized the GM to disburse the funds accrued in its third and largest account, the Special Resources for CCD Finance (SRCF) account, "directly" for carrying out GM operations, functioning and activities.**<sup>19</sup> As a result, these funds were no longer to be used by the GM solely for small-scale grants related to the development of National Action Plans (NAPs) and no longer required input from the GM Technical Advisory Group which was established for this purpose, resulting in its de facto disbandment. Yet **despite the GM's strategic 'reorientation', the COP continues to focus on the role of the GM in NAP financing. Moreover, the authority of IFAD's EB to grant the GM these rights is likewise questionable**, as the EB was given no formal or acknowledged role in the MoU established between the COP and IFAD (Decision 10/COP.3); nor was the GM's request explicitly endorsed by the COP. Moreover, **the legitimacy of the GM's request to change the focus and procedure for disbursement of its third accounts remains questionable as no explicit COP approval was granted to the GM for this request.**<sup>20</sup> No further IFAD EB decisions have been made since 2006.

c. *IFAD President's Bulletins*

50. Specifications for financial management of the GM were set out in various President's Bulletins (PB) of IFAD, which confirmed the rules and procedures governing the GM's three accounts, including the uses for the GM's third account (SRCF) and IFAD's administration of GM's staff for "financing assistance to governments and regional/sub-regional bodies for the preparation of Action Programmes".<sup>21</sup> However, at least one detailed PB dating back to 2004 appears to have stepped over the procedural line into governance by deciding, without COP approval, that GM financial resources were to be allocated to joint communication activities, initiating a joint GM/IFAD resource mobilisation strategy, deciding that all major policy and programme documents of the GM be reviewed by IFAD before finalisation and that the GM's annual work plan and budget proposals be prepared as part of IFAD's Strategic Budgeting and Resource Allocation process.<sup>22</sup> The same PB from 2004 also established a multi-body GM Advisory Group responsible for all aspects of collaboration between IFAD and the GM. The last PB was issued in 2005 announcing the appointment of the new Managing Director of the GM, and since then, according to IFAD's Governing Body documents and internal consultations, it appears that **IFAD's de facto oversight and governance over the GM has been limited to administrative matters.**<sup>23</sup> This was confirmed by the IFAD Vice-President and other IFAD management, have clearly and unequivocally stated that the IFAD in no way currently exercises active oversight or guidance over the GM, but merely provides advisory services related to fiscal oversight to meet the requirements of the external auditors.

51. The table below listing relevant IFAD governing documents relating to the GM indicate that three such decisions, in bold, had clear governance and oversight implications for the GM, the last of which was issued in 2006.

Table 1  
**Relevant IFAD Governing Documents relating to the GM**

<i>DOC Ref.</i>	<i>Title</i>	<i>Date</i>	<i>Link</i>
EB 2009/98/R.59	Progress report on the Global Mechanism	Nov-09	<a href="http://www.ifad.org/gbd/ocs/eb/98/e/EB-2009-98-R-59.pdf">http://www.ifad.org/gbd/ocs/eb/98/e/EB-2009-98-R-59.pdf</a>
EB 2009/97/R.36	Grant under the global/regional grants window to the Global Mechanism of the UNCCD, for the Programme for Designing Integrated Financing Strategies for UNCCD Implementation in Selected Countries of Asia and the Pacific, and Latin America and the Caribbean – Phase II	Aug-09	<a href="http://www.ifad.org/gbd/ocs/eb/97/e/EB-2009-97-R-36.pdf">http://www.ifad.org/gbd/ocs/eb/97/e/EB-2009-97-R-36.pdf</a>
EB 2008/95/R.54	Progress report on the Global Mechanism	Nov-08	<a href="http://www.ifad.org/gbd/ocs/eb/95/e/EB-2008-95-R-54.pdf">http://www.ifad.org/gbd/ocs/eb/95/e/EB-2008-95-R-54.pdf</a>
<b>EB 2006/89/R.56</b>	<b>Procedures governing the Global Mechanism's Special Resources for the CCD Finance (SRCF) Account</b>	<b>Nov-06</b>	<b><a href="http://www.ifad.org/gbd/docs/eb/89/e/EB-2006-89-R-56.pdf">http://www.ifad.org/gbd/docs/eb/89/e/EB-2006-89-R-56.pdf</a></b>
PB/2005/01	Appointment of New Managing Director of the Global Mechanism of the UN Convention to Combat Desertification	Jan-05	Internal, see Annex
<b>PB/04/01</b>	<b>The Global Mechanism</b>	<b>Jan-04</b>	<b>Internal, see Annex</b>

<i>DOC Ref.</i>	<i>Title</i>	<i>Date</i>	<i>Link</i>
EB 2001/72/R.10	Provision of advance financing to the Global Mechanism of the United Nations Convention To Combat Desertification	Apr-01	<a href="http://www.ifad.org/gbdocs/eb/72/e/EB-2001-72-R-10.pdf">http://www.ifad.org/gbdocs/eb/72/e/EB-2001-72-R-10.pdf</a>
EB 98/64/R.31	Memorandum of Understanding between the Conference of the Parties of the UNCCD and the International Fund for Agricultural Development regarding the modalities and administrative operations of the Global Mechanism	Sep-98	<a href="http://www.ifad.org/gbdocs/eb/64/e/eb64-r31.pdf">http://www.ifad.org/gbdocs/eb/64/e/eb64-r31.pdf</a>
EB 99/66/INF.10	Memorandum of Understanding between the Conference of the Parties of the UNCCD and the International Fund for Agricultural Development regarding the modalities and administrative operations of the Global Mechanism	Apr-98	<a href="http://www.ifad.org/gbdocs/eb/66/e/EB-99-66-INF-10.pdf">http://www.ifad.org/gbdocs/eb/66/e/EB-99-66-INF-10.pdf</a>
<b>PB No. 99/10</b>	<b>Accounts of the Global Mechanism</b>	<b>Oct-99</b>	<b>Internal, see Annex</b>
PB No. 97/09	Selection of IFAD to House the Global Mechanism of the CCD	Oct-97	Internal, see Annex

d. *GM Technical Advisory Group*

52. The Technical Advisory Group (TAG) was established by IFAD President Bulletin in 1999 for the purpose of providing advice to the Managing Director of the GM in prioritizing the grant proposals received for allocation of the GM's third account, namely the Special Resources for CCD Finance Account (SRCF) which was originally envisioned for the development of action programmes in accordance with Article 9 of the Convention.<sup>24</sup> The TAG consisted of staff members and representatives from the GM, IFAD the FAO and the UNCC Secretariat but was **disbanded when IFAD's 2006 Executive Board authorized the GM to disburse SRCF funds without oversight**, as detailed in Section II.A.1.b.<sup>25</sup>

e. *GM Advisory Group*

53. In 2004, likewise by IFAD President Bulletin in an effort to further strengthen and clarify the relationship between the GM and IFAD, a second GM Advisory Group was established, led by IFAD's Assistant President, responsible for all aspects of collaboration and to advise and report to the IFAD President on GM matters.<sup>26</sup> This advisory group enjoyed a short life-span and **no longer exists, having been replaced with other advisory mechanisms by the new IFAD President**, but none with specific responsibilities for the GM.<sup>27</sup>

f. *GM Facilitation Committee*

54. The Facilitation Committee (FC) is the sole advisory mechanism for the GM established through a decision of the first UNCCD COP in 1997, consisting of three founding members: the IFAD, the World Bank and UNDP which were requested by the COP to "advise and support the GM in developing its operational strategy, work programme and budget".<sup>28</sup> In addition to the three founding institutions, the UNCCD Secretariat and a number of other members have been included in past FC meetings, although no formal specifications on the criteria for membership appear to have been established.<sup>29</sup> It normally meets at least once a year and according to the FC meeting reports from 2009, the FC "was conceived as a demand-driven advisory body to the GM, providing



guidance on the GM's operations and fostering collaborative institutional arrangements between the GM and institutions with relevant technical and financial expertise." It is also noted that the **last publicly available meeting reports of the FC date back to October 2005, indicating a gap in transparency in the advisory role of the FC.**<sup>30</sup>

55. In 2006, GM informed the Facilitation Committee (FC) of the changes to the procedures for the allocation of GM's accounts, subsequent to the decision of IFAD's Executive Board to authorize the GM to exercise full oversight over the disbursement of its SRCF account in parallel to the GM's decision to discontinue its small grants programme in favour of investment frameworks as detailed in the Consolidated Strategy and Enhanced Approach (CSEA).<sup>31</sup> This was apparently followed by a **discussion within the FC as to whether this refocus of strategy was indeed a diversion from the GM's core mandate of resource mobilization**, as defined in the Convention text, and if the GM's activities "directly and effectively support Country Parties in meeting their obligations under the Convention".<sup>32</sup> Later discussion within the FC highlighted **uncertainty within the FC members of the committee's utility to the GM** as a mechanism of improving cooperation between the member institutes.<sup>33</sup>

56. **Successive COP decisions have attempted to further define the mandate and scope of the work of the FC vis-à-vis the GM**, as outlined in 0 below, such as, by requesting its members to nominate focal points for liaison with the GM; asking the GM to strengthen dialogue with all FC members; and recommending that the GM Managing Director report to COP on the FC's activities, decisions and results. The GM, in cooperation with the FC members, was also repeatedly asked to "facilitate funding" for NAP operations and to monitor their follow-up activities and to "mobilize funds" and "promote" or "expedite" resource mobilization for NAP implementation and to prepare a document on financing options.<sup>34</sup> Such decisions reinforce **questions of the GM's mandate and role**, as discussed in the next sections, including II.A.2.e and II.A.2.f and Section II.B.3.

57. GM realignment, as part of the 10 Year Strategic Plan, invited the FC to revise its mandate and adopt a joint work programme, and for its members to develop financing platforms to align their activities with the UNCCD strategic plan and to report to the COP and the CRIC.<sup>35</sup> However, these requests had not yet been met by the ninth COP and were repeated in a further decision for submission at COP10.<sup>36</sup> Moreover, it appears that the **FC is not currently providing active oversight or guidance for the GM** and has been effectively inactive since its last meeting during COP9 in September 2009. Reasons for its inactivity range from a lack of budget (according to the GM) and, as confirmed by IFAD which holds the current FC chair, the preference of FC members to wait until the outcome of the current evaluation and resulting COP Decisions.<sup>37</sup> IFAD's Programme Management Department (PMD), under which the GM resides organisationally, confirmed that IFAD is planning a FC meeting in the margins of the CRIC meeting session in Bonn scheduled in February 2011.<sup>38</sup> Consequently, **it is not clear what role the FC will play in the future under the current circumstances, including how it will meet the various outstanding requests of the COP, nor how it will fulfil its reporting requirements to the COP or the CRIC.**<sup>39</sup>

Table 2  
**Relevant COP Decisions relating to the Facilitation Committee of the GM**

<i>COP Decision</i>	<i>Para-graph</i>	<i>Text</i>
25/COP.1	3	Urges the three institutions concerned to proceed with...the establishment of a facilitation committee, and requests the three institutions to <b>report</b> to the second session of the COP
25/COP.1	Annex IV, 16	The three institutions would <b>advise and support the GM in developing its operational strategy, work programme and budget</b> through the facilitation committee (referred to above).
18/COP.2	8	Invites the International Fund for Agricultural Development, the United Nations Development Programme, the World Bank and, as appropriate, the other members of the Facilitation Committee to <b>nominate focal points for the purpose of liaison with the Global Mechanism</b>
9/COP.3	6	Underlines that the Global Mechanism shall <b>strengthen both policy and operational level dialogue</b> with all members of the Facilitation Committee...to increase awareness of the Convention and facilitate the identification of possibilities and definition of mechanisms for public-private partnerships for its implementation
9/COP.3	20	Recommends that the Managing Director of the Global Mechanism <b>report</b> to the Conference of the Parties on the activities undertaken by the Facilitation Committee, the decisions taken and results obtained in implementing them
9/COP.3	21	Invites the Facilitation Committee to explore the possibility of <b>inviting a representative of non-governmental organizations</b> to attend its meetings and to <b>report</b> to the Conference of the Parties at its fourth session on the decision taken on this issue
3/COP.5	Annex, 32	The Global Mechanism, in cooperation with the members of its Facilitation Committee, should target an early matching of demand and supply through the <b>facilitation of funding for the NAP's operations</b> , and should be entrusted with <b>monitoring the follow-up activities of this consultative process</b> in order to facilitate the timely disbursement of pledged assistance. Its role should also be strengthened in support of the subregional and regional action programmes
1/COP.6	2	Urges the Global Mechanism (GM), together with the members of its Facilitation Committee, to promote <b>resource mobilization for NAP implementation</b> as a matter of the highest priority, as highlighted by the Declaration on the commitments to enhance implementation of the obligations of the Convention (decision 8/COP.4), without neglecting support to the subregional and regional action programmes
5/ COP.6	10	Further invites the members of the Facilitation Committee including the Managing Director of the GM, to take all necessary measures for <b>effectively implementing its Business Plan and improving coordination</b> among the members of the Facilitation Committee
1/COP.7	12	Urges the Global Mechanism (GM), together with the members of its Facilitation Committee, to <b>expedite resource mobilization</b> for the implementation of NAPs and sustainable land management;
4/COP.7	3	requests the GM to <b>prepare a document on options for financing instruments</b> , institutions and processes for international and domestic finance for financing these targets, starting with NAPs and possible future consideration of subregional and

<i>COP Decision</i>	<i>Para-graph</i>	<i>Text</i>
		regional action programmes, in collaboration with the members of its Facilitation Committee, and to <b>report</b> to the COP at its eighth session
4/COP.7	8	Invites multilateral organizations and agencies, particularly the GEF, to simplify their procedures for access to funding in order to facilitate NAP implementation, and <b>invites the GM and the members of its Facilitation Committee to mobilize funds</b> and make available information on points of entry into processes and modalities of multilateral funding <b>for NAP implementation</b>
9/COP.7	1 (c)	(CRIC to...) Review of available information regarding the mobilization and use of financial resources and other support by multilateral agencies and institutions with a view to enhancing their effectiveness and efficiency towards the achievement of the objectives of the Convention, including <b>information on the activities of the Global Environment Facility, the Global Mechanism and its Facilitation Committee</b>
6/COP.9	4	<b>Reiterates the invitation to the Facilitation Committee</b> , as requested by The Strategy, to revise its mandate and adopt a joint work programme, aligned with the strategic plan, and also the invitation to individual members of the Facilitation Committee to develop consistent and complementary financing platforms to align their activities with the UNCCD strategic plan and report in a coordinated fashion to the Committee for the Review of the Implementation of the Convention (CRIC) and the COP

**Box 2. The Question of Revision of the MoU with IFAD**

The section of the report dealing with existing institutional arrangements, Section II.C, further outlines the current debate taking place within IFAD as to the need to revise the Memorandum of Understanding (MoU, Decision 10/COP.3) relating to the “housing” of the GM, in consultation with the COP. The main issues arise out of the use of language such as GM being an “organic part of the structure of the Fund”, the inconsistencies and contradictions in the text of the MoU which have caused IFAD senior staff to contemplate its need for revision to expressly absolve the Fund from liability for any actions of the GM.<sup>40</sup> This has taken on a sense of urgency and immediacy due to recent events and a pending court case which have likewise brought into question the current MoU, especially in relation to the appointment and administration of GM staff, which have forced IFAD to reconsider its role and position vis-à-vis the GM.<sup>41</sup> **The consequence of this action will likely be to severely limit the responsibilities of the IFAD towards the GM** solely to the provision of office space and possibly the management of the three accounts of the GM.<sup>42</sup>

**2. Governance and oversight of the GM through COP decisions and roles played by the Bureaus and Secretariat**

**SUMMARY**

Following successive assessments of GM’s accountability undertaken by the COP and several external evaluations of the GM – many of which drew similar conclusions – the COP empowered the CRIC to regularly review the activities of the GM. However, **the CRIC currently has no de facto advisory or authoritative role over the GM**, although it is responsible for the elaboration of draft COP decisions. It therefore appears that CRIC could

have the potential to play a much more effective role in regard to GM's oversight. Current **limiting factors include GM reporting to the CRIC which has lacked substance and focused on the process of future work and the status of COP reports, as well as a lack of CRIC's capacity to fulfil an active oversight role** on a working and managerial level.

Furthermore, the COP has taken some forty decisions which have introduced additional responsibilities or further defined existing responsibilities and reporting requirements of the GM; over half of these request the GM and Secretariat to implement various activities and functions jointly. However as noted in the JIU assessment, this has also led to a **lack of clarity in the role of the GM in terms of its resource mobilisation mandate**, especially when defined broadly as fund-raising for the implementation of the Convention. Various COP Decision have also **increased complexity and blurred the line of responsibilities between the GM and Secretariat** as many COP decisions do not specify which body holds the primary responsibility for its implementation. Finally, the **various assessments and successive COPs have merely urged collective decision making, cooperation and cohesion between the Secretariat and the GM but have not provided an institutional arrangement**, such as a COP-directed systemic or institutionalized mechanism, to ensure joint implementation or enforce compliance. It should be noted that the COP has been mandated by Article 27 of the Convention, to "consider and adopt *procedures and institutional mechanisms*" for the resolution of "questions that have arisen with regard to the effective implementation of the Convention", such as those of governance, reporting and accountability relating to the GM that are the subject of this evaluation.<sup>43</sup> The recent introduction of additional GM reporting requirements to the CRIC through the JWP and the use of an RBM approach has the potential to help improve and streamline reporting efforts; however, the results of these efforts have yet to be seen. **Neither the RBM approach nor the JWP is likely to resolve the core issues of a lack of ongoing collaboration and strategic planning between the subsidiary bodies, rooted in flawed institutional arrangements.**

***Box 3. Overview of Previous Assessment Results: Governance and Oversight***

"The COP meets only once every two years, and may have gone beyond its role of providing broad strategic directions by involving itself in too many detailed directives." (World Bank, 2003, p.31–32)

"GM's governance structure, which includes the COP, to which the GM is accountable, IFAD which has oversight responsibility between COPs, and the FC, which serves an advisory role, has not operated in the strategic and efficient way that it might." (World Bank, 2003, p. 11)

"The GM governance is not well enough clarified to provide clear and consistent strategic and operational directives to the GM." (World Bank, 2003, p.10)

*a. COP reviews of the GM*

58. According to the GM's core mandate, as established in article 21, paragraph 4 of the Convention text "[the] Global Mechanism shall function under the authority and guidance of the Conference of the Parties and be accountable to it." The COP's general oversight has been exercised though numerous COP Decision delegating specific functions to the GM and occasionally requesting it to provide specific reports to follow-up on these requests, as described below. Paragraph 7 of the Convention further provides the COP with considerable leverage in reviewing when it states "the policies, operational modalities and activities of the Global Mechanism accountable to it... on the basis of this review, it shall consider and take appropriate action."<sup>44</sup> Since ratification of the Convention, the COP has

undertaken reviews at its third, fourth, sixth, eighth and ninth COPs, resulting in dozens of decisions guiding the work of the GM but not resulting in any institutional arrangements to ensure compliance.<sup>45</sup> Moreover, **the supreme role of the COP in introducing procedural and institutional arrangements to resolve questions that arise relating to the implementation of the Convention was established through Article 27 of the Convention**, which states that “the Conference of Parties shall consider and adopt procedures and institutional mechanisms for the resolution of questions that may arise with regard to the implementation of the Convention”.

59. Possibly due to the lack of time allowed for substantive discussion during the COP in the face of the growing body of reports it was provided by the GM, **the responsibility of reviewing in-depth the various reports on the activities and functions of the GM was eventually handed to the CRIC**. As further described below, that arrangement has not resulted in resolving the governance, accountability and reporting problems relating to the GM.

*b. The role of the COP Bureau*

60. The COP Bureau was formally established by the Convention (Article 22, para. 6). However, its structure and functions, determined in the Convention’s rules of procedure, is limited to matters such as the examination of credentials for recommendation to the COP and to advise the Secretary General of the UN General Assembly on the selection of the Executive Secretary.<sup>46</sup> As no further responsibilities were delegated, **the COP Bureau does not appear to have been given any formal advisory or oversight mandate over the subsidiary bodies of the Convention**.<sup>47</sup> Informally, the COP Bureau has an important role to play in overseeing the work of the Convention’s subsidiary bodies and their fulfilment of COP requests. For example, **during COP9, the Bureau was tasked with undertaking and supervising the current evaluation** of reporting, accountability and institutional arrangements for the GM and their legal and financial implications, and presenting a report to COP 10 for its consideration and decision (Decision 6/COP.9, para. 9). However, no arrangements have been made which provide the Bureau sufficient time or the necessary resources to regularly oversee the subsidiary bodies of the Convention, including the GM and the Secretariat, and as such, the COP Bureau is not likely to be an effective mechanism for oversight in the future, unless the necessary measures are taken.

*c. The role of the CRIC (Bureau)*

61. The Committee for the Review of the Implementation of the Convention (CRIC) is not a Convention body but was established as a subsidiary body in 2001 at the COP 5 to assist in regularly reviewing the implementation of the Convention.<sup>48</sup> In addition to the time-bound responsibility of the COP9 Bureau, during the fifth COP, the CRIC was given the broad function and **responsibility of regularly reviewing the GM’s policies, operational modalities and activities for the elaboration of draft decisions for the COP** during sessions of the COP.<sup>49</sup> At the following COPs, including COP 9, it was also asked to “review (of) available information regarding the **mobilisation and use of financial resources and other support... including information on the activities of the Global Mechanism and its Facilitation Committee**”, later expanded to also include the GEF.<sup>50</sup> The CRIC’s mandate was again redefined in the context of the 10-Year Strategy (Decision 3/COP.8) to include review of the implementation of the Strategy; and as a result of COP 9, the CRIC was given a new ToR which included the responsibilities of **reviewing the performance of the Convention’s institutions and subsidiary bodies**.<sup>51</sup>

62. Similar to other subsidiary bodies, the CRIC reports to the COP on all aspects of its work; however, the CRIC also may submit recommendations and draft decisions to the COP, reinforcing its oversight role.<sup>52</sup> **Additional functions given to the CRIC also**

appear to be similar or repetitive to those of both the Secretariat and the GM, such as its responsibility for recommending methods that improve communication of information, including for reports submitted to COP, and promoting experience sharing and information exchange, all responsibilities mandated to the Secretariat.<sup>53</sup> The CRIC was also given the responsibility for recommending methods that promote know-how and technology transfer, as was the GM.<sup>54</sup> However, in accordance with its mandate, the CRIC's role is clearly in supervising and overseeing these areas of work of the Secretariat and the GM in their fulfilment of the respective COP decisions.

63. Due to its oversight role and ability to submit recommendations and draft decisions to the COP, the **CRIC is currently the most appropriate subsidiary body of the Convention for undertaking regular monitoring and assessment of the GM.**<sup>55</sup> However, a number of obstacles have inhibited the CRIC from effectively carrying out this role. Primarily, the **CRIC's role was limited to the elaboration of draft decisions and not that of an advisory role to the GM, as it appears to be without authority over the GM in terms of ensuring or enforcing that COP Decisions are implemented.** The COP requests the GM or Secretariat to submit reports to the CRIC for review, whereas the CRIC Bureau might also request updates, which it has done on the JWP, preparation of RCMs, in addition to other ad hoc reporting requests at the discretion of the President. However, **the GM's (and Secretariat's) reporting to the CRIC has lacked substance and focused on the process of future work and the status of reports to COP, not on results obtained or de facto progress made;** this is the case for information on collaboration between the GM and Secretariat or on the mobilisation and use of financial resources, namely receipts to its three accounts allocations, which has been very limited or non-existent.<sup>56</sup> The GM also noted on many occasions that it considers the reporting arrangement to the CRIC as "informal". The lack of in-depth information provided between COP sessions to the CRIC also highlights the conclusion that the **GM and Secretariat cooperate primarily as a means of fulfilling their respective reporting requirements** in the short-term run up to such sessions. Another potential obstacle which might be used to justify the GM's lack of comprehensive reporting includes the argument that **standardised methods to measure and report on the impact of the GM's activities have not yet been fully developed.**<sup>57</sup>

64. **If provided with the mandate to request substantial input and final reports from the GM and Secretariat, and to enforce decisions of the COP, the CRIC has the potential to play a much more influential role.** This could include advising on the preparation of total work plans and budgets for the Convention and introducing institutional reforms to ensuring systematic information sharing on a working level between the GM and the Secretariat. **However, it does not appear as if the CRIC currently has the capacity to fulfil such a time-consuming and continuous oversight role on a working level,** as it only meets once or twice an year for a few days at a time. The proposals in Section III of this report have thus been designed to introduce an effective and continuing oversight on a managerial and institutional level.

d. *External assessments and evaluations of the GM*

65. In addition to the COP reviews of the GM undertaken in 1999 and 2000, in its first years of operation as mandated in the Convention, the first external assessment of the Global Mechanism was initiated by the COP in 2002 and completed in 2003, followed by a comprehensive GM review undertaken by the CRIC and COP.<sup>58</sup> This was followed by two additional assessments by the Joint Inspection Unit (JIU): in 2005 on the UNCCD as a whole and the most recent undertaken by the JIU on the GM specifically in 2009.<sup>59</sup> In 2008/2009, the Internal Audit Division of the Office of Internal Oversight Services was commissioned to audit the "Financial Management of the UNCCD", however the report did not consider the GM, and only reviewed the management practices of the Secretariat.<sup>60</sup> In addition, IFAD has commissioned two independent evaluations of the GM by the World

Bank Development Grant Facility in 2003 and by Unisféra International Centre in 2009, in parallel to those requested by the COP.<sup>61</sup> **The current external assessment, being the sixth,** was requested by the ninth COP in Decision 6 in follow-up to the 2009 JIU assessment of the GM to clarify the reporting, accountability and institutional arrangements for the GM.

66. **In many of the assessments, similar conclusions have been drawn** relating to the GM's lack of transparent reporting (especially on its accounts and budget), interpretation of its mandate and difficulty in measuring and reporting on its impact, its level of "independence from other convention bodies", lack of oversight coupled with the lack of enforcement measures to ensure compliance, a lack of institutionalized cooperation and information sharing mechanisms, the role the COP has played in extending or interpreting the GM's mandate and responsibilities shared with the Secretariat, and lack of enforcement measures to ensure compliance.<sup>62</sup> It is noted that, although the various GM reviews resulted in additional impetus for improvements in the working relationship between the Convention bodies (especially the Secretariat and the GM) and focus of the work of the GM, as emphasised through numerous COP Decisions, **many of the recommendations proposed have not yet been addressed or implemented and no comprehensive procedural or institutional mechanisms, as required by Article 27 have been introduced to date.**<sup>63</sup> Furthermore, such assessments also have the potential to strain the relationship between the Convention bodies and the Parties, especially if such improvements are not effectively achieved or reforms implemented.<sup>64</sup>

***Box 4. Previous Assessments and Evaluations of the GM***

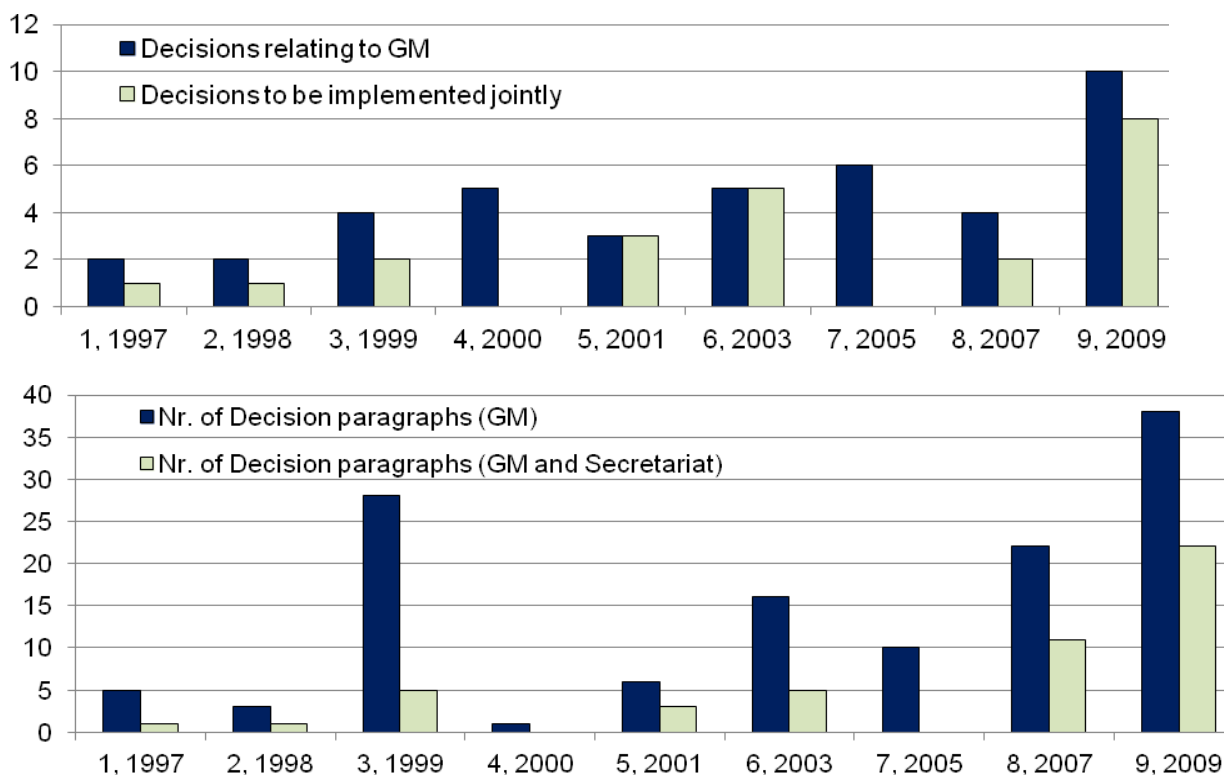
1. Assessment of the Global Mechanism of the United Nations Convention to Combat Desertification (JIU/REP/2009/4)
2. Review of the Management, Administration and Activities of the Secretariat of the United Nations Convention to Combat Desertification (JIU/REP/2005/5, ICCD/COP(7)/4)
3. Review, pursuant to article 21, paragraph 7, of the Convention, of the policies, operational modalities and activities of the Global Mechanism, and the provision of guidance to it (ICCD/CRIC(2)/5, 2003)
4. Independent Evaluation of the Global Mechanism: Final Report to the World Bank Development Grant Facility (ICCD/COP(6)/MISC.1, 2003)
5. Evaluation of Strategic Opportunities for the Global Mechanism of the UNCCD at IFAD (Unisféra International Centre, 2009)<sup>65</sup>

*e. Overview of COP Decisions relating to the GM*

67. As a result of the various reviews and external assessments, the COP has passed at least 40 Decisions, including almost 130 individual paragraphs, governing the functions and activities of the Global Mechanism.<sup>66</sup> Many of these decisions have requested the GM to report to the COP on issues such as support received, financing options for the NAPs, and data and information on resources mobilised and extra-budgetary funds.<sup>67</sup> Using the example of the last two COPs, the **GM claims to have fulfilled most of the COPs requests primarily through its Integrated Financing Strategy (IFS) approach and its more recent work with the Secretariat on the National Action Plan (NAP) alignment and PRAIS process including cooperation on Regional Cooperation Mechanisms (RCMs),** as outlined in table 7. However, numerous key requests, including those introduced in Decision 6/COP.9 such as the revision of the FC mandate and JWP, and full

budget disclosure are still outstanding to date, and are due to be presented at COP 10 in 2011.

Figure 3  
COP Decision Governing GM, according to COP/ Year



f. COP Decisions requesting joint implementation by the GM and Secretariat

68. The COP has introduced at least 22 Decisions covering over 50 paragraphs which request the GM and Secretariat to implement various activities and functions jointly, as indicated in table 3 below. For example, joint reporting requirements were first introduced during the third COP, requesting the GM and Secretariat prepare a partnership guide. The same COP requested the GM Managing Director to cooperate with the Executive Secretary; however, largely due to the institutional set-up established by the same decision, **reporting has been selective and the cooperation between the two bodies left to their discretion while largely limited to fulfilment of the COP's specific requests.**<sup>68</sup> COP Decisions requiring the GM to cooperate with the Secretariat in fulfilling its obligations, many of which introduced reporting requirements, increased substantially during the ninth COP, probably as a result of the JIU assessment report and in an attempt to address the gap in cohesion between the two bodies.<sup>69</sup> However, **most COP Decisions requesting activities to be carried out jointly by both the GM and Secretariat do not specify which body holds the primary responsibility** for ensuring their execution, and thus accountability to the COP, as demonstrated in table 3 below. This has led to **increased complexity and confused the responsibilities between the GM and Secretariat and has the potential to place an additional strain on the Secretariat/GM relationship, as no systemic cooperation or enforcement mechanisms are in place to ensure compliance.** Moreover,



despite the issues of cooperation being raised repeatedly by the COP as both bodies were repeatedly requested to “avoid duplication and to enhance effectiveness”, **no procedural or institutional measures have been introduced to ensure joint implementation.**<sup>70</sup> Section II.B.2.c further discusses the Secretariat and GM’s views of their current collaboration efforts, while identifying gaps and duplication of efforts.

Table 3  
**Overview of Joint/Shared Functions between the GM and Secretariat**

<i>Area of Work</i>	<i>Who is responsible<sup>71</sup></i>	<i>For what (text of COP Decision)</i>	<i>Decision</i>
<b>Advocacy, Partnerships, Reporting</b>	ES and MD/GM → <i>no delineation</i>	<b>prepare a guide</b> to help affected developing country Parties in the convening of consultative processes leading to the conclusion of partnership agreements; to effectively assist affected African country Parties, upon request, in facilitating... consultative processes to negotiate and conclude partnership agreements based on... action programmes; and <b>report to all COPs</b> on their role to facilitate these processes and the results obtained	5/COP.3, para. 28, 29, 30
<b>Capacity Building</b>	MD/GM, in coordination with the secretariat	<b>organize in 2000 workshops</b> in Africa, Asia, and Latin America and the Caribbean on procedures to access existing financial mechanisms	9/COP.3, para. 11, 12
<b>Advocacy, Partnerships</b>	UNDP + GM and Secretariat → <i>no delineation</i>	<b>convening of consultative meetings</b> for partnership/financing arrangements for finance of NAPs	3/COP.5, para. 31
<b>GEF</b>	ES and MD/GM → <i>no delineation</i>	<b>cooperate actively</b> in the GEF secretariat’s work; <b>facilitate South-South exchanges</b> on benchmarks and indicators, including the strengthening of capacities	9/COP.5, para. 3
<b>Capacity Building, Indicators</b>	Secretariat and GM → <i>no delineation</i>	facilitate South-South exchanges on benchmarks and indicators, including the strengthening of capacities	11/COP.5, para. 3
<b>joint work programme, awareness- raising strategy</b>	Secretariat and GM → <i>no delineation</i>	develop/implement a biennial joint work programme as part of its business plan with required support and common awareness-raising/info. strategy, report to COP7	3/COP.6, para. 4
<b>joint work programme,</b>	GM and Secretariat → <i>no delineation</i>	<b>Adopt joint work programme</b> to maximize resources, avoiding duplication, etc. to implement action programmes	5/COP.6, para. 6
<b>GEF MoU</b>	Executive Secretary, GM Managing Director	Executive Secretary in collaboration with the GM Managing Director to agree upon MoU with GEF	5/COP.6, para. 6
<b>NAPs</b>	GM and Secretariat → <i>no delineation</i>	GM and Secretariat to support elaboration of NAPs	8/COP.6, para. 4
<b>Fund-raising</b>	GM, Secretariat → <i>no delineation</i>	GM in close collaboration with Secretariat, to <b>mobilize additional resources</b> for this initiative	14/COP.6, para. 4.

<i>Area of Work</i>	<i>Who is responsible<sup>71</sup></i>	<i>For what (text of COP Decision)</i>	<i>Decision</i>
<b>JWP, Cooperation</b>	(Executive Secretary) Secretariat and GM → <i>no delineation</i>	implement The Strategy, ensure <b>consistency and complementarity</b> in the delivery of services, strengthen their coordination and cooperation, submit a draft <b>joint work programme</b> to CRIC 7/COP9, <b>strengthen coordination and cooperation</b> : submit joint biennial programme of work/work plan (ensuring accountability and efficiency), regional dialogue and coordination facilitation mechanism	3/COP.8 , 24–26, 28, Annex, 21-22
<b>Regional coordination</b>	Secretariat and GM	Collaborate with Parties on <b>regional coordination proposals</b> and review existing arrangements for consideration prior to COP9	3/COP.8, 30–32
<b>Fund-raising</b>	Executive Secretary and GM → <i>no delineation</i>	bring to the attention of donors the importance of <b>financial support for national reporting</b>	7/COP.8, para. 6
<b>Resource Mobilisation, cooperation</b>	Secretariat and GM → <i>no delineation</i>	<b>intensify cooperation</b> on strategic objective 4 of The Strategy (mobilize resources to support implementation), <b>enhance cost efficiency</b> and coherence through improving coordination of actions	1/COP.9, para. 18, 19
<b>Financial assistance for IIF</b>	GM, in close collaboration with the secretariat	<b>financially assist</b> affected country Parties to develop integrated investment frameworks (Secretariat to facilitate technical assistance for action programmes)	2/COP.9, para. 4, 5
<b>Regional cooperation, NAPs, JWP, technical assistance, capacity building</b>	ES and MD/GM → <i>no delineation</i>	<b>strengthen regional coordination mechanisms</b> (RCMs), facilitate regional and subregional cooperation and action programmes; provide technical assistance to NAPs; within available resources; support Regional Coordination Mechanisms (RCMs), provide or relocate staff (ES should provide one post per region, GM staff co-located) by ninth CRIC, within the available resources of the core budget; ensure work does not duplicate that of headquarters; actively collaborate on joint work programme to enhance cooperation and provide effective support to affected country Parties, contribute to cooperation in the regions (capacity-building, transfer of technology, etc.)	3/COP.9, para. 1–4
<b>Fund-raising, Communication</b>	Secretariat and GM → <i>no delineation</i>	actively <b>seek innovative sources of financing</b> for implementation of communication strategy	4/COP.9, para. 8
<b>Reporting (COP and CRIC), regional work programmes, fund-raising</b>	Secretariat (ES) and GM (MD) → <i>no delineation</i> (exceptions: GM to prepare regional work programmes, Secretariat, common fund-raising strategy)	Produce report containing a <b>total work programme and the total cost estimate</b> (for biennium and medium term) for COP governance /oversight; GM to prepare and submit to COP, in consultation with the secretariat, detailed <b>regional work programmes</b> ; secretariat, in collaboration with the GM, submit to the COP a <b>common fund-raising strategy</b> , GM to prepare, in consultation with the Secretariat, criteria and guidelines for the allocation of financial resources ...complementary to GM activities; COP9 Bureau's current assessment; jointly prepare and submit an update to the intersessional session of the CRIC on progress made	6/COP.9, para. 1, 2, 3, 7, 9, 10
<b>Fund-raising, cooperation</b>	Secretariat and GM → <i>no delineation</i>	strengthen coordinated approaches to exploring opportunities for <b>accessing funding for DLDD</b> (ES to seek financial resources consistent with the fund-raising activities of the secretariat)	8/COP.9, para. 8, 10

<i>Area of Work</i>	<i>Who is responsible<sup>71</sup></i>	<i>For what (text of COP Decision)</i>	<i>Decision</i>
<b>Indicators, reporting, capacity building</b>	Secretariat (ES) together with the GM (division of indicators for secretariat and GM to report on, see para. 8)	Develop proposals to refine set of <b>performance and impact indicators</b> and associated methodologies; <b>Report</b> on efficacy of indicators for strategic objectives 1, 2 and 3, (together with UNEP and GEF) prepare reporting tools and facilitate / provide capacity- building on monitoring;  <b>General reporting obligations</b> for the institutions and subsidiary bodies of the Convention (CRIC: biennial performance report, four-year workplans, secretariat's synthesis of reports, GM's analysis of financial flows; COP and CRIC: GM and Secretariat RBM performance reports, best practices and additional information to improve CRIC monitoring; <b>secretariat should facilitate capacity-building initiative</b> , etc.	13/COP.9, para. 2, 4, 6, 7, 8, 21, 22, 23
<b>Capacity-Building, Communication, fund-raising</b>	Secretariat and GM → <i>no delineation</i>	include the impact indicators in their comprehensive <b>capacity-building</b> initiative, <b>communicate</b> information pursuant to the present decision, and <b>seek donor assistance</b> (GEF)	14/COP.9, para. 9

g. *Introduction of the 10-year Strategic Plan and Framework*

69. The 10-year Strategic Plan and Framework to enhance the Implementation of the Convention ('the Strategy') adopted by Decision 3/COP.8 in 2008 for the period 2008–2018, directed 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, to strengthen their coordination and cooperation and to develop indicators of successful cooperation in their RBM-based joint work programme. However, as detailed throughout the report, **despite introduction of the Strategy, numerous difficulties prevail related to limited cooperation between the subsidiary bodies of the Convention, as well as a lack of full disclosure and accountability of the GM to the COP.** This conclusion was also confirmed in interviews and email communications between the GM Managing Director and the Executive Secretary, as well as with supporting staff, detailing the difficulties associated with securing the GM support for carrying out various COP directives, as further detailed in Section II.B.3.<sup>72</sup> **Reasons for this stem from the view held by the management of the GM that it is an independent entity empowered by the Convention to mobilize and channel financial resources to affected developing countries without consultation with the Secretariat or any other subsidiary body.** This has had numerous implications for the functioning of the Convention as a whole, as outlined in Section II.B. The institutional and administrative structure of the GM, its housing arrangement at IFAD and location in Rome separate from the Secretariat have all reinforced this view and compounded the present issues, as discussed in Section II.C.

70. Moreover, the **10 Year Strategic Plan does not provide a secured systemic or institutional mechanism to compel the GM to collaborate with the Secretariat** in carrying out the various COP directives. **The absence of such an arrangement appears to be the principal impediment to the effective implementation of the Strategy and Convention as a whole, or for that matter any COP decision that directs the GM and the Secretariat to consult and cooperate with each other.** In addition, **not all of the various responsibilities handed to the GM and Secretariat are sufficiently delimited.** The Strategy was a first step in clarifying the respective roles and responsibilities of the GM and Secretariat and gave both bodies a shared responsibility in operational objectives

on advocacy, awareness raising and education, policy framework, and financing and technology transfer.<sup>73</sup> However, it also introduced ambiguity and did not clarify the respective roles relating to resource mobilisation in terms of fund-raising in addition to relations with the GEF, policy framework, capacity building and regional cooperation, to name a few areas of work. The GM has noted on various occasions a **geographical distribution of responsibilities on the sub-regional and national level (for the GM) and the global level (for the Secretariat); however, such a division is neither practical nor supported through COP decisions nor rooted in the provisions of the Convention.**

*h. Recent introduction of the RBM approach and the JWP*

71. The use of Results-Based Management (RBM) and Results-Based Budgeting (RBB) reporting standards and principles were suggested in the JIU assessment report of 2005 and incorporated as a goal of the 10-Year Strategy introduced in 2008.<sup>74</sup> In addition, instead of individual reports prepared in parallel by each subsidiary body, as done in the past, COP9 in 2009 introduced joint reporting requirements of the GM and the Secretariat, including a total work programme and total cost estimate (biennium and medium-term) according to RBM principles, in addition to requiring the development of a Joint Work Programme (JWP) previously introduced during COP 8.<sup>75</sup> The resulting 2010–2011 consolidated programme and budget presented at COP 9 implemented an RBM and RBB format for the first time, which **required a standardisation of reporting styles between the GM and Secretariat.**<sup>76</sup> Such a step has potentially improved transparency between the Convention bodies and the level of detail of input, especially related to the finances of the Convention.<sup>77</sup> However, the GM and Secretariat are only required to fulfil RBM-based reporting requirements every one to two years in preparation for COP and CRIC meetings. This seems to be the current modus operandi, according to emails gathered and meetings conducted with staff of both the GM and Secretariat.

72. The introduction of the Joint Work Programme (JWP) of the Secretariat and GM - likewise according to RBM/RBB principles - has likewise required closer, although short-term and ad-hoc, cooperation between the GM and the Secretariat. However, **the JWP represents a minimum requirement for demonstrating cooperation and must be seen as a tool for initiating collaboration and reporting on results, not a goal in itself capable of eliminating duplication,** as further discussed in Section II.B.3.d. For example, **the RBM approach and introduction of the JWP have yet to result in the GM's disclosure of comprehensive budget data,** as described in the next section.<sup>78</sup> Furthermore, both bodies have stated this to be time consuming and costly to prepare. For example, in the draft report prepared for the CRIC 9, **the GM reported costs totalling an estimated 1,756,103 USD for the fulfilment of COP and CRIC reporting requirements for 2010 alone,** including for preparation of the JWP and joint communication efforts.<sup>79</sup> In comparison, the GM reported no expenditure in relation to the PRAIS process, and only 387,877 USD for direct NAP related activities.<sup>80</sup>

73. Furthermore, both the GM and Secretariat were asked to report between COPs to the intersessional meeting of the CRIC, and an information task force was introduced at the working level whose purpose is to meet these reporting requirements.<sup>81</sup> Although a step in the right direction, such efforts remain ad hoc and have often required the intervention of the GM Managing Director and Executive Secretary, in the absence of clearly defined roles and functions of the two bodies.<sup>82</sup> Therefore, **the current institutional setting, despite introduction of the RBM approach and JWP, does not oblige either the Secretariat or the GM to engage in a continuous, ongoing collaboration or cooperation, with the exception of the fulfilment of the various joint reporting requirements which require ad hoc cooperation. While successive COPs have tried to promote such collective decision making, cooperation and cohesion between the Secretariat and the GM, this objective has not been realised.** It would appear from all available evidence, that this

might be due to the absence of a COP-directed systemic or institutionalized mechanism for ensuring such cooperation and collaboration.

Table 4  
Responses to Questionnaires, part 1 (Reporting, Governance and Oversight)

<i>Organisation</i>	<i>UNCCD</i>	<i>GM</i>	<i>IFAD</i>
Name	Luc Gnacadja	Christian Mersmann	R.Cooke / K. Cleaver
Title	Executive Secretary	Managing Director	Director / Ass. VP
1. Is the current governance structure of the Global Mechanism inefficient or ineffective?	Yes	No	Yes
2. Does the International Fund for Agricultural Development exercise de facto governance and oversight over the Global Mechanism and its activities or budget?	No	Yes	No
3. Does the Conference of the Parties exercise de facto governance and oversight over the Global Mechanism and its activities or budget?	Not Sure	Yes	No
4. How do you rate the information and data provided by the Global Mechanism to recent Conferences of the Parties including that on financial resource mobilization?	Poor	Satisfactory	Poor
5. Is there institutional incoherence in the delivery of services for implementation of the convention and the Ten-Year Strategy?	Not Sure	No	Not Sure
6. How efficient and effective are the resources mobilisation tools available to the Convention?	Poor	Satisfactory	Poor
7. Are the Global Mechanism's present resource mobilization tools (i.e. IFS) compatible with UNCCD programmatic tools (i.e. NAPs)?	Not Sure	Yes	Not Sure
8. Does the Ten-Year Strategy seek to improve institutional cohesion and coordination and cooperation between the Secretariat and the Global Mechanism?	Yes	Yes	Not Sure
9. Has the Ten Year Strategy added to the institutional dysfunction?	Not Sure	No	No
10. Is a joint fund-raising strategy between the Secretariat and the Global Mechanism possible and within the mandate of both entities?	Yes	Yes	Not Sure (possible but not working well)

### 3. Data and information on financial resources mobilized that have been provided to the COP

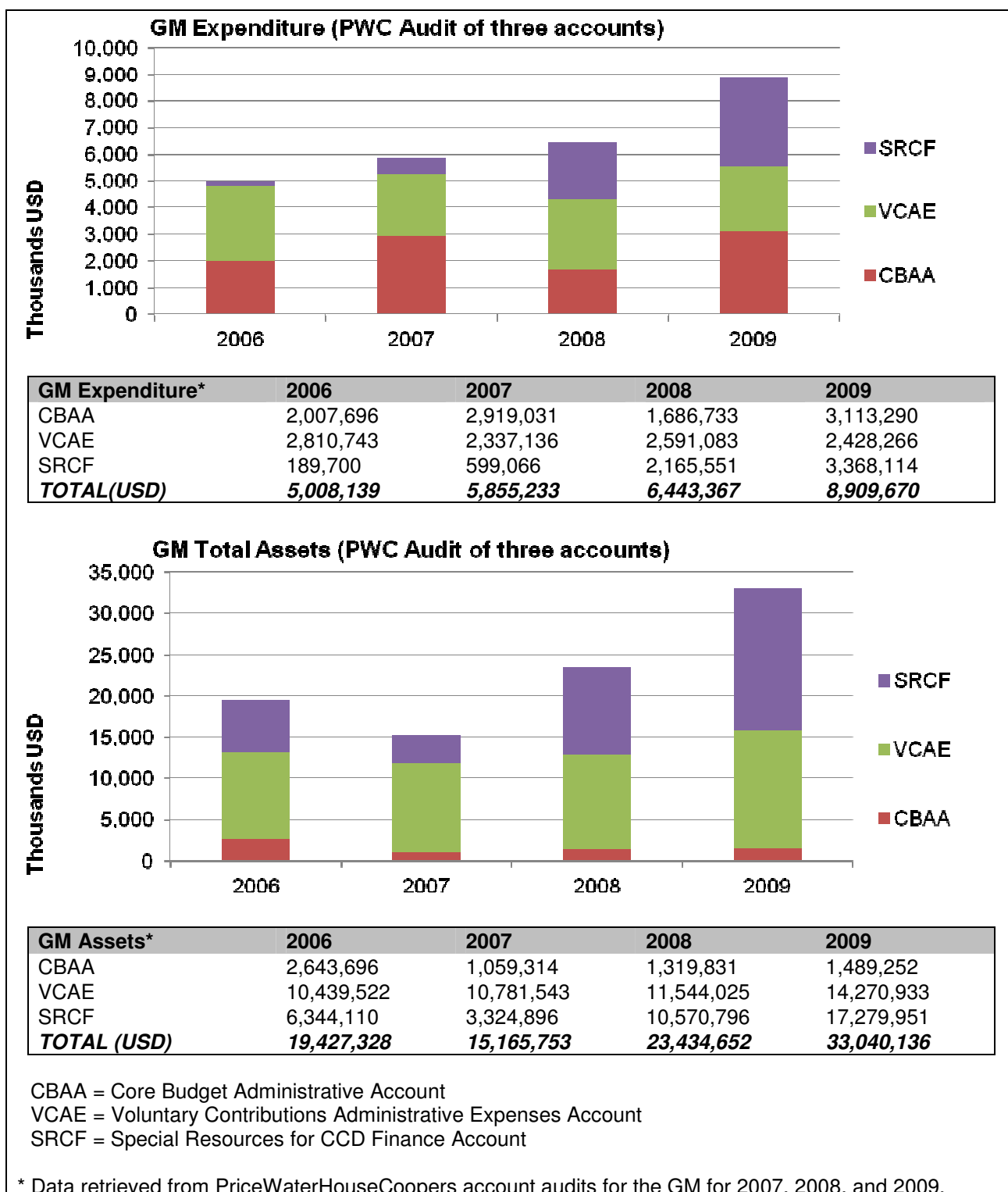
#### SUMMARY

The following section outlines what appears to be an example of the lack of oversight of the COP over the GM's activities, as well as the possible lack of accountability on the side of the GM to the COP in terms of the transparency of information shared on resource mobilisation, which is the GM's core mandate. Evidence shows that **since its establishment, the GM has not reported to the COP fully on all of its finances, staff hiring, nor been subjected to UN audits**, bringing into question the GM's accountability to the COP in compliance with the terms of the Convention and its housing Memorandum of Understanding (MoU).

#### a. Reporting by GM on its three accounts to the COP and IFAD/Audits

74. Figure 4 below shows data for the GM's three accounts obtained through the audit reports prepared by PriceWaterhouseCooper (PWC). As specified in the MoU (Decision 10/COP.3), the GM has three accounts: the Core Budget Administrative Account (CBAA), a Special Resources for CCD Finance Account (SRCF) and a Voluntary Contributions Administrative Expenses Account (VCAE). The GM has only on one occasion reported to the COP9 in detail, but only on its first account (CBAA), by including a copy of the PWC audit report for 2007–2008.<sup>83</sup> However, it appears that **the GM has not reported to the COP or CRIC in detail on a considerable amount of financial resources mobilized over the last decade**, including on the use of funds received for the second and third accounts (the VCAE and SRCF accounts) and especially on its total assets.<sup>84</sup> Consequently, the GM has only reported to the COP in detail on less than five to seven percent of its total assets, and on roughly 25 to 35 percent of its total expenditure in the past.<sup>85</sup> As confirmed during meetings with the GM, a majority of the remaining 75 to 65 per cent of the GM's budget is received primarily through bilateral agreements with donors, and is used by the GM for its operational expenses in relation to the IIFs/IFSs Programme.<sup>86</sup> The draft report for presentation to CRIC9 in 2011 also indicates that over 50 percent of the GM's operational expenses for 2010 are dedicated to advisory services and related activities (estimated at 3.9 million USD) and another 25 per cent for the fulfilment of COP and CRIC reporting requirements and cooperation with the Secretariat (estimated at 1.8 million USD).<sup>87</sup>

Figure 4  
GM Accounts Overview



b. *Budget reporting inconsistencies*

75. When comparing the budget reporting requirements of the GM - to the COP, to IFAD and to PriceWaterhouseCooper for the annual audit - various inconsistencies appear, compounded by the lack of detail in the GM's reporting on the use of its funds in all three budget accounts, and especially on receipts (assets). This is exemplified by table 5 representing the data gathered on GM's reporting. For example, the GM reported an 2010–2011 estimated budget of 18.8 million USD to CRIC, 22.1 million USD to COP9 and 16.9 Million USD to IFAD.<sup>88</sup> However, it is noted that **comparison between GM reporting to the COP vs. IFAD (and for audits) is complicated as a result various accounting standards and audit cycles, for example annual reporting in USD to IFAD and PWC versus biannual reporting in EUR to the COP and CRIC.** Minor inconsistencies have also been found in reporting to the COP; for example, the GM reported a total budget of 15,568,100 EUR for 2010–2011 in Decision 9/COP9, but detailed expenditures amounting to 14,666,209 EUR in its costed draft two-year work programme (COP(9)/5/Add.2), a discrepancy of almost 1 million EUR (or 901,891). Furthermore, **inconsistent with the Convention financial rules, the GM has never been subject to standardised UN audits according to UN System Accounting Standards** as the other Convention bodies are.<sup>89</sup> This includes the requirements of providing consolidated account overviews, details of expenditures and received contributions, requirements to report on all potential liabilities, such as the ICJ and ILOAT court cases, and the auditors' provision of financial recommendations, all made publically available. It is also noted that the UN Office of Internal Oversight Services was commissioned to audit the "Financial Management of the UNCCD" in 2009, but did not consider the GM instead focusing on the Secretariat, the CST and CRIC.<sup>90</sup>

76. The following table presents various budget figures reported by the GM to the COP, to IFAD and to the PriceWaterHouse (PWC) auditors ("audit") during the last three biennia, in USD. The GM has reporting figures related to its total assets only to the PWC auditors, otherwise only reporting on its expenditures to both COP and IFAD. Expenditure related figures of the GM were reported to the COP broken down between "CORE" and "Extra-budgetary" funds and were not always consistent with the figures presented to IFAD (some inconsistencies were due to reporting in EUR to the COP and USD to IFAD since COP9.) Specifically, it appears as though more extra-budgetary funding received by the GM was reported to the COP than to the annual PWC audits for the 2008–2009 budget period. Recent data for the 2010–2011 reporting period is still outstanding.

Table 5  
**GM Budget Reporting (USD): Figures and Sources**

<i>GM Budget Reporting (USD)</i>	<i>2006–2007</i>	<i>2008–2009</i>	<i>2010–2011</i>	<i>TOTAL</i>
to COP* (total reported)	11,185,112	20,966,000	22,133,000	<b>54,284,112</b>
to IFAD ** (2011 not available)	NA	24,080,596	16,868,989	<b>40,949,585</b>
Audit***, Total Expenditures	10,863,372	15,353,037	NA	<b>26,216,409</b>
Audit***, Total Assets	34,593,081	56,474,788	NA	<b>91,067,869</b>
<b>Of which...</b>				
CORE (reported to COP*)	3,886,000	5,098,000	NA	<b>8,984,000</b>
CBA (reported to Audit***)	4,926,727	4,800,023	NA	<b>9,726,750</b>
Extrabudgetary (COP*)	7,299,112	15,868,000	NA	<b>23,167,112</b>



<i>GM Budget Reporting (USD)</i>	<i>2006–2007</i>	<i>2008–2009</i>	<i>2010–2011</i>	<i>TOTAL</i>
VCAE+SCRf (Audit***)	5,936,645	10,553,014	NA	<b>16,489,659</b>
CBA =	Core Budget Administrative Account (GM)			
SRCF =	Special Resources for CCD Finance Account (GM)			
VCAE =	Voluntary Contributions Administrative Expenses Account (GM)			
*	Decision 9/COP9 , COP(9)/5/Add.2, table 7, public documents;			
**	Internal GM Memo to IFAD President, internal documents received from IFAD;			
***	PriceWaterhouseCooper account audits (annual) for the GM for the years 2006–2009, received from the GM (were not located/ publically available).			

c. *GM staff appointments without COP approval*

77. A further example of the apparent lack of COP oversight over the GM's budget and operations includes GM staff appointments financed through non-core budget accounts, as demonstrated in table 6 below. **Currently, as many as ten (10) P level staff, which were not included in the GM's budget proposal for the 2010–2011 biennium, have been hired by the GM over the 2010–2011 biennium or earlier and are being funded through “extra-budgetary resources” or voluntary contributions without explicit COP approval.<sup>91</sup> This practice, in addition to the fact that GM staff are appointed and administered by IFAD, appears to contrast to the COP Rules of Procedure; specifically rule 34, para. 2. which states 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).<sup>92</sup> Article 23 of the Convention establishes the Permanent Secretariat and entrusts it with functions for supporting sessions of the COP and all subsidiary bodies of the Convention which includes the GM.** It should be noted, however, that the COP budget cycles of two and four years require some flexibility in the implementation time schedule of the Convention bodies with regards to staff appointments.

Table 6  
GM Staff Positions as of September 2010<sup>93</sup>

<i>2010–2011 GM Staff</i>	<i>GM Requested*/**</i>	<i>COP Approved***</i>	<i>GM Appointed****</i>	<i>No COP Approval</i>
<b>D Level (Core)</b>	2	2	2	<b>0</b>
<b>P Level (Core)</b>	7	7	7	<b>0</b>
<b>P Level (EB)</b>	5	0	<b>10</b>	<b>10</b>
<b>G Level (Core)</b>	5 / 0**	5	5	<b>0</b>
<b>G Level (EB)</b>	1	0	0	<b>0</b>
<b>TOTAL</b>	<b>20 / 15**</b>	<b>14</b>	<b>24</b>	<b>10</b>

\* COP(9)/5/Add.2, table 5 (5 G staff requested from core budget); \*\* ICCD/COP(9)/5, para. 23, table 3 (0 G staff requested from core); \*\*\*Decision 9/COP.9, para. 5, table 2; \*\*\*\* GM ToRs.  
NOTE: Current GM Staff: 2 D (1 D2, 1 D1), 17 P (3 P5, 4 P4, 6 P3, 2 P2, 2 P1), 5 G (4 G5, 1 G4), 14, not including consultants.<sup>94</sup>

**Box 5. Overview of Previous Assessment Results: Data and Information Provided by the GM**

“the Inspectors hardly found transparent breakdown [of] information on the end use of these funds, particularly concerning the use of the third SRCF account for voluntary contributions.” (JIU, 2009, p. 14)

“The current core budget document does not cover extra-budgetary resources for the GM whereas the GM is not informed of resources available in the UNCCD Supplementary Fund. This situation exemplifies the case of ‘two budgets for one process’.”(JIU, 2009, p.15)

“The COP and its Bureau have never exercised actual governance and oversight over the totality of resources used by the GM.” (JIU, 2009, p.15)

**B. Existing accountability arrangements for the GM**

78. The following section provides an overview of the existing accountability arrangements for the GM as specified through the Convention and subsequent COP decisions, most notably the MoU established between IFAD and the COP. A brief analysis of the GM’s current efforts in fulfilment of its mandate is made in comparison to UNCCD programmatic tools as established by the Convention, as well as the GM’s accountability to Parties in terms of delivering on its mandate which highlights differentiating views of the definition of resource mobilisation. Examples of duplication between the subsidiary bodies of the Convention and current efforts undertaken as part of the Joint Work Programme are also highlighted.

**1. Assessment of the existing accountability lines to the COP**

**SUMMARY**

This section further details the causes of the above described lack of oversight and comprehensive reporting by the GM, and its effects on the GM’s accountability to the COP and to Parties. Reporting was introduced as the main tool by which the GM demonstrates its accountability to the COP. However, the **housing MoU for the GM introduced indirect reporting and thus indirect accountability lines to the COP while subsequent IFAD governing decisions further strengthened the GM’s claim to independence from COP and other subsidiary bodies of the Convention, most notably the Secretariat.** This has resulted in a lack of continuous collaboration and transparency between the convention bodies, and a lack of disclosure and comprehensive information being provided to the COP and CRIC on behalf of the GM, as demonstrated on numerous occasions. Consequently, **neither IFAD nor the COP/CRIC has been able to effectively provide active oversight and governance over the GM’s budget and operations.** Moreover, **current practices and the MoU itself appear to contradict a number of core legally binding Convention documents,** including the Convention text itself, the UNCCD financial rules and COP rules of procedures and the mandates of both the COP and GM. The proposals elaborated in section three of this report are designed to resolve these problems relating to GM governance and accountability to COP.

a. *Reporting as the primary tool for demonstrating accountability to the COP*

79. Art. 21 (4) of the Convention states clearly that the GM “shall function under the authority and guidance of the Conference of the Parties and be accountable to it”. **Reporting was subsequently established as the primary tool through which the GM demonstrates its accountability to the COP** in accordance with the Convention and various COP decisions (Art. 21, para. 5).<sup>95</sup> It is important to note here that the Convention text takes legal precedence over all subsequent COP Decisions, including the housing agreement between IFAD and the COP, which must be interpreted in a manner consistent with the Convention. The Convention text also sets out the requirement that the COP and housing organisation, IFAD, ensure that the GM “reports to the Conference of the Parties... on its activities”.<sup>96</sup> Although the Convention text does not further specify, subsequent COP Decisions request that “full accountability and full reporting to the COP” by the GM is ensured through the MoU in relation to the GM’s administration infrastructure which includes its financial accounts.<sup>97</sup> Furthermore, such reporting was to be carried out according to the principles of transparency, neutrality and universality.<sup>98</sup> However, as demonstrated in this report, the **GM appears to have failed to discharge its reporting and thus accountability obligation to the COP and CRIC, which has resulted in a number of other governance problems. Examples include:**

- Lack of full budget disclosure to the COP, see Section II.A.3
- Disintegrated programme and budget for the entirety of the Convention bodies<sup>99</sup>
- Lack of disclosure of account management procedures and other governing decisions approved by IFAD, Section II.A.1
- Staff appointments without COP approval or notification, as detailed in Section II.A.3.c
- Conclusion of institutional agreements by the GM without legal authority—direct or delegated,<sup>100</sup> and
- Lack of disclosure to the COP on legal issues arising from the ILOAT and ICJ court cases, as further discussed in Section II.C

80. **Without the necessary disclosure from the GM on these and other issues, neither the COP nor the CRIC have been able to fulfil their respective mandates to exercise governance or oversight over the activities of the GM, nor have they been able to oversee the GM’s role in mobilising financial resources or their appropriate use for implementation of the Convention.**<sup>101</sup>

b. *GM’s rationale for limited reporting and accountability to the COP/CRIC*

81. The evidence presented in this report indicates that the GM has not submitted information that is relevant for the exercise of oversight by the COP over its activities. Using the example of the lack of account disclosure, GM explained the rationale for its lack of full reporting to the COP8 in its programme and budget proposal for 2008–2009 by noting that it “does not include operation resource requirements to be covered by voluntary contribution as **it has been the long-standing practice**” [not to provide such information].<sup>102</sup> According to the GM, it never reporting on all three of its accounts **because it was never explicitly asked to do so by the COP until 2009. This appears to be in direct violation of the provisions of the text of the Convention which requires the GM to “report to the COP... on its activities”** (Art. 21(5) d).<sup>103</sup> The GM also noted that it considers the Results-Based Management (RBM) approach of reporting to henceforth take into consideration the full budget of the GM. However, as pointed out in Section II.A.2.h, **RBM was only recently introduced and does not replace the budget disclosure**

**requirements of all subsidiary bodies to the COP** but is envisioned as a means of enhancing transparency and strategic planning (see Section II.A.2.h). The GM also contends that the external auditor which conducts the GM's annual audits, PricewaterhouseCoopers, publishes the results of its audit.<sup>104</sup> However, after an extensive search, these reports were not located in publically available online websites nor were they posted on the GM, IFAD, or UNCCD's websites. To address this issue, COP Decision 6/COP.9 expressly requires the GM to submit to the CRIC a compilation of data and information on the financial resources mobilized and technology transferred, including its country level interventions and the amounts mobilized for country and regional level action.<sup>105</sup> However, the most recent draft report to CRIC9, dated 25 October 2010, only includes budget allocations for 2010 and **does not address past or future expenditures, current assets, sources of funds received or financial resources mobilized and technology transferred.**<sup>106</sup> [A CRIC meeting is scheduled for February 2011].

c. *Introduction of indirect reporting and accountability lines through the housing MoU*

82. Despite the direct accountability provision of the Convention (Article 21(5) d), **an indirect line of accountability from the GM to the COP, through IFAD's President in the first instance, was introduced through the MoU** establishing the housing arrangement between the COP and IFAD. Specifically, the MoU states that the "GM would report to the COP through the Head of the Housing Organization", and that the Managing Director of the GM shall "report directly to the President of IFAD". These provisions are established in parallel to the requirements that "the GM would report to the COP on its activities and support it receives."<sup>107</sup> These provisions of the MoU clearly contradict the requirements set out in the Convention, as reconfirmed in various decisions including that which set out the terms of the housing agreement, which states that "the GM shall function under the authority and guidance of the COP and be accountable to it".<sup>108</sup>

83. While the responsibility of ensuring its accountability to the COP rests firmly upon the GM, the indirect reporting line of the GM also provides the IFAD President with an opportunity to ensure comprehensive reporting to the COP.<sup>109</sup> However, **IFAD's management has indicated on numerous occasions that it has no intention whatsoever of ensuring the accountability of the GM to the COP**, nor in playing any further role than that of a housing institute with administrative and logistical responsibilities. According to statements made by both GM and IFAD representatives, IFAD's de facto oversight over the GM appears to be limited to administrative matters. IFAD's decision to grant full budget oversight to the GM further confirms this position as does the current lack of any intuitional mechanism providing GM oversight within the IFAD.<sup>110</sup> The effectiveness of recent measures introduced at COP9 in 2009 are yet to be seen - including that of Decision 9 which requested the direct representation of the GM at all COPs for report presentation. The current evidence indicates that more wide-ranging institutional reform measures are necessary to reach the desired results, in accordance with Article 27 of the Convention. This includes revision of the MoU which establishes a housing arrangement for the GM between the COP and IFAD.

84. **In summary, all available evidence demonstrates that neither IFAD nor the COP/CRIC has effectively provided active oversight and governance over the GM's budget and operations. In regard to the Cop and CRIC this seems to be due largely to the lack of comprehensive information being provided by the GM, especially in relation to the GM's account management and hiring practices, as well as legal issues arising from the current MoU.**

d. *Incompatibility of current reporting/accountability practices, as per the housing arrangement, with the Convention and UN financial rules*

85. According to Art. 22 of the Convention, one of the COP's core mandates is to "approve a programme and budget for its activities, including those of its subsidiary bodies, and undertake necessary arrangements for their financing" (Article (2)g). The same paragraph also gives the COP the authority to "agree upon and adopt, by consensus, rules of procedure and financial rules for itself and any subsidiary bodies" (para. 2 (e)). It is to be expected that the GM's three accounts be governed by the financial rules of the UNCCD, established by the first COP, and thus subject to regular UN audits and regularly reported to the COP. However the **MoU which establishes the GM determined that only the GM's core budget account (CBAA) would be governed by the financial rules of the UNCCD**, while also specifying that all three accounts are to be "administered by the Fund (IFAD) in accordance with the rules and procedures of the Fund".<sup>111</sup> Consequently, **the legality of such provisions is highly questionable as they attempt to exempt the GM's second and third accounts (namely, the VCAE and SRCF) from UN audits and the Convention's financial rules and regulations.**<sup>112</sup> Moreover, these provisions, regardless of their validity, do not take away the GM's obligation to report on all three accounts to the COP, as set out by the Convention defining the mandates of both the COP and the GM.<sup>113</sup> Even the IFAD President's Bulletins reconfirmed a minimum reporting requirement to the COP on behalf of the GM on its second and third accounts.<sup>114</sup> IFAD's own financial regulations require that annual accounts be published in summary statements and distributed to all members, including details of income and expenditures, utilization of budgetary allocations, operations, and financial position.<sup>115</sup>

86. **This brings into question the compatibility of the current MoU and reporting practices as exercised by the GM with the accountability and reporting provisions of the Convention**, and its financial rules. In addition, the financial rules and regulations of the United Nations require that financial matters be under the close oversight, scrutiny and direction of the authorized body, in this case, the UNCCD COP, and that the Office of Internal Oversight Services conduct independent internal audits. These requirements do not appear to have been fulfilled.<sup>116</sup>

87. It may also be noted that according to the Vienna Convention on the Law of Treaties,<sup>117</sup> the Convention shall "be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose" whereas internal law may not be invoked to justify non-compliance with the provisions of the Convention (Article 27).<sup>118</sup> Accordingly, although the GM reports on its financial accounts to IFAD, it has an overriding obligation to report fully to the COP to ensure compliance with the Convention's accountability provisions.<sup>119</sup>

88. In sum, the GM' current reporting (and staff hiring) practices, and the MoU which reinforces such practices, contradict:

- **The GM's core mandate** to "function under the authority and guidance of the (COP) and be accountable to it" and "report(s) to the Conference of the Parties... on its activities" as part of (Convention, Art. 21, para. 4 and 5)
- **COP's core mandate** to "approve a programme and budget for (the Convention's) activities, including those of its subsidiary bodies" (Convention Art. 22, para, 2 (g))
- **Art. 22 of the Convention** which gives the COP the authority to "agree upon and adopt, by consensus, rules of procedure and financial rules for itself and any subsidiary bodies" (para. 2 (e))

- **The financial rules of the UNCCD**, established by the first COP, which “shall govern the financial administration of the COP... its subsidiary bodies and the Convention Secretariat” (Decision 2/COP.1)
  - **COP Rules of Procedure**, which states 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... 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)
2. **Analysis of present resource mobilization tools (i.e. IFS) and assessment of its impact as well as compatibility with UNCCD programmatic tools (i.e. NAPs)**<sup>120</sup>

#### SUMMARY

One of the GM’s main functions as part of its core mandate to mobilise and channel resources for implementation of the Convention is to support the NAP alignment process. Ambiguity has been introduced to this clear responsibility, by the GM’s strategic reorientation towards the elaboration and implementation of its IFS. It appears that the **increased focus on IFS has led the GM to shift its support away from NAPs, instead of developing a tool which fully supports and complements the NAP alignment process.** This shift in focus was due to the GM’s unilateral decision that the NAPs are not effective. The GM has also sought to find support for this position by the COP’s recent acknowledgement of the role of integrated investment frameworks (IIF) and the GM’s revised strategy. However, the **reasons for the lack of ongoing coordination between these two tools once again point to the current institutional arrangement which has allowed the GM to act independently from the other subsidiary bodies.** For example, IFAD’s Executive Board approved GM’s request for financial independence resulting in the discontinuation of the GM’s financial support for NAP development, without explicit approval from the COP or its specialized knowledge of the issue. In addition, the GM’s development of its new strategic approach focused on IFS was apparently carried out independently of the COP, CRIC, or other subsidiary bodies and brings into question the necessity or justification of a second ‘mainstreaming’ tool developed outside of the Convention process. To date, **the GM has not been able to convincingly demonstrate how the IFS approach supports the NAP alignment process, despite this being essential to the implementation of the Convention.** This disparity is compounded by the hugely inconsistent levels of funding available for support to the NAP alignment process as opposed to the IFS approach of the GM.

a. *Support for NAPs anchored in the Convention*

89. The development of National Action Plans (NAPs), although not a mandatory measure, is anchored in the Convention text which defines their basic approach and purpose “to identify the factors contributing to desertification and practical measures necessary to combat desertification and mitigate the effects of drought” (Section I, Article 9, 10). **The support of NAPs has been a primary function delegated to the GM in at least eleven COP decisions since its establishment as part of its core mandate to mobilise and channel resources for implementation of the Convention** (Art. 21, para. 4).<sup>121</sup> This was specified by the COP to include financing for the elaboration and implementation of NAPs

as well as the preparation of reports.<sup>122</sup> This core function was reconfirmed as part of the 10-Year Strategy during COP8, and again at COP9 which in turn urged the GM “to continue assisting affected country Parties to develop integrated investment frameworks for resource mobilization corresponding to the needs expressed in the UNCCD action programmes” while also specifying that these should be **“in conjunction with the review and alignment process ...with a view to fostering resource mobilization for the aligned implementation of action programmes”**.<sup>123</sup> The ambiguity between the COP’s consistent support of the NAP alignment process, and the recent acknowledgement of integrated investment frameworks (IIF), has **led to the GM’s view that it has been justified in its strategic reorientation away from supporting the development of NAPs towards IFS elaboration**. This lack of a “common or shared understanding” of its approach has also been noted by the GM to be a hindrance to its work.

*b. Reorientation of the GM’s approach away from NAPs to focus on IFS*

90. With the arrival of the new Managing Director in 2005, the GM elaborated a new Operational Strategy or Consolidated Strategy and Enhanced Approach (CSEA), introduced at the fourth CRIC and seventh COP in the same year, which highlighted the importance of aligning national action programmes (NAPs) with overarching national development frameworks.<sup>124</sup> This strategy placed the development of Integrated Framework Strategies (IFS) at the forefront of the GM’s resource mobilisation work as a way to more comprehensively develop “an enabling environment for investment and finance for sustainable land management”; since then, the IFS concept has become a “trade mark” of the GM.<sup>125</sup> This includes a ‘mainstreaming’ approach of CCD and SLM priorities into national development agendas to place more emphasis on “a conducive policy environment, legislative reforms, governance issues and institution building to support affected countries through policy guidance on resource mobilisation”.<sup>126</sup> Although the GM also noted in the CSEA, that it “will increase its support to the analysis and synthesis of the UNCCD implementation process, (and) the application of instruments such as NAPs”, it also noted the need for “consolidating the existing processes like NAP”.<sup>127</sup> This was based on the **GM’s conclusion that the NAPs “have been less effective in providing strategic guidance”**.<sup>128</sup>

91. **Moreover, it appears that the increased focus on its IFS approach has led the GM to shift its support away from NAPs, instead of developing a tool which fully supports and complements the NAP alignment process. The reasons for this once again point to the institutional arrangement which has allowed the GM to act independently from the other subsidiary bodies.** For example, up until the introduction of the CSEA, the GM had focused much of its work on the allocation of small-scale grants to support NAP elaboration according to Article 9 of the Convention, out of funds from the GM’s third account, namely the Special Resources for CCD Finance Account (SRCF).<sup>129</sup> However, after approval of the GM’s CSEA by COP7, the GM informed IFAD’s Executive Board, “that it was the intention of the COP that the funds held in the third account no longer be used only for grants, and that the Global Mechanism should be able to disburse them directly... subject to the agreement of donors who have made contributions to the third account.”<sup>130</sup> The GM also requested that IFAD authorize it to “use the remaining proceeds of grants received from IFAD... and held in the third account for direct disbursement... in accordance with its new consolidated strategy and enhanced approach.”<sup>131</sup> **These requests, which ultimately rendered the GM financially independent and resulted in the discontinuation of its financial support for NAP development, were approved by the IFAD Executive Board, without explicit approval from or the knowledge of the COP.**<sup>132</sup> As a result, the GM has had full control over the resources and funds it mobilises for its second and third accounts, a significant portion of which is directed to the operational costs associated with the implementation of the IFS.<sup>133</sup>

However, GM Management is adamant that the “reorientation of the GM towards IFS” is fully justified by high country demand, the COP’s adoption of the new GM Strategy of 2005 (CSEA); the Ten–Year Strategy, the recognition of other international processes and donor responses.”<sup>134</sup> Until now, it appears that it has been assumed that the GM’s IFS approach has supported the NAP alignment process, which is called into question, as discussed in the following section.

c. *Lack of coordination between the GM’s IFS and the NAP alignment process*

92. Although numerous COP decisions have required the GM and Secretariat to work together to focus on NAPs, **the GM’s development of its new strategic approach focused on IFS was carried out independently of the COP, CRIC, or other subsidiary bodies and effectively brought into existence a second ‘mainstreaming’ tool developed outside of the Convention process.**<sup>135</sup> It has also been noted that IFS are in fact an implementation tool and encompass all the constitutive elements of an interaction and fund-raising platform with country Parties. An additional source of lack of **clarity in the role of the GM vis-à-vis the NAP alignment process might be the sharp difference in the GM’s understanding of its role in regard to resource mobilisation**, as further discussed in the following Section II.B.3.a. For example, according to Decision 7/COP.8, the Executive Secretary and the GM are to bring to the attention of donors the importance of financial support for national reporting, particularly from the Global Environment Facility (GEF). However, apart from implementation of IFS at the country level, there has been **no recorded action or initiative from the GM to mobilize resources for the NAP alignment processes since 2006.** It has also been noted that the Secretariat singularly initiated consultation with the GEF in order to secure funding for the NAP alignment process, resulting in GEF-5 country allocation funding in addition to some further 300,000 USD to contribute to this process, without the engagement of the GM.<sup>136</sup>

93. Another area lacking coordination relates to the potential for integrating the IFS initiative within the NAP alignment process by organizing back-to-back workshops. This concept has been realized in only two instances where both NAP and IFS workshops were held simultaneously; however at least eight recent IFS workshops were organized worldwide without the cooperation of the Secretariat.<sup>137</sup> Moreover, there is no consistent sharing of information on the IFS and NAP related work between the GM and Secretariat. The GM and Secretariat generally agree that there has been an improvement in communication on how the IFS approach can contribute to the NAP alignment process recently; however, most areas of work have not progressed beyond the conceptual stage with no indication of continued cooperation. In sum, although the GM repeatedly claims that NAPs are at the centre of the IFS, to date, **the GM has not been able to demonstrate how the IFS approach supports the NAP alignment process**, in fulfilment of various COP Decisions, or as part of the PRAIS process. Further examples of the lack of coordination between Convention bodies are detailed in the following Section II.B.3.

***Box 6. Comparison of Resource Allocations to IFS and NAPs***

The Secretariat has organized or is planning to organize at least four NAP alignment workshops, which cost an estimated 35,000 USD on average for each workshop (i.e. 32,000 USD for LAC, 38,500 USD for Africa, 36,500 USD for Prague). Thus, it is expected that the Secretariat will spend a total estimated amount of 140,000 USD for the process. In comparison, the GM has allocated up to 3.0 million USD for IFS related work in 2010 alone, of which roughly 1.7 million USD was or will be used for the preparation of IFS related workshops and missions.<sup>138</sup> The integration of such efforts would likely help to cut costs by ensuring both are mutually supportive and improve service delivery to Parties.



### 3. Accountability of GM to Parties in terms of delivering on its mandate

#### SUMMARY

The following section provides an overview of the GM's current efforts to deliver on its mandate, namely the promotion of actions leading to the mobilization and channelling of substantial financial resources needed by affected country Parties to enhance the implementation of the Convention. The main issues in determining the GM's delivery of its mandate relate to the definition of resource mobilisation in terms of fund-raising. If resource mobilisation is understood solely as the support for the elaboration of Integrated Framework Strategies (IFS) and integrated investment strategies, then the GM has been successful, although it is still in the process of demonstrating the impact of these strategies on the implementation of the Convention. However, **if the GM's mandate also includes fund-raising for implementation of the Convention on all levels, then it is evident that the GM is not fully delivering its mandate.** The latter conclusion seems to be the case as neither the Convention nor subsequent COP Decisions have limited the GM's engagement to specific 'types' of resources to be mobilized, assuming that these funds are for the implementation of the Convention *as a whole*. Although recent COP Decisions have acknowledged the role of the GM in terms of its IFS approach, they have also reinforced the GM's role in "fund-raising" for co-financing in support of the NAP alignment process. **The COP's endorsement of IFS/IIF therefore does not exclude the GM from its obligation to support the implementation of the Convention as a whole through its resource mobilization activities. This is understood to include the support of the NAP alignment process through its resource mobilisation efforts. There appears to be a difference in opinion on this point within the GM, which is reinforced by the lack of clarity in COP Decisions on the role of the GM in fund-raising for the implementation of the Convention as a whole. Moreover, the current institutional arrangement which has distanced the GM from the Convention bodies, has been used by the GM to justify the position that it holds with regard to the limited objectives of its resource mobilization role, which as noted above, contradicts the mandate given it under the Convention.** Yet the range of activities carried out under the mandates of the other Convention bodies are inextricably linked to the financial resource mobilization function of the Global Mechanism and thus require collective, coordinated action. Instead, **diverging views on resource mobilisation has resulted in a duplication of fund-raising efforts of the GM and the Secretariat and possibly hindered implementation of the Convention.**

As for the GM's cooperation with the Secretariat, numerous examples indicate that such efforts are still wanting. Despite efforts of the COP to encourage collaboration through elaborating shared responsibility, many COP Decisions are not specific on which subsidiary body is responsible for carrying out the respective decisions, resulting in added ambiguity. The GM advanced the view that the Secretariat's responsibilities are limited to global activities, whereas the GM has exclusive responsibilities at national and regional levels. However, **neither the Convention nor COP Decisions acknowledge such geographical divisions of responsibilities and such an unfounded differentiation is very unlikely to help improve working relations.**<sup>139</sup> In addition, the Strategy, the JWP, and RBM approach have not effectively improved the *de facto* working relations between the GM and Secretariat to date. Missing are systemic or institutionalized cooperation mechanisms capable of reducing duplication and the inefficient use of resources. Examples provided below include in the areas of advocacy, awareness raising and education (operational objective one of the Strategy), resource mobilization, cooperation with GEF and the PRAIS process, regional coordination and human resources.

a. *Differentiated definitions of resource mobilisation*

94. “Resource mobilisation” is generally understood in a broad context to incorporate material resources, such as adequate funding and financial support, leadership, and organization.<sup>140</sup> In the context of the Convention however, the GM’s core mandate of resource mobilisation is specifically to “promote actions leading to the mobilization and channelling of substantial financial resources” (Art. 21, para. 4). However, the Convention makes no distinction in the use of the financial resources for which the GM is responsible to mobilise and channel, except that they should be substantial and also be “for the transfer of technology” and should benefit affected developing country Parties. In other words, the **Convention does not specify ‘types’ of resources to be mobilized, assuming that these funds are for the implementation of the Convention, as a whole. It appears that the GM’s view of its role in resource mobilisation, which it appears to define in terms of fund-raising solely for the implementation of its IFS programme, have proven be a hindrance in its accountability to Parties in terms of delivering on its mandate.**

95. **The GM currently does not recognize its role in resource mobilization for the purpose of procedural funding to support the NAP alignment process, as detailed in Section II.B.2.c. Nor has the GM agreed to mobilizing resources for the Secretariat or other subsidiary bodies regardless of whether these are for operational or procedural resources, including for the development of action plans, Convention meetings, or support for focal points.<sup>141</sup> As discussed in the previous Section II.B.2, although the NAPs are anchored in the Convention, the GM has gradually refocused its efforts on the development of IFS which are central to its strategy (CSEA). However, the simultaneous responsibilities of the GM for resource mobilisation for the operational, procedural, and substantive costs of implementation of the Convention do not appear to be mutually exclusive, and thus should be understood as constituting an integral part of the GM’s core mandate. The GM accountability to the Parties in enhancing implementation of the Convention as a whole, including through providing financial support for procedural funding, such as for the NAP alignment process, seems therefore to be in clear accord with the Convention.**

96. The management of the GM has repeatedly stated its concern that any change in the current status-quo might result in an ‘expansion’ of the GM’s mandate to include the responsibility of mobilising resources for such operational or procedural fund-raising, and thereby negatively affect its overall services.<sup>142</sup> The GM notes that its mandate according to the Convention is in “facilitation”, and not actually mobilising financial resources which it considers to be a misleading and often falsely interpreted provision of the Convention.<sup>143</sup> The GM again points to the reorientation of its strategy, noting that such “facilitation” takes place primarily on the national level in the form of IFS elaboration, for which the GM has been very successful in mobilising resources. It considers this work to be fully aligned with the Strategy and in fulfilment of COP decisions.<sup>144</sup> The GM has indicated that its donors might be unwilling to provide funding for anything other than the GM’s current products, namely IFS. Although the majority of the funds mobilised in support of IFS elaboration are effectively used for the GM’s operational expenses, according to budget reporting, the GM and its donors do not seem to consider such funds procedural or ‘operational’. For example, the GM has expressed its dissatisfaction with five per cent of the total thirteen percent of the UNCCD core budget it receives being allocated to the Secretariat for programme (or operational) support costs.<sup>145</sup> Whereas earlier decisions of the COP clearly provided the GM with a role in procedural and operational fund-raising, more recent decisions might have blurred the line in this regard, as detailed below.<sup>146</sup>

b. *The COP's interpretation of the GM's core mandate*

97. The introduction of **COP Decisions have occasionally increased ambiguity in the role of the GM vis-à-vis implementation of the Convention, for example the question of the GM's responsibility for resource mobilisation in terms of fund-raising.**<sup>147</sup> Such ambiguity is often a result of COP Decisions which have effectively expanded the GM's functions or offered contradictory interpretations of its mandate. For example, **the COP has on several occasions reconfirmed the GM's primary role in resource mobilisation in terms of fund-raising,** for example by "broadening the funding base for implementation while giving greater emphasis to identifying sources of co-financing for GEF projects and facilitating funding rather than providing technical advice" and "to foster the supply side of bilateral and multilateral finance and partnership building" while simultaneously emphasizing its role in supporting the demand-driven policy formulation and NAP alignment processes.<sup>148</sup> Similarly, during COP9, the GM was requested to both "focus its actions further on supporting resource mobilization *for the implementation of the Convention*" while being urged "to continue assisting affected country Parties to develop integrated investment frameworks for resource mobilization corresponding to the needs expressed in the UNCCD action programmes of these countries".<sup>149</sup>

98. Indeed, the mandate of the GM seems to rest squarely in the area of mobilization of financial resources for the purpose of channelling them towards activities in affected developing country parties.<sup>150</sup> For example, the COP initially endorsed the GM's IFS approach, albeit indirectly, through the approval of the CSEA, although the same decision which approved the CSEA invited the GM **to carry out their mandate with a view to mobilizing multilateral funding for NAP implementation.**<sup>151</sup> Yet in the same year, the small scale grants that the GM had provided to focal points for NAP elaboration were discontinued to focus on the GM's mainstreaming role in terms of IFS development. Furthermore, the 10-Year Strategy, while acknowledging the development of IIF, also highlights the GM's role in exploring new sources of finance and for facilitating access to technology.<sup>152</sup> However, the revised strategy presented to the COP9 specifies a renewed focus on "the use of IFS as a means to arrive at the Integrated Investment Frameworks called for by the Strategy".<sup>153</sup> **The unwillingness of the GM to support all areas related to the implementation of the Convention is thus lent support through a lack of clarity in COP decisions, relating to the role of the GM in terms of fund-raising for the implementation of the Convention,** including for meeting procedural (NAP alignment) and operational resource requirements. Such inconsistencies are likely to **negatively impact on relations with donors, including IFAD and the GEF, and blur the line of responsibilities the GM shares with the Secretariat,** as further detailed below and exemplified in Box 8.

c. *Collaboration between the GM and the Secretariat in fulfilment of their mandates*

99. The first institutional arrangement between the Secretariat and the GM dates back to a 1999 "Arrangement for Cooperation between the Secretariat and the GM", which was not approved by the COP, and demonstrates how far back efforts to improve cooperation goes.<sup>154</sup> In addition, at least 22 COP Decisions have introduced requests for both the GM and the Secretariat to work together on a range of issues while many also introduced (joint) reporting requirements; a significant increase in such Decisions was seen during the most recent ninth COP in 2009.<sup>155</sup> These cover issues such as advocacy/communication, partnership building, capacity building, relationships with GEF and donors, performance/impact indicators, technical assistance, fund-raising and resource mobilisation, regional cooperation and RCMs; as outlined in table 3.<sup>156</sup> For example, COP9 "requests the secretariat... to facilitate the provision of relevant technical assistance to affected country Parties for the review, alignment and/or revision of action programmes at all levels" whereas the GM's core mandate in "mobilization and channelling of substantial financial resources, including for the transfer of technology."<sup>157</sup> Similar examples can be found in

COP decisions relating to communication and awareness, capacity-building, regional cooperation, among others.

100. **Many of these decisions do not specify which subsidiary body holds the main responsibility for carrying out the respective decision;** as discussed in Section II.A.2.g. The **10-Year Strategy also introduced ambiguity as it did not delineate all of the issues delegated to the Secretariat and GM by the COP,** as discussed in Section II.A.2.g. **The effectiveness of the Strategy, the JWP, and RBM approach have been very limited to date in improving the de facto working relations between the GM and Secretariat,** as detailed in Section II.A.2.h and in the following section. Moreover, the dual structure of the Secretariat and the GM **which lacks both systemic or institutionalized cooperation mechanisms to ensure in-depth oversight and active governance has resulted in duplication, and therefore the inefficient use of available resources.**<sup>158</sup> The following section details efforts the Secretariat and the GM have undertaken upon the request of the COP, such as through the Joint Work Programme, to improve cooperation. This is then compared against numerous examples of a lack of cooperation and coordination between the subsidiary bodies.

*d. Joint Work Programme and its effectiveness*

101. The Joint Work Programme (JWP) was officially introduced by the Secretariat and the GM at the eighth CRIC in August 2009 as a means of improving cooperation and coordinating between the two bodies. The most recent draft JWP for the biennium 2010–2011 addresses cooperation needs according to the shared areas of responsibilities identified in the Strategy in terms of operational objectives.<sup>159</sup> **One positive development is the creation of a JWP ‘task force’ established after the COP9 for elaboration of the JWP.**<sup>160</sup> The task force is an ad-hoc informal administrative arrangement, not formally acknowledged by the COP, made up of at least three members from the Secretariat and three members of the GM in mid-level or managerial positions which is assembled after each COP for the elaboration of the JWP.<sup>161</sup> Responses from both bodies indicated that the task force approach was a time consuming method of cooperation for the results obtained, often marked by disagreements and unknown to most officials in both bodies including, senior management.<sup>162</sup> Moreover, it appears that the GM and Secretariat only cooperate to fulfil the reporting requirements of the COP and CRIC in the short-term run up to such sessions.<sup>163</sup>

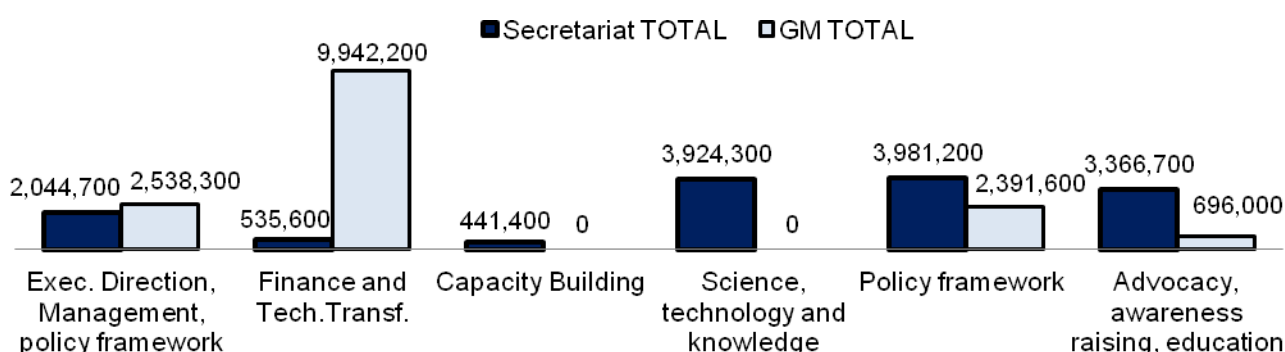
102. The Secretariat and the GM have largely limited their joint efforts and reporting on the JWP to those five operational objectives identified in the 10-Year Strategy without specifying if these represent the full spectrum of their respective areas of work.<sup>164</sup> The current arrangement has brought into focus the need for **systemic institutional relations or cooperation mechanisms as well as overall strategic planning and coordination between the Secretariat and the GM.**<sup>165</sup> **Cooperation seems to be ad hoc and limited to development of the JWP report, whereas much less evidence was provided on its implementation to date, more than halfway into the two year period (2010–2011).** For example, updates of the work of the JWP are reported to the CRIC and to the COP Bureau, but these only require a yearly assessment made jointly on the status of implementation. Furthermore, these reports appear to be very limited in substance and focused on the process of future work, and not on actual progress made.<sup>166</sup> Follow-up initiatives on the areas of work covered in the JWP, including issues such as regional coordination, financing and technology transfer, and NAP alignment workshops, appeared to have stalled as no future meeting dates were confirmed.<sup>167</sup> Of seven main areas and twenty sub-projects covered by the JWP, only two communication-related projects had been completed while another four projects had been initiated as of January 2010. Whereas the GM has noted its satisfaction with the JWP, the Secretariat argues that it **represents a minimum requirement for cooperation. Indeed, the JWP should be seen as a tool for initiating**

**collaboration, not a goal in itself capable of eliminating duplication.** Although the first JWP was informally initiated as early as 2007, **this tool has still not proved sufficient enough for resolving a range of issues relating to lack of cooperation.** Furthermore, it appears that most of the requests made to the GM and Secretariat’s during COP9, some of which are reflected in the JWP report, will not be met before the next CRIC meetings, or even before COP10. From all available evidence recorded in this report, it remains to be seen **if issues outlined below will be resolved before that time under the current institutional arrangements.**<sup>168</sup>

103. In sum, **the JWP and especially the task force, although a positive step in strengthening cooperation between the Secretariat and the GM, represents the bare minimum for promoting cooperation.** Although some overlapping areas of work have been identified through the JWP, progress in coordinating such efforts remains limited, resulting in persistent duplication of efforts as exemplified in Figure 5, below.<sup>169</sup> Other areas are not, or only minimally covered in the JWP, namely, common fund-raising in cooperation with the GEF, regional cooperation, capacity building, financing and technical assistance/transfer, knowledge management and analytical work, etc.<sup>170</sup> Moreover, little evidence has been found to date to indicate that the relationship between the GM and the Convention Secretariat has significantly and sustainably improved as a result JWP. Furthermore, the JWP has not served to remedy the established fact that the GM does not consult or collaborate with the Secretariat on a regular basis in the development and implementation of a bulk of its programme of work funded by voluntary contributions in two of its accounts, much of which overlaps with the work of the Secretariat. Nevertheless, the JPW task force could build the foundation for meaningful and continuous collaboration between the GM and the Secretariat, within the framework of a more formalised structure proposed in Section III.

104. The table below demonstrates the resources being allocated simultaneously by both the GM and the Secretariat to a number of core areas of work, according to operational objectives, much of which is not being effectively coordinated. Reporting to COP9 indicated that both the Secretariat and GM allocate to the operational objectives categories of executive direction, management, policy framework; finance and technology transfer; policy framework and advocacy, awareness raising, education.

Figure 5  
2010–2011 Budget Allocations According to Operational Objectives (EUR)



Reference: Decision 9/COP.9, table 1, Decision 9/COP.9, Annex I Work Programmes; COP(9)/5/Add.2.

e. *Examples of duplication due to the lack of coordination*

105. Examples of overlapping, duplication and lack of coordination between the GM and the Secretariat as made evident from the study of numerous documents presented to the COP, including independent evaluations, correspondence between the Secretariat and the GM and from personal interviews, are extensive.<sup>171</sup> The GM has especially justified such duplication as a failure on the part of the Secretariat to limit its efforts to global activities, whereas it claims to have exclusive authority to act at national and regional levels.<sup>172</sup> The flawed premise on which this view has been based, has been dealt with in Section II.B.3. As a consequence, untenable institutional arrangements and practices have been allowed to perpetuate while duplication as a result of non-cooperation has continued, as detailed in the examples presented in the boxes below. In addition, the lack of collaboration on IFS within the framework of the NAP alignment process is discussed in detail in Section II.B.2.

***Box 7. Advocacy, Awareness Raising and Education: Corporate identity and public portrayal of the Convention (operational objective one of the Strategy)***

The relevance of a single corporate identity is paramount to the Convention's first operational objective on advocacy, awareness raising and education as a means of actively influencing relevant processes and actors.<sup>173</sup> However, **both the Secretariat and the GM have developed such activities independently from each other.** For example, since its establishment in 1998/1999, the **GM has continued to develop and expand its own separate identity and public image parallel to that of the Secretariat's.** The GM's activities in separate branding are carried out through its numerous communication tools such as its website, logo, publications and promotional materials, its staff's business cards, separate GM email addresses, etc., all of which lend to the institutional dualism at the core of the current study. The portrayal of the GM's own public identity appears to be propagated largely independently of the Convention: for example, in numerous publications, it only uses the GM logo without the UNCCD logo, although occasionally the UN logo is used alongside the GM logo.<sup>174</sup> **These trends are likewise reflected within the Secretariat's communication products and tools.** For example, the Secretariat website provides no introduction of the GM, and includes very few references, with the exception of a link to the GM logo placed amongst various other promotional logos at the bottom of the webpage. In comparison, both the CRIC and CST, likewise subsidiary bodies of the Convention, enjoy their own sections linked to the navigation menu of the Secretariat's website.

**Such duality is contrary to the spirit and letter of the Convention while also contradicting the UN's Delivering as One Policy and the 10-Year Strategic Plan.** In contrast, the third COP in 1999 explicitly "recommends that the Global Mechanism develop... an information and communication strategy".<sup>175</sup> According to the GM, this decision was taken at the time of GM's establishment to provide the GM with a specific profile under the Convention as a subsidiary body which was distinct from the Secretariat in function and mandate.<sup>176</sup> Since then, however, **the Strategy gave the Secretariat a leading role in fulfilling the first operational objective of "advocacy, awareness raising and educating", which should be understood to include issues of corporate identity and public portrayal, and the GM given a supporting role.**<sup>177</sup> The JWP between the Secretariat and GM appears to have attempted to rectify such dual efforts in awareness raising efforts. Possibly as a result, the majority of the identified activities in the JWP revolve largely around, and are largely limited to, joint communication tools, publications and much needed efforts to **improve coherence in the public or corporate image of the Convention as a whole.**<sup>178</sup> **However, results on this area appear to be very limited to date,** halfway through the biennium, and have only resulted in two to three joint newsletters, while neglecting to address the communication strategy of the entire

Convention.<sup>179</sup> Specifically, such joint activities, as identified in the JWP, remain limited in scope and **do not address the wider and much needed efforts to improve overall coherence in the public or corporate image of the Convention as a whole.** Consequently, duplication is noted in the current work of the Secretariat and GM in terms of the first operational objective of the Strategy, and has likely resulted in inefficient and wasteful use of resources. According to the 2010–2011 work programmes reported to COP 9, the Secretariat will allocate an estimated 3.4 million EUR and the Global Mechanism 696 thousand EUR for expenses related to awareness-raising.<sup>180</sup> If efforts were fully integrated, both bodies have the potential to achieve greater effectiveness and efficiency in this area of work. Moreover, such **dual awareness raising and communication efforts have also likely fuelled the public perception of a “divided convention”.**<sup>181</sup>

*Box 8. Resource Mobilisation Efforts of the Secretariat and GM (operational objective five)*

The COP has specified similar, and potentially competitive, resource mobilisation tasks to the Secretariat, especially during COP 9. For example, COP 9 “requests the secretariat to strengthen its resource mobilization functions for carrying out its activities” (Decision 1, para. 17); “invites the Executive Secretary... to seek financial resources for implementation consistent with the fund-raising activities of the secretariat” (Decision 8, para 8); “invites the secretariat and the Global Mechanism to strengthen coordinated approaches to exploring opportunities for accessing funding through the Global Environment Facility and other funding mechanisms for relevant initiatives on DLDD” (Decision 8, para. 10). Although **resource mobilisation and fund-raising responsibilities** are not the traditional mandates of the Secretariat as per the Convention, **the range of activities carried out under its mandate include many functions which overlap with and are inextricably linked to the financial resource mobilization function of the Global Mechanism.**<sup>182</sup> Because of this, collective, coordinated action between the Secretariat and the GM is essential. Yet **duplication of resource mobilisation and fund-raising efforts of the GM and the Secretariat remains prevalent**, both of which approach and receive funding from bilateral donors and other financing agencies independent of each other. For example, over the period of 2008–2010, both the Secretariat and the GM received funds from the same ten bilateral donors without any acknowledged coordination of efforts; these included Canada, Denmark, the European Commission and European Union, Finland, Italy, Norway, Spain, Sweden and Switzerland.<sup>183</sup> The GM has argued that it addresses different budget lines of the donor agencies thus limiting the direct competition with the Secretariat, but has not specified which donor budget lines this refers to; whereas the Secretariat has noted in response that it does not undertake its fund-raising on the basis of specific budget lines, which is undertaken by the donor agencies themselves after receipt of the funding request. **COP 9 attempted to address this issue by requesting the Secretariat and the GM to submit to the COP a common fund-raising strategy** which includes the “internal requirements” of coordination among the institutions and subsidiary bodies.<sup>184</sup> This resulted in the COP9 request that “the secretariat establish, in collaboration with the GM, and submit to the COP for consideration and adoption, a **common fund-raising strategy** with respect to the mobilization of resources for activities that are complementary to GM activities... and the internal requirements of the institutions and the subsidiary bodies of the Convention taking into account the respective mandates of the secretariat and of the GM as provided in the Convention” (Decision 6, para. 7). A further COP9 decision requested the GM and Secretariat “to financially assist affected country Parties...to develop integrated investment frameworks in conjunction with the review and alignment”.<sup>185</sup> According to a draft of the GM and Secretariat’s report to the

CRIC in February 2010, **very little to no progress has been made on developing a common fund-raising strategy**, and it is not expected that this will be initiated prior to the COP10.<sup>186</sup> This is a most likely due to the diverging views between the Secretariat and the GM on resource mobilisation in terms of fund-raising, partially supported by ambiguous COP decisions outlined in Section II.B.3.b.

**Box 9. Cooperation with GEF (operational objective five)**

Various COP decisions have recognised the need for the Convention to collaborate with the Global Environment Facility (GEF) and set out the role of the GM and the Secretariat in this regard. In 2003, GEF was designated as a financial mechanism of the Convention in response to a decision of the Second GEF Assembly in October 2002.<sup>187</sup> **The strengthened role of GEF vis-à-vis the UNCCD resulting from the decision taken by the GEF governing body in 2010 has the potential to put substantial pressure on the GM**, both out of a historical perspective as the GM was established to compensate for the Convention's lack of access to GEF funding, as well as due to potential duplication of roles or competition between the Secretariat and GM in their relations with GEF. This will likely have significant implications for the future work of the GM, in terms of resource mobilisation, and for its relations with the Secretariat and other convention bodies.<sup>188</sup> **The GM's role vis-à-vis the GEF** has been set out in the Convention which mandates it "to increase the effectiveness and efficiency of existing financial mechanisms", including the GEF, such as by leveraging SLM co-finance and investment for GEF funded projects. Consequently, the COP has requested the GM to collaborate with the GEF on numerous occasions since 2001, most recently as part of the 10-Year Strategy and again during the ninth COP, at which time the GM was once again requested to develop a Strategy to operationalize its complimentary role to the GEF.<sup>189</sup>

The GM recently produced an internal document titled "Strategy for Enhancing the Complementarity of the Global Mechanism with the Global Environment Facility", although this appears to have been prepared without the direct involvement of the Secretariat.<sup>190</sup> In its GEF Strategy, the GM plans to increase its "catalytic actions" to leverage increased flows for GEF co-finance, and notes its recognition of "the GM's role with regard to mobilisation of co-finance for GEF projects".<sup>191</sup> However, **similar to the GM's approach to supporting NAPs and the PRAIS process, the GM does not detail any plans to involve itself in fund-raising or resource mobilisation for the co-financing of GEF projects**, beyond the niche it has established for itself in developing IFS and other SLM mainstreaming related activities.<sup>192</sup> This pattern is seen in the GM's response to similar expectations of various country Parties, the UNCCD Secretariat, and IFAD, that imply that the GM should be directly involved in mobilising and channelling resources, especially from innovative sources, not only in mainstreaming SLM priorities through IFS. Outside of the GEF co-financed and Secretariat-led PRAISE process, the GM claims to be increasing the instances in which it is directly involved in the implementation of GEF projects as advisor on co-finance with UNDP, FAO and the World Bank in particular.<sup>193</sup> The GM has also noted its cooperation with IFAD in relation to the GEF, though *de facto* engagement was admittedly limited, as expressed by both the GM and IFAD's Global Environment and Climate Change (GECC) Unit.<sup>194</sup> Furthermore, **such efforts do not lend to the perception that the GM and Secretariat are working in a unified manner in terms of cooperation with the GEF on implementation of the Convention.**

In sum, the **cooperation between the GM and the Secretariat on coordinating GEF related projects has been limited to date.**<sup>195</sup> Despite the GM's potential role in coordinating with the GEF, **the MoU established between the GEF and the COP did not create a specific role for the GM, and instead indicated a leading role of the**



**Secretariat.**<sup>196</sup> Furthermore, COP9 requested the GEF to inform the COP Bureau and the Executive Secretary on its resource allocation, but made no mention of the GM despite its potential role.<sup>197</sup> As supported by Parties, **the GM has again differentiated its engagement with the GEF from that of the Secretariat’s on geographical terms**, noting that the GM only engages with the GEF governance structure to ensure co-finance for GEF projects in countries at the sub-regional level, whereas the Secretariat covers all international GEF-related meetings and related resource mobilisation.<sup>198</sup> However, **there does not appear to have been any COP decisions supporting such a distinction**, the lines of which might be difficult in maintaining without close ongoing cooperation. Once again, the GM has also emphasized the Secretariat’s role in resource mobilisation on the “international” level, noting that “it is hoped that this international function of the Secretariat will be effectively strengthened when the designated staff member for resource mobilization of the Secretariat will take office in due course as announced during the recent COP Bureau meeting”.<sup>199</sup>

***Box 10. Cooperation on the PRAIS process (operational objective four)***

The GM has quoted the GEF co-funded ‘Performance Review and Assessment of Implementation System’ (PRAIS) project as a successful example of the Secretariat’s procedural fund-raising for “finance for direct obligations of country Parties under the Convention”.<sup>200</sup> However, the COP has also requested the GM to support the Secretariat in joint fund-raising for reporting.<sup>201</sup> Despite this request, the **GM’s support of the PRAIS process has been limited to in-kind support, and it has not been engaged in mobilising additional resources for its implementation to date**. Nevertheless, the GM claims that “this has been a successful example of co-financing a GEF project... to which the Secretariat and the GM contributed” and notes the PRAIS process as “a striking example of the increasingly positive impact of cooperation and the learning process between the Secretariat and the GM”.<sup>202</sup> On the contrary, evidence collected indicates numerous examples of the disagreement and difficulties in coordinating the efforts of the Secretariat and GM in their support of the PRAIS process.<sup>203</sup> Reasons for this might include COP decisions which have allocated fund-raising and co-financing responsibilities, as well as cooperation with GEF, to both the Secretariat and GM, resulting in confusion of mandate and competition. This is also compounded by disagreement on the mandate of the GM in terms of its fund-raising role for such ‘procedural’ costs of the Convention.

***Box 11. Regional Coordination Mechanisms (RCMs) / Regional Coordination Units (RCUs)***

COP 9 called upon “the Executive Secretary and the Managing Director of the GM to strengthen the effectiveness and efficiency of regional coordination mechanisms (RCMs) to facilitate the implementation of the Convention”.<sup>204</sup> Coordination at the regional level is one recent example of more successful cooperation between the GM and Secretariat, although such efforts have been noted as time-consuming, and not without certain constraints. According to the Secretariat, Regional Coordination Units (RCUs) are considered to be implementation and servicing units for the NAP alignment process and are staffed by one to two staff members of the Secretariat. Recently, the GM has agreed to provide one staff member as well, which it has done in two cases. However, the Secretariat noted that there appears to be hesitation from the side of the GM to ‘merge’ even at the RCU level, which has **resulted in dual reporting and accountability structures at the**

**regional level.**<sup>205</sup> Specifically, GM and Secretariat staff seconded to the RCUs report and answer to separate bodies: GM staff to the GM and Secretariat staff to the Secretariat. This is likely to **generate operational and managerial difficulties and miscommunication, especially when it comes to defining strategic direction, and only reinforces the dual institutional structure of the Convention. Furthermore, progress in this area seems to be limited, despite claims that the RCMs are “taking shape”.**<sup>206</sup> According to the recently drafted follow-up report to the CRIC on Decision 6/COP.9, “in the current workplans and programmes of the GM and the secretariat, support to regional coordination is reflected in general terms. As the regional coordination mechanisms advance...the related tasks of the GM and the secretariat, and particularly those of the regional coordination units, could be spelled out in further detail as well.”<sup>207</sup>

#### *Box 12. Duplication of Human Resources*

**Staffing aspects highlight the duplication of functions generated by the present institutional set up and provide a clear view of the financial impact generated by two differentiated staffing structures clearly overlapping on functional tasks, while funded by the same Parties.** Uncoordinated actions resulting in wasted resources include, for example, the attendance of nearly ten staff members from the GM and the Secretariat at the Bureau meeting held in Buenos Aires in 2009. In addition to P-level staff hired by the GM without COP approval, as detailed in Section II.A.3.c, the GM also employs long-term consultants without informing the COP. These are paid for from the significant funds the GM raises from donors for the implementation of the Convention. It appears from the available evidence that the GM has provided information on its operations relating to the engagement of long-term consultants only after the JIU report of 2009 revealed serious shortcomings in this regard. The GM also reallocated two such consultants to the RCUs.

**Apart from the issues of governance relating to the engagement of staff outside the oversight of the COP, a certain level of wastage and inefficiency is inherent in a system that allows for duplication of staff doing similar or the same functions within two bodies of the same institution.** An examination of the job descriptions of the staff of the Secretariat and the GM show remarkable overlapping, resulting in inefficient use and waste of very limited financial resources available for the implementation of the Convention. For example, **the Secretariat employs at least nine staff working on regional coordination issues** for Africa, Asia, Latin America and the Caribbean as well as Northern Mediterranean and Central and Eastern Europe. Similarly, **the GM currently employs at least seventeen staff members working as regional advisors and programme officers/coordinators** for the regions of Central Asia, Asia and Pacific, West and Central Africa, North Africa, East and Southern Africa, or Africa, Latin America and Caribbean, Mesoamerica, South America, and the Andean Region; eight of the GM’s seventeen staff are permanently located in the respective regions.<sup>208</sup> However, only one staff member from both the Secretariat and the GM have acknowledged recently initiating joint efforts on the RCM/RCUs. Other examples have been noted for the areas of communication, knowledge management and budget administration. **Ensuring proper governance by requiring the GM to disclose its staff requirements and obtaining prior COP approval for hiring as well as measures to enhance efficiency and effectiveness of the entire staff of the GM and the Secretariat as a whole is thus lacking.** These issues are addressed in chapter III.

106. The following table provides an overview of the comments received from the GM and Secretariat in response to the question if they have been able to meet the requests made in various COP Decisions and, if so, how. Numerous contradictions of opinion and views between the GM and the Secretariat indicate that there remain substantial gaps in collaboration and coordination as well as in the definition of respective roles and responsibilities between both bodies. For example, there appears to be clear disagreement on areas of work such as IFS vs. NAP alignment and the coordination of related workshops, in resource mobilisation and (joint) fund-raising, GEF collaboration and PRAIS, and a communication strategy. A degree of competition was also noted between both bodies at the national level. In other common areas of work, progress was acknowledged by both Convention bodies, such as in regional coordination and RCMs/RCUs; however, dissatisfaction was noted in reporting and communication at the working level of RCUs. Some degree of satisfaction was also expressed by both bodies in relation to various reporting requirements, including the Joint Work Programme. However, reports represent a communication tool for the purpose of detailing outputs and thus demonstrating accountability to the COP and arguably not a goal in themselves. Even in the area of reporting, disagreement was noted in the consistent application of the RBM approach between the two bodies. Furthermore, it is not clear if and how the JWP has influenced or had any impact on the areas of work, noted above, lacking coordination. Such areas of work, which have thus resulted in duplication and are detailed in the case studies presented in Section II.B.3.e, specifically, Box 7 through Box 12.

Table 7  
**COP Decisions Governing the GM: GM and Secretariat Responses<sup>209</sup>**

<i>Mandate:</i>		
<i>Decision / COP / Para.</i>	<i>Fulfilled? GM Response</i>	<i>Fulfilled? Secretariat Response</i>
<p><b>Decision 1/COP.8 (Implementation) / 8</b></p> <p>GM to play a more active role in <b>mobilizing resources</b> and maintaining a geographical balance, capitalize better on demand-driven policy formulation process to facilitate responses from developed country Parties for regional implementation and NAPs</p>	<p>The GM has made a concerted effort to maintain a geographical balance and to reach a broader set of countries within its available resources. One way has been for the GM to take a sub-regional approach to providing advice and disseminating information on financing strategies and instruments. In the past biennium we reached a considerable number of countries in this manner, through for example sub-regional DIFS workshops.<sup>210</sup> The GM has conducted sub-regional and national workshops on Designing Integrated Financing Strategies, covering over 100 countries. The DIFS and NAP Alignment workshops in Burkina Faso, Brno and Prague are examples of the Secretariat and the GM working in full cooperation. The same holds true for the national workshop recently held in Sri Lanka. The GM works jointly with the secretariat in the RCUs. For example in LAC, ministers have decided to formulate a regional IFS based on regional policy priorities.</p>	<p>As per the JIU report, the GM intervention on NAP funding has been selective, GM driven and not based on requests from parties. The secretariat had insistently requested the GM to integrate its IFS workshops within the NAP alignment process as the former could arguably serve any other primary purpose. However, and even though the GM argue of the fact that the IFS lays at the very center of the NAP, it opposed the secretariat proposal for organizing them in a back-to-back format. Furthermore, the GM describes the IFS as a working level concept although it has all the constitutive elements of an interaction and fund-raising platform with parties. Unfortunately therefore both process went on a parallel dynamic, hence increasing demand on parties and exponentially amplifying the financial incidence to be supported. To this date for example, and with the exception of two instances were both workshops were held simultaneously, the secretariat does not dispose of reliable information on the number or venue of IFS workshops organized.<sup>211</sup></p>

Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**Decision 3/COP.8/ 3 (10 Year Strategic Plan)**

GM Four Year Plan was adopted by COP 9

Undertaken

All bodies to develop a **RBM multi-year (four-year) programme of work** and report to the CRIC, for adoption by the COP

**Decision 3/COP.8/ 17–19, 38**

All requests were prepared for COP 9 and subsequently adopted. Please note that the GM has fully aligned its RBM to the 10-Year Strategy as Operational Objective 5 is fully in line with the *Consolidated Strategy and Enhanced Approach* of the GM. Adopted by the COP in 2005. The GM took to heart the call for geographical balance and the reaching of a broader set of countries. Within its limited resources it was decided that we could take a sub-regional approach and thus we have been working with partners in targeting the LDC and SIDS countries as well as the promotion of sub-regional South-South cooperation and the establishment of sub-regional platforms

Being undertaken

**GM to revise its current work plan** to make it consistent with The Strategy, and prepare a draft **multi-year (four-year) work plan** complemented by a **costed biennial programme of work**, submitted to the secretariat for integration into comprehensive multi-year work plan and integrated budget

**Decision 3/COP.8/ 24–26, 28**

This is being responded to – please see RBM, Programme of Work and Budget of the GM and JWP documents submitted to COP 9 (via CRIC), as well as documents sent to Bureau and the Evaluation

The preparation of a JWP has definitely facilitated identification of complementary activities according to the mandates received by the Strategy and avoiding duplication, but did not address the question of competition between the two institutions particularly at national level. This is particularly relevant to the NAP alignment process.

Executive Secretary and GM to implement The Strategy, ensure **consistency and complementarity** in the delivery of services, strengthen coordination and cooperation, submit a draft **joint work programme** to CRIC 7/COP9 (include indicators of successful cooperation)

**Decision 3/COP.8/ 30–32**

Active cooperation with the Secretariat as part of the joint activities, in the past biennium on this issue. Joint preparation of studies and ToRs for consultations for proposals, which were forwarded to COP 9.

Input by the GM in the consultations with Parties on RCMs was very marginal, since their position was that the GM does not have any coordination mechanism in place at regional level.

Secretariat and GM to collaborate with Parties on **regional coordination proposals** and review existing arrangements for consideration prior to COP9

**Decision 3/COP.8/ 45**

Done on a daily basis in all programme countries of the GM and as part of the JWP.

Apart from the implementation of IFS at country level, we are not informed of any effort of the GM to mobilize resources for NAP alignment processes. As matter of fact, the secretariat has since the beginning of this process initiated

GM to assist Parties in **mobilizing resources to realign their NAPs with the Strategy**

Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**Decision 3/COP.8/ Annex, 17**

GM has a central responsibility for **strategic objective 4** (mobilize resources to support implementation, increase the level and diversity of available funding)/**operational objective 5** (strengthen its capacity to mobilize existing and new resources, facilitate access to technology), supportive role in 1 and 2 (advocacy, education awareness and policy framework)

It needs to be emphasised that the Objectives are addressed to parties and the role of the GM is facilitative as it relates to finance. In response, the GMs logframe only contains expected accomplishments as regards the operational objectives spelled out in para 17, with considerable weight given to number 5. Core business of the GM and all country programme are firmly based on this decision – more than 80% of GM’s operational finance (core and voluntary) goes into this decision. On a day-to day basis the contribution to strategic objective 4 is coordinated through the IFS. The JWP also includes joint work with the secretariat on policy aspects of Strategic Objective 4 and the articulation of associated impact indicators.

The practical expression of the GM’s supporting role in Strategic Objectives 1 and 2 is the GM’s joint work with the secretariat as outlined in the JWP, and select finance relevant activities undertaken by the GM supporting these objectives.

Factual

consultation with the GEF in order to secure funding for the NAP alignment process. As a result, NAP alignment is now included among the enabling activities to be funded within GEF-5 country allocations. In addition, the secretariat also secured some USD 300,000 to contribute to this process.

**Decision 3/COP.8/ Annex, 18**

GM realignment: (a) unchanged arrangements with **IFAD**, COP to monitor its effectiveness (JIU recommendations); (b) adopt four-year strategic plan and biennial programme of work consistent with strategic plan, **revise consolidated strategy and enhanced approach** (CSEA) to prioritize role in mobilizing financial resources for programmatic investments; develop strategy to operationalize its complementary role to

(a) The JIU recommendations referred to here are those of the JIU on the Secretariat presented to COP in 2005, not the latest one conducted on the GM in 2009. One evaluation, in part covering institutional arrangement, were initiated by COP (JIU) and a consequent one was initiated to be undertaken by the Bureau (current evaluation).

(b) This realigned role was decided as the path for the GM to follow from 2008–2018 and the GM has accordingly adjusted its approach based firmly on this decision by the COP.<sup>212</sup> One of the overwhelming differences between the modalities listed here and those listed in Article 21 Paragraph 5 or COP 1/Decision 21 Annex is that the COP endorses a programmatic approach to SLM financing, requesting the GM to assist country Parties to develop Integrated

A problem may rise in the follow up to the JIU recommendations as the GM has stated that it is not required to interact with the latter on the matter. Such a feedback but such a stand may very well delay the reporting due to the JIU.

Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**GEF; FC** to revise mandate, adopt joint work programme, report to COP and CRIC

Investment Frameworks for leveraging national, bilateral and multilateral resources. This is indeed, the desired aim of the GM's Integrated Financing Strategy, which is designed with the explicit objective of supporting countries to establish the IIF.<sup>213</sup>

Complementary role to GEF has also been outlined in document sent to the Evaluation

FC mandate revision put forward for decision by FC.

**Decision 3/COP.8/ Annex, 21–22**

Secretariat and GM to strengthen coordination and cooperation: submit **joint biennial programme of work** and report to COP (common approach, division of labour, accountability transparency, use of funds), bureau oversees implementation

The JWP was indeed submitted, with joint activities also included in the respective 2 year work programmes of the GM and secretariat for budgeting purposes.

The only clear mandate provided by parties and monitored by them, to address duplication and enhance effectiveness is the JWP (which remains an ad minima expression of the available potential for cooperation for the secretariat)

**6/COP.8/ 7 (Collaboration with GEF)** GM to improve assistance to affected developing country Parties and other eligible country Parties, in **identifying and accessing the co-financing from donors** which is necessary to enable access to **GEF project funding**

A core aspect of the IFS relates to supporting countries to both identify and access co-financing from donors, as outlined in documentation sent to the Evaluation. Please note that the GM is working in all programme countries with the GEF portfolio and the implementing/executing agencies, including under TerrAfrica.

Again, we are not aware of any specific effort of the GM in securing co-funding for GEF projects in the field of reporting and NAP alignment.

**7/COP.8/6, 7 (Implementation)**

Exec. Sec. in collaboration with the GM, to bring to attention of donors the **importance of financial support for national reporting, particularly from GEF**

When consulted, the GM has always expressed this view to donors and it has been part of the discussions under the Multi-Donor Platform

Please see also the previous box. The entire fund-raising for the PRAIS project was done by the secretariat, and funding from GEF (USD 2,8 million), the EC (USD 750,000) and other donors (USD 400,000) was secured by the secretariat only. The GM is only providing in-kind contributing to the PRAIS project and we have been recently requested to reimburse the GM for some activity implemented by them in the framework of this project. [Indeed, according to decision 7/COP.8, the Executive Secretary and the GM are to bring to the attention of donors the importance of financial support for national reporting, particularly from GEF. However, and apart from the implementation of IFS at country level, there is no recorded action or initiative

*Mandate:**Decision / COP / Para.**Fulfilled? GM Response**Fulfilled? Secretariat Response***1/COP.9/ 2, 3, 4  
(Implementation)**

requests all bodies to each to elaborate a **multi-year work plan (2012–2015) using RBM**, Secretariat to integrate into comprehensive plan

Ongoing – consultations with the secretariat in preparation for this have already begun with a view to harmonizing programming and planning

from the GM to mobilize resources for the NAP alignment processes. As matter of fact, the secretariat has since the beginning of this process initiated consultation with the GEF in order to secure funding for the NAP alignment process. As a result, NAP alignment is now included among the enabling activities to be funded within GEF-5 country allocations. In addition, the secretariat has also secured on its own some further USD 300,000 to contribute to this process]

Factual however difficulties might be encountered as the GM has not been constantly using the same RBM approach/format as the secretariat.

**1/COP.9/ 12, 13**

GM to focus its actions, continue assisting affected country Parties to develop **integrated investment frameworks** for resource mobilization

The GM's IFS approach is geared solely towards this request. Through the IFS, countries are supported in the establishment of Integrated Investment Frameworks, which package investments into sustainable land management. The IFS uses the NAP, where available, as its policy basis. This depends very much on the respective countries – some of them having fully integrated their NAPs in to overarching programmes.

This task is being discharged by the GM as part of the implementation of the IFS at country level.

**1/COP.9/ 17**

**Secretariat to strengthen its resource mobilization functions** for carrying out its activities

This is a decision focused on the secretariat. Please note that reference is also made to a joint fund-raising strategy in Decision 6/COP 9

The fundraising of the secretariat is undertaken on the basis of clear mandate that referring to the different trust funds it manages, with a distinction between finding of participation of eligible countries and support activities. There is however a longstanding misunderstanding between the GM and the secretariat on the nature of fund-raising required. The secretariat sustains that the GM need to support one single fund-raising efforts instead of promoting a position whereby its mandate does not allow it to support the Secretariat in its fund-raising.

**1/COP.9/ 18, 19**

GM and Secretariat to **intensify cooperation on strategic objective 4, and improve the coordination**

JWP, where the GM and secretariat are working on policy aspects

This cooperation has not taken place yet, at least to our knowledge.

Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**of their actions** (cost  
efficacy)

**2/COP.9 / 4, 5 (Alignment  
of actions with Strategy)**

Secretariat to facilitate  
**technical assistance**, GM  
to **financially assist**  
affected country Parties

A NAP alignment and UNCCD financing workshop was organised for the CEE region in June 2010 by the GM, the Secretariat and the Czech Republic. NAP alignment material was jointly prepared for the workshop by the GM and the Secretariat and the implementation of the regional initiative on financial resource mobilization for CEE was finalised. A National DIFS workshop including NAP alignment was also organised in Sri Lanka end July 2010 in collaboration with the RCU in Bangkok. The Secretariat and the GM agreed also to jointly organise, prior to CRIC, 3 NAP alignment workshops (respectively in Tanzania/Africa, Belarus/East Europe and Nicaragua/Latin America) as well as a subregional workshop in Mesoamerica. Please note that NAP alignment is an integral part of an IFS.<sup>214</sup>

Please see comments in the relevant boxes above. Another aspect to be highlighted refers to lack of coordination experienced on core UNCCD programmatic Tools (i.e. NAP alignment) and reporting obligations (PRAIS). Such examples provide not only a reliable insight in terms of financial incidence but also on the extent of negative impact generated on quality of service due to parties.

**3/COP.9 / 1, 2, 3, 4  
(Regional Coordination)**

GM and Secretariat to  
strengthen **regional  
coordination mechanisms**  
(RCMs), assist regional  
coordination within  
available resources, support  
Regional Coordination  
Mechanisms (RMCs)  
(provide or relocate staff),  
**actively collaborate on  
joint work programme** to  
enhance cooperation and  
provide effective support to  
affected country Parties

In the area of facilitating regional coordination by Country Parties as called for by Decision 6/COP, the GM and the Secretariat have provided staff to the RCUs for Africa and Latin America (i.e. Annex 1 and Annex 3 countries respectively). Although both RCUs face some daunting challenges staff are working together amicably. There have been a number of internal RCU consultations between Secretariat sponsored and GM sponsored staff in the two RCUs. In Africa the RCU staff are cooperating with the Africa Regional Presidency and the African Union Commission to hold a meeting in November 2010 to elect a Committee of Advisors on implementation of the Convention.

[please note that RCM and regional coordination are in the RCF/RCU basket since January 2010]

It is as a result of the JIU evaluation and the secretariat insistence to have the GM implement the COP decision on the staffing of the RCU, that their responsibility at the regional level was finally recognized. Never before did the GM acknowledge a structured function at the regional level and consequently opposed any support to the RCU on these grounds. As you will note, the GM is still reluctant to report in a clear and structured manner on the matter and any reference to staffing still lack the required transparency.

The GM, through the LAC RCU in Mexico City is actively and periodically interacting with the GRULAC Presidency, currently being held by Uruguay, on various issues including, inter alia, reporting and the development of regional work programmes.

**4/COP.9/ 8  
(Communication Strategy)**

GM and Secretariat to  
actively seek innovative  
sources of **financing for  
implementation of**

Included in JWP, actions already initiated. See progress report to Bureau. The GM has established a full fledged strategy programme on all of these issues prior to the decision.

innovative sources of funding relate to GM mandate. The secretariat expects therefore that the GM will supplement its own fund-raising efforts to finance the communication strategy through such innovative sources.



Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**communication strategy**

**6/COP.9/ 1 (JIU assessment of the GM)**

GM and Secretariat to report containing a **total work programme** and the **total cost estimate**

Consultations have started on the costed 2 year work programmes of the GM and the Sec, prepared in line with the 10year strategy following their respective mandates and functions, as laid out in the template in Annex III to decision 9/COP.9. We are collaborating to present a total work programme and budget proposal.

Ongoing

**6/COP.9/ 2 (JIU assessment of the GM)**

GM to prepare, in consultation with the secretariat, and the Parties, within available resources and submit for consideration at COP sessions detailed **regional work programmes**

The GM and the Secretariat through the RCUs have started consultations with Parties on the development of regional work programmes. The preliminary drafts will be discussed by parties at the regional meetings held in connection with CRIC 9

Factual

**6/COP.9/ 3 (JIU assessment of GM)**

GM to prepare, in consultation with the Secretariat, **criteria and guidelines for the allocation of financial resources** from GM funds

In the draft document ICCD/CRIC 9/14 the GM has outlines the criteria and guidance under which the GM currently operates.

The criteria and guidance being referred to by the GM under the present heading refers to the section of Document 14, which was not prepared jointly with the secretariat. It refers indeed to Section III on the "Status of implementation of activities relating to the mandate of the Global Mechanism" that was prepared solely by the GM.

**6/COP.9/ 4 (JIU assessment)**

FC to Revise its **mandate** and adopt a **JWP**

A proposed revised mandate has been presented to FC

**6/COP.9/ 5 (JIU assessment)**

GM to implement the **performance and impact indicators and ensure transparency in the reporting system** for funds it mobilizes

The GM is currently operating and monitoring its programme implementations through its RBM performance indicators as well as reporting on the PRAIS indicators. We have reported on disbursement (unaudited estimates) in the document, as well as regional distributions. In this document the GM also gives a brief update of results so far this biennium (ICCD/CRIC 9/14)

**6/COP.9/ 6 (JIU assessment)**

GM to prepare and submit for CRIC intersessional sessions and COP a compilation of **data and information on the**

The GM are outlining the progress so far in compiling this information and its validation through a thorough impact methodology development process. It has outlined its initial working hypothesis. The GM has already reported to COP 9 on its detailed country interventions in the past biennium

Mandate:

Decision / COP / Para.

Fulfilled? GM Response

Fulfilled? Secretariat Response

**financial resources mobilized and technology transferred**

and will submit to COP 10 a results based programme performance report.

**6/COP.9/ 7 (JIU assessment)**

Secretariat to establish, in collaboration with the GM, and submit to the COP, a **common fund-raising strategy** with respect to the mobilization of resources for activities that are complementary to GM activities

The common fund-raising strategy will be prepared in conjunction with the development of the work programmes and plans for the next biennium. Initial conversation has been held between us on the conceptual approach to the strategy.

As noted above important difference persist between the secretariat and the GM on the nature and purpose of the fund-raising envisaged as the GM sustain that its mandate does not allow it to engage in the same kind of fund-raising as the secretariat. The secretariat sees no ground for this conception and find it to be counterproductive.

**6/COP.9/ 8 (JIU assessment)**

GM Managing Director to **present his/her report to the COP** at each COP session for scrutiny by the Parties and make him/herself available to address the concerns of Parties

The GM has done so until 2003 when it became practice to present report to CRIC. GM MD stands ready to report to COP and to address COP

**6/COP.9/ 10 (JIU assessment)**

Executive Secretary and the Managing Director to jointly prepare and submit an update to the intersessional session of the CRIC on **progress** made on para. 1 to 3 and 5 to 8

ICCD /CRIC 9/14 (draft) submitted to Evaluation

Document 14 contains a section on joint reporting and a section on GM reporting, as per the letter and spirit of the concerned decision.

**8/COP.9/ 8, 10 (Relationship with other conventions/organizations)**

Executive Secretary (Secretariat and GM) to strengthen coordinated approaches to exploring opportunities for **accessing funding** for DLDD (**ES to seek financial resources** consistent with the fund-raising activities of the secretariat)

See Decision 6 on common resource mobilization strategy  
Included in current JWP. Cooperation between the Secretariat and the GM based on GM's GEF Strategy by which the GM only engages with the GEF governance structure to ensure co-finance for GEF projects in countries and sub-regions. Very close cooperation with UNDP, UNEP, World Bank, FAO, NEPAD, TerrAfrica partnership etc. The Secretariat covers all international GEF-related meetings such as GEF Assemblies, GEF Council meetings etc.

Please refer to section on PRAIS regarding successful GEF funding of national reporting. Moreover GEF decision on the funding of enabling activities faithfully portrays the Secretariat efficient delivery of mandate.

**9/COP.9 / 20 (Programme**

We assume that when appropriate the Executive Secretary will of course include

Being implemented by the Secretariat but to bring an additional burden to any host

*Mandate:*

<i>Decision / COP / Para.</i>	<i>Fulfilled? GM Response</i>	<i>Fulfilled? Secretariat Response</i>
<p><b>and budget 2010–2011)</b> Executive Secretary requested to facilitate the <b>participation of the Global Mechanism in meeting</b> (with the host Government of COPs)</p>	<p>the GM's participation in host country agreements.</p>	<p>country by increasing the direct incremental costs for of participation.</p>
<p><b>9/COP.9 / 25, 26 (Programme and budget 2010–2011)</b> GM Managing Director to report to COP 10 on the status of <b>GM extrabudgetary funds</b> (Executive Secretary to refine the application of results-based budgeting)</p>	<p>This will indeed happen for COP 10. The joint CRIC 9 report on the implementation of Decision 6 contains all detailed data of 2010. The GM and Secretariat collaborate in the development of the RBM based programmes of work and budget to ensure consistency in format and approach as well as coherence. Areas of collaboration are included in the JWP jointly developed and implemented by GM and secretariat. Duplication and overlap are avoided or could be effectively avoided by using this instrument of the JWP.</p>	
<p><b>10/COP.9/ 8, 9 (Collaboration with GEF)GM to finalize GEF strategy</b> to operationalize its complementary role(requested in The Strategy); Exec. Sec. to ensure 2-year joint work programme gives due attention to liaison with GEF</p>	<p>This has been finalized and sent to the Evaluation</p>	<p>The secretariat has intensified its cooperation with the GEF, including a joint retreat planned for early January 2011. In collaboration with UNEP and FAO, the secretariat is also preparing a global project to assist countries in the 2012 reporting process, to be supported by GEF-5 funding. The GM has not provided any assistance in these processes.</p>
<p><b>13/COP.9 / 2, 4 (Communication and reporting)</b> GM and Secretariat to refine the set of <b>performance and impact indicators</b> and associated methodologies (report to COP10 and 11), prepare <b>reporting tools</b></p>	<p>This is part of PRAIS national reporting and JWP activities</p>	<p>Action taken as requested by the COP, report still to be prepared.</p>
<p><b>13/COP.9/ Attachment 6, 7, 8</b> all institutions and subsidiary bodies to submit <b>performance report, updates of four-year workplan, harmonization of reporting tools</b>, info. on best practices</p>	<p>Work has started with a first discussion in Bonn 21 – 23 October 2010 to be continued until June 2011, when documents have to be submitted to UNOG for processing.</p>	<p>Action taken as requested by the COP.</p>

Mandate:

Decision / COP / Para.	Fulfilled? GM Response	Fulfilled? Secretariat Response
<p><b>13/COP.9</b> / Attachment 21, 22, 23</p> <p>GM to provide <b>analysis of financial flows</b>, Secretariat to prepare synthesis and facilitate with GM a <b>capacity building initiative</b></p>	<p>This work is ongoing as part of JWP under PRAIS and OECD</p>	<p>At the very beginning of the process, we could not achieve a common understanding and agree upon the tools to be implemented in this regard because the GM was proposing to use the FIELD as separate platform for the analysis of financial information contained in the national reports. Action is being taken as requested by the COP. The exercise has not been completed yet.</p>
<p><b>17/COP.9/ 9 (CRIC Programme of work)</b></p> <p>GM and Secretariat, as part of JWP, include the <b>impact indicators in comprehensive capacity-building initiative</b> assisting affected country Parties and seek (financial) assistance</p>	<p>The GM checked the Decision and found no Paragraph 9 in the decision or any reference to a capacity building initiative. Kindly clarify, which decision you are referring to here.</p>	<p>Action still to be taken.</p>
<p><i>[NOTE by the authors: This was corrected from Decision 14 to 17, para. 9]</i></p>		

**Box 13. Overview of Previous Assessment Results: GM’s Mandate**

“In practice, the GM has sort of **reshaped its working modality** to achieve its mandate on resource mobilisation by becoming a sort of **specialized think tank undertaking substantive research** on environment- related topics” (JIU, 2009, p. 10)

“The **lack of coordination in servicing the needs of Parties** has led both the Secretariat and the GM to develop most of their work programmes on their own, translating into a **steady diversification of functions** and compromising the increased returns that would naturally derive from a specialization of functions, building on complementarities.” (JIU, 2009, p. 9)

“The **GM has not accomplished the primary goal of resource mobilization and diversification**. Instead, it has made the choice to focus on demand side structuring through its “mainstreaming” approach.” (CRIC, 2003, p.16)

“To support resource mobilization efforts, the **GM has addressed issues that hamper funding potential** (e.g., mainstreaming UNCCD objectives into development policy frameworks), **even though they fall outside of its core mandate**.” (World Bank, 2003, p. 8)

“The GM has succeeded in mobilizing resources for administration and planning processes while it **has not yet succeeded in mobilizing substantial investment financing**.”(World Bank, 2003, p. 7)

“The **GM has received many definitions and directions from the COP about its mandate, some apparently contradictory**” (CRIC, 2003, p.2)

“By requesting the GM to respond to the demands of the affected Parties, the **COP has in many instances encouraged the multiplication of GM activities while not ensuring that adequate financing and resources are made available** for such an extension of the GM’s mandate.” (CRIC, 2003, p. 16)

“While the COP has been clear as to the GM’s overall mandate in the text of the Convention, **a number of its subsequent decisions have resulted in confusion** over the role the GM should play in carrying it out.” (World Bank, 2003, P.15)

“**COP has sent mixed signals to the GM through many detailed directives**, emphasizing the GM’s obligation to be fully ‘demand-driven’ while concurrently requesting it to set priorities. This has made prioritization and attention to influencing major financial flows difficult.” (World Bank, 2003, p.7)

“While the GM can be fully ‘demand driven’ in providing information on request, it **does not have the capacity to respond to all demands** for financing large desertification-related projects.” (World Bank, 2003, P.7)

Table 8  
**Responses to Questionnaires, part 2 (Accountability and Mandate)**

<i>Organisation</i>	<i>UNCCD</i>	<i>GM</i>	<i>IFAD</i>
Name	Luc Gnacadja	Christian Mersmann	R.Cooke / K. Cleaver
Title	Executive Secretary	Managing Director	Director / Ass. VP
11. Are the mandates and respective responsibilities of the Secretariat and Global Mechanism unclear or inconsistent?	Yes	No	Yes
12. Are there any functional overlaps, competition or duplication in the work of the Secretariat and that of the Global Mechanism?	Yes	No	Yes
13. How well do the Global Mechanism and Secretariat cooperate and coordinate their work?	Poorly	Sufficiently	Poorly
14. Does the Secretariat fulfil this mandate?	Yes		
15. Does the Secretariat exceed its mandate?	No		
16. Does the Global Mechanism fulfil this mandate?	Not Sure	Yes	Not Sure
17. Does the Global Mechanism exceed its mandate?	Yes	No	Not Sure
18. Is there is a lack of accountability on the part of the Global Mechanism to the Conference of the Parties in terms of delivering its mandate?	Yes	No	Yes
19. Has the Global Mechanism been accountable to Convention Parties in terms of implementing Conference of the Parties decisions?	Not Sure	Yes	Not Sure
20. Is there is a lack of accountability on the part of the Secretariat to the Conference of the Parties in terms of delivering its mandate?	No		Not Sure
21. Is there a lack of transparency or communication between the Secretariat and the Global Mechanism?	Yes	Yes	Not Sure (One must assume so)

<i>Organisation</i>	<i>UNCCD</i>	<i>GM</i>	<i>IFAD</i>
22. Has the Secretariat been accountable to Convention Parties in term of implementing Conference of the Parties decisions?	Yes		Not Sure
23. Would single or combined accountability and reporting requirements for the Secretariat and Global Mechanism to the COP help to overcome current shortcomings?		No	Yes

**C. Existing institutional arrangements for the GM**

**SUMMARY**

The inherent deficiencies in the 1999 MoU arising from use of language such as that the GM is an “organic part of the structure of the Fund”, and the inconsistencies and contradictions in the text of the MoU have caused IFAD to contemplate its revision in consultation with the COP.<sup>215</sup> This has taken on a great sense of urgency and immediacy due to recent events and two legal cases against IFAD, which have brought into question the appropriateness of the current MoU, especially in relation to the appointment and administration of GM staff, forcing IFAD to reconsider its role and position vis-à-vis the GM and will likely result in IFAD requesting revision of the MoU. On the other hand, the obligations of IFAD towards the GM appear to be effectively limited to providing office space, equipment and facilities; financial management, controlling and auditing of the three accounts of the GM; and appointment and administration of GM staff. Advance financing to the GM of up to one year, previously provided, is no longer a current service. In total, **IFAD estimates that it provides in-kind support to the GM totalling around 350,000 EUR (or half a million USD) annually**, for the above listed services. Furthermore, IFAD will not provide any further grants to the GM and the later would have to bid for IFAD resources with other applicants within the framework of the IFAD Project regulations. **The IFAD Vice President noted that its provision of financial resources to the GM would thus be “unpredictable” in the future.** The current disadvantages of the dual institutional setting, including the assessments made in previous sections related to reporting, accountability and governance issues, thus appear to outweigh the advantages. **This brings into question the current housing arrangements of the GM, as well as the value-added, if any, of the GM being housed at IFAD in Rome and thus separated from the Convention headquarters in Bonn.** Alternative institutional arrangements are thus central to the proposals discussed in Section III.

106. The following section looks at comparative advantages of the institutional arrangements set out in the current MoU between IFAD and the GM and the resulting provision of administrative services and logistic support. A summary of views on the advantages and disadvantages of the current arrangements are provided, as well as in relation to the “dual institutional setting” which has been created as a result.

## 1. Assessments of the GM's housing arrangements contained in the current MoU

### a. *GM's institutional housing arrangement at IFAD*

107. The GM is “housed”, not hosted, at the International Fund for Agricultural Development (IFAD) through a decision of the UNCCD COP which concluded a Memorandum of Understanding (MoU) with the IFAD in Rome.<sup>216</sup> The use of the word “house” in the Convention is indicative of the intention of the authors of the Convention to establish a less formal relationship between the “housing organization” IFAD and the GM, limited to IFAD’s provision of certain amenities.<sup>217</sup> The GM is a subsidiary body of the Convention without a legal standing or authority of its own, delegated or otherwise.<sup>218</sup> The Secretariat, hosted by the United Nations - and from which it derives its legal standing in accordance with the principles of international law - is the principal subsidiary body of the Convention, located in Bonn, and signatory of the MOU on behalf of the COP.<sup>219</sup> No other subsidiary body of the Convention has the legal status that the Secretariat enjoys, by virtue of its relations with the United Nations. It should be noted that the Secretariats of the UN Framework Convention on Climate Change and the Conference on Biological Diversity enjoy the same legal relationship with the United Nations as does the Secretariat of the UNCCD.

### b. *Current legal issues arising from the MoU: ICJ and ILOAT court cases*

108. In February 2010, the Administrative Tribunal of the International Labour Organization (ILOAT) delivered a judgement against IFAD in favour of a former GM staff member who was terminated by the GM Managing Director in 2006 and was subsequently awarded material damages equivalent to at least 450,000 USD. In their decision, the Tribunal declared that “the Global Mechanism is to be assimilated to the various administrative units of the Fund for all administrative purposes” and that “the administrative decisions taken by the Managing Director in relation to staff in the Global Mechanism are, in law, decisions of the Fund”.<sup>220</sup> The matter of appointment and administration of the GM staff by IFAD is based on the MoU, which provides in Clause VI that the GM will enjoy full access to “administrative, infrastructure available to the Fund offices, including... personnel, financial, communication and information management services” (Decision 10/COP.3).<sup>221</sup>

109. IFAD has appealed against the ILOAT decision to the International Court of Justice (ICJ), which requested the Parties to the UNCCD to submit statements by 29 October 2010.<sup>222</sup> Although the Legal Counsel of IFAD addressed a letter to the Managing Director of the GM in May 2010, requesting him to inform the COP of the pending case to initiative involvement, **the Managing Director failed to carry out the request of informing the Convention Parties.** Consequently, it appears that no member of the COP has submitted comments to the ICJ defending their position. **According to an ICJ press release, the General Counsel of IFAD requested an extension of time-limits for the submission of written comments to 11 March 2011, which was consequently granted by the ICJ President.**<sup>223</sup>

110. In presenting its case, IFAD has reaffirmed that it is not in any way responsible for the actions of the GM or its staff, and that it solely provides administrative support for the GM, including management of its three accounts, logistical support and facilities, for which the GM makes a contributory payment through its core budget. The appeal of IFAD against this decision is currently before the ICJ and is due to be heard early 2011.<sup>224</sup> If IFAD’s appeal is not successful, it will be held liable to cover up to nearly half a million USD in material damages caused by the GM. Whether IFAD would, in such a situation, request reimbursement of this sum from the GM or COP and if so, on what grounds, is yet to be seen. If, on the other hand, the appeal is successful, it will relieve IFAD of any liability

arising from future actions of the GM and its staff. In such a situation the questions arises as to which body will be held liable; but since the GM is a subsidiary body of the Convention, there is a possibility that the COP would be held liable for the actions of the GM. That will give rise to a serious anomaly, as the COP does not have full oversight over the staff of the GM, as they are, under the current MOU with IFAD, staff of IFAD under the management of the President of IFAD. **The only way that the COP could exercise its control of the GM and its staff would be to terminate or amend the MoU with the IFAD and have the staff of the GM appointed by the Executive Secretary, in the same way that other Convention staff are appointed and administered by the Secretariat. Regardless of the outcome of the case, IFAD has noted the need for revision of the current housing arrangement of the GM,** as detailed in the next section.

c. *IFAD's response*

111. IFAD's General Counsel highlighted that the current MoU is structurally and legally flawed with many inconsistencies and contradictions and needs to be revisited together with the COP of UNCCD, independent of the outcome of this assessment, to define a limited role of IFAD vis-à-vis the GM in clear and unambiguous terms. IFAD is also of the view that the ILOAT and ICJ case judgements are very likely to have serious implications for IFAD in terms of its liability for all actions of the GM, covered by the MoU. For example, IFAD's General Counsel noted that in view of the case before the ICJ, IFAD is giving urgent and serious consideration to changing the personnel arrangements with GM under the current MoU, so as to absolve IFAD of future liabilities related to GM staff. This would require the amendment or re-negotiation of the MoU and related COP Decisions and revisiting existing IFAD governing decisions relating to GM matters.<sup>225</sup> The following reasons were adduced by IFAD for reviewing and revising the current MOU:

- (a) Contingent liabilities arising from unclear arrangements with GM; for example, IFAD has to set up the escrow account of about US\$500,000 for a possible contingent liability and the related legal fees for external experts to represent IFAD in the ICJ;
- (b) Budgetary constraints and unpaid expenses advanced by IFAD due to limited or lateness of resources approved for the GM by the COP;
- (c) Issue of applicability of IFAD financial and procurement regulations and rules and procedures;
- (d) Applicability of IFAD's investigation and anti-corruption policies and the relevant disciplinary measures, if necessary;
- (e) Hiring and promotion practices as well as contractual status of GM staff members.

112. It seems very likely therefore, that a revised MOU will separate the actions of the GM and expressly absolve the Fund from liability for any actions of the GM. Since it is from the MOU between the COP and IFAD that the obligations of IFAD towards the GM originate, it is entirely within international law for the two bodies to revise or re-negotiate the MOU to establish the foundations of a new relationship. **The consequence of this action will likely be to severely limit the responsibilities of the IFAD towards the GM to solely the provision of office space and possibly the management of the three accounts of the GM.** The potential legal and financial consequences of such a revision are discussed below.



## 2. Comparative advantages of provision of administrative services and logistic support by IFAD, current and future IFAD financial commitments to the GM

113. The obligations of IFAD towards the GM appear to be effectively limited to the following:

- Provision of office space, equipment and facilities (Section II.C.2.a)
- Financial management, controlling and auditing of the three accounts of the GM (Section II.C.2.b)
- Provision of advance financing to the GM of up to one year (Section II.C.2.c)
- Appointment and administration of GM staff (Section II.C.2.d)
- In-kind contributions (Section II.C.2.e)

### a. *Provision of office space, equipment and facilities*

114. IFAD provides facilities to the GM within its offices in Rome, Italy. IFAD staff alone numbers over 500 members, well over ten times that of the GM.<sup>226</sup> The **GM currently has a body of staff totalling about 38** including 24 UN staff (two Directors, 17 Permanent and 5 General staff positions), in addition to at least 14 consultants, at least six to eight of whom are not physically located at the GM's offices at IFAD in Rome.<sup>227</sup> The cost of these facilities for the GM, which includes office space and equipment (computers, printers, telephones, desks, chairs, etc., but does not include maintenance fees), is estimated by IFAD to be in the region of 700,000 to 800,000 USD annually. In return for these services, IFAD receives 8 per cent of the GM's total annual *core budget* received from the COP (from the programme support costs), which averages around 2.5 million USD annually.<sup>228</sup> This amounts to around 250,000 to 350,000 USD annually (just under 200,000 EUR) paid by the UNCCD COP to IFAD. In effect, IFAD's in-kind annual contribution to the GM amounts to around half a million USD (or 350,000 EUR).<sup>229</sup>

115. In comparison, staff of the Secretariat total 56, which includes 47 staff housed in the UN Campus in Bonn, Germany, and 9 in other locations. The UNCCD Secretariat pays no fees for the use of these facilities, which are covered according to the Headquarters Agreement concluded between the UNCCD and the Government of Germany in 1998.<sup>230</sup> For operating expenses, the Secretariat allocates an estimated 250,000 EUR annually for utilities of around 6,000 sqm in office/conference and common space, including, training, telephones, common services and information.<sup>231</sup> In addition, IT services provided to the Secretariat by the UN Office of Geneva (UNOG) totalled 24,000 USD in 2009.

### b. *Financial management, controlling and auditing of the three accounts of the GM*

116. IFAD also provides financial management, controlling and auditing of the three accounts of the GM which includes scrutiny of reports of the GM for accuracy of figures and statements relating to IFAD commitments contained therein.<sup>232</sup> It provides these services free-of-charge, although they generally fall under the above mention in-kind support from IFAD. One exception is the costs for the external audit of the GM's three accounts, which the GM pays for from the core budget provided by the COP. The costs of the PricewaterhouseCoopers audits of the three accounts total between 13,000 and 15,300 EUR a year.<sup>233</sup> In comparison, the account management services provided to the Secretariat by the UN Office of Geneva (UNOG) totalled 118,600 USD in 2009 (or 85,600 EUR), including admin. assistance. However, this financial service provided by the PWC appears to be in conflict with the requirement for Convention finances to be managed in accordance with the UN financial rules and regulations, as discussed in Sections II.A.3 and II.B.1.d.

c. *Provision of advance financing to the GM of up to one year*

117. Another often cited service which IFAD has provided to the GM since 2001 is advanced funding of up to one year to meet the GM's core budget annual allocations for operational funding, namely for staff salaries, which have not yet been transferred, to be recovered upon receipt of such COP funding.<sup>234</sup> The GM has noted that this situation has been fully rectified and IFAD and the GM agree on budget provisions on an annual basis, in case of core budget shortfalls. It also noted that, although such **advance financing has not been necessary in recent years**, IFAD does guarantee financing in the sense of agreeing to 2-year fixed term contracts for core budget staff based on the budget decision of the respective COP.<sup>235</sup> However, according to consultations with the Financial Services Division, IFAD has not needed to advance funds to the GM in recent years and this scheme is thus currently under review by IFAD.<sup>236</sup>

d. *Appointment and administration of GM staff*

118. According to GM's 2009 Progress report to the IFAD Executive Board, "IFAD's Human Resources Division has supported the Global Mechanism in a number of ways. It has ensured the timely and accurate issuance of approximately 80 consultancy contracts; it has also supported Global Mechanism fixed-term staff on issues relating to recruitment, secondment, remuneration, benefits, performance evaluation and in other areas such as alternative work arrangements and social security benefits...IFAD has provided guidance to the GM to ensure that all established human resources policies and procedures are adhered to according to the IFAD Human Resources Procedures Manual... (and) the GM has undertaken a number of training modules through IFAD."<sup>237</sup> The GM also acknowledges the "substantive legal advice" provided by IFAD's Office of the General Counsel, "including on human resources matters".<sup>238</sup> However, there also remains the issue of IFAD's liability for material damages caused by the GM actions, equivalent to at least 450,000–500,000 USD as decided by the ILOAT judgement, which is currently under appeal before the ICJ, raising the question of legal liability for the actions of the GM.

119. Other staff services provided by IFAD include the extension of privileges and immunities to GM staff through the IFAD list provided to the Government of Italy. However, this matter is likewise under review by IFAD due to the implications of the judgement of the Administrative Tribunal of ILO, as detailed in the previous section.

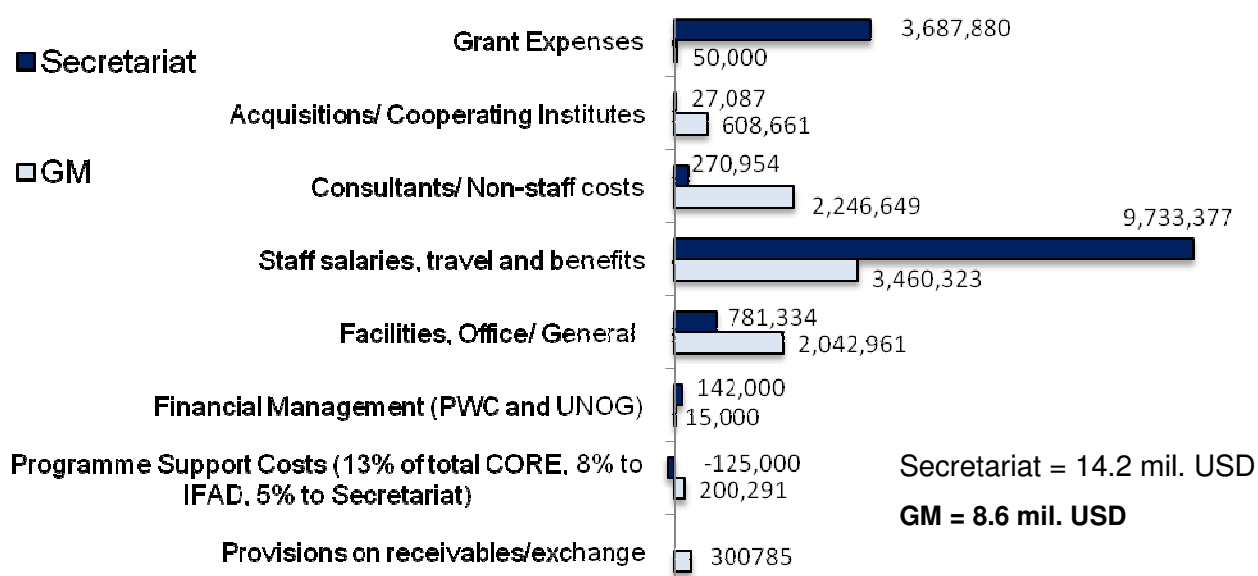
e. *IFAD's in-kind contribution to the GM*

120. In addition to the **in-kind contribution of facilities of an estimated 250–350,000 USD annually**, IFAD noted that it does not withhold a percentage from any of the funds received by the GM for its second and third accounts, which make up some 80 percent of the total annual GM budget. Although IFAD does not charge GM for management of its voluntary contributions, the GM assumes and factors a notional in-kind contribution from IFAD of 13% programme support costs for management of its extra-budgetary funds, which it estimates to be between 1.3 and 1.6 USD million/annually. For example, GM's 2010–2011 programme budget of EUR 14 million was estimated to result in about USD 1.3 million of in-kind support from IFAD.<sup>239</sup> However, IFAD has emphasized that such a service charge on programme support costs is not generally levied by IFAD.<sup>240</sup> Therefore, this estimate was not included in IFAD's in-kind support to the GM. Furthermore, since it began operations according to the housing offer it submitted to the COP, **IFAD has provided 10 million USD as a one-time grant to the GM, which has been fully acquitted** (see Section II.A.1).

**3. Current costs and financial implications of the dual institutional setting**

121. The table below outlines the current annual operating costs of the dual institutional setting, which is especially relevant when compared to Figure 5 titled 2010–2011 Budget Allocations According to Operational *Objectives (EUR)* and the proceeding Section II.B.3.e indicating examples of duplication. For example, reporting to COP9 indicated that both the Secretariat and GM allocate to the operational objectives categories of Executive Direction, Management, policy framework; Finance and Technology Transfer; Policy framework and Advocacy, awareness raising, education. **This results in both core and extra-budgetary expenditures of up to 25.5 million EUR for potentially repetitive efforts during the 2010–2011 biennium, equivalent to significantly more than the total annual operating expenses of both the GM and Secretariat for 2009 (at over 17 mil. EUR).**<sup>241</sup> In addition, in the draft report prepared for the CRIC 9, the GM reported costs totalling up to 1.8 million USD for the fulfilment of COP and CRIC reporting requirements for 2010 alone, including for the joint work programme and joint communication efforts.<sup>242</sup> In comparison, the GM reported no expenditure in relation to the PRAIS process, and only 387,877 USD for direct NAP related activities while allocating up to 3 million USD for IFS related work in 2010 alone, roughly 1.7 million USD of which was for the preparation of IFS related workshops and missions.<sup>243</sup>

Table 9  
**Annual Operating Expenses of the GM and Secretariat**  
 (2009 average in USD for all accounts)



**4. Assessment of advantages and disadvantages resulting from the dual institutional setting**

*a. The dual institutional setting*

122. The negotiation of the Desertification Convention in the early nineties was marked by many fundamental disagreements on the issue of desertification and its global impact, the very nature of desertification as an issue to be addressed through a multilateral environmental agreement or a development issue, through established bilateral cooperation

programmes on rural development and agriculture. These were parallel to the question of financing activities under the Convention, with the GEF not having, at that time, its current window on land degradation. Last minute compromises relating to the establishment of the Global Mechanism not as a “funding” mechanism, but as a Convention body reporting to the Conference of Parties **“to increase the effectiveness and efficiency of existing financial mechanisms... and to promote actions leading to the mobilization of substantial financial resources... to affected developing country Parties”**, the further elaboration of its functions in Decision 25/ COP 1 and the provisions of the subsequent MoU with IFAD, the organization selected by the COP to “house” the GM, have introduced several systemic inconsistencies, overlaps and complexities in regard to the implementation of the Convention. **These have resulted in creating a widely held perception of the Convention, aptly described in the 2009 JIU Report on Assessment of the GM as the “dilemma of a dual supporting structure”.**

b. *Advantages of the dual institutional setting*

123. Quoted advantages of the dual institutional setting include the management of GM’s funds by IFAD, an entrepreneurial climate for fund-raising including enhanced opportunity for specialization in resource mobilization though the GM’s proximity to and contacts within IFAD, as well as logistical practicality of being housed at the IFAD offices in Rome and IFAD’s efficient management of the GM’s accounts and human resources.

124. A further benefit to the GM was the grants it was provided by IFAD, totalling 10 million USD. **However, IFAD confirmed that, with the recent exhaustion of its initial pledge to the GM of 10 million USD, the GM must now compete with other bidders for IFAD grant funds according to standard procedures, and that IFAD funds to the GM will henceforth be “unpredictable”.** Future grant support to the GM will be a function of IFAD’s grant policy based on a competitive process, ‘regardless of the location of the GM’, which awards grant finance to the most effective and efficient grant proposals contributing to rural poverty reduction. This requires that future proposals from the GM not only match up to the required technical standards and quality, but also that they have as their principal objective the “contribution to rural poverty reduction”.

125. The nature and scope of the relations between the GM and IFAD was the subject of considerable comment during interviews with the Vice President of IFAD and senior staff, including observations regarding the technical quality of the project proposals presented by the GM to the IFAD for funding. The point was also made during the interviews with IFAD’s Vice-President and the Fund staff, that **IFAD has had occasion to challenge the correctness of statements made by GM in official documents regarding its role in resource mobilization in association with IFAD, for example from the GEF, which if allowed to continue, could seriously affect the credibility of the GM and jeopardize its working relations with the Fund.** This issue is closely linked to the absence of an agreed methodology, highlighted in the 2009 JIU Report to attribute and measure the funds mobilized due to the GM’s brokering efforts. Such a methodology is said to be currently under preparation pursuant to various COP 9 decision. IFAD representatives reaffirmed the commitment of the Fund to support the GM, regardless of its location and independent of the housing arrangement, provided it is able to meet the Fund requirements regarding the technical quality of the project proposals submitted to it and the projects focus in compliance with the priorities of IFAD.

126. In this vein, it was also pointed out that the focus of IFAD is on agriculture and rural development, desertification and land degradation - the principal areas of focus of the UNCCD - are not, *per se*, their areas of concentration. While the links between desertification, drought and land degradation and rural poverty reduction are very close, it remains to be seen if GM projects are considered to be sufficiently directed at this principal

focus of IFAD's grant policy to qualify for future grants. For example, no grants were provided to the GM by IFAD in 2010. The closest programmatic links between the two organizations are in respect to IFAD's dry lands project portfolio and some activities within its Environment and Climate Division. They also pointed to evolving close links between the objectives of the Desertification and Climate Change conventions with regard to issues relating to land degradation which they suggested should be further pursued.

c. *Disadvantages of dual institutional setting*

127. The disadvantages posed by the dual institutional setting of the Convention was the subject of much of the five GM assessments conducted over the past decade. This includes, but is not limited to, the absence of a "delivering as one" approach, confusion of the mandates and responsibilities of the GM and the Secretariat, limited communication between the two bodies, a lack of transparency and accountability and the introduction of complexity to institutional reporting resulting in wasted resources and inefficiency. These have been generally categorized under problems associated with governance, accountability, reporting, leadership, etc. arising from the dual supporting structure of the Convention and the "separate-roads" practices that have developed over the past decade in the absence of a mandatory, COP-directed systemic and institutional mechanism to ensure unity of purpose and coordinated action between the Secretariat and the GM. **This appears to have resulted in a widely held perception within the international community, in particular among important financial institutions as well as member governments and other stakeholders that the Convention bodies are dysfunctional and not working collectively** with the requisite consultations in the pursuit of the goals and objectives of the Convention.<sup>244</sup> This problem has reached such serious proportions that it is said to affect the level of governmental representation at Convention meetings, including the COP and most importantly, access to financial resources for the implementation of the Convention as a whole. The intricacies of the current institutional arrangements, and its effect on the reporting, accountability and governance of the GM to the COP were outlined in detail in the previous sections.

128. The sum of the above described developments brings into question the current housing arrangements of the GM, as well as the value-added, if any, of the GM being housed at IFAD in Rome and thus being separated from the Convention headquarters in Bonn. Moreover, it argues in favour of institutional reforms and systemic mechanisms envisaged in Article 27 of the Convention, to bring about the required improvements in governance, reporting and accountability.

***Box 14. Overview of Previous Assessment Results: The Dual Institutional Setting***

"The separate identity of the GM, and the channelling of its reporting line through IFAD, has progressively contributed to **fade away its direct relationship with the COP**, leading to an **institutional alienation of the GM** from the Convention process. Stretching to a maximum extent the interpretation of the vague mandates provided by the COP, the GM has acquired a level of independence and decision-making that has evolved beyond what a mere administrative hosting arrangement was meant to provide when approved by the Parties. **This separate administrative identity has progressively broadened a gap in substantive communication and coordination with the other bodies and institutions of the Convention, in particular with the secretariat.**" (JIU/REP/2009/4, p. 26.)

"By working in a vacuum and with less cooperation than required from other partners, **the GM has developed the profile of a self-sufficient organization**" (JIU, 2009, p. 10)

"GM has evolved towards a different interpretation and subsequent implementation of

its duties, **acquiring a level of self-guidance and initiative, without sufficient oversight**, in the definition of its programme of work and selection of targeted affected parties that goes well beyond its expected duties.” (JIU, 2009, p. 18)

“The **GM is not an autonomous institution, but rather a brokering process** established within the legal framework of the UNCCD.” (World Bank, 2003, p.6)

Table 10  
Responses to Questionnaires, part 3 (Institutional Arrangements)

<i>Organisation</i>	<i>UNCCD</i>	<i>GM</i>	<i>IFAD</i>
Name	Luc Gnacadja	Christian Mersmann	R.Cooke / K. Cleaver
Title	Executive Secretary	Managing Director	Director / Ass. VP
24. Are Convention resources used efficiently by the Secretariat?	Yes		Not Sure
25. Are Convention resources used efficiently by the Global Mechanism?	Not Sure	Yes	Not Sure
26. Does the dual institutional setting result in wasted resources?	Yes	No	Yes
27. Are the services or support offered by the International Fund for Agricultural Development to the Global Mechanism sufficient?	Not Sure	Yes	Yes
28. Should the International Fund for Agricultural Development help to increase the Global Mechanism’s contribution to the process of resource mobilization?	Not Sure	Yes	No
29. Has the Secretariat and/or the Global Mechanism assessed the current hosting arrangements (MoU) concluded between the International Fund for Agricultural Development and the Conference of the Parties?	No	Yes	Not Sure
30. Are there any prejudices or disadvantages resulting from the Convention’s dual institutional setting with the Global Mechanism based in Rome and the Secretariat in Bonn?	Yes	No	Yes
31. Do you consider it possible to improve the status quo between the Secretariat and the Global Mechanism under the current institutional setting?	No	Yes	Yes

### III. Alternative arrangements and their potential for addressing the underlying causes of the issues identified

#### SUMMARY

The questions of governance, accountability, and reporting of the GM, which have been set out in the ToR as main issues to be addressed in the current assessment, all relate to and affect the implementation of the Convention. Section II of this report has provided evidence to establish that the institutional dissonance between the GM and the Secretariat is seriously affecting its effective implementation. **Article 27 of the Convention mandates the COP in circumstances where questions arise with regard to the implementation of the Convention, to “consider and adopt procedures and institutional mechanisms” for the resolution of such questions.** To assist in this process, as required by the ToR, Section III of this report seeks to elaborate proposals outlining possible mechanisms to improve the status quo, and more urgently, “procedures and institutional measures” that the Bureau may wish to consider in preparing its report to COP 10. These are considered ways and means of resolving the governance, accountability and reporting issues relating to the GM, and securing cooperation and coordination between the Secretariat and the GM, and other subsidiary bodies, as well as cohesion in decision making. Proposals 2 through 4 also set out means for introducing institutional reform within the framework of the United Nation’s “Delivering as One” policy. All proposals are based on the three scenarios presented by the Joint Inspection Unit (JIU) in its 2009 report to the COP.<sup>245</sup> Although the JIU also recognised the scenario of abolishing the GM, this was not further pursued in the report due to the resulting loss of expertise, knowledge and resource mobilisation capacity for the Convention.

129. **The first proposal is little more than the continuation of the successive initiatives taken by the COP for over a decade to promote cooperation and collaboration between the GM and the Secretariat.** Having regard to the large number of COP decisions that have been adopted throughout the past decade which have introduced various reporting procedures and sought to bring about institutional cooperation and collaboration without success, as evidenced by several Evaluation Reports, (referred to in Section II.A.2.f and table 7), **the Bureau may wish to consider whether yet another decision on the same lines, as suggested in Proposal 1, would contribute in any meaningful way, to the resolution of the governance, accountability and reporting problems associated with the GM,** that negatively affect the implementation of the Convention.

130. **The Second to Fourth Proposals build upon each other sequentially, and can be seen as phases of an integration process for introducing full institutional coherence, within the framework of Article 27 of the Convention.** They allow for step-by-step implementation of a COP driven plan to improve the governance and oversight, accountability, reporting and institutional arrangements of the Convention with a view to facilitating its implementation as a whole.

131. The **First Proposal** considers measures for strengthening the status quo between the Secretariat and GM, with no institutional changes. Suggested measures include clarification of the role and mandate of the GM in terms of fund-raising; formalisation of the Joint Work Programme’s Task Force; ensuring that the JWP addresses all common areas of work and focuses on results; consolidation of the reporting requirement of the subsidiary bodies; and requiring joint advocacy/outreach efforts and representation. This might also include re-

establishing an advisory body for the GM, possibly through the CRIC, as well as direct communication with the IFAD President with a view to reviewing of the MoU to remove inherent contradictions and inconsistencies, as further discussed in the next proposal.

132. Furthermore, the case before the International Court of Justice, which questions the fundamentals of the relations between the GM and IFAD, together with the appearance of the GEF as a major “financial mechanism” of the UNCCD, have brought about new circumstances requiring wide-reaching action by the COP. This includes the introduction of institutional mechanisms and reform, as well as revision or renegotiation of the MoU, as suggested in Proposals 2 through 4.<sup>246</sup>

133. The **Second Proposal** introduces procedures and institutional mechanisms, in accordance with Art. 27 of the Convention, for resolving implementation issues by strengthening the management of the Convention bodies to address the issues of governance, leadership, reporting and accountability of the GM. Specifically, it **entails the creation by the COP through one of its Decisions, of a Senior Management Team (SMT) comprising the Executive Secretary (head), Managing Director of the GM and the Chief of Administration of the Secretariat (possibly, the Deputy Executive Secretary) to take collective decisions on basic policy issues relating to the implementation of the Convention**, including programme development and implementation, budget and resource mobilization, communications and administration.

134. It should be noted that the Executive Secretary remains the head of the Secretariat, and the Chief of Administration of the Secretariat would continue to function under the overall direction and supervision of the Executive Secretary. The inclusion of the Chief of Administration of the Secretariat in the proposed Senior Management Team is only to allow for the Executive Secretary to focus on the larger issues of programme development and implementation, coordination between the various Convention bodies and cohesive decision making for the implementation of the Convention as a whole.

135. This institutional mechanism would also entail the revision or re-negotiation of the MOU between the COP and IFAD to echo the new relationship, by removing indirect lines of accountability and reporting by the GM through the President of IFAD. However, this proposal does not go so far as to address all issues relating to governance and accountability of the GM and all the inconsistencies in the current MoU, which is the focus of the next proposal.<sup>247</sup>

136. The **Third Proposal** attempts to address the problematic issues that have arisen in regard to the current institutional arrangements of the Convention bodies under the GM’s housing agreement between the COP and IFAD (the MoU as per Decision 10/COP.3), and practices that have developed as a consequence. **The new feature of this Proposal is the assimilation of the staff of the GM with those of the Secretariat, thus ensuring that all staff are treated as Convention staff subject to one management regime under the COP, and subject to the UN staff and financial rules and regulations. This would also entail that the GM accounts be managed, as those of the Secretariat, by the UNOG.** It will be recalled that IFAD in its memorial to the ICJ has clearly stated that it has no management functions over the staff of the GM and is not in any way liable for the actions of the GM.

137. The other elements of this Proposal which builds on the Second Proposal outlined above are the following

- **Establishment of a Senior Management Team** as provided in Proposal 2 above, supported by the measures introduced in Proposal 1
- **Revising or re-negotiating the MoU** between the COP and IFAD to echo the new relationship (the pending ICJ case has precipitated a crisis for IFAD



on account of the liability it faces for all actions of the staff of the GM, founded on the provision set out in the current MoU, which has impelled IFAD to seriously consider its termination or re-negotiation (detailed in Section II.C.1)

- **The GM will continue to remain in Rome, physically housed by the IFAD**, as an out-posted office of the Secretariat, as long as the value-added from such out-posting is considered by the COP to be significant
- **IFAD's support to the GM will be limited accordingly** to the provision of office space, equipment and facilities, relinquishing it of other obligations related to the appointment and administration of GM staff and financial management of the GM accounts (Section II.C.2)<sup>248</sup>

138. This Proposal would be a significant step closer to resolving the problems of governance, leadership, duplication, accountability, reporting to the COP and lack of corporation and coordination between the GM and the Secretariat. It may be considered as a transitional arrangement to allow time for the GM and the Secretariat to be fully integrated in one venue under the Fourth Proposal.

139. **The Fourth Proposal seeks to secure full integration of the GM within the framework of the Convention** together with the Secretariat and other subsidiary bodies of the Convention **by re-locating it in Bonn, according to a timeframe to be set by the COP**. The transitional arrangement detailed in the Third Proposal could thus allow for the GM staff currently under contract to IFAD to complete their terms, so that following the completion of their (two year) appointments, new letters of appointment could be offered by the Executive Secretary, under which they would become staff of the UN working for the GM and administered by the UNCCD Secretariat/ UNOG. This proposal would effectively result in discontinuing the current MoU with IFAD, as specified in the final provisions contained in Decision 10/COP.3 and Section VII of the MoU. Under this proposal, the possibility and benefits of establishing a cooperation arrangement for the GM with the World Bank, UNDP, or another organisation, are also briefly discussed.

140. Each of these proposals, their legal and financial consequences and their advantages and disadvantages are described in the relevant sections below.

## A. Proposal 1: Improving the status quo

### SUMMARY

Under the current institutional arrangements, a number of measures could be introduced in an effort to improve the status quo between the GM and Secretariat. These might include

- Specifying the role and mandate of the GM in terms of fund-raising
- Formalisation of the Joint Work Programme's Task Force
- Ensuring that the JWP address all common areas of work and focusing on results
- Consolidating reporting requirement of the subsidiary bodies
- Requiring joint advocacy/outreach efforts and representation
- Re-establishing an advisory body for the GM, possibly through the CRIC

- Re-establishing direct communication with the IFAD President

**However, as set out above, this proposal is considered weak as it would perpetuate the institutional dissonance and thus not address many of the core issues relating to governance, reporting and accountability.**

141. The **First Proposal** is based on the first scenario proposed by the Joint Inspection Unit in their 2009 assessment of the GM (JIU/REP/2009/4), namely improvement of the status quo. This scenario contemplated improvement of the current status quo through the development of mechanisms for enforcing accountability and oversight of the GM and coordination with the Secretariat.<sup>249</sup> The JIU noted that such a scenario must ensure lasting solutions through a **clear division of labour, by promoting complementarities and synergies, eliminating indirect reporting lines, and securing long-term financial predictability.**<sup>250</sup> These correspond to the need to clarify the respective roles and responsibilities of the GM and its mandate in terms of fund-raising, improving the results gained through the JWP by formalising the task force and ensuring the JWP is comprehensive on a working level and output and result oriented. Although reporting requirements of the GM and Secretariat can be consolidated, elimination of the indirect reporting lines would require modification of the MoU.

**1. Concrete mechanisms for enforcing overall accountability of the GM to the COP and ensuring oversight (Proposal 1)**

142. For facilitating the GM's accountability to the COP, as well as the COP's oversight over the GM, certain measures could be taken to strengthen the current status quo. However, it is noted that the effective implementation of many of these suggestions requires the introduction of more wide-reaching "procedures and institutional mechanisms" as well as revision of the current institutional setting of the GM, as specified in Proposals two through four, below. The potential shortcomings of the proposal are discussed in this section.

*a. Specify the role and mandate of the GM in terms of fund-raising*

143. Disagreement arising from the diverging views of the GM's mandate in terms of fund-raising remain an impediment to the strategy and work programme of the Convention bodies, as discussed from Section II.B.3.a, as well as for the elaboration of a common fund-raising strategy, as outlined in Section III.A.3.d. The COP thus might take steps to clarify the roles and responsibilities of the GM, according to its mandate established through the Convention to "channel and mobilise resources", and its role vis-à-vis the Secretariat and other Convention bodies in terms of both fund-raising and technology transfer, including for the procedural and operational costs of the Convention (such as for support of the NAP Alignment and PRAIS processes).

*b. Consolidate reporting requirements of the subsidiary bodies*

144. The predominant tool used to ensure enforcement and accountability to the COP remains reporting, which has resulted in multiple reporting requirements rendering oversight by the COP and CRIC even more difficult. Therefore, as suggested during COP9, proposed measures would be reinforced by consolidated reporting and budget lines, prepared and submitted to the COP and CRIC/advisory body. Instead of each Convention body reporting separately to the COP to meet various requirements, a **consolidated and streamlined (costed) work programme and budget using standardised RBM and RBB methods might force all bodies to coordinate early in the reporting process** for the

benefit of the implementation of the Convention as a whole. To facilitate this, as requested during COP9, the **GM and all Convention bodies must be required to report fully and on all accounts on a regular basis** (with details of budget receipts and allocations/expenditures, for the past biennium and current biennium) and to provide audited reports in addition to costed work-plans for future biennium. The COP may also wish to require the GM to submit to the CRIC / advisory body and to the Secretariat, through the Chief of Administration and staff hiring practices, on a regular basis, all such account and budgeting details of its three accounts. This, and making such data publically available, would also help to improve transparency and streamline reporting. Finally, the COP may also consider requesting the Office of Internal Oversight Services (OIOS) to conduct an internal audit of the GM, within the context of the Conference as a whole.<sup>251</sup>

145. However, as has been discussed in detail in the previous section, the current reporting requirements, especially in relation to the management of the GM accounts and staff, are incompatible with the Convention and various related legal provisions, as specified in Section II.B.1.d. Addressing these issues would require a revision of the current MoU with IFAD, which would also allow for the introduction of single reporting and accountability requirements/lines for the GM, as discussed in Proposals 2 and 3.

*c. Re-establish an advisory body for the GM, possibly through the CRIC*

146. Former advisory bodies to the GM are no longer active, as discussed in Section II.A.1; this currently includes the Facilitation Committee (FC) of the GM. The COP/CRIC may wish to **consult with the members of the FC on its current status and willingness to continue its role** as an advisory body to the GM. Alternatively, the COP might wish to **extend broader powers to the CRIC** in an advisory role, as detailed in Section II.A.2. However, investing the CRIC with the responsibility for monitoring the everyday management of the institutions of the Convention is neither practical nor feasible and is arguably beyond the capacity of the COP or the CRIC, both of which must cover a wide range of pressing issues in a very short time during their infrequent meetings.

147. Regardless of the body chosen to act as an advisory board of the GM, the mandate of such a body might include a **membership selection process, a clear role in advice for the activities of the GM including the use of its three accounts, and direct reporting requirements** to the COP. Moreover, such a body should be empowered to request all information needed from the subsidiary bodies of the Convention, including both the Secretariat and GM, and to make recommendations (and draft decision) on all areas of the GM's work to the Managing Director, Executive Secretary and COP. To ensure the transparency and communication of such an advisory body, all meeting documents should be made available to the Executive Secretary and should be publicly accessible. However, past experience has shown that the **implementation and enforcement of such measures is unlikely to be successful without improved managerial enforcement and oversight through an institutional mechanism and a single line of reporting and accountability**, the latter requiring revision of the current MoU. Moreover, an advisory body to the GM could also be made responsible for nominating the Managing Director of the GM, for appointment by the Executive Secretary, which is currently a function of the Administrator of UNDP together with the President of IFAD.<sup>252</sup> However, such an arrangement would likewise require amendment of the current MoU, as suggested in the following proposals.

*d. Re-establish direct communication with the IFAD President*

148. The MoU between IFAD and the COP, establishing the housing and institutional arrangements for the GM, requested that "the Fund (IFAD) and the secretariat of the Convention will cooperate and exchange on a regular basis views and experiences necessary to facilitate the effectiveness of the Global Mechanism in assisting the Parties to

implement the Convention... in order to avoid duplication and to enhance the effectiveness”.<sup>253</sup> **Such a direct line of communication, especially between the IFAD president and the Executive Secretary / CRIC, might help to improve transparency of oversight and management efforts.** The COP may also wish to request that the **IFAD president inform the COP, and seek its prior advice, in the case of any decisions or recommendations made by its governing bodies or management** which might affect or influence activities of the GM (either directly or indirectly), as discussed in Section II.A.1. Such communication is also essential in the case of any revision of the MoU, as outlined in Section II.C.1.

**2. Concrete mechanisms for enforcing overall coordination with other entities, in particular with the permanent Secretariat (Proposal 1)**

149. In order to strengthen the current status quo between the GM and the Secretariat, a number of measures could be taken to introduce mandatory cooperation mechanisms which would require the GM and Secretariat to regularly collaborate in-depth as partners in the formulation, implementation and assessment of their work. However, as demonstrated in the report, successive COP Decisions have already sought to secure such cooperation, consultation and collaboration between the GM and the Secretariat, with very limited success. (See table 7 from page 59 and the various examples in Box 7 through Box 12. See also Section II.A.1). The measures introduced below would therefore benefit from wide spread institutional or systemic reforms introduced in Proposals 2 though 4.

*a. Formalisation of the Joint Work Programme’s Task Force*

150. Since the conclusion of the first assessment of the Convention in 2003, the COP made various requests for the Convention bodies to improve their coordination efforts.<sup>254</sup> A possible turning point was during COP8, when Decision 3/COP.8 introduced the 10-Year Strategy and with it, specified requirements for cooperation between the GM and the Secretariat. These are based on the development of a Joint Work Programme (JWP) and *ad hoc* “Task Force” which was set up in late 2007 through an agreement between staff of the Secretariat and GM (three from each body) with a view to facilitating interactions and agreement on the JWP. Although the results of the JWP remain limited, as detailed in Section II.B.3.d, the **acknowledgement, formalisation and institutionalisation of the JWP Task Force as the Convention’s Coordinating Body might help to encourage more regular collaboration between the Secretariat and GM.** This might include establishing **permanent focal points for each of the joint areas of work across similar functional divisions in both the Secretariat and the GM,** as outlined in table 3 and further discussed in Sections II.A.2.f, II.A.2.h, II.B.3.c, and II.B.3.d. These focal points could be made responsible for the elaboration and implementation of the JWP and all areas requiring coordination, through regularly scheduled (monthly or bi-monthly) coordination meetings or conference/video calls on all operational levels, etc. However, without the oversight and involvement of the highest level of management within the two bodies, such as through a Senior Management Team introduced in Proposal 2, the effectiveness of the task force would probably be very limited.

*b. Ensure that the JWP address all common areas of work and focuses on results.*

151. **Respective responsibilities for common and overlapping areas of work should be addressed and clarified on an ongoing basis within the framework of the JWP, including those which have not been addressed in the Strategy.** This might include areas such as capacity building, regional cooperation and mainstreaming (which falls under policy framework in many regards), as well as consolidating and strengthening the corporate identity and public portrayal of the Convention as a whole, discussed below, and a number of other areas specified in Sections II.B.3.c to e. Importantly, this might

**discourage the GM and the Secretariat from arbitrarily dividing the common areas of work based solely on geographical lines**, which has not proven a successful strategy as noted in Sections II.A.2.g and II.B.3.c, among others. Moreover, the **Secretariat and GM should be encouraged to report on implementation of the JWP, based on actual results and outputs** while maintaining ongoing cooperation and coordination, possibly spearheaded by the task force (and Senior Management Team). The JWP thus should be seen solely as a coordination tool, not as a goal in itself, as discussed in Sections II.A.2.h and II.B.3.d.

c. *Require joint advocacy/outreach efforts and representation*

152. It is noted that, with the adoption of the 10-Year Strategic Plan in 2007 (Decision 3/COP.8), the GM has been requested to support the Secretariat in strengthening its efforts related to “advocacy, awareness raising, and education” (operational objective 1). However, in many aspects, this request has not yet been fulfilled, as noted in Box 7. Therefore, both the GM and the Secretariat may be required to take into consideration such issues of visual/public identity and information in the fulfilment of their obligations as requested by the COP and in accordance with the Delivering as One approach of the UN. For example, all bodies of the Convention could use the same communication platforms and tools, including a single website/intranet (Content Management System) with individual areas for each subsidiary body, and shared outreach materials, such as joint publications, as well as common rules on the use and placement of both logos. Such efforts would also require the support of additional information sharing mechanisms between the subsidiary bodies of the Convention through regular meetings and regular internal reporting requirements as well as through the use of joint internal communication platforms such as an integrated intranet, common email addresses, joint calendar and office file server for data sharing (for example, using Outlook Sharepoint), etc. The GM and Secretariat might also be requested to coordinate the Convention’s representation at all relevant events, international conferences, and meetings in addition to joint preparations for all COP/CRIC/CST in accordance with Decision 9/COP.9). This should help to **address the widely held perception that the Convention bodies are dysfunctional and not working collectively**, which have implications for Parties’ commitment and access to financial resources for the implementation of the Convention as a whole

3. **Advantages and disadvantages of Proposal 1: Improving the status quo**

153. The following section outlines the advantages and disadvantages of the first proposal of improving the status quo, which, together with the legal and financial consequences of its implementation, are summarized in table 11.

a. *Enforcing overall accountability and oversight, as well as coordination with other bodies*

154. **The likelihood of success in improving the de facto relationship between Convention bodies and the GM’s accountability to Parties is extremely limited without addressing, and strongly discouraging, the “independence” being pursued by the GM**, which considers itself “an independent body established by the Convention” – a position which is **sustained and enforced through the current institutional arrangement**. This proposal is thus considered weak as it would perpetuate the institutional dissonance arising from functioning under two agencies, as detailed in Section III.A.4, which outlines the financial and legal implications of the proposal. Moreover, the case before the ICJ, which questions the fundamentals of the relations between the GM and IFAD, together and the appearance of the GEF as a major, if not, in practical terms, *the* “financial mechanism” of the UNCCD, have brought about new circumstances requiring action by the COP.

b. *Addressing current non-compliance with Article 27 and the "Delivering as One" approach of the UN*

155. COP is required by Art. 27 of the Convention to set out “procedures and institutional mechanisms” to enable the Convention to be implemented effectively, by streamlining the functions of the Secretariat and the GM within the framework of their respective mandates set out in the Convention and realigning the relations between these two Convention bodies. In addition, **improvement of the status quo does not fulfil the requirements set out in the "Delivering as One" approach of the UN**, which calls on UN agencies and bodies to reduce systemic fragmentation, consistent with UN system-wide reforms.<sup>255</sup> The principal elements of the notion of "Delivering as One" are: One Programme, One leader and a team, One budgetary framework and One office. Every UN agency and body is expected to follow this management paradigm, which is also a prescription for integrated programme development and implementation, effectiveness and efficiency, as further discussed in Box 1. However, under the current circumstances, **even if an improvement of the current status quo between the GM and the remaining Convention bodies is obtained, this will not address the outstanding issues related to the institutional arrangements and resulting reporting and accountability lines**, as discussed in Section II of this report.

156. As a Multilateral Environmental Agreement of the UN, the UNCCD must be viewed as an organic whole and its effective implementation can only be achieved by all of the institutions and bodies established by and under the authority of the Convention functioning collectively as one, within their respective mandates, to promote the realization of the shared goals of the Convention, under the single authority of the convention’s supreme body, the COP. If the UNCCD is to “Deliver as One” it must recognize the functions of the Secretariat in regard to the administration of the Convention, the Global Mechanism in the area of financial resource mobilization “*for the implementation of the Convention*”, the CRIC to analyse information, identifying bottlenecks and obstacles to effective implementation, and the Committee on Science and Technology (CST) to provide information and advice on scientific and technological matters relating to the Convention.

c. *Assessment of the potential synergies to be developed between IFAD and the GM to increase the GM’s contribution to the process of resource mobilization*

157. The legal foundation of the relations between the GM and IFAD as well as several recent developments which have fundamentally affected this relationship have been discussed in previous sections of this report, namely in Section II.A.1 and Section II.C. These have profound implications for the development of synergies between the GM and IFAD in the future which are **not likely to help to increase the GM’s success in resource mobilisation**. For example, now that the commitment of IFAD to provide 10 million USD in grant funds to the GM has been discharged, “**IFAD financing will become an unpredictable source of funding to the GM in the future**” in the view of the Vice-President of IFAD (see Section II.C.4). Secondly, **IFAD is currently contemplating action to re-negotiate the GM’s MOU with the COP** to expressly absolve the Fund from liability for any actions of the GM as a result of the case decision of the Administrative Tribunal of the International Labour Organization, currently under appeal before the International Court of Justice (see II.C.1.b).<sup>256</sup> The consequence of this action will be to **limit the obligations of the IFAD towards the GM** to the provision of office space (see Section II.C.2).

158. Finally, the recent **designation of the GEF as a financing mechanism of the UNCCD also alters the fundamental character of the functions of the GM**, having regard to the fact the *raison d’être* for the creation of the GM was the absence of a financial mechanism such as the GEF at the time of the conclusion of the UNCCD. Accordingly, the

conclusion is inescapable that **the potential for developing synergies between IFAD and the GM so as to increase the GM's contribution to the process of resource mobilization appear to be slim.** Moreover, as demonstrated in table 15, IFAD unanimously agrees that institutional merging with the Secretariat, and not an improvement of the status quo, is the most likely scenario for improving the current situation.

d. *Assessment of possibilities for joint fund-raising between the Secretariat and the GM, as requested by the COP*

159. Some ad hoc changes towards collegiality and programmatic cohesion have been introduced through decisions taken by COP9, which also included the COP request for the Secretariat and the GM to formulate a **common fund-raising strategy** (Decision 6/COP.9, para. 7). However, according to information gathered from both the Secretariat and GM, including the most recent JWP update for the Bureau in November 2010 and February 2011, **no progress has yet been made in this area** as joint consultations have apparently been postponed until 2011. The GM and Secretariat already share many of the same bi-lateral donors (see Box 8); thus, this approach seems feasible and necessary, but is likely to remain unsuccessful without prior clarification of the GM's mandate in terms of fund-raising for the implementation of the Convention as a whole, as discussed in Sections III.A.1.a as well as II.B.3.a.

4. **Financial and legal implications of Proposal 1: Improving the status quo**

160. Direct financial implication of the improvement of the status quo are largely limited to the potentially higher costs for travel and communication required for improving relations between the Secretariat bodies. However, the more efficient use of synergies, for example, by using the same communication tools, should limit the duplication of efforts resulting in medium-term savings for the Convention. In the event that an improvement of the status quo is not realised, as anticipated, any additional expenses dedicated initially would be a waste of resources. Furthermore, the multiple reporting requirements to both the COP/CRIC and IFAD would continue to use up significant resources. For example 25.5 million EUR was reported by the Secretariat and GM for the 2010–2011 biennium for the implementation of potentially repetitive efforts (according to dual spending on operational objectives, see Section II.B.3.e and Figure 5).<sup>257</sup> In addition, the GM reported costs totalling an estimated 1.8 million USD for the fulfilment of COP and CRIC reporting requirements for 2010 alone, including the joint work programme and joint communication efforts.<sup>258</sup> Medium to long-term savings in these areas are possible, especially if institutional reform is implemented, as suggested in the following proposals. This proposal would not affect the financial implications of the housing arrangement which IFAD, including the programme support costs or its fulfilled grant obligations to the GM. Furthermore, joint outreach and fund-raising efforts, if successful, might improve both the political and financial status of the Convention in the long-run.

161. The main legal implications of continuing with the status quo arise from the developments surrounding the case before the ICJ (resulting from the discontinuation of a GM staff member). As elaborated in the report, IFAD has contested the correctness of the finding of the ILO Administrative Tribunal (based on the provisions of the MOU) that “the GM is to be assimilated to the various administrative units of the Fund for all administrative purposes” and that the “effect of this is that the administrative decisions taken by the MD/GM in relation to staff of the GM are, in law, decisions of the Fund”. Related legal issues arising from the incompatibility of the MOU provisions with those of the Convention include indirect reporting and accountability lines channelled through IFAD's President; GM staff being regarded as the staff of IFAD including the Managing Director, who is appointed by the President of IFAD; and GM accounts being administered by IFAD.

The financial and legal implications of proposal 1, namely improvement of the Status Quo, are further outlined in the last rows of table 11, below.

Table 11  
**Proposal 1 (Status Quo): advantages and disadvantages, financial and legal implications**

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Could help to re-establishing an advisory body for the GM (FC), possibly in cooperation with the CRIC</li> <li>• Might improve oversight by extending broader powers to the advisory body: empowered to request information, to make recommendations (and draft decision) on all areas of work, provide advice for the GM including the use of its three accounts, and direct reporting requirements to the COP</li> <li>• Re-establishes direct communication with the IFAD President (in view of revision of MoU, not governance), improved transparency – not suggested by IFAD</li> </ul>	<ul style="list-style-type: none"> <li>• Does not facilitate/guarantee COP oversight over GM’s budget/accounts and funds raised, staff hiring, and activities (IFAD continues to oversee and administer the GM’s budgets and staff)</li> <li>• President of IFAD (and not the COP) approves the GM’s programme of work and budget</li> <li>• No role for COP in the appointment of the head of a key subsidiary body of the Convention (Managing Director of the GM appointed by IFAD’s President upon the nomination of UNDP Administrator)</li> <li>• Regular monitoring/management of the Convention bodies is likely beyond the capacity of the COP or the CRIC / FC, or other advisory body</li> <li>• unlikely to be successful without improved managerial enforcement and oversight through an institutional mechanism and a single line of reporting and accountability</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Consolidated and streamlined (costed) work programme and budget using standardised RBM and RBB methods might force all bodies to coordinate early in the reporting process</li> <li>• Improved transparency by requiring full reporting and audits of all accounts on a regular basis (with details of budget receipts and allocations/expenditures, for the past biennium and current biennium), make data publically available</li> <li>• Improved communication by requiring the GM to submit budget reports to the CRIC / advisory body and to the Secretariat, through the Chief of Administrative</li> <li>• Facilitative role of the task force could be strengthened</li> </ul>	<ul style="list-style-type: none"> <li>• Indirect and complex reporting to COP: Managing Director of the GM reports to COP on behalf of the President of IFAD (established through current MoU, Decision 10/COP.3)</li> <li>• MD/GM in discharging responsibilities reports directly to the IFAD President</li> <li>• Multiple reporting requirements: GM reporting requirements to COP, CRIC, in addition to the IFAD President, Executive Board and Governing Council annually</li> <li>• Comparison between GM reporting to the COP vs. IFAD (and for audits) is complicated as a result of annual reporting in USD to IFAD/audits, vs. biannual reporting in EUR to COP/ CRIC</li> </ul>



<i>Advantages</i>	<i>Disadvantages</i>
<p><b>Accountability</b></p> <ul style="list-style-type: none"> <li>• Could help to specifying the role and mandate of the GM in terms of fund-raising, thus helping to clarify the GM's accomplishment of this task and its accountability to Parties</li> <li>• Might discourage the GM and the Secretariat from arbitrarily dividing the common areas of work based on geographical lines</li> <li>• Perception of Convention might improve if GM and Secretariat required to implement joint advocacy/outreach efforts and representation</li> <li>• Cooperation and joint decision making might be facilitated though formalisation of the Joint Work Programme's Task Force</li> <li>• Division of responsibilities could be improved if the JWP ensures all common and overlapping areas of work are coordinated while focusing on results (not just on reporting)</li> <li>• Programmatic access to IFAD as GM is located under IFAD's Programme Management Department with links to IFAD's Environment and Climate Division</li> <li>• Mobilizing finance, mainstreaming sustainable land management (SLM) in IFAD portfolio and other financial institutions such as World Bank</li> </ul>	<ul style="list-style-type: none"> <li>• GM's accountability to the COP is questioned (staff hiring without COP oversight, failure to inform COP of ICJ and ILOAT cases)</li> <li>• Successive COP resolutions requiring the GM and the Secretariat to consult, cooperate, collaborate with each other have not resulted in any significant improvement of relations</li> <li>• Cooperation between the GM and Secretariat remains based on the Joint Work Programme (JWP), and the joint implementation of COP decisions, which has not proven successful in addressing issues</li> <li>• Indirect accountability to the COP, through the IFAD President (established through current MoU, Decision 10/COP.3)</li> <li>• Lack of a body within IFAD to oversee and provide guidance for the work of the GM (Facilitation Committee not currently active)</li> <li>• GM considers itself independent of the Secretariat, independent of COP oversight though indirect reporting lines to the President of IFAD, who has denied any supervisory or management powers over the GM</li> <li>• Unauthorized division of responsibilities between GM and Secretariat on geographical lines</li> <li>• Lack of institutional cohesion, and cooperation, coordination and collaboration between GM and Secretariat in regard to development and implementation of the Convention (NAPs vs. IFS, PRAIS vs. FIELD, etc.)</li> <li>• Continuing confusion/complexity of the mandates and responsibilities of the GM and the Secretariat (resource mobilisation vs. fund-raising, capacity building, policy framework, regional cooperation, advocacy, etc.)</li> <li>• Unclearity of GM's role in resource mobilization in terms of fund-raising (resulting in disagreement on roles vis-à-vis the GEF, IFAD, Secretariat, common fund-raising, etc.)</li> <li>• GM mobilisation of resources, not for the Convention as a whole, but for its "own" products (IFS)</li> <li>• Lack of communication, transparency and information sharing on all levels</li> <li>• Widely held perception that the Convention bodies are dysfunctional and not working collectively<sup>259</sup>, with implications for Parties commitment (representation at Convention meetings), and access to financial resources for the implementation of the Convention as a whole</li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Institutional Arrangements</b>	<ul style="list-style-type: none"> <li>• Logistical convenience as GM remains in Rome, housed in IFAD (according to the MoU, Decision 10/COP.3)</li> <li>• IFAD's entrepreneurial climate is claimed to facilitate enhanced opportunity for specialization in resource mobilization (however, IFAD's Vice-President and senior staff were of the view (when interviewed) that this is no longer of a significant advantage for the GM)</li> <li>• GM enjoys full access to "administrative infrastructure available to the Fund offices, including ... personnel, financial, communication and information management services"</li> <li>• Organisationally, GM is located under IFAD's Programme Management Department with links to IFAD's dry lands project portfolio and Environment and Climate Division</li> </ul>	<ul style="list-style-type: none"> <li>• Perpetuation of institutional incoherence between the Convention bodies, alienation of the GM</li> <li>• Absence of a "delivering as one" approach (for example, resource mobilization by GM does not include implementation of the Convention as a whole), but for its "own" products</li> <li>• GM and its staff follow IFAD financial rules, standards and procedures (inconsistent with /contradict a number of core Convention documents, including the Convention text itself, the UNCCD financial rules and COP rules of procedures and the mandates of both the COP and GM)</li> <li>• IFAD given authority by the COP to treat GM staff as IFAD staff (even though they are paid by the COP through the core budget) giving rise to issues of accountability, reporting, and governance by the COP</li> <li>• GM might be best advised and overseen through the Finance and Administration Department, in line with the GM's mandate and the administrative role of IFAD</li> </ul>
<b>Financial implications</b>	<ul style="list-style-type: none"> <li>• IFAD provides in-kind support to the GM estimated at 350,000 EUR per year (for office space, equipment, administrative services and facilities, minus the 8% of GM's core budget it receives)</li> <li>• IFAD provides advance financing to the GM of up to one year (has not been necessary in recent years and is currently under review by IFAD)</li> <li>• IFAD and PWC provides financial management, controlling and auditing of the GM's three accounts for an annual fee (of 13–15,500 EUR); (Secretariat's accounts are managed by the UN Office of Geneva (UNOG))</li> <li>• IFAD manages the administration of GM staff (currently under review by IFAD, IFAD denies having any control or liability over GM staff, see court cases)</li> </ul>	<ul style="list-style-type: none"> <li>• GM funds/accounts are administered and audited by the IFAD, and are disbursed and managed by the GM (GM pays for annual audits of three accounts, 14,000 EUR/year average)</li> <li>• 8% of the programme support costs of the total core funding provided by COP for the GM go to IFAD to cover operational costs (estimated at 200,000 USD/year; Secretariat retains 5% (125,000 USD);</li> <li>• Secretariat retains 5% of the GM's core budget, which the GM contents as it only provided limited services in return (Secretariat currently pays no fees for facilities, covered under the Headquarters Agreement with Germany)</li> <li>• IFAD has fulfilled its grant obligation to the GM, IFAD grants will become an unpredictable source of funding for the GM in the future (according to IFAD Vice-President)</li> <li>• Wasted resources and inefficiency in areas of duplication with the Secretariat<sup>260</sup> and in multiple reporting requirements to both the COP/CRIC and IFAD (up to 25,500,000 EUR for potentially repetitive efforts, according to dual spending on operational objectives)</li> <li>• GM reported an estimated 1.8 million USD in expenses related to COP and CRIC reporting requirements for 2010 alone, including for the joint work programme and joint communication efforts<sup>261</sup></li> <li>• Increased travel and possibly communication costs for improving relations between the Secretariat bodies</li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Legal Implications</b>	<ul style="list-style-type: none"> <li>Does not require modification of the MoU (although this is highly advisable and desired by IFAD)</li> <li>Does not require modification of the Convention</li> </ul>	<ul style="list-style-type: none"> <li>Legal ambiguity: role of the IFAD is to “house the GM for the administrative operations of such Mechanism”, however, the MoU refers to the GM as an “organic part of the structure of IFAD directly under the President of the Fund” indicative of a hosting arrangement</li> <li>Question of IFAD’s liability for the actions of the GM (the ILO Administrative Tribunal has held that staff of the GM are staff of IFAD, and that IFAD is responsible for the actions of the GM Managing Director; the case currently pending before the International Court of Justice may decide to examine the legal status of the staff of the GM vis-à-vis IFAD)</li> <li>Staff of GM appointed by IFAD and subject to IFAD rules and procedures, including access to ILO Administrative Tribunal, while UN staff have access to the UN Administrative Tribunal</li> <li>GM has to follow IFAD financial rules, standards and procedures for its three accounts, administered and managed by the IFAD, external audits undertaken by PWC (inconsistent with those of the other subsidiary bodies; Secretariat’s accounts are managed by the UN Office of Geneva (UNOG))</li> <li>Current institutional arrangements of GM do not follow UNCCD rules of procedure or financial rules (GM’s budgets are not audited according to UN standards) resulting in legal inconsistencies between the Convention bodies</li> </ul>

**B. Proposal 2: Introduction of a procedural/institutional mechanism to facilitate the effective implementation of the Convention (Senior Management Team)**

**SUMMARY**

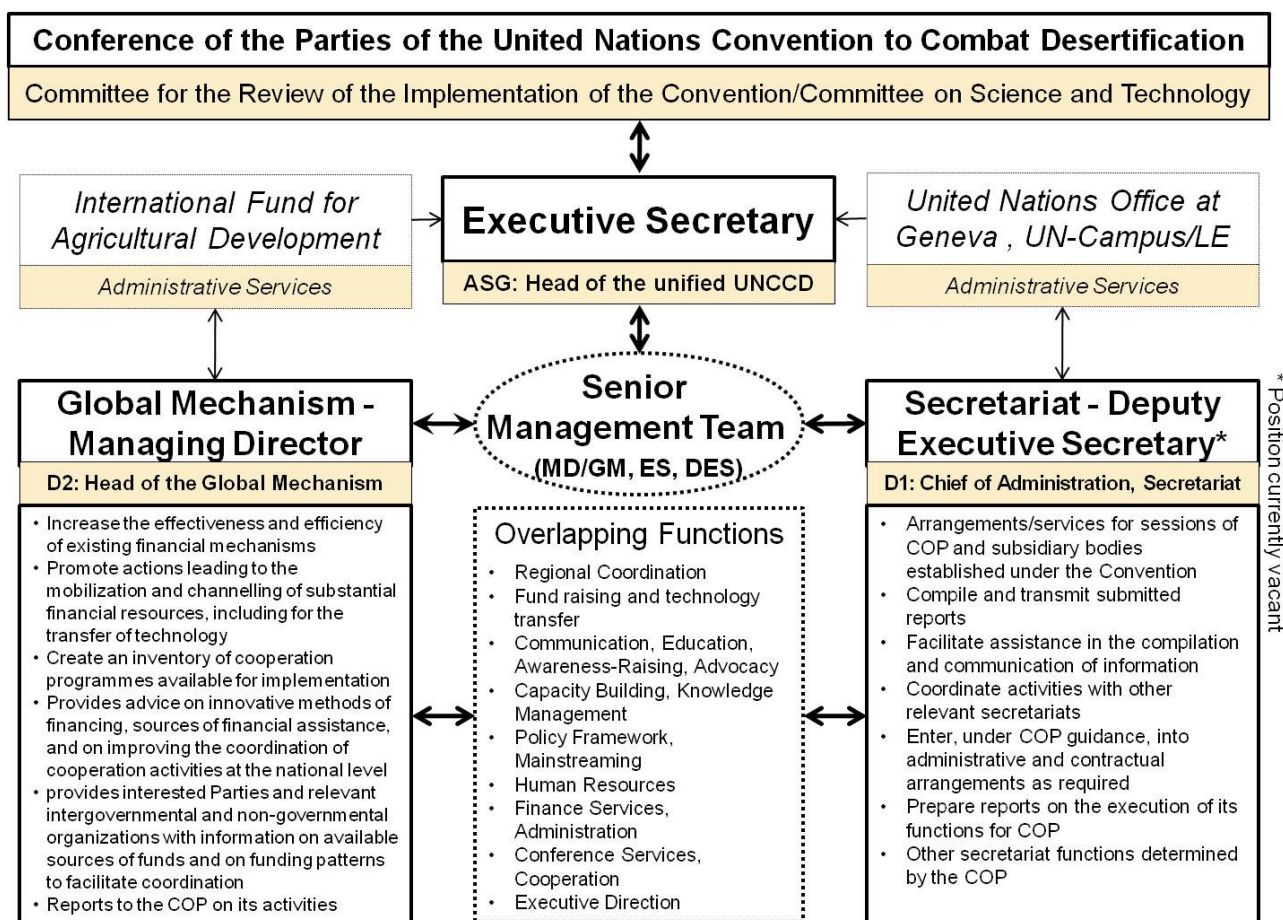
The **Second Proposal** introduces a key procedural/institutional mechanism, in accordance with Art. 27 of the Convention, for resolving implementation issues by strengthening the management of the Convention bodies to address the issues of governance, leadership, reporting and accountability of the GM. Specifically, this entails the creation of a **Senior Management Team (SMT)** comprising the Executive Secretary (head), Managing Director of the GM and the Chief of Administration of the Secretariat (possibly, the Deputy Executive Secretary) to take collective decisions on basic policy issues relating to the implementation of the Convention, including programme development and implementation, budget and resource mobilization and administration. **This institutional mechanism would also precipitate in the revision or re-negotiation of the MOU between the COP and IFAD to echo the new relationship by removing indirect lines of accountability and reporting by the GM, through the President of IFAD.** However, this proposal does not go so far as to address all issues and inconsistencies raised in the current MoU, which are the focus of the Proposals 3 and 4.<sup>262</sup>

The Bureau is urged to consider this Proposal as a useful first step towards addressing the governance, accountability, reporting and effectiveness issues that inhibit the effective implementation of the Convention.

162. The **Second Proposal** is a step between the status quo and the institutional “merging” introduced as scenarios one and two by the JIU in their 2009 report. It introduces a procedural or institutional mechanism confined to the managerial level.<sup>263</sup> This proposal builds from the first proposal while also attempting to address the requirements set forth in the JIU’s second scenario and the provisions of the Convention (Art. 27) requiring the COP to adopt “*procedures and institutional mechanisms*” for the resolution of questions with regard to the implementation of the Convention. The mechanism attempts to address such questions by clarifying mandates and avoiding duplication through a clear delimitation of competencies on an ongoing working level; introducing a single head for the Convention subsidiary bodies, thus better positioning of the Convention in the international arena; introducing a clear framework for cooperation and coordination and the institutional basis for an RBM-based unified work programme; facilitating a fund-raising strategy for the Convention; and, with a revision of the MoU, the clarification of reporting and accountability lines.

163. The figure below (organigram) represents the institutional mechanism suggested through the introduction of a SMT in relation to the Convention bodies. It also highlights the Secretariat’s and GM’s respective mandates, as defined in the Convention, and those overlapping areas of work introduced through various COP decisions.

Figure 6  
**Organigram of the Second Proposal: Introduction of a Senior Management Team**



## 1. Introduction of a Senior Management Team (Proposal 2)

164. Successive evaluations have demonstrated the need for strengthening the institutional architecture of the Convention. This includes, in particular, detailing clear guidelines on implementation of the convention as a whole through a system of collective decision making engaging both the Secretariat and the GM, along with a system for effectively monitoring and measuring progress and performance in its implementation. Such a system should prevent duplication and overlapping in activities within the Convention and promote complementarities, synergies and enhanced coordination and clarify accountability and reporting lines helping to work toward financial stability for the implementation of the convention as a whole.

165. The procedural and institutional mechanism proposed in this scenario, namely the introduction of a Senior Management Team, is predicated on the COP adopting a decision in which it:

- **Creates a systemic, institutional arrangement at the managerial level**, in accordance with Article 27 of the Convention, for the Secretariat and the GM to take collective decisions relating to the above matters, under the guidance and direction of the COP, through the **creation of a Senior Management Team** and empowering it to take collective, cohesive decisions on the basis of a Delivering as One policy
- **Mandates the Executive Secretary, acting under the authority of the COP, to report directly** on all matters relating to the implementation of the Convention as a whole, thus relieving the IFAD president of this responsibility (requires amendment of the MoU)
- **Reinforces the GM's direct accountability to the COP** for all issues falling within its mandate; for example, through Decisions 6/COP.9, para. 8, which requests direct representation of the GMs at all COPs
- **Clarifies the respective functions arising out of the mandate of the Secretariat and the GM**, in particular relating to resource mobilization, normative functions, capacity building and technology support, and communication/ awareness raising
- Allows for each body to function with full independence in their respective areas of competence according to mandate and within the framework of their collective decisions
- Provides for the monitoring of this arrangement through the COP/CRIC

### a. *Introduction of a clear line of institutional management*

166. The SMT would be held responsible for taking collective policy decisions within the framework of which, activities will be carried out by the various convention bodies for the development and implementation of the programme of work of the Convention as a whole, under COP guidance and direction. The principal areas of their focus will include preparation of policy proposals for submission to the COP for the collective implementation of the Convention as a whole (regional work programmes, fund-raising strategy, communication strategy, etc.), preparation of the programme of work of the Convention as a whole (four-year work plan); and the preparation of the budget for the Convention as a whole (costed two year work programme).

167. As stated elsewhere in the report, on areas of internal management, the SMT would take collective decisions relating to overlapping functions, including resource mobilization to ensure that donors and financial institutions are approached through a "Deliver as One"

policy; a joint communication strategy that allows freedom of communication for each convention body, within an agreed framework; deployment of human resources to enhance effectiveness and efficiency of the Convention as a whole and financial administration of the Convention resources. Furthermore, under this arrangement, it is possible for the Secretariat and GM to report to the COP through the Executive Secretary and to institute a process of consolidated reporting on key Convention documents such as a joint four-year work plan, joint costed two-year work plan and single consolidated budget and joint performance reports. Under this arrangement, CRIC will continue to review and advise on the above mentioned consolidated reports submitted to it by the Executive Secretary before submission to the COP and the CST will continue to consult with the new Executive Secretary, the Secretariat and the GM on matters within its mandate.

*b. Joint decision making and division of roles and responsibilities*

168. The SMT would take collective decisions to ensure effective oversight and management of the work of the GM and the Secretariat, for implementation of the Convention as a whole. The COP might also wish to mandate the SMT to take decisions on basic policy issues relating to implementation, administration and human resources, budget including strategic decisions on the mobilisation and allocation of resources, subject to CRIC review followed by COP approval. The SMT should also make efforts to clarify, on an ongoing working level, the respective roles and responsibilities of the GM and Secretariat introduced in various shared COP decisions with a focus on overlapping areas of work, as proposed in the middle box in the Organigram, Figure 6. However, **the GM and the Secretariat will continue to have the authority to act within their respective mandates as provided by the Convention**, within the framework of collective policy decisions taken by the SMT. Both will continue to be held directly accountable to the COP, in fulfilment of their respective mandates. For example, on issues of resource mobilisation, the GM would continue to report to the COP through the Executive Secretary, in accordance with Article 21 of the Convention and Decision 6/COP.9, para. 8. The key instruments for achieving this objective are Results Based Management and Budgeting (RBM/RBB), a strategic overall plan that combines the resource mobilization mandate of the GM with policy making, and normative and advisory services provided by the permanent Secretariat as well as a single programme budget and administrative budget encompassing both core and extra-budgetary resources.

*c. Single line of accountability and reporting to the COP*

169. Under this arrangement, the Secretariat and GM could report to the COP through the Executive Secretary, to institute a process of consolidated reporting on key Convention documents such as a joint four-year work plan, joint costed two-year work plan and single consolidated budget and joint performance reports. The Executive Secretary might also report to each session of the COP in person, together with the Managing Director of the GM on the programme of work and budget of the Convention as a whole according to an RBM and RBB approach. However, as noted in the previous section, the GM would continue to be directly accountable to the COP and report directly on all areas of work falling under its core mandate, though the reports would be channelled through the Executive Secretary.

170. In the case of disagreement on issues relating to shared areas of work, the Executive Secretary would take last-instance managerial decisions related to the coordination of work between the GM and Secretariat and represent the Convention when needed.<sup>264</sup> CRIC will continue to review and advise on the above mentioned consolidated reports submitted to it by the Executive Secretary before submission to the COP. The CST will continue to consult with the Executive Secretary, the Secretariat and the GM on matters within its mandate. Such an arrangement would also address the lack of a GM advisory role for the Secretariat,

which held a formal role as a former member of the GM Technical Advisory Group before it was disbanded in 2006 (see Section II.A.1.d).<sup>265</sup>

171. The establishment of an SMT by the COP would also be strengthened through consequential revisions to be made to the current MOU between the COP and IFAD, to provide for the single line of accountability and reporting. This would effectively relieve the IFAD President of his/her role in reporting on behalf of the GM to the COP, thus handing this responsibility directly to the GM Managing Director and Executive Secretary.

## **2. Comparative advantages and disadvantage of a single accountability and reporting line responsive to the COP through the introduction of a SMT**

172. Advantages of this proposal, which include the introduction of a single accountability and reporting line, are included in full in table 12. The following important points may be noted in considering this Proposal.

173. The global concerns relating to desertification have undergone much change since the negotiation of the UNCCD in the nineteen nineties and is today viewed as an integral part of global environmental concerns with close nexus to climate change, biodiversity, food security, movement of refugees and peace and security. The institutional structures established by the COP at the inception have proven to be inadequate to respond the more complex challenges it faces today.

**174. The introduction of a single accountability and reporting line for all convention bodies through a Senior Management Team (SMT), as set out in Proposal 2, is in line with norms established for the UN and its various Multilateral Environmental Agreements (MEAs), and the Delivering as One policy, as well as the recommendations of the JIU Evaluation of 2009.** It should be noted also that in every other MEA, it is the Executive Secretary who functions as the face of the Convention and who submits “Reports of the Executive Secretary” to the COP.

**175. The introduction of direct reporting and removing the role of IFAD, has the potential to improve parties’ view on the GM and the Secretariat’s accountability to the COP.** It will be recalled that in contrast to all established management norms among multilateral environmental agreements, the 1997 UNCCD Decision 25/COP.1 on collaborative institutional arrangements in support of the Global Mechanism provides that the GM would report to the COP through the Head of the Housing Organization. The reasons for this exceptional arrangement are rooted in the circumstances that prevailed at the time of the negotiation of the Convention. The net result of this arrangement, as explained fully in the report, is that the GM was allowed to chart an independent path and carry out its activities for almost a creating the current crisis of dual management.

**176. The Proposal also helps to address inconsistencies raised by IFAD in the current housing arrangement for the GM.** Issues raised by IFAD could be addresses through the proposal, especially if the COP were to revisit decision COP25/1 and the related MoU (Decision 10/COP.3) and adopt decisions that promote a Delivering as One policy, the integrated and cohesive action among the Convention bodies and a single accountability and reporting line responsive to the COP through the introduction of a SMT. For reasons fully set out in the report, such as, the ICJ case; the acquittal of the financial support of 10 million USD and the GM having to vie for IFAD grant funds on the basis of competitive bidding, the relations between IFAD and the GM are not the same as they were in 1999.

**177. The Proposal introduces reform through a systemic mechanism sufficient to address the institutional dissonance between the Secretariat and the GM.** Decisions at COP 9 have sought to reverse these trends toward the GM’s isolation from the Convention, the results of which are yet to be seen. However, after ten years of successive evaluations

which have not resulted in significant institutional reform, the success of such measures is not likely to be sustainable. The institutional dissonance between the Secretariat and the GM has been demonstrated by successive evaluations and continues to fundamentally affect effective implementation of the Convention and its international image. It thus no longer seems feasible to bypass the necessary institutional reform through piecemeal, ad hoc action based on the goodwill and discretion of the members of the senior management alone.

178. **The introduction of a SMT might help to break the continuing cycle of evaluations without purposeful action**, which has allowed this situation to be perpetuated with all its attendant consequences. Following the JIU report of 2009 — the sixth in a series of evaluations spanning a decade — it is clearly evident that the time has come for institutionalizing a systemic architecture within the framework of the Convention to bring about the required operational changes to secure proper governance, accountability and reporting lines between the Secretariat and the GM integrating these with the mandated inputs of the CST and CRIC.

### 3. Legal and financial implications of Proposal 2: Introduction of a SMT

179. According to the evidence gathered, the “two-headed” nature of the organizational structure of the Convention appears to be the primary cause of many of the issues at hand relating to governance, accountability and reporting associated with the GM and the Secretariat. Correcting this anomaly is the principal aim of the institutional architecture suggested in this report as well as the JIU report of 1999.

180. The circumstances in the late nineties that prompted the conclusion of the MoU between the COP and IFAD resulted in a fundamentally flawed agreement on account of its many inconsistencies and contradictions, as confirmed by the Legal Counsel of the IFAD (see Section II.C.1, and the following proposal), and does not reflect the current realities of the relations between IFAD and the GM. This matter has been dealt with extensively in Section II.B.1.c). For reasons stated above, it would be appropriate for the COP to revisit the GM’s housing arrangement and take appropriate decisions relating to GM’s accountability and reporting lines, in the present context, including the new role of the GEF as a principal financial mechanism of the UNCCD.

181. This organisational structure does not create any new staff positions; it only reorganizes the existing positions by reissuing contracts. While it is possible to maintain the same post levels under the new organisational structure that is proposed, it may be likely that the position of the “Head of the Secretariat” under this arrangement may, if the COP considers appropriate, be raised to that of a D2 position, on par with that of the GM Managing Director. If so, there will be a need to secure additional funds from the core budget to meet the *difference* between the emoluments of D2 and D1 positions, estimated at 8–10,000 USD a year. Alternatively, both positions could be reverted to D1 positions, resulting in a savings equal to the same amount.

182. Table 12 outlines the advantages and disadvantages of the second proposal of introducing a SMT, together with the legal and financial consequences of its implementation. To end the current bicephalic institutional architecture of the Convention, revision of the MoU between the COP and IFAD is essential while returning to the legal origins and the language and scheme of the Convention, as further detailed in the table below. Financial implications remain generally the same as those discussed in Proposal 1, in Section III.A.4.



Table 12

**Proposal 2 (Senior Management Team): advantages and disadvantages, financial and legal implications**

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Shifts responsibility for effective cooperation and coordination to the highest level of management</li> <li>• Potential for relinquishing the COP/CRIC of the need for oversight over sub-managerial level details of coordination between the subsidiary bodies, which would be the responsibility of the Senior Management Team (SMT)</li> <li>• Facilitates minimum institutional implementation of a One Convention Policy through institutional coherence (SMT)</li> <li>• Fulfills, in part, the requirements of Article 27 of the Convention</li> <li>• Clarifies lines of management</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to strengthened initiative of senior management to implement more systematic cooperation between the two bodies</li> <li>• Does not facilitate/guarantee COP oversight or full transparency of the GM's budget/accounts and funds raised, staff hiring, and activities (IFAD continues to oversee and manage the GM's budgets and staff)</li> <li>• President of IFAD (and not the COP) still mandated to approve the GM's programme of work and budget, and report to COP (as per the MoU)</li> <li>• No role for COP in the appointment of the head of a key subsidiary body of the Convention (Managing Director of the GM appointed by IFAD's President upon the nomination of UNDP Administrator)</li> <li>• Might not be successful without revision of the MoU to introduce a single line of reporting and accountability, and to address the above issues</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Streamlined reporting lines and preparation of integrated and cohesive work plans and budgets under the management of the SMT</li> <li>• Clarifies reporting lines while upholding respective roles of the GM and Secretariat (assuming MoU is amended accordingly)</li> <li>• Removes GM's responsibility to report through the IFAD President (assuming MoU is amended accordingly)</li> <li>• GM reports through the ES (and SMT) to the COP and CRIC in a single reporting line Requires that both bodies cooperate consistently, and not solely in preparation for the fulfilment of reporting requirements</li> </ul> <p>Improves comparability and transparency through standardisation of GM and the Secretariat's reporting to the COP (and administrative procedures)</p>	<ul style="list-style-type: none"> <li>• Assumes, but does not guarantee, that both bodies will cooperate consistently, and not solely in preparation for the fulfilment of reporting requirements</li> <li>• Does not remove GM's multiple reporting requirements to IFAD Executive Board and Governing Council annually (without revision of the MoU)</li> <li>• GM Managing Director still required to report through IFAD's president (indirect reporting line as per MoU)</li> <li>• Comparison between GM reporting to the COP vs. IFAD (and for audits) is complicated as a result of annual reporting in USD to IFAD/audits, vs. biannual reporting in EUR to COP/ CRIC</li> <li>• Facilitates standardisation of reporting between the GM and Secretariat must be standardised (in EUR vs. USD, biannually or annually, etc.), in accordance with COP 9 decisions</li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• Direct accountability lines of the GM (as part of the SMT) to the COP, places the responsibility of maintaining accountability to the COP upon the Managing Director and Chief of Administration of the Secretariat, as well as the Executive Secretary in the last instance</li> <li>• Direct accountability lines of the GM (as part of the SMT) to the COP (removed GM's reporting/accountability lines through IFAD and places this responsibility upon the Managing Director and Administrative Head of the Secretariat, as well as the Executive Secretary in the last instance)</li> <li>• Introduces an enforcement mechanism in the case of non-compliance/ non-cooperation of subsidiary bodies</li> <li>• Introduces an internal body to oversee and provide guidance for the work of the GM (Facilitation Committee not currently active)</li> <li>• SMT to ensure coordinated services to Parties provided by the GM and Secretariat and clarify/streamline the mandates and responsibilities of the GM and the Secretariat</li> <li>• Has the potential to improve institutional cohesion and cooperation between GM and Secretariat; improved communication, transparency and information sharing on all levels for the development and implementation of the Convention (Cooperation between the GM and Secretariat not based solely on the Joint Work Programme (JWP) and the 10 Year Strategy)</li> <li>• Has the potential to assist in clarifying the respective mandates and responsibilities of the GM and the Secretariat, in cooperation with the JWP Task Force in an ongoing process on a working level</li> <li>• Upholds the GM's direct line of accountability to the COP for areas of work within its respective mandate</li> <li>• SMT to oversee and provide guidance for the work of the GM (Facilitation Committee??)</li> </ul>	<ul style="list-style-type: none"> <li>• Requires revision of the MoU to fully address indirect accountability (reporting) lines to the COP (GM required to report to the COP through the IFAD President according to MoU)</li> <li>•</li> <li>• GM Managing Director appointed and GM staff administered by IFAD, GM accounts managed by IFAD</li> <li>• President of IFAD (and not the COP) approves the GM's programme of work and budget, etc.</li> <li>• Might not help to diminish the perception by Parties and stakeholders that the Convention institutions are working in a disjointed and uncoordinated manner<sup>266</sup></li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Institutional Arrangements</b>	<ul style="list-style-type: none"> <li>• Minimum requirement for implementing a “delivering as one” approach</li> <li>• Does not require physical relocation or administrative reorganisation of the Convention bodies</li> <li>• GM continues to enjoy the housing arrangement with IFAD (full access to “administrative, infrastructure available to the Fund offices, including ... personnel, financial, communication and information management services” = provision of office space, administrative services and facilities)</li> <li>• GM maintains its current relationship with IFAD while removing the ambiguities introduced in the current MoU related to indirect reporting and accountability (assuming it is amended)</li> <li>• Reinforces the role of the Executive Secretariat as head of the Convention</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitates, but does not ensure that synergies among staff duties of the Secretariat and the GM will be maximized</li> <li>• GM and its staff continue to follow IFAD financial rules, standards and procedures (inconsistent with /contradict a number of core Convention documents, including the Convention text itself, the UNCCD financial rules and COP rules or procedures and the mandates of both the COP and GM)</li> <li>• IFAD continues to treat GM staff as IFAD staff (even though they are paid by the COP through the core budget) giving rise to issues of accountability, reporting, and governance by the COP</li> </ul>
<b>Financial Implications</b>	<ul style="list-style-type: none"> <li>• Potential to improved use of resources mobilised for implementation of the Convention as a whole, possibly resulting in savings for the operational objectives where both bodies are active (for example, resource allocations to IFS and NAPs (Box 6), advocacy and awareness raising, regional cooperation, etc. and reporting requirements to both the COP/CRIC and IFAD, resulting in up to 25,500,000 EUR for potentially repetitive efforts<sup>267</sup>)</li> <li>• GM funds/accounts are accounted for and audited by the IFAD, and are disbursed and managed by the GM (GM pays for annual audits of three accounts, estimated at 13,000–15,500 EUR/year)</li> <li>• Increased travel and possibly communication costs for improving relations between the Secretariat bodies (to be compensated through improved efficiency in communication activities of the Convention)</li> <li>• SMT to ensure that donors and financial institutions are approached for resources in a coordinated manner</li> <li>• IFAD continues to provide in-kind support to the GM estimated at 350,000 EUR per year (for office space, administrative services and facilities) and financial management, controlling and auditing of the GM’s three accounts, appointment and administration of GM staff</li> </ul>	<ul style="list-style-type: none"> <li>• No creation of new posts; need to fulfil vacant position and possible upgrading, if the COP so decided, the post of Deputy Executive Secretary, a position currently vacant with a “D1” (first level Director) status, to “Chief of Administrator of the Secretariat” as a “D2”, on par with the current Managing Director of the GM, equivalent to a wage increase of 8,000 of 10,000 USD a year</li> <li>• IFAD receives 8 per cent in programme support costs of GM’s total annual CORE budget provided by the COP (estimated at 200,000 EUR/year; Secretariat retains 5 per cent and pays no fees for facilities, covered under the Headquarters Agreement with Germany)</li> <li>• IFAD grants will become an unpredictable source of funding for the GM in the future (according to IFAD Vice-President)</li> <li>• might not minimize the cost to the Convention in terms of a loss of international credibility and confidence in the convention institutions</li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Legal Implications</b>	<ul style="list-style-type: none"> <li>• Proposals does not entail an amendment of the Convention</li> <li>• Proposals does not necessarily entail an amendment of the MoU (although highly recommended) to resolve questions of indirect reporting and accountability</li> <li>• The changes proposed could be taken through appropriate COP decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Legal ambiguity: role of IFAD is to “house the GM for the administrative operations of such Mechanism”, however, the MoU refers to the GM as an “organic part of the structure of IFAD directly under the President of the Fund”</li> <li>• Does not remove IFAD’s liability for the actions of the GM (IFAD is currently contemplating re-negotiating the MoU to absolve itself of legal liability for the actions of the GM)<sup>268</sup></li> <li>• Staff of GM appointed by IFAD and subject to IFAD rules and procedures, including access to ILO Administrative Tribunal, while UN staff have access to the UN Administrative Tribunal</li> <li>• Current institutional arrangements of GM do not follow UNCCD rules of procedure or financial rules (GM’s budgets are not audited according to UN standards) resulting in legal inconsistencies between the Convention bodies</li> <li>• Unclarity and repetitive reporting and accountability arrangement in case the MoU is NOT amended</li> </ul>

**Box 15. Overview of Previous Assessment Results: Institutional Arrangements**

“The fact that in almost 15 years, smooth cooperation between the GM and the secretariat has not been enshrined and consolidated in practice indicates that it **should be induced exogenously**. This could be achieved by defining **new institutional settings with clear boundaries** between the two bodies.” (JIU, 2009, p. 18)

“Recommendation 5: The COP should effectively guide the GM in **defining a programme of work that avoids duplication and overlapping** with the mandates of other organizations, or with other subsidiary bodies or institutions of the Convention.” (JIU, 2009, p. 23)

“Bridges should be built and supported by **enhanced institutional governance**, based on a structure which would **not depend upon goodwill for cooperation** but is defined in unequivocal terms as to the **segregation of functions and coordination procedures**. Such a system should be further coupled with **effective monitoring and enforcement measures**.” (JIU, 2009, p. 26)

“**Changes in the accountability and reporting lines are a prerequisite for facilitating the integration of administrative and budgetary reporting processes** to the COP... Recommendation 4: 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 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, 2009, p. 21)

### C. **Proposal 3: Revision of the MoU, assimilation of staff and accounts, without physical relocation of the GM**

#### **SUMMARY**

The **Third Proposal assimilates the GM staff with those of the Secretariat creating a unified UNNCD staff force** while also addressing issues of the GM's current housing arrangement (MoU) between the COP and IFAD, without the physical relocation of the GM. It includes the following principal elements:

- Establishment of a Senior Management Team as provided in Proposal 2 above, supported by the measures introduced in Proposal 1
- Assimilating the staff of the GM with those of the Secretariat as well as consolidated account management (subject to one management regime under the COP, and to the UN staff and financial rules and regulations as are all other UNCCD subsidiary bodies)
- GM to remain in Rome, physically housed by the IFAD, while clarifying and limiting IFAD's support to the provision of office space, equipment and facilities (relinquishing it of other obligations related to the appointment and administration of GM staff and financial management of the GM accounts)
- Revision of the MoU between the COP and IFAD accordingly

This proposal could be a transitional arrangement toward achieving full integration of the Secretariat and the GM through co-location as set out in the Fourth Proposal (Section III.D).

183. The second scenario proposed in the JIU's 2009 report outlined measures for the GM to institutionally "merge" with the Secretariat, with or without physical relocation, in the functional areas of administration and logistics, research and advocacy, and resource mobilisation. Although the following proposal does not specify reallocation of the GM staff at the Secretariat in Bonn, it focuses on the assimilation of the GM's staff and accounts into the institutional structure of the Secretariat for administrative and management purposes, without physical re-location of the GM. It may be noted that most of the requirements set forth in the JIU's second scenario have been incorporated in Proposal 2 which introduces the SMT, in Section III.B.1.

#### **1. Revision of the MoU without physical relocation (Proposal 3)**

184. The **Third Proposal builds on the second proposal** and seeks to address the problematic issues that have arisen in regard to the current institutional arrangement for the GM under the MoU between the COP and IFAD, and practices that have developed as a consequence. It comprises the following elements:

- Establishment of a Senior Management Team as provided in Proposal 2 above (Section III.B), supported by the measures introduced in Proposal 1 (Section III.A)
- Improved accountability by **assimilating the staff of the GM** with those of the Secretariat thus ensuring that all staff are treated as Convention staff subject to one management regime under the COP, and subject to the UN and UNCCD staff and financial rules and regulations

- **Appointment of the GM Managing Director by the Executive Secretary** after nomination by the Bureau, see Section III.C.2.c
- **Revising or re-negotiating the MoU** between the COP and IFAD to echo the new relationship (Please note that the pending ICJ case has precipitated a crisis for IFAD on account of the liability it faces for all actions of the staff of the GM, founded on the provision set out in current MoU, which has impelled IFAD to seriously consider its termination or re-negotiation (detailed in Section II.C.1))
- **GM to remain in Rome**, physically housed by the IFAD within the framework of a revised MOU that accurately reflects the new institutional arrangements, as an out-posted office of the Secretariat, as long as the value-added from such out-posting is considered by the COP to be significant
- **IFAD's support to the GM will be limited** accordingly to the provision of office space, equipment and facilities and it will relinquish all other obligations related to the appointment and administration of GM staff and financial management of the GM accounts (see Section II.C.2)<sup>269</sup>

185. This Proposal would be a significant step closer to resolving the institutional dissonance which has resulted in problems of governance, leadership, duplication, accountability, reporting to the COP and lack of corporation and coordination between the GM and the Secretariat. It may be considered as a transitional arrangement to allow time for the GM and the Secretariat to be fully integrated in one venue as suggested under the Fourth Proposal.

## 2. Steps required for the implementation of Proposal 3: Revision of the MoU without physical relocation

### a. Provisions of the housing arrangement (MoU) of the GM requiring review and revision

186. The terms of the 1999 MoU between COP and the IFAD (Decision 10/COP.3) requiring revision include the following:

- IFAD given authority by the COP to treat **GM staff as IFAD staff** (even though they are paid by the COP through the core budget) giving rise to issues of accountability, reporting, and governance by the COP
- **Funds mobilized by the GM are not subject to COP oversight.** They are accounted for and audited by the IFAD, and are disbursed and managed by the GM without IFAD or COP oversight
- **President of IFAD (and not the COP) approves the GM's programme of work and budget**
- **Managing Director of the GM reports to COP on behalf of the President of IFAD**
- **Managing Director of the GM appointed by IFAD's President** upon the nomination of UNDP Administrator (No role for COP)
- MD/GM in discharging responsibilities **reports directly to the IFAD President**
- GM is considered an "**organic part of the structure of IFAD** directly under the President of the Fund" (as a consequence, the **ILO Administrative Tribunal** has held that staff of the GM are staff of IFAD, and that IFAD is responsible for the actions of the GM Managing Director)

187. The COP may also wish to address the impacts of Decisions 10/COP.3, 24/COP.1, 25/COP.1, 18/COP.2, 19/COP.2, related to implementation to the MoU as well as request annulment of all prior decisions made by IFAD governing bodies (specifically, EB 2006/89/R.56, PB/04/01, EB 98/64/R.31, EB 99/66/INF.10, PB No. 99/10, and PB No. 97/09 (see table 1 and Section II.B.1.c).

*b. Authority of the COP to revise the MoU, together with IFAD*

188. The COP has legal authority to revise the MoU “by mutual consent in writing between the Conference and the Fund” (Art. 7, D of the MoU). A revised MoU could contain the following provisions relating to a new relationship of cooperation between the Convention and the IFAD:

- IFAD will cooperate with the Convention, in particular the GM, in regard to mobilization of financial resources and programmatic cooperation, in particular, mainstreaming the Conventions programme of work into its sustainable land management portfolio
- Establishment of direct reporting and accountability lines by removing the provisions of the MoU which introduce reporting and accountability to the IFAD President in the first instance
- For as long as the GM remains housed in IFAD, and until such time as alternative arrangements are made by the COP, IFAD will continue to provide the GM with:
  - logistical and administrative support, including office space
  - privileges and immunities to GM staff through the Government of Italy

A Decision at COP10 could implement the above by providing for the following:

- Authorizing the Executive Secretary, under the guidance of the Bureau, to revise the MoU between the COP and IFAD to reflect the above arrangements and other related realities of the new relations between them
- Appointment of the Managing Director of the GM will be made on the nomination of the COP Bureau by the Executive Secretary
- The staff of the GM will become staff of the Secretariat subject to UN staff rules and the GM’s accounts will be administered by UNOG under UN staff and financial rules and regulations and will continue to be paid for by the COP
- GM will be accountable to and report to the COP directly under its mandate; all issues related to implementation of the Convention as a whole will be reported through the SMT

189. Furthermore, the COP might also wish to take a Decision regarding relocation of GM to Bonn at COP11 or COP12, following financial and functional review of the new management arrangement, as described above (this would entail the COP authorizing a new housing arrangement for the GM with the Secretariat at a future COP).

*c. Assimilation of GM staff and account administration into the Convention Secretariat*

190. To improve accountability, the staff of the GM would be assimilated with those of the Secretariat through simple administrative procedures, thus ensuring that all staff are treated as Convention staff subject to one management regime under the COP, and subject to the UN staff and financial rules and regulations. This would also entail that the GM

accounts be managed, as those of the Secretariat, under the current service contract with the UN Office of Geneva (UNOG). The position of IFAD is that, notwithstanding the language of the MoU, it does not manage or supervise the activities or funds of the GM, but only provides letters of appointment to the staff, following selection by the GM. IFAD also administers and does the accounting for the three accounts of the GM, apart from providing other facilities and services (such as accommodation and facilities) for which the GM pays through the core funds provided by the COP.

191. Assimilation of GM staff and account administration into the Convention Secretariat would require the following administrative procedures (requiring at least six months time to prepare):

- GM staff contracts / letters of appointment would have to be reviewed and reissued as UNCCD staff upon agreement of staff member
- Current appointments may also be allowed to continue until their termination (two year maximum appointments) at the end of the respective terms, before being reissued as UNCCD staff appointments (to prevent legal repercussions arising from the discontinuation of IFAD employment mid-term)
- The appointment of the Managing Director of the GM would be made by the Executive Secretary upon nomination by the Bureau of the COP
- Appointment of the staff of the GM would be made by the Executive Secretary, upon nomination by the GM in consultation with the Executive Secretary
- To facilitate staff payroll and administration, the account management of the GM would be transferred from IFAD to the current service contract with the UN Office of Geneva (UNOG), which does not entail its revision, only the addition of three new accounts (costs for services are calculated per account transaction)
- GM accounts could be placed under the use of the authorizing GM staff, disbursements would be issues by authorizing GM staff using the IMIS accounting system<sup>270</sup>
- GM staff payrolls could be issued through the GM accounts by GM authorizing staff
- GM accounts would be subject to UNSAS Accounting Standards according to UNCCD and UN financial rules and procedures

**3. Advantages and disadvantages, legal and financial implications of Proposal 3:  
Revision of the MoU without physical relocation**

192. Taking into consideration the impending need to revise the GM's MoU between IFAD and the COP, this Proposal considers limiting the administrative services provided to the GM to the provision of office space and related facilities which will also administer the financial accounts of the GM through the UNOG while making GM staff part of the Secretariat. This would require an administrative and not budgetary adjustment, as GM staff approved by the COP are paid for by the core budget provided by the COP under the current budget arrangement.<sup>271</sup> It would also limit a new "housing" arrangement with IFAD (through a revised MOU with the COP) to providing office space and related facilities.



a. *Financial implications*

193. The salaries of the GM staff are currently paid from the core budget provided under COP authority by the Secretariat. Currently, as a result of the language of the MoU between the COP and IFAD, the GM staff are only *notionally* staff of the IFAD. Accordingly, there will not be any additional financial burden arising from the implementation of this proposal on that score. However, the work-load of the Secretariat (and the GM) might increase over a period of 6 months to one year while making the necessary administrative arrangements to provide management of the GM's human resources and accounts. This would be best facilitated through an additional one to two short-term staff members or consultants for a period of approximately six months. Such roles could also be compensated or covered through the GM's existing admin. and HR staff. It should also be noted that 8% of the core budget of the GM, provided by the Secretariat under COP authority, currently goes to IFAD to pay for part of the cost of the accommodation provided to the GM by IFAD, at its premises in Rome. Once the Secretariat or the UNOG takes over the administrative functions currently carried out by IFAD, this 8% programme support costs would most probably, remain with the Secretariat to meet at least some of the additional costs occasioned by having to service the staff and accounts of the GM. However, this would have to be agreed with IFAD which might introduce adjusted fees to reflect its limited responsibilities to the GM after revision of the MoU.

194. The implementation of this proposal is therefore not likely to result in a core-budget increase, having regard to the fact that the 8% of the core budget currently paid to the IFAD, would remain with the Secretariat (to be negotiated with IFAD).

b. *Legal implications*

195. Interpretation of the Convention is the sole prerogative of the COP as the supreme body of the Convention and the holder of the will of the Parties. During the interview with senior legal advisors of the UN Office of Legal Affairs, they reaffirmed the position that they have consistently taken, that interpretation of the Convention and taking appropriate action for the effective implementation of the Convention is the prerogative of the COP. There does not appear to be any legal impediment within the Convention or international law for the COP to take a decision to designate GM staff as part of the Secretariat and arrange for their continued funding from the core budget or to consolidate the Convention accounts. On the contrary, such action would resolve numerous issues originating in the 'dual institutional setting' of the Convention bodies, as discussed in Section II.C.4.

196. It will be recalled that it is the MOU that requires the DG/GM to be appointed by the President of IFAD, and the MOU is only an arrangement between the COP and IFAD that can be terminated or re-negotiated. Under international law, an MOU is not a legal agreement but a record of an understanding. Similarly, the staff of GM are staff of IFAD only by virtue of the undertaking made by IFAD in the MOU.

197. Change of status of the GM staff as UNCCD Secretariat staff will not change the functions and obligations of the GM under the convention, nor change the responsibilities of the Managing Director of GM for the management of its staff. Similarly the appointment of the MD/GM by the President of IFAD is also due exclusively to the provisions of the MoU and consequently, the COP has full legal authority to change the manner of appointment of the GM to make it consistent with the provisions of the Convention.

198. However, even if the GM staff are made staff of the Secretariat, if the COP so decides for reasons of functional efficiency, the GM could very well operate from the IFAD premises in Rome, provided that IFAD agrees with the COP through a new MoU to provide office space and other facilities for the GM to continue to operate from their offices in Rome in a manner that makes both economic sense and functional efficiency. This

arrangement would be similar to the arrangement to locate Secretariat staff at the UNCCD Liaison Office at the United Nations offices in New York.

199. One of the fundamental questions that the COP may wish to consider in such a process is the value-added of the GM remaining in Rome. This is assuming that the contribution of IFAD is limited primarily to accommodation, facilities and logistics (for which the COP makes payment in whole or part), whereas the GM’s claim to working in an “entrepreneurial environment” have been contested by the Vice-President and senior staff of IFAD. For reasons more fully set out in the report, the relations between IFAD and the GM cannot currently be said to be such as to engender facilitation of significant mutual benefits between the two entities. Furthermore, logistical practicality which the GM claims as an advantage of being located in Rome, needs to be weighed against the logistical practicality of being located in Bonn to facilitate closer cooperation and collaboration with the Secretariat with which it shares many responsibilities and functions.

200. The table below outlines the potential advantages and disadvantages of the third proposal, while summarizing anticipated legal and financial implications.

Table 13  
**Proposal 3 (Revision of the MoU without physical relocation): advantages and disadvantages, financial and legal implications**

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• COP holds sole responsibility for governance and oversight over the GM and subsidiary bodies of the Convention (IFAD no longer has administrative and budget management responsibilities over the GM; GM’s reporting and accountability lines no longer through the IFAD president, thus IFAD’s potential oversight and governance over the GM is diminished)</li> <li>• Improves COP oversight over GM’s budget/accounts and funds raised, staff hiring, and activities</li> <li>• Gives COP, through the Bureau a role in nominating the Managing Director of the GM (previously the responsibility of IFAD under the terms of the current MoU)</li> <li>• Managing Director of the GM nominated by the Bureau and appointed by Executive Secretary and directly accountable to the COP</li> <li>• Facilitates advanced level of institutional coherence by introducing institutional mechanisms in compliance with Art. 27 of the Convention and the ‘Delivering as One’ Approach</li> </ul>	<ul style="list-style-type: none"> <li>• Requires the strengthened initiative of senior management to implement more systematic cooperation between the two bodies and push reforms forward</li> <li>• IFAD removed of any governing role vis-à-vis the GM, which might diminish its openness to GM’s requests, etc. (although the IFAD vice-president and senior staff stated that this would not be the case, even if the GM was relocated)<sup>272</sup></li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Facilitates joint reporting through increased institutional transparency and shared procedures</li> <li>• Potential to increase sense of accountability of GM staff to the Convention</li> <li>• Removes GM’s responsibility to report to the IFAD President, Executive Board and Governing Council</li> </ul>	

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• Might help to diminish the perception by Parties and stakeholders that the Convention institutions are working in a disjointed and uncoordinated manner Improved accountability to the Convention as UNCCD, not IFAD, staff</li> <li>• Improved transparency through consolidated staff and accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of an external body to oversee and provide guidance for the work of the GM (Facilitation Committee not currently active), if necessary</li> </ul>
<b>Institutional Arrangements</b>	<ul style="list-style-type: none"> <li>• Fulfils requirements for a “delivering as one” approach (improves institutional cohesion and cooperation between GM and Secretariat in regard to development and implementation of the Convention)</li> <li>• Standardisation of administrative and financial arrangements of the Convention subsidiary bodies, GM and its staff to follow UNCCD/UN financial rules, standards and procedures</li> <li>• Once accounts migrated, GM continues to manage budget allocations, as usual</li> <li>• Maximizes synergies among staff duties of the Secretariat and the GM and providing for the inter-changeability of staff (either on a short- or long-term basis)</li> <li>• Does not require physical relocation of the GM (maintains benefits from IFAD gained by the housing arrangement (estimated at 350,000 USD/year), limited to provision of office space, administrative services and facilities)</li> <li>• Introduces an institutional mechanism in line with Article 27 of the Convention</li> </ul>	<ul style="list-style-type: none"> <li>• Requires administrative reorganisation to arrange for GM staff to be managed as UNCCD (Secretariat) Staff (one to two HR/Admin. staff working for up to 6 months: requires review and standardisation of Terms of Appointment of GM staff, wage/payroll disbursement through Secretariat)</li> <li>• Requires administrative reorganisation of the Convention bodies to arrange for GM accounts consolidated (but separate) with UNCCD accounts, through UNOG (increase in individual transactions, otherwise transition/migration can be done internally)</li> <li>• Requires training of GM admin. staff to administer budgets using IMIS system (easy process)</li> <li>• Inconvenience of transferring/migrating account administration from SAP to IMIS system (and possibly back to SAP after 2014), no interest earned feature with IMIS</li> <li>• Need for immediate action from COP10 to allow sufficient time to transfer/migrate accounts and staff administration (transition should begin at least six months before end of 2010–2011 biennium, i.e. in summer of 2011, or summer of 2013)</li> </ul>
<b>Financial implications</b>	<ul style="list-style-type: none"> <li>• Improved use of resources mobilised for implementation of the Convention as a whole, possibly resulting in savings (more efficient use of up to 25,500,000 EUR for jointly implementing operational objectives)<sup>273</sup></li> <li>• IFAD continues to provide in-kind support to the GM estimated at 350,000 EUR per year (for office space and facilities only)</li> <li>• GM funds/accounts to be audited, disbursed and managed by UNOG, (GM pays for annual audits of three accounts, estimated at 13–15,500 EUR/year, the costs for audits)</li> <li>• 8 per cent in programme support costs of GM’s total annual CORE budget provided by the COP to remain within consolidated budget (estimated at 200,000 USD/year);</li> <li>• Might help to minimize the cost to the Convention in terms of a loss of international credibility and confidence in the convention institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in the (short-term) work-load of the Secretariat while making the necessary administrative adjustments to administer GM Staff (estimated to take six months and require one or two additional G level staff for the transition phase, which could be covered through existing GM staff)</li> <li>• IFAD grants to become unpredictable</li> <li>• Revised MoU might include costs of ‘housing’ the GM (provision of office space, etc.), although these might also be covered by current 8% of programme support costs</li> </ul>

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Legal Implications</b>	<ul style="list-style-type: none"> <li>• Proposals does not entail an amendment of the Convention</li> <li>• The changes proposed (renegotiation/revision of the MoU between the COP and IFAD) could be taken through appropriate COP decisions</li> <li>• Proposals does not entail an amendment of the MoU with the Government of Germany</li> <li>• Would remove legal ambiguity originating in the current MoU</li> <li>• Would remove IFAD's liability for the GM (assists IFAD's legal dilemma by preemting re-negotiation of the MoU to help IFAD absolve itself of legal liability for the future actions of the GM)</li> <li>• IFAD, through its agreement with the Government of Italy, could continue to provide immunities and privileges to GM staff</li> <li>• Would ensure that GM follows UNCCD rules of procedure and financial rules (GM's budgets to be audited according to UN standards, etc.)</li> <li>• Account and staff management would be covered under the current service contract with the UN Office of Geneva (UNOG), with increased costs solely per financial transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Requires revision of the current MoU (through the legal advice of IFAD's and the Secretariat's legal council) with COP and IFAD approval</li> <li>• Might require renegotiation of immunities and privileges for GM staff to be provided by Government of Italy</li> <li>• GM staff could refuse to relinquish their IFAD contracts or status of IFAD staff, with legal consequences for IFAD similar to those resulting from the ILO Administrative Tribunal decision (might require reissuance of UNCCD staff contracts) upon reissuance of UNCCD staff contracts upon expiration of IFAD terms of appointment (maximal years)</li> <li>• Potential loss of qualified GM staff switching to IFAD</li> </ul>

***Box 16. Example of institutional assimilation between the Basel, Rotterdam and Stockholm Convention Secretariats***

Inspiration for this approach to resolving issues of governance, enhancement of synergies, accountability and reporting could be found in the decision taken jointly by the Conferences of Parties of the Basel, Rotterdam and Stockholm Conventions, in Bali on 24 February 2010. There they adopted an Omnibus Decision to establish a Joint Head Function as a means of enhancing coordination and cooperation among all three conventions and strengthening implementation of the three conventions, promoting coherent policy guidance and enhancing efficiency in the provision of support to Parties, with a view to reducing their administrative burden and maximizing the effective and efficient use of resources at all levels. It also advances the Deliver as One policy of the UN. The Decision provide a mechanism for joint activities, joint managerial functions, joint services, Synchronization of budget cycles, joint audits, and review arrangements. Having regard to the importance of this EXCOP Decision, its full text is attached as an Annex to this Report.<sup>274</sup>

It is worth noting that the willingness of the Conferences of Parties of three major multilateral environmental agreements to act with vision to create a Joint Head of Function for all three conventions, should serve as a success story worthy of emulation and to illuminate the path that the UNCCD COP may wish to take to resolve this long standing problem of coordination and cooperation between two bodies of just one Convention, the UNCCD.

#### D. **Proposal 4: Termination of the MoU, full integration of the GM with physical relocation to Bonn**

##### SUMMARY

The **Fourth Proposal** allows for securing full integration of the GM within the framework of the Convention together with the Secretariat and other subsidiary bodies of the Convention by re-locating it to Bonn, according to a timeframe to be set by the COP. The transitional arrangement detailed in the third proposal could thus allow for the GM staff currently under contract with IFAD to complete their tenures, so that, following the completion of their (two year) tenures, new letters of appointment could be offered by the Executive Secretary, under which they would become staff of the UN working for the GM and administered by the UNCCD Secretariat/ UNOG. This proposal would effectively discontinue the current MoU with IFAD, as specified in the final provisions contained in Decision 10/COP.3, Section VII. Under this proposal, the possibility and benefits of establishing a cooperation arrangement for the GM with World Bank, UNDP, or other organisation, are also discussed.

201. **This proposal (Proposal Four) builds upon the same as the Third Proposal outlined above (Section III.C), but has the added feature of relocating the GM to the headquarters in Bonn.** As pointed out, it is entirely within the prerogative of the COP to decide where it wishes to locate the GM to ensure the coordinated, collective and cohesive implementation of the Convention. The Convention expressly provides that the GM will function under its authority and guidance and be accountable to it and empowers the COP to identify an organization to “house” it. Accordingly, the COP by decision could relocate the GM to the headquarters of the Convention in Bonn and set out procedures and processes for its effective functioning in collaboration with the Secretariat and other convention bodies. This arrangement is in consonance with the Scenario 2 proposed by the JIU in its 2009 report with reference to the option of relocating the GM.

202. Such an arrangement would entail the following consequential actions:

- Terminate the MoU with IFAD according to a specific time-line
- Deciding expressly that the Convention Secretariat, which has a separate legal personality, shall be the body selected by it under the Convention to “house” the GM
- Specify the arrangements that the Secretariat should make to provide for the GM to function effectively and efficiently, including logistical and administrative support following a certain time-line
- Continue to allocate the necessary funds for the operational expenses of the GM, as it has done up to now, through the allocation of a core budget to the GM account, now managed through the UNOG
- Provide one-time, relocation costs (estimated at up to 200,000 EUR for 7 P and 2 D level staff, including dependents, including lump sum removal cost for relocation, one time travel costs, and possible assignment grant of 30 days DSA, 15 days for dependents)<sup>275</sup>
- Arrange for the extension of privileges and immunities to the staff of the GM as staff of the Secretariat through consultation with the Government of Germany

**1. Advantages and disadvantages of Proposal 4: Termination of the MoU with physical relocation***a. Advantages of Proposal 4*

203. In addition to the advantages set out under the Proposals one through three, additional advantages accrue through relocation to UNCCD headquarters by bringing the Secretariat and the GM under one roof. These include the following:

- Facilitates full implementation of a Delivering as One policy, in accordance with Art. 27 of the Convention, and closer interaction with other bodies of the Convention
- 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<sup>276</sup>
- 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.); every effort should be made to absorb at least the permanent staff of the GM in this arrangement
- Improved use of resources mobilised for implementation
- Minimizes the cost to the convention in terms of a loss of international credibility and confidence in the convention institutions, which cannot be easily quantified<sup>277</sup>
- Enhancing future resource mobilisation for the convention arising from greater stakeholder confidence in the Convention bodies to act cohesively and collectively
- The entire 13% programme support costs of core budget remains within Secretariat since IFAD's functions under this scenario will be discontinued
- The growing nexus between climate change, desertification and drought also would provide an opportunity for the GM to initiate and develop collaborative programmes of work with the Climate Change secretariat in Bonn. This may open new avenues of resource mobilization including through the large funds that the GEF makes available to the UNFCCC for multi-dimensional climate change projects and programmes, including in areas such as sustainable land management, water, drought, land degradation, agriculture in arid areas, etc.
- Potential for support from Government of Germany to implement a scheme that would allow for more effective implementation of the Convention. This is matter for consultations between the COP and the Government of Germany

*b. Disadvantages of Proposal 4*

- Termination of the MoU with IFAD
- COP will need to be sensitive to the position of the Government of Italy which has hitherto provided immunities and privileges to the staff of the GM, to the relocation of the GM away from its headquarters out of Rome
- Physical distancing of the GM from IFAD was perceived as a disadvantage by the GM staff, though this may not be particularly significant, having

regard to the fact that the GEF is now a principal financial mechanism of the UNCCD and the fact that GM no longer enjoys special privileges regarding access to IFAD grant funds and will have to vie for these funds through competitive bidding

- Potential for “brain drain” if highly qualified GM staff prefer to stay with IFAD in Rome rather transfer to Bonn. Many UN agencies and bodies with offices in Bonn, have exceptionally qualified and competent staff, which seems to indicate that attracting qualified staff to a GM office in Bonn would not prove to be a major challenge
- Issues related to the relocation of noncore, consultants and GM staff
- Logistics of move likely to increase the work-load of the Secretariat and the GM staff, possibly leading to a short-term break in the GMs functions

c. *Comparative advantages of relocation versus non-relocation of the GM*

204. The systemic hurdles of the current dual institutional structure of the UNCCD exacerbated by the location of the GM in Rome, “housed” at IFAD, have been fully dealt with in this report (see Section II.C.4). **Relocation or non-relocation of the GM is not by itself, pivotal to the resolution of this systemic hurdle.** The key to resolving this systemic hurdle lies in creating an organisational structure through the introduction of institutional mechanisms that allows for mandatory cooperation, collaboration and cohesion particularly between the Secretariat and the GM in regard to management decision making and implementation, within the framework of a Delivering as One policy. The report provides four proposals based on the JIU report for achieving this. The GM could function from any location as long as it functions within the framework of the new institutional/ managerial arrangement and conforms to its governance, accountability and reporting requirements.

205. The issue of relocation or non-relocation of the GM is related to the question of value-added to the GM and the Convention of remaining at IFAD premises in Rome, in the context of the changed circumstances brought about by the following: (i) The court case which has impelled the IFAD to take up the position that it is not legally responsible for the GM staff and their actions; (ii) the absence of the privileged position that GM enjoyed in regard to access to IFAD grant funds; and, (iii) the GM having to vie of grant funds through competitive bidding which has made IFAD funds an unpredictable source of funding. It is also related to the comparative advantages of the Secretariat and the GM working together in a cohesive manner to achieve the shared goals of the Convention, within the framework of their respective mandates.

2. **Legal and financial implications of Proposal 4: Termination of the MoU with physical relocation**

a. *Financial implications*

206. There will be a saving of 8% programme support cost currently provided to IFAD from the GM’s core budget. This proposal will entail an additional one-time, financial outlay to meet the re-location costs of the GM from Rome to Bonn, estimated at about 200,000 EUR.<sup>278</sup>

207. As shown above, and more fully in the report, these Proposals do not envisage the creation of any new posts;. In the case of relocation of the GM, one-time, relocation costs would be occurred in accordance with UN Staff Rules for nine positions which have been approved by the COP and are paid for through the GM’s core budget (2 Director and 7 Permanent level staff positions), estimated at around 200,000 EUR.<sup>279</sup> The difference in costs, for example to cover the necessary administrative adjustments, will be compensated

by the savings made by retaining the whole or part of the programme support costs, currently paid to the IFAD (entailing 8% of the GM’s core budget). In addition, through a more efficient deployment of staff, through consolidated financial and HR administration, etc., financial savings can additionally be achieved. Accordingly, the three proposals do not entail any noteworthy increase in costs to the Parties.

*b. Legal implications*

208. As pointed out above, due to the implications of the decision of the ILO Administrative Tribunal, among other reasons, the IFAD is likely to initiate action with the COP to re-negotiate the current MOU, absolving itself of any legal liability of actions of the GM. In accordance with this scenario, however, a new MOU between the COP and the IFAD will be a Cooperation Agreement to facilitate IFAD support for the implementation of the Convention whether directed through the GM or any other body of the Convention and not a “housing” agreement. This could include the continued financial support to the Convention (the 300–400 EUR thousand) which it currently underwrites for the logistical support that it provides to the GM in its offices in Rome.

Table 14

**Proposal 4 (Termination of the MoU with physical relocation to Bonn): advantages and disadvantages, financial and legal implications**

	<i>Advantages</i>	<i>Disadvantages</i>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Facilitates comprehensive implementation of a One Convention Policy through full institutional coherence (Art. 27 of the Convention)</li> </ul>	<ul style="list-style-type: none"> <li>IFAD removed of any governing role vis-à-vis the GM, which might diminish IFAD’s openness to GM’s requests (although the IFAD vice-president and senior staff stated that this would not be the case, even if the GM was relocated<sup>280</sup>)</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Improves logistics of ongoing and consistent cooperation (not solely in preparation for the fulfilment of reporting requirements)</li> <li>Facilitates standardisation of GM and the Secretariat’s reporting to the COP (and administrative procedures) and thus improved comparability and transparency (in accordance with COP 9 decisions)</li> <li></li> </ul>	
<b>Accountability</b>	<ul style="list-style-type: none"> <li>Might help to diminish the perception by Parties and stakeholders that the Convention institutions are working in a disjointed and uncoordinated manner</li> <li>Minimizes the cost to the Convention in terms of a loss of international credibility and confidence in the Convention institutions</li> <li>Once relocated, GM continues business as usual</li> </ul>	<ul style="list-style-type: none"> <li>Might affect service delivery of GM (short-term)</li> </ul>



## Institutional Arrangements

- 
- IFAD noted that its support of the GM will not change, regardless of its physical location
  - Comprehensively fulfills requirements for a “delivering as one” approach (improves institutional cohesion and cooperation between GM and Secretariat in regard to development and implementation of the Convention and Art. 27)
  - Potential for support from the Government of Germany, as per their MoU with the Convention, to implement a scheme that would allow for more effective implementation of the Convention
  - Improves transparency and compatibility through standardisation of administrative and financial arrangements of the Convention subsidiary bodies
  - Maximizes synergies among staff duties of the Secretariat and the GM and providing for the interchangeability of staff (either on a short- or long-term basis)
- Potential for reduced benefits from the close proximity of working relations with the IFAD over the medium- to long-term
  - Potential implications for GM Staff which have not been approved by the COP, ambiguity of status
  - Requires Secretariat to renegotiate provision of facilities and offices with the Government of Germany through the Langer Eugen Common Services (could take up to one year or more)
  - Need for immediate action from COP10 to allow sufficient time to arrange logistics (transition should begin at least six months to one year in advance and preferably, at least six months before end of biennium)
  - Potential loss of qualified GM staff switching to IFAD
-

**Financial implications**

- Improved use of resources mobilised for implementation of the Convention as a whole, possibly resulting in savings (more efficient use of up to 25,500,000 EUR for jointly implementing operational objectives)<sup>281</sup>
- Consolidated body retains 8 per cent in programme support costs of GM's total annual CORE budget provided by the COP (estimated at 200,000 USD/year formally allocated to IFAD)
- Secretariat retains 5 per cent, 125,000 USD) or full 13 per cent, which could offset costs of logistics to cover joint administrative expenses
- No fees paid for facilities, covered under the Headquarters Agreement with Germany
- Government of Germany might help to offset increased costs of housing the GM according to MoU with Govt. of Germany
- Economy of scale in management and institutional efficiency brought about through unification and implementation of the Convention as a whole, possibly resulting in long-term savings (for example though a more efficient deployment of staff, through consolidated financial and HR administration, etc.)
- Improved transparency would facilitate the SMT's need for ensuring that donors and financial institutions are approached for resources in a coordinated manner
- Potential for enhancing future resource mobilisation for the Convention arising from greater stakeholder confidence in the Convention bodies to act cohesively and collectively

**Legal Implications**

- Proposals does not entail an amendment of the Convention
- The changes proposed could be taken through appropriate COP decisions
- Staff immunities through the Government of Germany as staff of the Secretariat
- Proposals does not entail an amendment of the MoU with the Government of Germany
- Requires new housing MoU for the GM, for example, at the UNCCD Secretariat

- Loss of benefits from IFAD gained by the housing arrangement? (estimated at 350,000 USD/year)
- Requires one-time physical relocation of the GM staff according to UN Staff Rules, estimated at around 200,000 EUR, this applies for nine COP approved positions, 2 Director and 7 Professional-level staff positions = 9, and an estimated 9 dependents): fixed amount of 10,000 USD per P-level staff without dependents OR 15,000 USD with depends (one time lump sum removal cost for relocation), one time travel costs for P-staff and dependents, and possible assignment grant of 30 days DSA (at 221 EUR/day) for each P-level staff, 15 days DSA for dependents
- Requires one-time physical relocation of GM office property (hardware, files and office supplies, etc.)
- Increase in the (short-term) work-load of the Secretariat and GM while making the necessary administrative and logistical adjustments (estimated to take one month and which could be covered through existing GM staff) with six months preparation
- A more efficient deployment of staff for the overall benefit of the implementation of the Convention could result in some staff redundancies, thus having financial and human impacts
- No creation of new posts, increased administration responsibilities of the Secretariat could be compensated through the GM's administrative staff
- Requires termination of current MoU
- Requires agreement from the Government of Italy
- Requires the Secretariat to arrange for the extension of privileges and immunities to the staff of the GM as staff of the Secretariat in consultation with the Government of Germany
- Legal ambiguity/ Question of 10 non-approved P-level GM staff and 5 G-level staff (which could be provided some compensation for relocation)
- GM staff could refuse to relinquish their IFAD contracts or status of IFAD staff, with legal consequences for IFAD similar to those resulting from the ILO Administrative Tribunal decision

### **3. Possibility of housing arrangement with the World Bank, UNDP, or other organisation**

209. The Report has fully dealt with the issues relating to IFAD's liability for the actions of the GM, in the analysis of the case for the ICJ, arising from the finding of the ILO Administrative Tribunal that "administrative decisions taken by the Managing Director of in relation to the staff in the Global Mechanism are, in law, decisions of the Fund". It is therefore unlikely that another international financial institution such as the World Bank or a UN development organization such as the UNDP, would be willing to take on the liabilities of an organization such as the GM, by housing it. Such issues would need to be clearly addressed if such an institutional arrangement was envisioned.

210. In this connection, one might question whether the UNDP, which is not an international financial institution would even be appropriate for housing the GM. The rationale for the IFAD housing the GM, was that it is an international financial institution and that close association with it could benefit the GM.

211. The pre-conditions for an arrangement that could secure close cooperation of, and housing from, an international financial institution in the implementation of the GM's mandate to "promote actions leading to the mobilization and channelling of substantial financial resources to affected developing country Parties" (Article 21 (4)), include:

- A mechanism for the Secretariat and the GM to work in collaboration with each other under a Deliver as One policy and
- An institutional arrangement under which the liabilities of the GM are not transferred to a "housing" organization

212. These issues could be resolved through the implementation of Proposals two through four. Once these pre-conditions are met, international offers may be called for by the COP to ascertain if any international financial institution would evince an interest in "housing" the GM. At this point, the question will be if there is a real value added to the implementation of the Convention, in going down this path.

213. One other option to be considered by the COP, once the pre-conditions set out above are fulfilled, would be to conclude a collective MoU between the COP and the World Bank, GEF, UNDP, Regional Development Banks and other interested institutions to facilitate effective cooperation between the GM, as the resource mobilization arm of the UNCCD, and these institutions.

### **4. Assessment of the internal coherence in the definition and delivery of service to Parties at all levels through a unified Secretariat**

214. The Proposals Two, Three and Four contained in the report, based on the 2009 JIU report scenarios, share a common new institutional structure graphically represented in the organigram in Figure 6. The main differences lie in the legal and administrative status of the staff and accounts of the GM- whether they constitute staff of IFAD or the Secretariat and whether or not the GM is relocated to Bonn.

215. Thus all three proposals seek to secure internal coherence among the Convention bodies, in particular the Secretariat and the GM and to institute a single line of accountability and reporting through the Executive Secretary who is at the apex of the senior management structure. It also creates a systemic, institutional arrangement for the Secretariat and the GM to take collective decisions, under the guidance and direction of the COP and provides for each body to function with full independence in their respective areas of competence according to mandate and within the framework of their collective decisions.

216. The service to parties by the Convention bodies, in particular the Secretariat and the GM is bound to benefit significantly from the arrangements presented in the proposals. Specifically, they will strive to eliminate all forms of duplication and competition between the Secretariat and the GM, as all activities at global, regional, national and local levels would be decided in advance through a participatory and consultative process within the SMT, based on the respective mandates of the Convention bodies, as set out in the Convention and related COP decisions. Accordingly, it is expected that the unified secretariat that underlies the proposals contained in this report would result in a high degree of internal coherence and improved accountability in the definition and delivery of service to Parties at all levels.

**5. Assessment of an institutional merging of the Secretariat and the GM in terms of fulfilling their respective mandates**

217. The specific mandates of the Secretariat and the GM as set out in the Convention and further elaborated by COP decisions have been fully examined in section II.B.2.c of the report. The report has also pointed out the many areas in which the mandate and functions of the two Convention bodies overlap, making it imperative that the two bodies cooperate and collaborate within a Deliver as One policy to decide on the most effective and efficient manner in which the respective mandates and functions could be carried out. Consultation and collaboration between the Secretariat and the GM is a *sine qua none* for the effective implementation of the Convention in these circumstances. The second, third and fourth Proposals contained in this report are designed to provide a COP directed basis for such consultation, cooperation and collaboration and achieving cohesion in collective decision making between the Secretariat and the GM with the cooperation and support of the CRIC and CST, under the overall oversight and guidance of the COP.

218. It is important to note that the proposals do not in any way diminish or change the respective mandates of the Secretariat and the GM as set out in the Convention and elaborated by successive decisions of the COP including the Ten Year Strategy. What it does is to provide an institutional platform – the Senior Management Team- to facilitate the advancement of a Deliver as One policy, through collective decision making following consultation and cooperation between the Secretariat and the GM. In this sense, what is sought to be achieved through these proposals is not so much a “merging” of two convention bodies, which implies that what were two bodies earlier have now become one, but rather the **facilitation of the two bodies to work in close collaboration, while retaining their separate individual status and their respective mandates and functions.**

Table 15

**Responses to Questionnaires, part 4 (Potential Institutional Arrangements)**

NOTE: In a questionnaire submitted by the GM, the Secretariat and IFAD, the GM was in agreement with both the Secretariat and IFAD on only 10 per cent of all questions, whereas the Secretariat and IFAD agreed on 63 per cent, including **unanimous agreement that institutional merging was the most conducive scenario of the three.** The GM supported the status quo scenario in all cases.<sup>282</sup>

<i>Organisation</i>	<i>UNCCD</i>	<i>GM</i>	<i>IFAD</i>
Name	Luc Gnacadja	Christian Mersmann	R.Cooke / K. Cleaver
Title	Executive Secretary	Managing Director	Director / Ass. VP
32. Do you consider an institutional merging of the Global Mechanism and the Secretariat to be a realistic alternative?	Yes	No	Yes
33. Would institutional merging of the Secretariat and the Global Mechanism help to improve coherence in the delivery of service to Parties at all levels?	Yes	No	Yes
34. In the case of a merging of the Secretariat and the Global Mechanism, does the Secretariat currently have the necessary human resources legal capacity and administrative infrastructure to support the Global Mechanism?	Yes	No	Not Sure
35. Would institutional merging help to delimitate the functions of the Secretariat and the Global Mechanism and help each to fulfil their respective mandates?	Yes	Not Sure	Yes
36. Should merging help to cut costs?	Yes		Yes
37. Do you consider a physical relocation of the Global Mechanism to Bonn to be a realistic alternative?	Yes	No	Yes
38. Do you consider the conversion of the Global Mechanism to desertification fund to be a realistic alternative?	No	No	No
39. Would conversion of the Global Mechanism to a desertification fund entail an evolution of the Global Mechanism's functions and mandate?	Yes	Yes	Yes
40. Does the Global Mechanism currently have the capacity to become a fund manager?	No	Yes	No
41. Improving governance and oversight by the Conference of the Parties?	Merging	Status Quo	Merging
42. Addressing the issue of leadership/management, coordination, responsibility, and communication?	Merging	Status Quo	Merging
43. Improving the Global Mechanism's reporting to the Conference of the Parties?	Merging	Status Quo	Merging
44. Increasing transparency and integration of administrative and budgetary reporting process?	Merging	Status Quo	Merging
45. Avoiding duplication, redundancies and overlapping in activities and promoting complementarities between the Global Mechanism and the Secretariat?	Merging	Status Quo	Merging
46. Improving institutional coherence in the (joint) delivery of services and overcoming competition?	Merging	Status Quo	Merging
47. Assuring the quality of services to parties?	Merging	Status Quo	Merging
48. Ensuring an efficient use of resources?	Merging	Status Quo	Merging

## E. Conversion to a desertification fund

219. This section discusses the third scenario proposed by the Joint Inspection Unit in their 2009 assessment of the GM (JIU/REP/2009/4). It is also noted that, although outlined, this scenario was not recommended by the JIU as it would likely result in duplication with the Global Environment Facility (GEF) and prove difficult to defend in the current economic and political climate. Instead the JIU suggested that the GM improve its cooperation with GEF in the context of resource mobilisation for implementation of the Convention.

### 1. Assessment of possibilities and readiness to establish a desertification fund

220. The recent designation of the Global Environment Facility (GEF) as a financial mechanism of the UNCCD, for all practical purposes, effectively renders any further consideration of this scenario impracticable. According to questionnaires, personal interviews and correspondence as part of the current assessment undertaken with key stakeholders, there is currently no support for this option, nor is it likely that support could be garnered in the near future. The GM also noted that it recognises this fact and agrees that this scenario is not realistic. Furthermore, the conversion of the GM to a fund would require the amendment of the Convention, as discussed in the following section.

### 2. Possible implications foreseen in evolution of GM functions (from broker to fund manager)

221. No evidence was available to indicate a current evolution of the GM's functions from broker or facilitator to a fund manager. On the contrary, the GM's "Strategy for Enhancing the Complementarities of the Global Mechanism with the Global Environment Facility (GEF)" underscores the facilitative role that the GM will play in the mobilization of co-financing designed to cover the baseline costs (or development-related portion) of GEF interventions.<sup>283</sup>

#### a. Amendment of the Convention: advantages and disadvantages

222. The conversion of the GM into a fund would entail a substantive redefinition of the mandate of the GM and consequently **suggests the need to amend the Convention**, Article 21, paragraph 3 through 7. Provisions for the amendment of the Convention are contained in Article 30 and note that any Party may propose amendments for adoption by the COP, but that the proposed amendment shall be communicated to the Parties by the Permanent Secretariat at least six months before the COP. Furthermore, amendments should be decided upon by consensus; however, if this is not reached, they can be adopted by a two-thirds majority vote of the Parties present and voting at the meeting and then require the ratification, acceptance, approval or accession of all Parties. Consequently, amendment of the Convention is a highly complicated process which, in the case of disagreement, has the potential to divide Parties, thus weakening the Convention. Although such amendments would be up to the discretion of the Parties and could lead to clarification of the role, status, and mandate of the GM, it would also open up the Convention text to amendment of other areas and articles, regardless of their relevance to the GM's mandate.

#### b. COP measures to resolve questions on implementation

223. Article 27 of the Convention specifically provides that the COP shall consider and adopt procedures and institutional mechanisms for the resolution of questions that may arise with regard to the implementation of the Convention. This relieves the COP of the need to amend the Convention in the case of the GM, including all issues relating to its institutional arrangement, governance, accountability and reporting related to

implementation of the Convention, which thus fall under the provisions of Article 27. It is noted that all of the proposals suggested in this report only require the adoption of decisions by the COP in pursuance of Article 27, and do not require the amendment of the Convention, in accordance with Article 30.

## F. Comparative analysis of the Proposals

### 1. Institutional set-up most conducive to an increased transparency and integration of administrative and budgetary reporting process

224. Table 3 which briefly sets out the joint/ shared functions between the GM and Secretariat mandated by various COP decisions demonstrates the inherent difficulties in leaving it to the two bodies to decide which activities each body should carry out on its own and the division of leadership and labour between them. This arrangement is a veritable prescription for conflict and competition between the Secretariat and the GM, duplication of work as well as inefficiency and ineffectiveness in the implementation of the Convention. Consequently, the first proposal, strengthening the status quo, though advanced through several decisions taken at COP 9 relating to improved accountability and reporting, does not appear to offer much promise for collective and cohesive decision making between the GM and the Secretariat due to the absence of a mandatory procedure or institutional mechanism for consultation, collaboration and collective decision-making, in compliance with Art. 27 of the Convention.

225. **The Second Proposal is a bare minimum institutional mechanism** to compel consultation, cooperation and collaboration between the GM and the Secretariat through the mechanism of a Senior Management Team. **The Third and Fourth Proposals - based on non-relocation/ relocation of the GM - on the other hand, are specifically designed to ensure the implementation of the Convention and the decisions of the COP** by the Secretariat and the GM with the support of CRIC and CST, in a collective, collaborative and cohesive manner founded on transparency, non-duplication and efficiency as well as the integration of management, administration and reporting processes within a single line of accountability to the COP. **Between the two scenarios or proposals, there is no question that any variant of the Third and/or Fourth Proposal will serve as the most appropriate institutional set-up most conducive to an increased transparency and integration of administrative and budgetary reporting process.**

226. The final scenario proposed by the JIU, conversion of the GM in to a Fund, is not considered any further for reasons set out in Section III.E.

### 2. Respective time implications for implementation (institutional set-up most conducive to assuring the quality of services to parties to be provided)

227. For reasons set out above, the Second and Third Proposals would also serve as the institutional set-up most conducive to assuring the quality of services to parties to be provided. With regard to the time implications for implementation, it may be prudent to take an incremental, step-by-step approach to the introduction of these institutional mechanisms, with issues of relocation of the GM being taken at a later stage. The most urgent step in the process is the establishment through a COP decision of a Senior Management Team comprising the Executive Secretary, the Director General of the GM and the head of the Secretariat, as suggested in Proposal 2 (see Section III.B). Since these are far-reaching institutional changes, COP 10 may well decide to establish an Interim Senior Management Team and mandate it with the task of taking collective decisions on the implementation of the Convention as well as to develop through consultation, the necessary administrative processes and procedures for the provision of joint services and

joint management, for consideration and adoption at either COP 11 or a special session of the COP to be convened exclusively for this purpose.

228. The Third Proposal, the integration of GM staff and accounts, with consequential changes to the COP-IFAD MOU, would require at least six months preparation to allow sufficient time to take the required administrative measures. Ideally, this might take place prior to the beginning of a new biennium, for example by June 2011, before the 2012–2013 biennium; or June 2013, in preparation for the 2014–2015 biennium. The Fourth Proposal, which includes relocation of the GM to Bonn, might require a year or more for advance preparation to request the Secretariat, in consultation with the Government of Germany, to arrange for the necessary office space and facilities. Such advance preparation would also be necessary to allow GM staff sufficient time to relocate and find appropriate housing, etc. In the case of staff reluctant to relinquish their IFAD staff status, an advance of up to two years would be required, the maximum time span for any given IFAD/GM staff contract, before the GM staff could be offered a “UNCCD contract”. Therefore, COP10 might decide to implement the first phase, defined in Proposals one and two, and establish a time-line (by COP11) to Proposals three and four.

229. The decisions of the Conferences of Parties of the Basel, Rotterdam and Stockholm Conventions in 2009/2010 on the institutional reforms and the decisions of the simultaneous extraordinary meetings of the Conferences of the Parties to the Basel, Rotterdam and Stockholm Conventions, held in Bali in April 2010, provide an excellent example to be followed in this regard.

**3. GM staff receiving health and insurance schemes and privilege immunities arrangements from IFAD vis-à-vis other institutional scenarios foreseen in the JIU review**

230. Even though the GM staff enjoy health insurance under the IFAD staff insurance scheme, it is not funded by IFAD; these funds come from the core budget of the GM provided by the COP through the Secretariat. Hence there will be no particular advantage accruing to the staff of the GM whether they obtain their health insurance within the framework of the IFAD health insurance programme should they continue to stay in Rome, or whether they are integrated into the Secretariat’s health insurance programme at Bonn following re-location. The important point is that the funds for the health insurance will continue to come from the same source: the core budget of the GM provided by COP through the Secretariat.

231. IFAD currently includes the staff of the GM in the staff list it presents to the Government of Italy for according the UN privileges and immunities. As pointed out in the report, this is likely to change in the near future as the IFAD seeks to distance itself from any direct liability for the GM staff in view of the legal position that it is taking at the ICJ in regard to the appeal from the decision of the ILO Administrative Tribunal, more fully dealt with in Section II.C.1.b of the report. It appears that IFAD is contemplating sending a separate list- distinct from its own staff list- to the Italian Government for according immunities and privileges to the GM staff. There is a likelihood of the question then arising, especially in the case of an amendment of the housing MoU for the gm (Between the COP and IFAD), if such immunities and privileges are to be accorded within the framework of the MoU between the Government of Italy and IFAD. If IFAD does not accept this position - as it is likely to do - in pursuance of the legal position that it is taking at the ICJ - a separate MoU would then need to be negotiated between the COP and the Government of Italy for the grant of UN immunities and privileges to GM staff, as the GM, according to the legal advice provided by the UNOLA, has no legal standing to enter into MOUs, unless expressly authorised to do so.



232. If on the other hand, the GM is relocated in Bonn, the staff of the GM would become staff of the Secretariat and the immunities and privileges accorded by the Government of Germany to the Secretariat staff, would automatically attach to them, without the need for renegotiation.

**4. Advice to the Bureau on options for GM potential reporting lines to improve overall service delivery to Parties**

233. This report deals, as required by the ToR, only with the issue of the *lines of reporting* of the GM and the Secretariat to the COP, and not the *substance of the reports* required to be presented to the COP under various COP decisions. These have been extensively discussed in the Report of the Ad Hoc Working Group on improving the procedures for communication of information.<sup>284</sup>

234. The GM's line of reporting to the COP is provided in unequivocal terms in Art. 21 (5) d of the Convention which states that the GM "reports to the Conference of Parties". This straightforward requirement has not been upheld by Decision 24 of COP 1 and the MOU between the COP and the IFAD, which provides that:

- While the Global Mechanism will have a separate identity within the Fund, it will be an organic part of the structure of the Fund directly under the President of the Fund
- The MD will report directly to the President of IFAD;
- The GM will function under the authority of the Conference and be fully accountable to the Conference, BUT the chain of accountability will run directly from the Managing Director to the President of the Fund to the Conference of the Parties
- The MD will submit reports to the COP on behalf of the President of the Fund
- The MD will prepare the programme of work and budget of the GM, including proposed staffing, which will be reviewed and approved by the President of the Fund before being forwarded to the ES for consideration in the preparation of the budget estimates of the Convention
- The Fund will provide the COP with an audited financial statement of the Core Budget Administrative Account in accordance with the Fund's normal audit procedures. Please note that there is no reference with regard to presenting the audited reports of the to voluntary funds to the COP
- Reporting to the Conference: The Managing Director, on behalf of the President of the Fund, will submit a report to each ordinary session of the Conference on the activities of the GM. The role of the Secretariat is to merely circulate these reports

235. This arrangement which institutionally and functionally distances the GM from the Secretariat and the COP has profound implications for achieving cohesion between the Secretariat and the GM in the implementation of the Convention and in securing a reporting line that complies with the straightforward requirement of Article 21 (5) d of the Convention for the GM to report to the COP.

236. As stated in the report, the legal relations between the IFAD and the GM are likely to undergo dramatic change following the position being taken up by the IFAD in the case before the ICJ, that IFAD is not in any way responsible for the actions of the GM. Accordingly, there is now a window of opportunity for the COP to institute **direct reporting by the GM to the COP, as required by the Convention**, in conjunction with

the reports of other convention bodies such as the Secretariat, CRIC and CST. The Second, Third and Fourth Proposals outlined in this report would provide a direct line of reporting by the GM to the COP integrated with the reports of the Secretariat and other convention bodies, through a single line of accountability, providing a strong basis for improved overall service delivery to Parties.

#### 5. Potential for improvement in terms of reporting to and improved oversight by the COP

237. The existing reporting arrangement of the GM and the challenges that this arrangement poses for good governance, effective reporting to and oversight by the COP have been fully dealt with in Section II of the report. Despite the confusion caused by conflicting leadership of the GM and Secretariat in respect of the five operational objectives, the Ten-Year Strategic Plan (Decision 3/COP.8) created a platform for promoting cooperation and collaboration between the secretariat and the GM. Specifically, this Decision, by setting out several joint activities (Section F), including the preparation of a joint work programme, indicators of successful cooperation in their RBM-based joint programme of work so as to strengthen effectiveness of the synergistic services provided by the Secretariat and GM; development of mechanisms for regional coordination by each region, in collaboration with the Secretariat and the GM. The Strategy itself, which is annexed to the above Decision clearly enjoins the Secretariat and the GM to strengthen their coordination and cooperation from headquarters to country level. It also expressly requires the “the Secretariat and the GM to report in a clear and transparent way on the effective share of labour and the use of core and voluntary funds relating to the joint work plan. It specifically states that “the two organizations report jointly to the COP on the implementation of the work plan.” The Bureau is mandated by the COP to oversee implementation of the joint work plan. This platform for coordination and cooperation between the secretariat and the GM was further strengthened by several decisions taken at COP 9 which have been analysed in table 3.

238. Despite the important and far reaching measures taken by the COP at its eighth and ninth Sessions to promote coordination and cooperation between the Secretariat and the GM, which appears to have had some effect towards bringing these two bodies into a more collaborative framework, there still remains fundamental issues ingrained in the dual institutional setting. These issues were brought about by decision of 24 of COP 1 and the MOU between the COP and IFAD (Decision 10/COP.3), discussed above, which has resulted in the alienation of the GM from the other Convention bodies. **Until this arrangement is corrected by a COP decision, it seems unlikely that the full benefits of the decisions of COP 8 and 9 on bringing about a cooperative and collaborative relationship between the Secretariat and the GM would be fully realized.**

239. Furthermore, reporting is an end-of-the pipe activity designed to facilitate oversight and direction by the COP, which meets every two years. Problems of every-day cooperation and coordination between the Secretariat and the GM are commonplace, as has become evident from the 2009 JIU report and confirmed at the interviews conducted during the evaluation. Consequently, even the decisions of the eight and ninth sessions of the COP enjoining the secretariat and the GM to work together need to be monitored carefully to ascertain their real impact.

240. Hence the significance of considering the Second and Third Proposals contained in this report, based on the JIU Scenario two, namely, institutional merger of the Secretariat and the GM. In considering this option, it must be borne in mind as stated above, that the word “merging” does not imply that what were two bodies earlier have now become one, but rather, the facilitation of the two bodies to work as one, while retaining their separate identity and status and their respective mandates, focus and functions.

241. Under the Second Proposal, there is a mandatory process for ensuring coordination and cooperation between the Secretariat and the GM through the mechanism of the Senior Management Team, comprising the Executive Secretary, MD/GM and the head of the Secretariat. This process is designed to ensure not only that the end-of-the-pipe reporting is done in a collaborative manner, but also that the activities on which it reports are based, are carried out in a spirit of partnership and with due consultation, cooperation and collaboration. Proposals three and four are further steps to introduce the necessary institutional reform which will support the mechanisms introduced in proposals two (and one).

**6. Ways and means of improving reporting, including on financial matters, with a view to provide the conditions of a full and effective monitoring by the COP**

242. The text of the Convention and successive COP decisions have required the GM to report to the COP on a number of matters, which have all been extensively dealt with in Section II.A.1 of the Report on Governance and oversight of the GM as exercised by IFAD. Furthermore, as pointed out therein, COP 8 and 9 have introduced several requirements regarding reporting by GM to the COP to ensure adequacy of reporting as well as a single line of reporting based on cooperation and coordination among convention bodies and to avoid parallel lines of reporting which leads to duplication, confusion, and possibly distortion of facts, information and data presented to the COP. The challenge is to ensure that these requirements are adequately and properly given effect by the GM, and the Secretariat. The real cause of the difficulty in realizing the objective of these COP decisions lies in the “culture of independence”, that the GM has developed due to the dual institutional structure over the past decade. For as long as the COP allows this erroneous institutional set-up to drive the work of the GM, there is little hope that the GM could be reigned in to collaborate and coordinate its work with the Secretariat and other convention bodies within a Delivering as One policy.

243. The Second Proposal, based on JIU Scenario 2, discussed in Section III.C of this report, would provide the means of improving reporting, including on financial matters, with a view to provide the conditions of a full and effective monitoring by the COP; these measures are further supported through measures introduced in Proposals three and four.

**7. Summary of possible legal implications on matters pertaining to the operationalization of the three scenarios proposed by the JIU**

244. None of these proposals entail an amendment of the Convention. The changes proposed could be taken through appropriate COP decisions. Consequently, there are no legal impediments to the establishment of these institutional changes. For more details, see Section II.B for Proposal 2, and Section III.F.2.

245. The Conference of the Parties comprising accredited representatives of the contracting parties may be said to constitute the will of the contracting parties. Article 22 (2) of the Convention expressly established the Conference of Parties as the supreme body of the Convention and empowers it to make, within its mandate, the decisions necessary to promote the effective implementation of the Convention.<sup>285</sup>

246. Furthermore, it is well established that the Conferences of Parties could also exercise “implied powers necessary for the functioning of an international institution” endorsed by the International Court of Justice which has established that “[T]he necessities of international life may point to the need for organisations, in order to achieve their objectives, to possess subsidiary powers which are not expressly provided for in the basic instruments which govern their activities. It is generally accepted that international organisations can exercise such powers, known as implied powers”.<sup>286</sup>

247. Furthermore Article 27 of the Convention expressly mandates the COP with considering and adopting procedures and institutional mechanisms to resolve problems relating to the implementation of the Convention.

**8. Analysis of the legal opinions provided by OLA and legal issues in need of resolution by the Parties**

248. The UN Office of Legal Affairs has concluded that the COP would be the authoritative body to interpret the mandates of the various conference bodies and decide on the scope of the mandates as well as to determine the effect of its decisions. Consequently, it is evident beyond any doubt that the COP has the legal authority to interpret the Convention and adopt decisions that would ensure that the Secretariat and GM collaborate on all matters relating to the implementation of the Convention and put an end to the so called “dilemma of the dual supporting structure”.

249. Towards this end, the COP may wish to decide:

- To amend, revise, or terminate the MoU which establishes the GM’s institutional housing agreement between the COP and IFAD, in collaboration with IFAD (Decision 3/ COP.10)
- That the Convention Secretariat, which has a separate legal personality, shall be the organization selected by it under the Convention to “house” the GM
- To describe the arrangements that the Secretariat should make to provide for the GM to function effectively and efficiently, including logistical and administrative support
- To arrange for the extension of privileges and immunities to the staff of the GM as staff of the Secretariat in consultation with the Government of Germany
- Alternatively, to arrange for an extension of privileges to the GM staff with the Government of Italy

250. The GM argued that its staff could refuse relinquishing their IFAD contracts, with legal consequences similar to those taken to the ILOAT. This position does not appear to be tenable, having regard to the fact that staff are bound by the terms of their contracts all of which have expressly limited tenures after which they can be terminated and the fact that the COP has the legal authority to take measures as are necessary for the effective implementation of the Convention, including the amendment or termination of the MoU.

**9. Plan of action in run-up to COP (on how to implement scenarios and next steps for Bureau)**

*a. Purpose of this report*

251. This report was prepared for the purpose of evaluating the existing reporting, accountability and institutional arrangements of the GM and to propose a new institution/organization to house the GM, taking into account the scenarios presented in the JIU assessment of the GM (document JIU/REP/2009/4) and the need to avoid duplication and overlap in the work of the secretariat and the GM. Under the Terms of Reference, the Report is primarily conceived to provide documentary outputs on some thirty eight specific issues, relating to the GM reporting, accountability and institutional arrangements for the COP Bureau to consider in making its final report to COP 10.

252. In order to enable the COP at its 10<sup>th</sup> Session to take appropriate decisions, the Bureau may wish to consider preparing and submitting to the Parties ahead of COP 10:

- its Report to the COP as required by COP decision 6/9, taking into account, as it considers appropriate, the current report including the four proposals
- Recommendations relating to the action that the COP might wish to take under Article 27 of the Convention which requires it to consider and adopt procedures and institutional measures for the resolution of the questions relating to the implementation of the Convention arising from the above mentioned governance, accountability and reporting problems relating to the GM
- Establish an informal group to formulate a draft of a possible COP decision which embodies the recommendations of the Bureau

*b. Review of MoU, next steps*

253. The inherent contradictions and inconsistencies of the MoU between the COP and the IFAD have been fully dealt with in the report (see Section III.C.2.a). The MoU is the foundation of the flawed relations between the GM and the COP and the Secretariat of the Convention. It is also the root cause of the chronic institutional dissonance between the GM and the Secretariat which has given rise to problems of governance, leadership, accountability and reporting that are the subject of the current and earlier evaluations. The evaluators fully endorse the recommendations of successive previous evaluations that the MoU should be revisited and revised to make the document more in tune with the current realities in the relations between the COP, the Secretariat, the GM and IFAD.

254. At a minimum, the inconsistencies and the contradiction referred to in the report must be eliminated. However, in revising the MOU, particularly in the light of the case that is currently before the ICJ, the COP may wish to first decide on the institutional arrangements between the GM and the Secretariat, before it engages IFAD in the revision or re-negotiation of the MOU.

## **IV. Conclusions and recommendations**

255. See Executive Summary

### **A. Concrete findings and evidence based appraisals on accountability and reporting lines to better service Parties**

256. See Executive Summary

### **B. Concrete findings and evidence based appraisals on a coherent institutional arrangement that will be consistent with the mandate entrusted by the COP**

257. See Executive Summary

### **C. Recommendations**

258. See Executive Summary

## V. Annexes

259. Compact Discs with copies of all relevant files and supporting documents were distributed to all Bureau members at the COP9 Bureau Meeting in November 2010. Below is a list of the most relevant.

- EXCOP Decision, UNEP/FAO/CHW/RC/POPS/EXCOPS.1/8
- ToR, Decision 6/COP.9
- PB No. 99/10 from 4 October 1999, Attachment II, para. 2 and 9–15
- PB/04/01 from 21 January 2004
- PWC Audits for 2007–2009
- “Summary of Previous Assessments”
- 1999 Arrangement for Cooperation between the Secretariat and the GM

## VI. References and notes

- <sup>1</sup> See table on GM's Staff comparing GM requested, COP approve and actually appointed staff. According to Terms of Reference provided by the GM, it is currently employing a total of 38 Staff which includes 2 Director level, 17 Professional, and 5 General level staff, in addition to 14 consultants. The GM requested and gained approval for hiring 7 P staff to be funded through core-budgetary sources, but hired an additional 10, bringing the total P staff to 17; compare to ICCD/COP(9)/5/Add.2, para. 44 and table 5 (see GM ToRs) vs. ICCD/COP(9)/5, para. 23, table 3; Decision 9/COP.9, para. 5
- <sup>2</sup> Relating to all aspects of accountability and reporting between the GM and the Secretariat, the governance, leadership and management problems resulting from this, including, duplication of work, inefficient use of resources, lack of cooperation and collaboration between the GM and the Secretariat
- <sup>3</sup> These included the UNCCD Convention text, especially Articles 7, 9–10, 21 (4–7), 22 (2, 3, 6), 23; UNCCD Financial Rules and Rules of Procedure (Decision 2 /COP.1); the Memorandum of Understanding between IFAD and the COP (Decision 10/COP.3); the 10 Year Strategy (Decision 3/COP.8) and various COP 9 Decisions, among others.
- <sup>4</sup> Such as the IFAD President's Bulletins; Executive Board and Governing Council Decisions; GM Reports to IFAD; PriceWaterhouseCooper Audits and GM reports to IFAD's President.
- <sup>5</sup> Previous Assessments include those undertaken by the JIU in 2009 and 2005; Unisfera Assessment, 2009; CRIC Assessment, 2003; and the World Bank Assessment, 2003; see Assessment of the Global Mechanism of the United Nations Convention to Combat Desertification (JIU/REP/2009/4).
- <sup>6</sup> For detailed review of legal status of the Secretariat see Ramsar COP 10/ Doc. 20- Review of Ramsar Secretariat Legal Status. See also Decision 25/COP.1, Annex, IV. 17, 18, Decision 10/COP.3, Annex II.D and Annex III.A; The housing agreement concluded between IFAD and the COP notes that the "GM would report to the COP through the Head of the Housing Organization" while reconfirming that the GM would report to the COP on its activities and support it receives, Decision 25/COP.1, Annex, IV. 17, 18; this indirect reporting line to the COP was enshrined in the final MoU between the COP and IFAD, which decided that the managing Director of the GM would "report directly to the President of IFAD", Decision 10/COP.3, Annex II.D.
- <sup>7</sup> This conclusion was also confirmed by the IFAD Vice-President and Assistant Vice President of Programmes in Rome on 6 September 2010. However, this does not exclude ongoing engagement on a working level between the GM and IFAD.
- <sup>8</sup> JIU/REP/2009/4, p. 20.
- <sup>9</sup> Reporting was established as the primary tool through which the GM is to demonstrate its accountability to the COP (Convention Art. 21, para. 5 (d)); An indirect reporting (and thus accountability) line from the GM Managing Director to the COP through the President of IFAD in the first instance was established in the housing arrangement between IFAD and the COP (reconfirmed in COP decisions including the MoU, Decision 10/COP.3); GM's is required to submit reports to the IFAD Governing Council and Executive Board, through the IFAD President (in addition to various reporting requirements to the UNCCD COP and CRIC); GM is subject to decisions taken per Presidential Bulletin, and those by the Governing Council and Executive Board (last instance of such oversight over the GM in 2006).
- <sup>10</sup> See organigram, IFAD's Organizational Structure as of January 1, 2010, Appendix of EB/98/Rev.1, <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-minutes-rev-1.pdf>. p. 52.
- <sup>11</sup> See IFAD Governing Body Documents, <http://www.ifad.org/gbdocs/>, for example Governing Council: Thirty-third Session, GC 33/L.7, December 2009, <http://www.ifad.org/gbdocs/gc/33/e/GC-33-L-7.pdf>; Thirty-second Session GC 32/L.13, 16 January 2009, <http://www.ifad.org/gbdocs/gc/32/e/GC-32-L-13.pdf>; Thirty-first Session, GC 31/L.10, January 2008, <http://www.ifad.org/gbdocs/gc/31/e/GC-31-L-10.pdf>.
- <sup>12</sup> See ICCD/COP(9)/6/Add.3.
- <sup>13</sup> IFAD Governing Council Thirty-second Session Report, Rome, 18-19 February 2009, <http://www.ifad.org/gbdocs/gc/32/e/GC-32-report.pdf>, p. 7, 40; IFAD Governing Council

- Thirty-third Session Report, Rome, 17-18 February 2010, <http://www.ifad.org/gbdocs/gc/33/e/GC-33-Report.pdf>, p. 6, 14, 101.
- <sup>14</sup> See IFAD Governance, <http://www.ifad.org/governance/ifad/gb.htm>; EB 2009/98/R.59, p. 15. According to consultations with the Administration Division of IFAD in Rome on 6 September 2009, the IFAD has not been requested to advance funds to the GM in recent years; Memorandum of Understanding between the Conference of the Parties of the UNCCD and the International Fund for Agricultural Development regarding the modalities and administrative operations of the Global Mechanism: IFAD EB 98/64/R.31, Sep-98, <http://www.ifad.org/gbdocs/eb/64/e/eb64-r31.pdf> and EB 99/66/INF.10, Apr-98, <http://www.ifad.org/gbdocs/eb/66/e/EB-99-66-INF-10.pdf>; Provision of advance financing to the Global Mechanism of the United Nations Convention To Combat Desertification, IFAD EB 2001/72/R.10, Apr-01, <http://www.ifad.org/gbdocs/eb/72/e/EB-2001-72-R-10.pdf>.
- <sup>15</sup> Such was the case during the 95<sup>th</sup> Executive Board in 2008, see EB 2008/95/R.54, p. 15.
- <sup>16</sup> In discussions with IFAD's Vice President and Senior Staff in Rome on 6 September 2010, as confirmed and restated in the formal questionnaire submitted by IFAD's Vice President, it was confirmed that, with the recent exhaustion of its initial pledge to the GM of US\$ 10 million, the GM must compete with other bidders for IFAD grant funds according to standard procedures, and that IFAD funds to the GM will henceforth "become an unpredictable source of funding for the GM in the future". IFAD also noted, however, that "if we continue to host the GM we will continue to provide our contribution in terms of logistical support". IFAD grants for the GM were approved in August 2009, EB 2009/97/R.36, <http://www.ifad.org/gbdocs/eb/97/e/EB-2009-97-R-36.pdf>; and in April 2008, EB 2008/93/R.15/Rev.1, <http://www.ifad.org/gbdocs/eb/93/e/EB-2008-93-R-15-Rev-1.pdf>.
- <sup>17</sup> PB No. 99/10 from 4 October 1999, Attachment II, para. 2 and 9-15 set out the purpose of the GM's Third Account, the SRCF, which was to be used for financing assistance to governments and regional/sub-regional bodies for the preparation of Action Programmes, etc.
- <sup>18</sup> EB 2006/89/R.56, para. 2 and 3. Doubt was raised also within the GM's Facilitation Committee (FC) as to the legitimacy of such a decision, as described below.
- <sup>19</sup> This also required a modification of the disbursement procedures for managing the GM's funds which was likewise approved, EB/89 from 6 April 2007, para. 71; see "Procedures governing the Global Mechanism's Special Resources for the CCD Finance (SRCF) Account", EB 2006/89/R.56, Nov-06, <http://www.ifad.org/gbdocs/eb/89/e/EB-2006-89-R-56.pdf>.
- <sup>20</sup> The GM inferred legitimacy of this request through the COP approved Consolidated Strategy and Enhanced Approach (CSEA) in Decision 5/COP.7 ("Mobilization of resources for the implementation of the Convention"), para 6. Which "acknowledges the actions undertaken by the GM to comply with the requests made in decision 5/COP.6 on review of the policies, operational modalities and activities of the GM, and encourages the GM to further strengthen its support to affected developing country Parties by means of the implementation of the consolidated strategy and enhanced approach as outlined in document ICCD/CRIC(4)/4"; however, the GM was later requested by the COP to revise the CSEA as part of the 10-Year Strategy, Decision 3/COP.8. Furthermore, subsequent COP Decisions reconfirmed the role of the GM in mobilising resource in support of NAPs, such as Decisions 1/COP.8 para.8, 3/COP.8 para. 45, 2/COP.9, para. 4-5. Specifically, the seventh COP simultaneously "encourages(d) the GM to further strengthen its support to affected developing country Parties by means of the implementation of the consolidated strategy and enhanced approach" while also "invit(ing) the GM and the members of its Facilitation Committee to mobilize funds... for NAP implementation", "urging the GM, together with the members of its Facilitation Committee, to expedite resource mobilization for the implementation of NAPs and sustainable land management" and "request(ing) the GM to prepare a document on options... for financing these targets, starting with NAPs and possible future consideration of subregional and regional action programmes, in collaboration with the members of its Facilitation Committee, and to report to the COP at its eighth session". Decision 5/COP.7, para. 6 vs 8, see also Decision 4/COP.7, para. 3, Decision 1/COP.7, para. 12.
- <sup>21</sup> PB No. 99/10 from 4 October 1999, Attachment II, para. 2 and 9-15 also set out the purpose of the GM's Third Account, the SRCF, which was to be used for financing assistance to governments and regional/sub-regional bodies for the preparation of Action Programmes, for the preparation of local area development programmes that respond to National Action Programmes, financing



initiatives of NGO and community-based organizations, in support of the Convention, for financing critical activities that will influence the transfer of technology, and for financing innovating approaches to explore new an additional sources of funding (strategic initiatives) and to influence policy (enabling activities).

<sup>22</sup> PB/04/01 from 21 January 2004, see ANNEX.

<sup>23</sup> In accordance to the MoU, Decision 10/COP.3, see PB GC and EB documents, and according to internal discussions with IFAD on 6 September 2010 in Rome; this conclusion is also congruent with that of JIU's.

<sup>24</sup> PB No. 99/10 from October 1999, Attachment II, para. 12.

<sup>25</sup> The TAG was to chaired by the GM Managing Director consisted of two additional GM staff members, three IFAD representatives and one FAO staff member and one representative of the UNCCD Secretariat; furthermore, after recommendation from the GM Managing Director, the President of IFAD was to approve the provisions of financing for each grant proposal; PB No. 99/10 from October 1999, Attachment II, para. 11, 12.

<sup>26</sup> BB/04/01 from January 2004, para. 3.

<sup>27</sup> According to the response from a previous inquiry received from IFAD on 1 November 2010, the "GM Advisory Group" (GMAG), after a short life-span, no longer exists. This was "in part reflecting IFAD's subsequent decisions on rural poverty reduction in the context of sustainable natural resource management, and within that, the role of the UNCCD", as a result of which the GMAG "rapidly fell into dis-use as taking a too limited view of these issues". Instead the new President currently has two alternative advisory/management mechanisms, namely, with the Operational Management Committee (comprised of all IFAD Directors and Chaired by the Vice-President) and the Executive Management Committee (all IFAD Senior Management).

<sup>28</sup> The FC was established by Decision 25/COP.1, para. 3; see also Annex IV, para 16.

<sup>29</sup> According to the FC 21<sup>st</sup> Session meeting minutes, current members include the UNCCD secretariat, FAO, UNDP, the GEF secretariat, the CGIAR, the African Development Bank (AfDB), the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB), see FC Reports.

<sup>30</sup> As of November 2010, outstanding COP requests include revising its mandate and joint work Programme, although these topics were initially discussed during the 20<sup>th</sup> Session of the FC in June 2009; see <http://global-mechanism.org/about-us/kb/fcreports> and <http://global-mechanism.org/partners/fcmembers>; Furthermore, the GM Managing Director noted that the FC is not obliged to make public such reporting documents, according to a phone conversation with the GM Managing Director, Christian Mersmann on 20 October 2010. However, the GM was very forthcoming with providing FC meeting minutes.

<sup>31</sup> Note that the need to improve the GM's small grant facilities was argued to be a recommendation made in the 2003 "Independent Evaluation of the GM" by the World Bank Development Grant Facility, see Annexes.

<sup>32</sup> According to meeting minutes obtained from the GM, however, "the meeting [participants] agreed that while changes at the GM may be necessary, they need to be informed by the mandate provided by the Convention COP in terms of the fundamental role of the GM. There is a need to ensure that the activities undertaken directly and effectively support Country Parties in meeting their obligations under the Convention." See Minutes of the 16th Meeting of the Facilitation Committee Of the Global Mechanism of the UNCCD (FC.16), The World Bank, New York City, New York, 31st October, 2006. The GM Managing director argued that the "CSEA was not a diversion from its core UNCCD mandate of resource mobilization"

<sup>33</sup> According to the response from a response received from IFAD, which currently holds the present post of chair for 2010 through 2011, on 1 November 2010, "on a number of occasions in recent years there have been calls to further define the FC's role - many of the members felt this was of dubious utility as a Committee, and that the meetings added little to demands of the GM that the participating organisations should devote more of their efforts to assisting GM objectives. IFAD as the hosting member has always sought to be supportive as evidenced, for example, by us leading a review of our portfolio of SLM investments and encouraging other organisations to undertake similar studies." According to IFAD, the last meeting of the FC concluded that the GM should in future provide a menu of issues on which they would appreciate advice, to ensure that FC members have ample time to consider input.

- <sup>34</sup> For example, the third COP requested the GM Managing Director to strengthen dialogue with and to report on the activities of the FC, the sixth requested the GM to implement its Business Plan and improve coordination with FC, the seventh COP urged the GM together with the FC to expedite resource mobilization for the implementation of NAPs and to prepare a document on financing options for targets, starting with NAPs, and report to COP8; Decision 9/COP.3, para. 6, 20, 21; Decision 5/COP.6, para. 10; Decision 1/COP.7, para. 12; Decision 4/COP.7, para. 3.
- <sup>35</sup> At the seventh COP, the Committee for the Review of the Implementation of the Convention (CRIC) was requested to carry out review of the GM, including the activities of its Facilitation Committee.
- <sup>36</sup> Decision 3/COP.8 Annex para. 18; repeated in Decision 6/COP.9, para. 4.
- <sup>37</sup> This was apparently a decision made jointly by the GM and the FC former (UNCDP) and present chairs (IFAD), according to a phone conversation with the GM Managing Director, Christian Mersmann on 20 October 2010; IFAD's response, from 1 November 2010, confirmed that the current review of the GM for the Bureau, led to the reaction that "we should perhaps await that before convening the next meeting of the FC"; IFAD also noted that a hand-over Note to IFAD from the former chair is still outstanding. The last available FC meeting minutes are from the FC's 21st Session in Buenos Aires, Argentina on 28th September 2009, titled "Summary of Action Points of the Facilitation Committee of the Global Mechanism of the UN Convention to Combat Desertification.
- <sup>38</sup> Received in email correspondence to the authors in response to the second draft report, from 21 January 2011.
- <sup>39</sup> No future FC meetings had been scheduled as of the end of November 2010, although the GM indicated that it "anticipates that the FC would meet in the coming months during the course of the development of the methodology for measuring the GM's impact, considering that FC member organizations are familiar with assessing impact for similar activities to that of the GM". According to email correspondence with the GM received in 27 October 2010. It was also noted by CM that the GM continues to work with the various FC members, just not currently with the FC as a group.
- <sup>40</sup> The General Counsel of IFAD and other senior IFAD staff informed that IFAD is contemplating a request to the COP to revise the MoU, as discussed with the Legal Council and Senior Staff of IFAD on 6 September 2010. See also the section on existing reporting arrangements.
- <sup>41</sup> In email correspondence from 1 November 2010, IFAD noted that it "intends to revise its current MoU, but one of the triggers of that is indeed the final decision on the ICJ case".
- <sup>42</sup> See section on existing institutional arrangements.
- <sup>43</sup> Article 27 of the Convention reads "*The Conference of Parties shall consider and adopt procedures and institutional mechanisms for the resolution of questions that may arise with regard to the implementation of the Convention*".
- <sup>44</sup> However, these the review was specified for the COP's third ordinary session, although this does not exclude further review by the COP.
- <sup>45</sup> Decisions 9/COP.3, 6/COP.4, 5/COP.6, 3/COP.8, 6/COP.9.
- <sup>46</sup> The Convention's rules of procedure were established in Decision 1/COP.1, Rule 20 "The Bureau of any session shall examine the credentials and submit its report to the Conference of the Parties for decision"; Rule 22, para. 1. Included the selection of the Bureau at the first meeting of each COP session through election of a President, nine Vice-Presidents and the CST Chairperson (two members from each geographical). One of the Vice-Presidents shall act as Rapporteur. The offices of President and Rapporteur shall be subject to rotation among the regional groups recognized by the practice of the United Nations. Decision 4/COP.1, para. 4.
- <sup>47</sup> Only the CST Bureau was charged with "follow-up of the work of the Committee between sessions and may benefit from the assistance of ad hoc panels established by the COP"; Decision 15/COP.1, para. 9.
- <sup>48</sup> Decision 1/COP.5, para. 1 (b).
- <sup>49</sup> Decision 1/COP.5 Annex 1 (b)(ii).
- <sup>50</sup> Decision 9/COP.6, para. 1c and Decision 9/COP.7, para. 1. The CRIC was again asked to "consider information on the mobilization and use of financial resources and other support with a view to enhancing their effectiveness and efficiency towards the achievement of the objectives of

- the Convention, including information from the Global Mechanism”; Decision 11/COP.9, Annex I. 3 (a).
- 51 This was to following a results-based management approach (RBM) and on the basis of the reports  
on the two-year costed work programme; Decision 11/COP.9, Annex I. 2 (b).
- 52 Decision 11/COP.9, Annex I. 5 (a), (b).
- 53 Compare UNCCD, Art. 23, para. 2 and on the role of the Secretariat to Decision 11/COP.9, Annex  
I. 2 (b) and 3 (a), (b), (c), (d).
- 54 Compare UNCCD, Art. 21, para. 4 on the GM to Decision 11/COP.9, Annex I. 2 (b) and 3 (a), (b),  
(c), (d).
- 55 Arguably, this might have included the current evaluation, as per Decision 6/COP.9, para. 9;  
however, the COP9 Bureau was charged with the current task.
- 56 For example, the most recently obtained CRIC report, the update to Decision 6/COP.9 for CRIC 9  
dated 25 October 2010, includes information very limited in substance and a table on the GM’s  
disbursement estimates but only for 2010 and with no data on resources mobilised or their sources;  
see ICCD/CRIC(6)/4, para. 112 which includes very limited reporting on the Collaboration  
between the Global Mechanism and UNCCD Secretariat; ICCD/CRIC(9)/14 titled “Update on  
progress made in the implementation of paragraphs `1 to 3 and 5 to 8 of decision 6/COP.9”, dated  
25 October 2010 for presentation to CRIC 9 on 21-25 February 2011. This was likewise the case  
in the draft report to the ninth CRIC due in February 2011 (ICCD/CRIC(9)/14, from 19 October  
2010 titled “update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of  
decision 6/COP.9”. For example, para. 6 of the CRIC report (dated 19 October 2010) states that  
“the GM and the secretariat have initiated the preparation and updating of their 2012–2015  
workplans and the corresponding costed two-year work programmes, for submission to COP  
10...in line with the earlier practice”, however, para. 1 of decision 6/COP.9 request a “total work  
programme” and “total cost estimate”. “The GM and the secretariat *will* seek to further focus their  
workplans” (para. 7); “the GM and the secretariat *will* collaborate to present a total work  
programme, including the total cost estimate, at COP 10” (para. 8); “The preliminary drafts of the  
regional work programmes *will* be discussed during meetings of regional implementation annexes  
that will take place at CRIC 9” (para. 9); “The workplans of the GM and the secretariat, including  
the tasks to be given to the regional coordination units (RCUs), would be closely related, and  
complementary, to the regional work programmes that are being prepared.” (para. 11); “In the  
current workplans and programmes of the GM and the secretariat, support to regional coordination  
is reflected in general terms. As the regional coordination mechanisms advance...the related tasks  
of the GM and the secretariat, and particularly those of the regional coordination units, could be  
spelled out in further detail as well.” (para. 12); “Accordingly, the preparation of the common  
fund-raising strategy will be carried out together with the preparation of the workplans and  
programmes, and the draft strategy *will* be submitted for the consideration of the COP at its tenth  
session” (para. 13); “Impact assessment methodology: As at October 2010, the planning for the  
development of the methodology is under way.” (para. 28); “The first application of the  
methodology will be tabled as a pilot report will be tabled at COP 10” (para. 31); “Without a  
methodology including clear criteria of attribution and validation by governments, the GM is not  
in the position as at October 2010 to publish data on resources mobilized at the country level.”  
(para. 35). ICCD/CRIC(9)/14, Update on progress made in the implementation of paragraphs 1 to  
3 and 5 to 8 of decision 6/COP.9, October 2010.
- 57 Although this is also the main impetus of the PRAISE process, as reinforced in the COP9 request  
that the GM, together with the Secretariat, develop performance and impact indicators as well as  
criteria for the allocation of financial resources while ensuring transparency in such reporting  
(Decision 6/COP.9, para. 3-6). Moreover, the GM noted on numerous occasions that it had  
expected the JIU, as part of their 2008/2009 evaluation, to develop impact indicators, and also  
noted its hope that the current assessment might also take up this task; which is beyond the scope  
of Decision 6/COP.6 and the ToR proposed by the Bureau. See also <http://www.unccd.int/prais/>.
- 58 Review, pursuant to article 21, paragraph 7, of the Convention, of the policies,  
operational modalities and activities of the Global Mechanism, and the provision of guidance  
to it (ICCD/CRIC(2)/5, 2003).

- <sup>59</sup> Assessment of the Global Mechanism of the United Nations Convention to Combat Desertification (JIU/REP/2009/4); see also Review of the Management, Administration and Activities of the Secretariat of the United Nations Convention to Combat Desertification (JIU/REP/2005/5, ICCD/COP(7)/4).
- <sup>60</sup> See OIOS Assignment No. AA2008/242/01 from 9 March 2009.
- <sup>61</sup> Independent Evaluation of the Global Mechanism: Final Report to the World Bank Development Grant Facility (ICCD/COP(6)/MISC.1, 2003), Evaluation of Strategic Opportunities for the Global Mechanism of the UNCCD at IFAD (Unisfera International Centre, 2009).
- <sup>62</sup> Please note that the summary provided focuses on issues raised, and not on the successful areas of work of the Global Mechanism and collaboration with the Secretariat.
- <sup>63</sup> In accordance with the UN Secretary-General's High-level Panel on System-Wide Coherence's Report "Delivering as One" which recommends, for example, consolidation of all UN programme activities at the country level, with one leader, one programme, one budget and, where appropriate, one office; para. 54: The Panel believes that stronger and more effective mechanisms must be developed for governance and funding. These mechanisms must incorporate clear lines of accountability and robust oversight of performance and results. To deliver lasting change, they must be transparent, inclusive and decisive. We have therefore proposed the creation of bodies that have the power take decisions."
- <sup>64</sup> See Annexed "Summary of Previous Assessments" and summaries provided at the end of some sections.
- <sup>65</sup> Referenced in the JIU report (2009, p. 21, para. 118), in various GM reporting documents to IFAD (most recently in the 2009 and 2008 GM Progress Reports for the IFAD Executive Board, EB 2009/98/R.59, Section IV., p. 3; EB 2008/95/R.54, Section IV., p. 12).
- <sup>66</sup> For example, peaks in the number of decisions passed (and corresponding decision paragraphs) relating to the GM can be seen after introduction of the results of external assessments, namely in 2003, 2005, and again in 2009.
- <sup>67</sup> For example, reporting was requested on the support it receives (Decision 25/COP.1), ongoing consultation processes (Decision 18/COP.2), priority activities and economic and trade activities (Decision 9/COP.3), and financing options for the NAPs (Decision 4/COP.7), revision of the GM's CSEA, four-year RBM work programme and two-year RMB costed work plan, GEF Strategy, and revision of the FC mandate and JWP (Decision 3/COP.8, Decision 6/COP.9 and Decision 10/COP.9), data and information on resources mobilised and extra-budgetary funds per RBM (Decision 6/COP.9, Decision 9/COP.9).
- <sup>68</sup> In the MoU and housing arrangement between the COP and IFAD, Decision 10/COP.3, Annex II.
- <sup>69</sup> This has resulted in a situation which is summarized by the results of the 2009 JIU report which notes that "the original mandate given by the Convention, broad enough to lead to divergent interpretations, together with subsequent decisions which have further increased the grey areas in terms of the respective duties of the organizations, do not provide a clear reference framework for a net division of tasks." COP9 introduced four times as many COP8 Decisions and twice the number of operative paragraphs, JIU/REP/2009/4, p. 23. Additional joint reporting requests introduced during COP 9 include a joint work programme and awareness raising and communication/ information strategy (Decision 3/COP.6 and again Decision 3/COP.8 and Decision 6/COP.9), total work programme and total cost estimates, common fund-raising strategy as well as detailed regional work programmes and criteria for the allocation of GM funds (Decision 6/COP.9), and performance/impact indicators (Decision 13/COP.9). For examples, see Decision 5/COP.3, para. 28, 29, 30; Decision 9/COP.3, para. 11, 12; Decision 3/COP.5, para. 31; Decision 9/COP.5, para. 3; Decision 3/COP.8 Annex, 21-22; Decision 7/COP.8, para. 6; Decision 1/COP.9, para. 18, 19; Decision 2/COP.9, para. 4, 5; Decision 3/COP.9, para. 1-4; Decision 4/COP.9, para. 8; Decision 8/COP.9, para. 8, 10; Decision 13/COP.9, para. 2, 4, 6, 7, 8, 21, 22, 23; Decision 14/COP.9, para. 9; Decision 6/COP.9, para. 1, 2, 7, 9, 10.
- <sup>70</sup> Decision 5/COP.3 vs. Decisions 24/COP.1, 18/COP.2, 10/COP.3, 3/COP.9, 5/COP.6.
- <sup>71</sup> ES = Executive Secretary of the Convention, MD = Managing Director of the GM
- <sup>72</sup> For example, email communications between Executive Secretary and the Director General of the GM showed that the GM had reneged on agreements made during face-to-face consultations

between the two in carrying out directives, or in difficulty coming to shared understandings of responsibilities, etc.

- 73 The Secretariat was to take a lead role in the objectives of advocacy and for specific outcomes related to the objectives of policy framework (as well as objective on science, technology and knowledge) with the GM given a supporting role for these objectives. The GM was given a ‘central role’ for resource mobilisation with support from the Secretariat. However, neither bodies was given a clear role or responsibility for capacity building, with only the Secretariat given a supporting role, although both bodies are highly active in this area of work. See Decision 3/COP.8.
- 74 ICCD/COP.7/4, JIU/REP/2005/5, Review of the Management, Administration and Activities of the Secretariat of the United Nations Convention to Combat Desertification (UNCCD).
- 75 Specifically, Decisions 6/COP.9, para. 1 “requests that the UNCCD secretariat and the GM should collaborate to produce, and that the secretariat should transmit to the COP, a report containing a total work programme and the total cost estimate involved in the context of the biennium and medium-term work programme and plan for the COP to consider in order for it to provide 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”. However, a further COP9 decision again requests all four subsidiary bodies of the Convention “each to elaborate a multi-year work plan (2010-2015)... and requests the Secretariat to integrate these plans”; Decisions 1/COP.9, para. 3, 4. The Secretariat is mandated by the Convention to prepare sessions and provide services for the subsidiary bodies of the Convention and the COP; this includes reporting and the compilation and communication of information (UNCCD, Art. 23, para. 2). The 10-Year Strategy from COP8 further requested the Secretariat to consolidate individual reports prepared in parallel by each subsidiary body (CST, CRIC and the GM), namely costed two-year work plans and four-year work programmes, for submission to each COP; see Decision 3/COP.8, Annex, para. 38.
- 76 ICCD/COP(9)/5, 7 July 2009, <http://www.unccd.int/cop/officialdocs/cop9/pdf/5eng.pdf>. According to this document “Results-based budgeting (RBB) may be regarded as the operational and financial dimension of results-based management. It links the programme delivery with resource availability, and provides a framework for credible performance evaluation at the end of a budget period. The essence of RBM is to ensure that priorities are identified, and then funded”
- 77 Such level of detail is especially relevant when compared to the entire budget of the Convention, including both core and extra-budgetary funding, as discussed in Section II.A.3.
- 78 For example, results based budgeting (RBB) has only recently been included in the budget reporting of the convention bodies, due for COP10, although it is a required measure for the implementation of RBM; RBB requirements also did not lead to full budget disclosure from the GM and do not replace such necessary transparency between all subsidiary bodies.
- 79 See ICCD/CRIC(9)/14, dated 25 October 2010: 5.1.J1., preparation of CRIC document containing an analysis of financial information in the national reports; 5.2.01. Information for the CRIC and the Conference of the Parties (COP); X.1.01. GM input provided to the implementation of the joint work programme in cooperation with the UNCCD secretariat and service provided to GM-relevant agenda items for the COP and the CRIC as decided by COP (including Facilitation Committee related coloboration); X.1.02. Effective and transparent management of the work programme and financial resources; X.1.03. Contributions provided to the UNCCD secretariat for the overall communication strategy of the Convention; X.E.J1. Joint work programme.
- 80 NAP relating expenditures included 2.2.01. Existing NAPs assessed in view of The Strategy are included IFSSs; 2.2.J1. A shared framework of support in the alignment of action programmes; 2.3.01. GM support provided for the integration of NAPs and land degradation in development planning through mainstreaming and related activities; See ICCD/CRIC(9)/14, dated 25 October 2010.
- 81 Decision 6/COP.9, para. 6 and 10.
- 82 It must be noted in this connection that the Executive Secretaries of all other Multilateral Environmental Agreements have been empowered by their respective COPs to wield oversight and management powers and functions over their respective subsidiary bodies. The absence of such

oversight and management powers with the Executive Secretary of the UNCCD Secretariat would probably explain why the governance, accountability and reporting problems of the UNCCD's subsidiary body- the GM- have become so chronic, as confirmed by successive independent evaluations.

<sup>83</sup> See ICCD/COP(9)/6/Add.7.

<sup>84</sup> Although the GM has vaguely reported on "extra-budgetary" or voluntary contributions received in total per donor ICCD/COP(8)/2/Add.2, para. 21, table 7 and 8; ICCD/COP(9)/5/Add.2, para. table 7; the GM submits a copy of its audited financial statement from PricewaterhouseCoopers for the first budget only, the Core Budget Administrative Account, see ICCD/COP(9)/6/Add.6, Add.7.

<sup>85</sup> For the GM's 2009 budget, the SRCF account made over 52 per cent of the GM's total assets, the VCAE constituted 43 per cent, and the CBAA (core budget) was less than 5 per cent; in terms of GM's 2009 expenditure, the SRCF 38 per cent, VCAE 27 per cent, CBAA was 35 per cent.

<sup>86</sup> During the COP 9, the GM reported on projected resource requirements from extra-budgetary contributions it receives for the 2010-2011 biennium as part of its requirement to submit a costed two-year work programme while noting that such contributions make up to 73 per cent of its total budget (while 27 per cent comes from the core budget), ICCD/COP(9)/5/Add.2, para. 36, 39, 40; ICCD/COP(8)/2/Add.2, para. 23 and 24. Operational costs, "most" of which is at the country level through institutional contracts, consultants and for workshops; ICCD/COP(9)/5/Add.2, para. 40 and 41.

<sup>87</sup> See ICCD/CRIC(9)/14, dated 25 October 2010.

<sup>88</sup> Respectively, Decision 9/COP9, COP(9)/5/Add.2, Table 7; Internal GM Memo to IFAD President, internal documents received from IFAD; ICCD/CRIC(9)/14 dated 25 October 2010. During COP9, the GM also noted that its overall budget for 2010-2011 was estimated at 14.7 million EUR, 80 per cent of which was for interventions at the national and subregional level, while 20 per cent was used for CRIC, COP financial analysis and contributions to related processes. Other inconsistencies are apparent in various other documents. For example, according to the 2009 JIU assessment, "the GM received 38 million USD during the period 1998-2008 from a variety of donors, of which more than 20 million USD between 2005 and 2008" (P. 12). According to the COP8 GM budget report, the GM received 20,713,863 million USD and 3,092,570 million EUR in voluntary resources between 1998 and May 2007, including 2 mil. USD and 2 mil. EUR received in 2006-2007, as of 31 May 2007 (COP(8)/2/Add.2, para. 21, table 7-8). When comparing the account activities for all three of the GM accounts provided in aggregated form in the GM's reports to the COP, the GM-IFAD internal memos and the audit reports, notable inconsistencies emerge. For example, during COP9, the GM reported having received 9,782,791 USD in 2008 in total contributions (with a total of 12,086,266 EUR for 2008-2009). However, the GM's internal memorandum to the IFAD President on all three GM accounts reported 8,918,996 USD for 2008 (a discrepancy of 863,795 USD). The audit reports a total budget for all three accounts amounting to 30,143,807 USD, a discrepancy of up to 21,224,811 USD. Similar trends can be seen for 2007, 2009 and 2010, which can not be confirmed due to partially missing data. GM's overall total for the year 2010 = USD 7 086 556.00 (Table 1: Estimates of Disbursements of Operational Expenses of the GM per Operational Objective in USD for 2010. Please note that these figures are rough estimates and have not been checked or audited by IFAD or external auditors), according to ICCD/CRIC(9)/14, Update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9, October 2010. Compare to Decision 9/COP.9, para. 15 (See MoU): "Takes note of the extrabudgetary funding needs, amounting to 25,075,000 euros, including 10,622,000 euros for the Supplementary Fund, 2,508,000 euros for the Special Fund, and 11,945,000 euros for the extrabudgetary funds of the Global Mechanism, with the understanding that activities under all the extrabudgetary funding will be consistent with The Strategy, and that activities under the Supplementary Fund will be consistent with the financial rules and other relevant decisions of the Conference of the Parties."

<sup>89</sup> See <http://www.unsceb.org/ceb/ref/fb/335/2006-unsas/unsas7/?searchterm=unsas>; as noted by the Managing Director of the GM, and confirmed by the finance division of IFAD, the GM is subject solely to external audits conducted annually by PriceWaterHouse Cooper, as is IFAD

<sup>90</sup> OIOS No. AA2008/242/01 from 9 March 2009; see <http://usun.state.gov/documents/organization/140701.pdf>.

<sup>91</sup> According to comments received from the GM in response to the First Draft of the report, the appointments of P-level staff from extra-budgetary positions was not 10 (ten), but 6 (six) for 2010 and will be 5 (five) for 2011. However, according to documents presented to the consultants

- during their meeting with the GM in Rome on Thursday, 2 September 2010, which included all Terms or Reference (ToRs) of current GM, the GM currently employs GM 2 D level (1 D2, 1 D1), 17 P level (3 P5, 4 P4, 6 P3, 2 P2, 2 P1), 5 G level (4 G5, 1 G4). These numbers and staffing levels also correspond to the overview document titled GM Staffing dated 28 June 2010 and the GM website staff page titled "Who's who" from September 2010 (<http://global-mechanism.org/about-us/whos-who>). According to the GM, staff requirements for the implementation of non-core or voluntary contributions are always indicative and dependent on the level of resources mobilized; Therefore, the staffing from non-core funds could be lower or higher than indicated to COP; according to the GM, (this) is fully in line with UN practices, including for the UNCCD Secretariat to appoint staff on a temporary basis to implement programmes which are financed by the donor community beyond the core budget.
- <sup>92</sup> See table on GM's Staff comparing GM requested, COP approve and actually appointed staff. According to Terms of Reference provided by the GM, it is currently employing a total of 38 Staff which includes 2 Director level, 17 Professional, and 5 General level staff, in addition to 14 consultants. The GM requested and gained approval for hiring 7 P staff to be funded through core-budgetary sources, but hired an additional 10, bringing the total P staff to 17; compare to ICCD/COP(9)/5/Add.2, para. 44 and table 5 (see GM ToRs) vs. ICCD/COP(9)/5, para. 23, table 3; Decision 9/COP.9, para. 5
- <sup>93</sup> These figures were provided to the authors by GM senior staff during a personal meeting in Rome on 2 September 2010. Specifically, the authors were provided with a list of current staff and each of their ToRs.
- <sup>94</sup> According to the GM in comments to the first draft report, long-term consulting arrangements include 9 for 2010 and 7 for 2011 in addition to two junior consultants until 31. March 2011. All other consultancies range from 2 weeks to 3 months. Documents (Tors and a GM staffing table) provided to the authors indicated that at least 14 consultants were employed by the GM in September 2010.
- <sup>95</sup> Convention Art. 21, para. 5 (d), Decision 24/COP.1, para.4 (b) and Annex; see also section on existing reporting arrangements.
- <sup>96</sup> Convention text, Art. 21, para. 5.
- <sup>97</sup> Decision 24/COP.1 para. 4 (b) and (e); The agreed MoU again reconfirmed that the GM "will function under the authority of the Conference and be fully accountable to it", Decision 10/COP.3.
- <sup>98</sup> Convention Art. 21, para. 5 (d), Decision 24/COP.1, para.4 (b) and Annex; Specifically, the GM was requested to provides report to all COP sessions on its activities and operations, including their effectiveness in promoting the mobilization and channelling of substantial financial resources to affected developing country Parties; the GM was also to report on the assessment of future availability of funds for implementation of the Convention, and proposals for effective ways and means of providing such funds, Decision 24/COP.1, Annex, paragraph 5 on "Reporting to the COP".
- <sup>99</sup> The costed programme of the GM appears to have reported on expenses related to the operational objectives 1, 2 and 5 set out in the Strategy without taking into considering the application and use of the GM's full budget, see section on GM Reporting to the COP in its second and third budgets.
- <sup>100</sup> The GM was requested to submit copies of all institutional agreements and MoUs in December 2010, but has yet to submit such documents to the evaluation.
- <sup>101</sup> See section on "Analysis of the actual role played by the Secretariat, Bureaus and the COP". Such reporting is necessary to ensure that that CRIC is able to fulfil its mandate to "review available information regarding the mobilisation and use of financial resources and other support... including information on the activities of the Global Mechanism and its Facilitation Committee" (Decision 9/COP.6, para. 1c and Decision 9/COP.7, para. 1).
- <sup>102</sup> ICCD/COP(8)/2/Add.2, para.; The GM's costed 2-year work programme submitted to COP9 notes that it "will continue to be financed by assessed contributions of the country Parties to the Convention through its core budget" and that "voluntary contributions to the GM's programme... will continue to be raised over time". It also notes that "the Multi-Donor Platform of the GM will facilitate the raising of the GM's operational finance"; ICCD/COP(9)/5/Add.2, para. 26, 28, 32; The GM reaffirms that the core budget estimates for the GM shall be shown in a separate section of the Convention budget to the COP but does not mention its reporting requirements related to the second and third GM accounts, *ibid.*, para. 28, 32.

- <sup>103</sup> According to the phone conversation with the GM Managing Director, Christian Mersmann, 20 October 2010; compare to the obligations that it shall “function under the authority and guidance of the Conference of Parties and shall be accountable to it” and that it “shall report to the COP on its activities”, UNCCD, Article 21, para.4; para. 5 (d).
- <sup>104</sup> Online searches were conducted of the PWC website: <http://www.pwc.com/be/en/internal-audit-newsletter/archives.jhtml>, the GM and IFAD websites, including a general Google search.
- <sup>105</sup> It is not clear if the CRIC ever specifically requested more detailed account information from the GM in fulfilment of its oversight mandate with which it was entrusted since Decision 1/COP.5.
- <sup>106</sup> See ICCD/CRIC(9)/14, dated 25 October 2010; however, it is noted that the final document is not due to be reported to the CRIC until 21–25 February 2011. Thus the GM’s compliance with these requests as a means of rectifying its lack of accountability to the COP is yet to be determined. At the COP 9 in 2009, the Managing Director of the GM was more explicitly requested “to report to COP 10 on the status of the extra-budgetary funds of the Global Mechanism”, in addition to a series of additional reporting requests, although the COP did not request access to the GM’s audit reports or any additional details of the second and third GM accounts. The COP also requesting the GM to refine the RBM approach to budgeting to link resources to results, while improving transparency and ensuring coherence in the work of the GM and Secretariat; see Decision 9/COP.9, para. 15, 25 and 26; During the First extraordinary session of the COP in October 2007, which was convened proceeding COP 8 to complete negotiation on the COP budget, solely the Executive Secretary was given direction and guidance on the budget by the COP, see ICCD/COP(ES-1)/2.
- <sup>107</sup> Decision 25/COP.1, Annex, IV. 17, 18, Decision 10/COP.3, Annex II. D and Annex III. A; The housing agreement concluded between IFAD and the COP notes that the “GM would report to the COP through the Head of the Housing Organization” while reconfirming that the GM would report to the COP on its activities and support it receives, Decision 25/COP.1, Annex, IV. 17, 18; This indirect reporting line to the COP was enshrined in the final MoU between the COP and IFAD, which decided that the managing Director of the GM would “report directly to the President of IFAD”, Decision 10/COP.3, Annex II. D.
- <sup>108</sup> Convention Article 21, para. 4. Decisions 24/COP.1 para. 2 and 4, 9/COP.3, para. 2, 10/COP.3 Annex, 3/COP.8 Annex, etc.
- <sup>109</sup> In addition to the GM’s various reporting requirements to the UNCCD COP, as per the MoU and according to governing practices within the IFAD, the GM is also required to submit reports to the IFAD Governing Council, Executive Board, and is subject to decisions taken per Presidential Bulletin, as described below. See previous section on existing reporting arrangements.
- <sup>110</sup> A number of bodies were established to advise and guide the GM, namely the Facilitation Committee (FC), the Technical Advisory Group and a GM Advisory Group. However, since 2005-2006, no internal IFAD decisions of the GC, EB, nor President have been made governing the GM, and the Technical Advisory Group, GM Advisory Group, and Facilitation Committee have either been disbanded or are inactive. Consequently, the IFAD does not appear to be currently providing any active oversight or governance over the activities of the GM. This conclusion was also confirmed by the IFAD Vice-President and Assistant Vice President of Programmes in Rome on 6 September 2010. However, this does not exclude ongoing engagement on a working level between the GM and IFAD.
- <sup>111</sup> The GM’s financial administration, as established in the MoU (Decision 10/COP.3) between the COP and IFAD includes three separate GM accounts: the Core Budget Administrative Account (CBAA), the Voluntary Contributions Administrative Expenses Account (VCAE), and the Special Resources for CCD Finance Account (SRCF), all of which are administered by IFAD. The first COP determined that the UNCCD financial rules “shall govern the financial administration of the COP... its subsidiary bodies and the Convention Secretariat” which include the GM. These rules also specify that “the accounts and financial management of all funds governed by the present rules shall be subject to the internal and external audit process of the United Nations”, which shall “provide to the Parties a final audited statement of accounts for the full financial period.” Only for aspects not specified, shall the Financial Regulations and Rules of the United Nations apply. See Decision 2/COP.1 Annex para. 1, 20, 21, <ftp://ftp.unon.org/dewaftp/ASU%20Documents/RULES,%20CIRCULARS,%20PROCEDURES>,



- [%20POLICIES/Finance/UN%20Financial%20Rules%20and%20Regulations.pdf](#). Compare to the MoU in Decision 10/COP.3 Annex para. II C.
- <sup>112</sup> See Decision 2/COP.1, Financial rules of the Conference of the Parties, its subsidiary bodies and the Convention Secretariat, for example para. 20 “The accounts and financial management of all funds governed by the present rules shall be subject to the internal and external audit process of the United Nations.”
- <sup>113</sup> As reconfirmed in a further provision of the MoU, the Managing Director shall prepare the GM’s programme of work and budget, including proposed staffing, for consideration by the COP. COP’s mandate, UNCCD Art. 22, 2 (g), as well as that of the GM’s in Art. 21, para. 4 and 5 (d). However, this reporting requirement is again limited to the first and second accounts (CBAA and VCAE), while excluding the third (SRCF). The MoU states that, “the Managing Director will be responsible for preparing the programme of work and budget of the Global Mechanism, including proposed staffing, which will be reviewed and approved by the President of the Fund (IFAD) before being forwarded to the Executive Secretary of the Convention for consideration in the preparation of the budget estimates of the Convention, in accordance with the financial rules of the Conference.” However, the following paragraph notes that these budget estimates “may include administrative and operational expenditure to be financed from both the core budget... and, if appropriate, from the (VCAE)”; whereas no mention is made of the GM’s third account (SRCF). Decisions 10/COP.3 Annex III. A para. 4, 7.
- <sup>114</sup> PB No. 99/10 from 4 October 1999 states regarding the second account that “these estimates, may, if appropriate, be included in a separate section of the CCD Convention budget”, and regarding the third account that “an account of the mobilisation of resources for the SRCF and the use of its proceeds shall be provided through an annual report that the Managing Director of the Global mechanism shall submit to the COP”; IFAD PB No. 99/10 from 4 October 1999, page 2 and Attachment II, para. 21; as specified in IFAD PB No. 99/10, the President was to approve budget allocations from the third account, with the advice from the technical advisory group (TAG), whereas the GM was not to undertake any implementation, supervision or administration of these funds.
- <sup>115</sup> Regulation XI ACCOUNTS, para. 1. The President shall cause such annual accounts to be maintained as shall be necessary to show properly the Fund’s: (i) income and expenditures; (ii) utilization of budgetary allocations; (iii) operations; and (iv) financial position. 3. At appropriate intervals, the Fund shall publish a summary statement of its financial position and of the results of its operations. Copies of such statements and other publications connected therewith shall be distributed to all Members. These Financial Regulations were adopted by IFAD’s Governing Council at its First Session on 15 December 1977. The Governing Council amended Regulation IV.1 of the Financial Regulations in paragraph 2 of its Resolution 100/XX, which was adopted on 21 February 1997 and entered into force on the same date.
- <sup>116</sup> However, in March 2009, the Internal Audit Division of the Office of Internal Oversight Services (OIOS) released an audit report on the “Financial Management in UNCCD” but did not take the GM into consideration instead focusing solely on the Secretariat. See also Financial Rules and Regulations of the United Nations, Section E. Internal audit, Regulation 5.15. The Office of Internal Oversight Services shall conduct independent internal audits in accordance with regulation 5.8 (d), see Review and approval, Regulation 2.4-2.7, <ftp://ftp.unon.org/dewaftp/ASU%20Documents/RULES,%20CIRCULARS,%20PROCEDURES,%20POLICIES/Finance/UN%20Financial%20Rules%20and%20Regulations.pdf>.
- <sup>117</sup> See Assignment No. AA2008/242/1.
- <sup>118</sup> Vienna Convention on the Law of Treaties, Section III. Interpretation of treaties, Article 31 General rule of interpretation, Para. 1 vs. Art. 27.
- <sup>119</sup> Account activity for all three of the GM accounts is reported annually to the President of IFAD through an internal office memorandum from the GM Managing Director with the approval of the IFAD’s Assistant President and the Director of Finance Service Division. All three of the GM’s accounts are audited according to IFAD rules and procedures through an external contractor in the same manner as that of the first account on the core budget, on which alone, information is provided by the GM to the COP. The GM also submits reports on the use of received contributions to each of the donor agencies individually, see ICCD/COP(8)/2/Add.2, para. 22; see also PricewaterhouseCoopers audit reports and GM office memorandum on the budgets provided by

the IFAD Finance and Administration Department; the GM also argues that the IFAD provides an essential one year advance to outstanding Core Budget funds, however, according to the IFAD's Finance Department, this service has not been required in recent years.

- <sup>120</sup> Note that a full impact assessment of the resource mobilization tools available to the Convention is beyond the scope of the current study due to a lack of available data and impeding time-constraints imposed against the requirement for reporting on numerous specific outputs.
- <sup>121</sup> Decisions 5/COP.3, para. 29; 9/COP.3, para. 5, 9; 9/COP.3, para. 3; 3/COP.5, Annex, para. 32; 1/COP.6, para. 2, 3, 35; 8/COP.6, para. 4.; 4/COP.7, para. 8; 3/COP.8, para. 19; 1/COP.9, C. 12, 13; 2/COP.9, para. 4, 5; 3/COP.9, para. 1
- <sup>122</sup> For example, the third COP "recognize(d) that the first priority for the Global Mechanism is to develop its operations as a demand-driven mechanism to facilitate the mobilization and channelling of substantial financial resources for the elaboration and implementation of action programmes, particularly national action programmes, projects and national reports" and "emphasize(d) that the Global Mechanism shall develop its activities with a view to facilitating financing for, inter alia, the elaboration of action programmes, particularly national action programmes, the preparation of national reports, consultative processes to conclude partnership agreements based on action programmes and the implementation of action programmes". The same COP also "stresse(d) that the Global Mechanism shall promote and facilitate multisource and multi-channel financing for the implementation of the Convention by... linking the financing needs of action programmes, particularly national action programmes, with existing and potential sources of financing in the best possible way"; see Decision 9/COP.3, para. 5 and Decision 9/COP.3, para. 3, 9.
- <sup>123</sup> Decision 3/COP.8, para. 19 "urges the 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"; Decision 1/COP.9, C., para.12, 13 "requests the GM to focus its actions further on supporting resource mobilization for the implementation of the Convention; urges the GM to continue assisting affected country Parties to develop integrated investment frameworks for resource mobilization corresponding to the needs expressed in the UNCCD action programmes of these countries". Compare to Decision 2/COP.9, para. 5.
- <sup>124</sup> See ICCD/CRIC(4)/4 and Decisions 4/COP.7, para. 3. Previous to 2005, the GM operated according to the Operational Strategy endorsed by the fourth COP, which highlighted the NAP alignment focus of the GM, see ICCD/COP(4)/4/Add.1, A.
- <sup>125</sup> ICCD/CRIC(4)/4, p. 7 and according to comments made by the GM Managing Director on the first draft report, dated 23 November 2010.
- <sup>126</sup> ICCD/CRIC(4)/4, p. 8, 18.
- <sup>127</sup> ICCD/CRIC(4)/4, p. 8, 18: The GM also specifies what it considers under the "resources" which it is mandated to mobilise and channel to include instrumental, human, knowledge and information as well as financial.
- <sup>128</sup> *Ibid.* This opinion was also supported by the EU regional group of the COP, which noted in its comments on the second draft report, received 23.01.2011, that "donors are generally no longer willing to finance the NAP drafting and implementation. Therefore, the framework conditions to implement certain COP decisions have changed with regard to the financing of NAPs".
- <sup>129</sup> "support, on a co-financing basis, the initiation of action programme formulation and implementation" according to its 'Operational Strategy'; ICCD/COP(4)/4/Add.1 (A), para. 7. The specifications and principles for allocation of such grants were further specified through the 1999 IFAD President Bulletin, which also established the Technical Advisory Group (TAG) for providing advice to the Managing Director of the GM in prioritizing the grant proposals received; see PB No. 99/10 from October 1999, Attachment II, para. para. 2 and 9-15. These provisions set out the purpose of the GM's Third Account, the SRCF, which was to be used for financing assistance to governments and regional/sub-regional bodies for the preparation of Action Programmes, for the preparation of local area development programmes that respond to National Action Programmes, financing initiatives of NGO and community-based organizations, in support of the Convention, for financing critical activities that will influence the transfer of technology, and for financing innovating approaches to explore new additional sources of funding (strategic initiatives) and to influence policy (enabling activities). According to the fifth CRIC, "under its previous business plan, covering the period 2003–2006, the GM assisted a total of 31 countries,

- supported the finalization of 18 NAPs and contributed to the formulation and financing of 9 subregional action programmes... Since 2000, the GM has provided small grants for the elaboration of NAPs to 53 countries (4 in Africa, 25 in Asia-Pacific, and 24 in Latin America and the Caribbean), totaling about USD 1.2 million. In addition, the GM has provided another USD 2.8 million to national and subregional – governmental and non-governmental – organizations as catalytic resources to cofinance the implementation of activities included in existing NAPs.” See ICCD/CRIC(5)/7, Para. 27, 28.
- <sup>130</sup> Decision 5/COP.7, para 6; Executive Board Eighty-ninth Session, Rome, 12-14 December 2006, EB 2006/89/R.56, para. 2 and 3.
- <sup>131</sup> This also required that IFAD “promulgate new procedures governing such direct disbursements, specifying the applicable process of proposal review, requisite legal documentation and procedures governing supervision and audit.” EB 2006/89/R.56, para. 3.
- <sup>132</sup> See Section II.A.1.
- <sup>133</sup> The GM prioritises increasing financial flows for the development and implementation of IFSs, ICCD/COP(9)/5/Add.2, para. 18.
- <sup>134</sup> According to comments provided to the authors in response to the first draft of this report (dated 23 November 2010), the GM was requested by the evaluations of 2002/2003 to profoundly change its working modalities with countries. Consequently, the GM put forward a basic concept of change in the “Consolidated Strategy and Enhanced Approach” of the GM in 2005 to COP. The IFS concept has become a “trade mark“ of the GM and is now used as an illustration and example in processes like the CBD, UNFF and others of an effective means to mobilize finance in view of the Paris Declaration on Aid Effectiveness and a number of international vertical funds in agriculture, climate change, food security etc. The success of the GM in working effectively with countries is indeed based on IFS processes which are increasingly requested by the country Parties. Furthermore, the joint alignment process of country Parties supported by the Secretariat and the GM fully takes into account the Integrated Investment Frameworks and the processes leading to them under the IFS.
- <sup>135</sup> In addition, at least four of the COP’s NAP related decision request that the GM implement the decisions in cooperation with the Secretariat. Specifically, The GM and Secretariat were requested “to negotiate and conclude partnership agreements based on national, subregional and regional action programmes”; to provide support “to expedite the elaboration process”; “to financially assist affected country Parties... to develop integrated investment frameworks in conjunction with the review and alignment” and “to strengthen the effectiveness and efficiency of regional coordination mechanisms (RCMs) to facilitate the implementation of the Convention, as requested in The Strategy,... in order to facilitate regional and subregional action programmes and, where appropriate, provide technical assistance to the national action programmes”. See Decisions 5/COP.3, para. 29; 8/COP.6, para. 4; 2/COP.9, para. 4; 3/COP.9, para. 1, respectively.
- <sup>136</sup> However, according to a draft report prepared for CRIC9, the GM has allocated as much as 60,000 USD for the development of GEF co-financing proposals and the implementation of the GEF strategy. 5.3.03: Support provided for the development of DLDD/SLM-related investments, in the context of programmatic proposals co-financing Global Environment Facility (GEF) and other facilities or funds, GM strategy for GEF collaboration implemented = 50000; 5.3.04: Information material and position papers that call for increased GEF allocations to land degradation focal area = 10000. See ICCD/CRIC(9)/14 from 45 October 2010.
- <sup>137</sup> i.e. in Tanzania, Dominican Republic, The Gambia, Zambia, Jordan, Turkmenistan, Iran, SolArid countries; see <http://global-mechanism.org/news--events>.
- <sup>138</sup> According to a draft report prepared for submission to CRIC9, ICCD/CRIC(9)/14 dated 25 October 2010.
- <sup>139</sup> Moreover, this claim to jurisdiction also appears to be at the root of most of the governance, accountability and reporting issues associated with the GM.
- <sup>140</sup> According to Encyclopedia Britannica, see <http://www.britannica.com/EBchecked/topic/499495/resource-mobilization-theory>.
- <sup>141</sup> The GM distinguishes between three types of resource mobilisation: operational, procedural (recurrent costs, i.e. for the development of NAPs, and for focal country support, etc.), and substantive (for national implementation). However, the GM was even given a role in mobilising resources for the

- activities of the Committee on Science and Technology in the 1999 Institutional Agreement between the Secretariat and GM, although this does not have COP approval.
- <sup>142</sup> This might be linked to the GM's concern that it could lose control over its full budget, which includes three separate accounts, the activities of only one of which has been consistently reported on to the COP.
- <sup>143</sup> See document on the GM's responses to its mandate.
- <sup>144</sup> Together with its recent work with the Secretariat and the GEF on the NAP alignment and PRAIS process and on Regional Cooperation Mechanisms (RCMs); however, objections have been raised as to the GM's role in and contributions to such work, whereas the GM has yet to effectively demonstrate to Country Parties how the IFS are contributing to the NAP alignment process, as detailed in the JWP and in Section II.B.3.
- <sup>145</sup> The remaining 8 per cent is received by IFAD; ICCD/COP(8)/2/Add.2, para. 6 (c).
- <sup>146</sup> See Decision 6/COP.9, para. 7; Decision 1/COP.9, para. 12, 13, 17; Decision 8/COP.9, para. 8, para. 10; compare to Decision 3/COP.8, para. 19 and Decision 2/COP.9, para. 5.
- <sup>147</sup> Additional example of unclarity of mandate were noted in Section II.A.2.f and are further discussed in following sections.
- <sup>148</sup> See Decisions 5/COP.6, para. 1, 2, 3 vs. 1/COP.8; For example, Decision 1/COP.8 "requests the GM to play a more active role in mobilizing resources and maintaining a geographical balance so that countries with less capacity are also able to benefit from the resources, and *also requests* the GM to capitalize better on the demand-driven policy formulation process taking place in the context of the Regional Implementation Annexes and the NAPs to facilitate responses from developed country Parties/
- <sup>149</sup> Decision 1/COP.9, para. 12, 13.
- <sup>150</sup> The most recent evidence that this view is shared by the Conference of parties is in Decision 5/COP.6, which requested the GM to focus on role/mandate of resource mobilization, not technical advice, foster supply-side, support to affected countries in mainstreaming NAPs, new sources of financing; and in Decision 3/COP.8 on the Ten-Year Strategic Plan, which urges 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.
- <sup>151</sup> The GM's Consolidated Strategy and Enhanced Approach (CSEA) was approved by COP7 in 2005 (Decision 4/COP.7), with reference to increasing financial resources for UNCCD implementation, inter alia through mainstreaming, and the GM was requested to further strengthen its support to affected developing country Parties through the CSEA (ICCD/CRIC(4)/4). Specifically, Decision 4/COP.7, para. 8. Invites the GM and the members of its Facilitation Committee to mobilize funds and make available information on points of entry into processes and modalities of multilateral funding for NAP implementation.; para 5. Requests the GM to intensify its interactions with the international financial institutions... with the aim of increasing financial resources for UNCCD implementation, inter alia through mainstreaming of the UNCCD objectives; para 6. Acknowledges the actions undertaken by the GM to comply with the requests made in decision 5/COP.6 on review of the policies, operational modalities and activities of the GM, and encourages the GM to further strengthen its support to affected developing country Parties by means of the implementation of the consolidated strategy and enhanced approach as outlined in document ICCD/CRIC(4)/4.
- <sup>152</sup> Specifically, the Strategy requested the GM to revise its CSEA "to prioritize its role in mobilizing financial resources for programmatic investments" which are "substantial, adequate, timely and predictable" including exploring new sources of finance, supporting the development of (sub)regional financing platforms and advising on the development of integrated investment frameworks. However, the Strategy also specifies the GM's central responsibility for financing and technology transfer, specifically to "strengthen its capacity to mobilize existing as well as fresh sources of finance and to facilitate access to technology" in accordance with its mandate. See Decision 3/COP.8, Annex para. 18.
- <sup>153</sup> Art. 21 para. 4 and 5; Decision 3/COP.8, Annex VI. C. para. 17, operational objective 5; To fulfill its role as requested by the COP, the GM revised its COP7 approved *Consolidated Strategy and Enhanced Approach* (CSEA) with the "costed draft two-year work programme for the Global Mechanism (2010–2011)" submitted to COP9, see Decision 3/COP.8, Annex VI. C. para. 17, 18 b ii;

- CSEA approved as per Decision 4/COP.7, revised as per ICCD/COP(9)/5/Add.2. However, there is no mention of a revision in the GM's presentation of the CSEA which refers to the COP7 approved document, and not what was presented to the COP 9 in ICCD/COP(9)/5/Add.2, see <http://global-mechanism.org/about-us/strategyand-approach>.
- <sup>154</sup> See Annexed documents. In 1999, an internal Institutional Agreement was established between the Secretariat and GM to require that both bodies would function collectively, in accordance with their respective mandates. The Executive Director and the Managing Director of the GM would, in case of ambiguity "decide on appropriate solutions", and "stay in close contact... on matters of common interest, also through working meetings". However, this agreement never received COP approval and these are not mandatory measures, nor are any enforcement measures in place to ensure their execution as no clear line of management is in place between the two bodies.<sup>154</sup> See Annexed documents.
- <sup>155</sup> Decisions 5/COP.3, 13/COP.9, 6/COP.9.
- <sup>156</sup> Decisions 5/COP.3, 9/COP.3, 3/COP.5, 9/COP.5, 3/COP.8 7/COP.8, 1/COP.9, 2/COP.9, 3/COP.9, 4/COP.9, 8/COP.9, 13/COP.9, 14/COP.9, 6/COP.9; See table titled "Overview of Joint/Shared Functions between the GM and Secretariat".
- <sup>157</sup> Para 5 of the same decision "urges the GM, in close collaboration with the secretariat and in accordance with its mandate, to financially assist affected country Parties, giving priority to African country Parties, to develop integrated investment frameworks in conjunction with the review and alignment process as detailed in the alignment guidelines, with a view to fostering resource mobilization for the aligned implementation of action programmes"; Decision 2/COP.9, para. 4 and 5 vs. Convention art. 21, para. 4.
- <sup>158</sup> Despite the COP's repeated and explicit request for both bodies to "avoid duplication and to enhance the effectiveness of Convention implementation". i.e. Decisions 24/COP.1, 18/COP.2, 10/COP.3, 3/COP.9.
- <sup>159</sup> See section on advocacy: Despite the most recent JWP which was introduced at the eighth CRIC in August 2009, the results to date are limited to the release of two joint Newsletters and a small number of ad hoc meetings, while most activities indicate future efforts. JWP updates include an internal document submitted to the Bureau titled "Status of the implementation of the Joint Working Programme as at 10 June 2010", and the final version of the "2010-2011 joint working programme for the Secretariat and the Global Mechanism" from 26 March 2010.
- <sup>160</sup> Meetings took place on 4-5 February (no meetings minutes available) and 3-4 June 2010 (minutes available). An E-Conference on Joint cooperation on communications activities took place on 27 May (minutes available). No other JWP meetings have been confirmed.
- <sup>161</sup> Furthermore, a list of the respective GM and Secretariat staff responsible for each expected JWP accomplishment was drafted by the GM and submitted in October 2010.
- <sup>162</sup> These even included disagreement on the form of the JWP, revolving around the treatment of JWP as living documents or rolling plan, following approval. When higher authority was needed, which was demonstrated to be the case on various occasions, the Executive Secretary and the Managing Director of the GM have had to step in to clarify or make decisions. This information was gathered through email correspondence between the Executive Secretary and the GM Managing Director and updates drafted for the Bureau, amongst other informal communications.
- <sup>163</sup> Again, this was confirmed by the GM in a phone conversation on 20 October, that work on the next Biennium for elaboration of the JWP, etc., will not start before May 2011 for the July COP.
- <sup>164</sup> It also appears as if the GM reports solely on its work that falls under the three categories for which it has explicit responsibility (advocacy, awareness raising and education, policy framework, and financing and technology transfer) although it is not clear as to the comprehensiveness of such reporting, especially related to the use of its full budget including all three accounts.
- <sup>165</sup> Despite the JWP's call for "regularized consultation and coordination at management level, as well as effective exchanges of information at the operational level" and the agreement to substantially improve coordination, collaboration and communication between the Secretariat and the GM through an "implementation framework". The GM stated in its response to the consultants' inquiry as to the 'institutional' arrangements in place for communication, coordination, collaboration or cooperation between the GM and other Convention bodies that "If 'institutional' means any formalized process... there are no such arrangements"; Compare to ICCD/COP(9)/5/Add.2 Outcome X.E; See section on possible institutional arrangements.

- <sup>166</sup> As indicated in the draft report to the ninth CRIC due in February 2011 (ICCD/CRIC(9)/14, from 19 October and updated in 25 October 2010 titled “update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9”. For example, para. 6 of the CRIC report states that “the GM and the secretariat have initiated the preparation and updating of their 2012–2015 workplans and the corresponding costed two-year work programmes, for submission to COP 10...in line with the earlier practice”, however, para. 1 of decision 6/COP.9 request a “total work programme” and “total cost estimate”. “The GM and the secretariat *will* seek to further focus their workplans” (para. 7); “the GM and the secretariat *will* collaborate to present a total work programme, including the total cost estimate, at COP 10” (para. 8); “The preliminary drafts of the regional work programmes *will* be discussed during meetings of regional implementation annexes that will take place at CRIC 9” (para. 9); “The workplans of the GM and the secretariat, including the tasks to be given to the regional coordination units (RCUs), would be closely related, and complementary, to the regional work programmes that are being prepared.” (para. 11); “In the current workplans and programmes of the GM and the secretariat, support to regional coordination is reflected in general terms. As the regional coordination mechanisms advance...the related tasks of the GM and the secretariat, and particularly those of the regional coordination units, could be spelled out in further detail as well.” (para. 12); “Accordingly, the preparation of the common fund-raising strategy will be carried out together with the preparation of the workplans and programmes, and the draft strategy *will* be submitted for the consideration of the COP at its tenth session” (para. 13); “Impact assessment methodology: As at October 2010, the planning for the development of the methodology is under way.” (para. 28); “The first application of the methodology will be tabled as a pilot report will be tabled at COP 10” (para. 31); “Without a methodology including clear criteria of attribution and validation by governments, the GM is not in the position as at October 2010 to publish data on resources mobilized at the country level.” (para. 35);); ICCD/CRIC(9)/14, Update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9, October 2010; See also ICCD/CRIC(6)/4, para. 112 which includes very limited reporting on the Collaboration between the Global Mechanism and UNCCD Secretariat..
- <sup>167</sup> Joint activities were not scheduled to begin until June 2010 and as of October 2010, however, no meetings have been confirmed since.
- <sup>168</sup> It is expected that most of the requests made by the COP (especially in Decision 6/COP.9) will not be met until shortly before the CRIC meeting in February or, more likely not until the COP10, as detailed in the most recent JWP update document prepared for the Bureau meeting in November 2010.
- <sup>169</sup> Limited progress was confirmed by various members of both the GM and the Secretariat. See Decision 3/COP.9, para. 4 requested “the Executive Secretary and the Managing Director of the GM to actively collaborate on the joint work programme, in order to enhance their cooperation and provide effective support to affected country Parties, in a way that is consistent with their respective mandates as identified in the Convention, and to facilitate regional coordination and contribute to cooperation in the regions, including, inter alia, capacity-building, transfer of technology and other needs; consistent with their respective mandates as identified in the Convention.”
- <sup>170</sup> For example, in Decision 2/COP.9, para. 4, the COP requested “the secretariat, in close partnership with relevant subregional, regional and international organizations, to facilitate the provision of relevant technical assistance to affected country Parties for the review, alignment and/or revision of action programmes at all levels”; however, this is also a mandate of the GM, according to the Convention (Art. 21, para. 4).
- <sup>171</sup> They are also extensively portrayed and analyzed in the JIU as well as several evaluations carried earlier and have also been presented to the Bureau through presentations, particularly by the Executive Secretary.
- <sup>172</sup> Indeed the Director General of the GM admitted, during our interview with him, to significant overlapping of functions and duplication of effort by the GM and the Secretariat, but chose to justify this on the basis that the GM was empowered and authorized by the Convention to act at national and regional levels, while in his view, the Secretariat was only empowered to act at global

- level. Hence, he argued, that if there is duplication of activities, the fault must lie with the Secretariat for not limiting its activities, as he contends, to global activities.
- <sup>173</sup> Decision 3/COP.8 requested the secretariat to develop a comprehensive communications strategy (CCS) at the international level (ICCD/COP(9)/4/Add.2, ICCD/COP(9)/MISC.1).
- <sup>174</sup> See most recent GM publications at <http://global-mechanism.org/about-us/kb/publicationscurrent>.
- <sup>175</sup> Decision 9/COP.3, para. 14 “recommends that the Global Mechanism develop, as part of the operational strategy for consideration by the Conference of the Parties at its fourth session, an information and communication strategy, which will aim to facilitate contact with Parties and other actors, increase awareness of the Convention, and promote participation in its implementation”; Para.6 “Underlines that the Global Mechanism shall strengthen both policy and operational level dialogue ...to increase awareness of the Convention and facilitate the identification of possibilities and definition of mechanisms for public-private partnerships for its implementation”.
- <sup>176</sup> According to the GM Managing Director, comments on the first draft dates 23 November 2010: By means of the new visual identity, the GM was able to position itself as a specifically mandated supporter to the implementation of UNCCD-related processes at country and sub-regional levels.
- <sup>177</sup> This role of the Secretariat is in line with its mandate for facilitating assistance to affected developing country Parties, and compiling and communicating information (Convention Art. 23, para. 2 c), whereas the GM was given a support role and requested “to mobilize existing as well as fresh sources of finance”; Decision 3/ COP.8, Annex VI.C. and D.
- <sup>178</sup> On the topic of JWP development and joint communication, there appears to be a heightened degree of informal communication between the two institutes since May/June 2010, parallel to the initiative of the current assessment; ICCD/CRIC(8)/2/Add.2, compare to CRIC 7 ICCD/COP(9)/6/Add.1.
- <sup>179</sup> For example, only two projects had been completed, one on “exchange of messages on WCD Activities”, the second being a Newsletter on Mesoamerica; The GM’s communication Strategy for 2010-2011 also notes its cooperation with the CCD Secretariat on joint initiatives, publications, press releases, newsletters/e-bulletins. However, other recent examples of isolated cooperation in the area of communication have also been noted, for example, the launch of the UN Decade in Brazil and in Nairobi according to email correspondence provided by the GM from 25 August 2010, whereas communication staff of both the GM and Secretariat appear open to collaboration; see also ICCD/CRIC(8)/2/Add.2, compare to CRIC 7 ICCD/COP(9)/6/Add.1, see also ICCD/COP(9)/5/Add.2, para. 23.
- <sup>180</sup> Decision 9/COP.9, table 1 and Annex I, see COP(9)/18/Add.1; compare to COP(9)/5/Add.2.
- <sup>181</sup> See A Brief Analysis of COP 9, <http://desertification.wordpress.com/2009/10/05/cop9-of-unccd-summary/>; *Governing Global Desertification: Linking Environmental Degradation, Poverty and Participation*, Edited by Pierre Marc Johnson, et al., 2006.
- <sup>182</sup> Such functions include providing financial, advisory and logistical support to affected country Parties in the preparation of their national reports; catalytic support to action programmes and interregional activities, including support to mainstreaming NAPs into development plans and strategies, building partnerships and exploring synergies; support for the elaboration and implementation of action programmes; supporting the integration of desertification issues into national development strategies; assistance to civil society; tasks related to collaboration with GEF; support for CRIC, CST and the regional coordination units initiative; and thematic programme networks including networking of scientific institutions, technology transfer to developing countries, training at universities, internships and scholarships into the process of the development of sub-regional and regional programmes. However, according to the mandate of the Secretariat as per the Convention, its functions do not specifically include resource mobilisation or fund-raising responsibilities, although it is responsible for facilitating assistance to affected developing country Parties on request in the compilation and communication of information required under the Convention, which can be understood to include action plans/NAPs. (UNCCD, Art. 23, para. 2). Furthermore, the COP can at will determine additional functions to be executed by the Secretariat. The JIU Report of 2005 on the evaluation of Secretariat also highlights the differing views among Parties of the mandate and functions of the Secretariat.
- <sup>183</sup> The list of GM donors was retrieved from the PWC audits for all three of the GM's accounts; although the GM, in comments provided on the first draft report, claimed that “Canada, the European Union (which is unknown as a donor to the GM), Italy and Switzerland have not been donors in 2008 – 2010 to the GM. The GM currently works with a total of 9 donor agencies

- (European Commission, Norway, Denmark, IFAD, Spain, Sweden, Finland and the World Bank DGF as well as OPEC Foundation – in the order of magnitude of contributions).” The GM had nine additional donors, and the Secretariat had an additional sixteen donors, over the same period.
- 184 Decision 6/COP.9, para. 7; note also that Decision 1/COP.9, para. 17 requested that the Secretariat to strengthen its resource mobilization functions for carrying out its activities; Decision 8/COP.9, para. 8, requested the Executive Secretary to seek financial resources for their implementation consistent with the fund-raising activities of the Secretariat; para. 10 again notes the COPs request for the Secretariat and the Global Mechanism to strengthen coordinated approaches to exploring opportunities for accessing funding through the Global Environment Facility.
- 185 Decision 2/COP.9, para. 4.
- 186 “The preparation of the common fund-raising strategy will be carried out together with the preparation of the workplans and programmes, and the draft strategy will be submitted for the consideration of the COP at its tenth session” (para. 13/19); ICCD/CRIC(9)/14, Update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9, October 2010.
- 187 Decision 6/COP.6; Decisions 9/COP.4, 9/COP.5, 4/COP.7, 5/COP.7, 3/COP.8, 6/COP.8, Decision 6/COP.7. The fourth session of the GEF Assembly, held in Punta del Este, Uruguay in May 2010, amended the GEF charter to affirm that it will be the “primary financing mechanism of the United Nations Convention to Combat Desertification (UNCCD).” The amendment to paragraph six of the instrument states that “the GEF shall be available to serve as a financial mechanism of the United Nations Convention to Combat Desertification ... pursuant to article 20, paragraph 2(b), and article 21 of the Convention”; <http://www.thegef.org/gef/node/3194>; Fourth GEF Assembly, 14 May 2010, GEF/ A.4/9; see also GEF/C.30/7 and its summary, <http://www.thegef.org/gef/sites/thegef.org/files/documents/C.30.7%20Council%20paper%20on%20UNCCD.pdf> or <http://www.thegef.org/gef/sites/thegef.org/files/documents/C.30.7%20Executive%20Summary.pdf> ; the GM’s website likewise highlights “The Global Environment Facility (GEF), as one of the financing mechanisms for the UNCCD, is recognised as a major partner of the GM by ... decisions of the Second GEF Assembly in Beijing, China.”
- 188 Comments were raised that a potential reason for past inequalities between the MEAs, specifically for the lack of GEF and other funding available to the UNCCD was a result of the existence of the GM.
- 189 Decision 3/COP.8, Annex VI. C. para. 18 b iii; compare to Decision 9/COP.5, para. 3 which requested the Executive Secretary and GM Managing Director to cooperate actively in the GEF secretariat’s work. COP9 also requested the GM to finalise a strategy individually to operationalize its complementary role to the GEF, Decision 10/COP.9, para. 8. 9; see also Decisions 9/COP.5, 4/COP.7, 5/COP.7, 3/COP.8, 6/COP.8, Decision 6/COP.7 (Memorandum of Understanding (MoU) between the GEF and UNCCD Secretariats (ICCD/COP(7)/16/Add.1)). COP8 also “requests the Global Mechanism in collaboration with the GEF implementing and executing agencies, to improve assistance to affected developing country Parties and other eligible country Parties, where appropriate, in identifying and accessing the co-financing from donors which is necessary to enable access to GEF project funding for land degradation projects”, Decision 6/COP.8; compare to the GEF Operational Programme 15 on Sustainable Land Management (SLM) (OP 15)..
- 190 This was finalized in June of 2010 after conducting an external analytical review of the relationship between the GM and GEF in 2007; GM/GEF Strategy, June 2010: Analytical Review of the Relationship between the Global Mechanism and the Global Environment Facility, prepared for the GM by Unisféra International Centre, 25 July 2007; The GM/GEF Strategy document was provided to the consultants in October 2010 by GM staff, but was not found publically or liked to the GM’s webpage dedicated to the GEF: <http://www.global-mechanism.org/work-with-us/strategic-partnerships/gef/>. A number of future activities are also proposed, including analysing GM programmes, organising a GM/GEF/UNCCD Secretariat workshop and Facilitation Committee meeting, establishing two new partnership platforms, building convergence between GM’s IFS and GEF programming, monitoring GEF policy developments and developing knowledge products.
- 191 This document sets out two main objectives for the 2010-2011 biennium: to increase the number of catalytic actions to leverage increased flows for co-finance for GEF/UNCCD-related



interventions and to increase the convergence between GEF and UNCCD policies, strategies, and processes. However the GM, in its GEF Strategy, also limits its involvement to “GEF projects emanating from nationally owned programming frameworks (e.g. enhanced NAPs and IFSs) and for those GEF projects that have entered the pipeline and presented to the GM through its Facilitation Committee”. The GEF Secretariat and several of its Agencies are also members of the GM’s Facilitation Committee (FC), and according to the terms of the UNCCD-GEF MoU, will inform the FC of GEF project proposals concerning desertification with a view toward supporting the GM’s role in the mobilisation of co-finance for GEF projects (GM/GEF Strategy, p. 9; see also the Memorandum of Understanding concluded between the UNCCD and GEF (Decision6/COP.7), which includes a section on Cooperation with the Global Mechanism, which is largely limited to the GEF’s participation in the GM’s Facilitation Committee, see GEF/C.25/5: “The GEF Secretariat will inform the Facilitation Committee of project proposals concerning desertification that have entered the GEF pipeline with a view to assisting the Global Mechanism to identify opportunities to mobilize and channel co-financing resources for such proposed projects”.

<sup>192</sup> In its GEF Strategy, the GM equates its “resource mobilisation” efforts to those solely within the framework of its IFS scheme while also focusing on the influence it exerts over GEF and country Parties. Indeed, the GM highlights its role in ‘catalytic interventions’, which it considers to help in leveraging additional sources of finance, such as policy advice, integrated financing strategies, capacity development, and partnership and trust building for mainstreaming SLM, especially at the inception stage of national, programme and project planning cycles. It mentions mobilising supplementary co-financing through innovative financing mechanisms such as conservation easements, payment for environmental services, and carbon financing, but does not go on to detail the efforts it is undertaking in this regard. Instead, the GM notes that the volume of resources required to effectively address land degradation require going beyond GEF incremental financing to focus on mobilisation of a blend of national, external and innovative financing. Moreover, it reverts back to detailing its efforts to exert influence both over the GEF Focal Area Strategy development processes, as well as over countries to “put into place prerequisite conditions, namely clarity of programmatic objectives; country ownership and commitment to engage in essential reform processes; well-anchored sectoral and integrated policies; and domestic and international partner buy-in and co-financing so as to accelerate the pace of GEF on-the-ground programming”. It also notes its intention to focus on countries that the GM has been involved in its IFS/IIF scheme by “developing comprehensive financing packages and partnership platforms that generate donor buy-in, and leverage a broader range of co-financing resources in support of country priorities.” By doing so, the GM expects to “play a strong role in the mobilization of cofinancing ... of GEF interventions, as well as, supplementary financing” through the “development of integrated financing strategies (IFS) that blend public, private and innovative sources of financing for implementing enhanced NAP priorities among others”. Furthermore, the GM plans on working through IFAD’s Global Environment and Climate Change (GECC) unit to orient IFAD’s Country Strategic Opportunities Programmes (COSOPs) and to further increase financial flows by identifying national priorities detailed in action programmes and IFSs for channelling IFAD and GEF financing. However, meetings conducted with the same IFAD unit confirmed that the GM has not played a significant role in the work of the GECC to date, and was not expected to do so in the future (Meeting on 6 September 2010). See “Strategy for Enhancing the Complementarity of the Global Mechanism with the Global Environment Facility” (GM/GEF Strategy, June 2010); provided to the consultants in October 2010 by GM staff.

<sup>193</sup> The GM also noted that it is working with the GEF under TerrAfrica, CACILM and central Africa as well as other sub-regional processes and national-level engagements. According to comments provided by the GM on the first draft, dates 23 November 2010.

<sup>194</sup> The GM also stated that “it is anticipated that collaboration between the GM and the GECC Unit could lead to the development of a pipeline of synergistic GEF projects that address land degradation issues under the fifth GEF replenishment cycle.” EB 2009/98/R.59, para. 76, see <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-R-59.pdf>.

<sup>195</sup> The GM also acknowledged that its fulfillment of Decision 10/COP.9 vis-à-vis the GEF “could be improved”, see “Current responses of the GM to mandate and key decisions of the COP”; see also <http://www.unccd.int/prais/>; According to the GM’s website, “the GEF... is recognised as a major partner of the GM by... decisions of the Second GEF Assembly” and the GM is working closely

with GEF to develop 20 projects addressing land degradation in Africa, Asia and Latin America, for which the envisaged financing exceeds USD 3 billion over ten years. The GM has supported these projects with a range of services, including: co-financing or contributing to programme/project design and development; integrating the GEF into GM-initiated country and sub-regional UNCCD implementation processes; and facilitating the mobilization of co-financing by including GEF initiatives in GM strategic partnerships. The GM and the GEF Secretariat are also pooling their knowledge and expertise to inform a broad audience of the need to increase financing for SLM-related issues. The first output of this advocacy initiative is an analysis which argues in favour of an increase in annual national and international investments of USD 6-8 million, to remove barriers to SLM”, see <http://global-mechanism.org/work-with-us/strategic-partnerships/gef>.

- <sup>196</sup> Decision 6/COP.7, compare to Decisions 9/COP.5, 6/6, 6/7, 6/8.
- <sup>197</sup> Decision 10/COP.9, para. 4, “Invites the Global Environment Facility to inform and consult, as appropriate, in a timely manner the Bureau of the Conference of the Parties and the Executive Secretary of the Convention on any further developments regarding the allocation of resources that involve the focal area of land degradation”. However, previous COP decision, including the MoU established between the GM and COP decided that the GEF Secretariat would be an observer on the GM’s FC and will inform FC of relevant project proposals. See section on existing reporting arrangements.
- <sup>198</sup> Consequently, the GM does not participate in most GEF meetings. According to the document provided by the GM titled “Current responses of the GM to mandate and key decisions of the COP”. According to comments received from the GM on 23 November 2010, the GM believe(s) that the distribution of tasks between the Secretariat and the GM is working very well - the Secretariat working at global level with the GEF Secretariat (including on GEF projects like PRAIS) and the GM is cooperating at sub-regional and national level without engaging into resource allocations of GEF at the international level. The latter is left to the political convening power of the Executive Secretary. This is an approach the Secretariat has also underlined when differentiating the Secretariat’s NAP alignment process to the GM’s work on IFS
- <sup>199</sup> According to comments provided by the GM on the first draft, dates 23 November 2010.
- <sup>200</sup> According to discussions with the GM on 6 September 2010 in Rome. However, the Secretariat has underlined that the entire fund-raising for the PRAIS project was done by the secretariat alone, and funding from GEF (USD 2,8 million), the EC (USD 750,000) and other donors (USD 400,000) was secured by the secretariat only.
- <sup>201</sup> Decision 7/COP.8, para 6. “requests the Executive Secretary in collaboration with the Global Mechanism to bring to the attention of donors the importance of financial support for national reporting, particularly from the Global Environment Facility and other financial institutions”.
- <sup>202</sup> According to comments provided by the GM on the first draft, dates 23 November 2010.
- <sup>203</sup> For example, late decisions and official communications from the GM hampered progression of PRAISE project development while a lack of communication has also been clearly documented in the GM announcing its support to Parties without previously informing the Secretariat then it asking for reimbursement for its activities. As part of PRAIS, it is expected that the GM will work in increasing financial flows by providing templates on expenditures and investments, by elaborating on a glossary of common terminology and by helping to analyse data collected.
- <sup>204</sup> ...as requested in The Strategy, to facilitate cooperation among affected country Parties within the regions, and to enhance synergies among the relevant institutions...in order to facilitate regional and subregional action programmes and, where appropriate, provide technical assistance to the national action programmes. Decision 3/COP.9, para. 1. Furthermore, Decision 3/COP.9, para. 2, 3, 4. “Requests the Executive Secretary and the Managing Director of the GM within available resources to assist regional coordination according to existing and emerging needs, capacities and specific issues, in consultation with the regions...Also requests the Executive Secretary and the Managing Director of the GM to support regional coordination mechanisms (RCMs), as appropriate. The RCMs could include, inter alia, regional committees, TPNs and regional coordination units (RCUs). The Executive Secretary should, if so requested by the regions, provide one post per region within the available resources of the core budget, as reflected in costed two-year work programmes, in order to support the RCMs. Staff provided by the GM within available resources should be co-located with posts deployed from the secretariat in the same host institution or host country. The RCMs would utilize, as appropriate, locations and components of the existing RCUs. The secretariat and the GM would ensure that the work undertaken in order to facilitate regional cooperation does not duplicate the work being undertaken at headquarters. The posts deployed by the Executive Secretary to support the RCMs

- would report to the appropriate unit in the secretariat. The Executive Secretary and the Managing Director of the GM should provide these posts/staff to each of the RCMs, as requested by the regions, within available resources, before the ninth session of the Committee for the Review of the Implementation of the Convention in 2010”.
- 205 This has been partially supported by the COP Decision 3/COP.9, para. 3, which states that “The posts deployed by the Executive Secretary to support the RCMs would report to the appropriate unit in the secretariat” without specifying reporting requirements of the GM.
- 206 However, according to comments provided by the GM on 23 November 2010, supported by the Presidencies of the Africa and LAC Annexes, by the country Parties as well regional structures, the Regional Coordination Mechanisms (RCMs) are taking shape - see also the positive outcomes of the recent meeting in Algiers, Algeria and the LAC work with the Presidency Uruguay on RCM work programmes as well as the attached Newsletter of RCU LAC.
- 207 ICCD/CRIC(9)/14, Update on progress made in the implementation of paragraphs 1 to 3 and 5 to 8 of decision 6/COP.9, October 2010, para. 12.
- 208 This includes the locations Quito, Ecuador; Santiago, Chile; Mexico City, Mexico; Tunisia, Tunis; Sjose, Costa Rica; Kampala, Uganda; Bishkek, Kyrgyzstan and Ouaga, B.Faso.
- 209 Responses from the GM and Secretariat were gathered independently from each other. Relevant COP Decisions not included here are Decisions 18/COP.2, 19/COP.2, 3/COP.3, 9/COP.3, 10/COP.3, 1/COP.4, 2/COP.4, 3/COP.4, 6/COP.4, 1/COP.5, 3/COP.5, 1/COP.6, 3/COP.6. Although these are still in effect, the list below includes only the most relevant and recent COP decisions dating back to COP8. Responses were received from the Secretariat on all relevant decisions, included in the Annex.
- 210 See Programme Performance Report to COP 9, provided to the evaluation.
- 211 A review of the information posted on GM website under a general meetings’ heading, points out at possibly 08 or more such workshops being held worldwide (i.e. Tanzania, Dominican Republic, The Gambia, Zambia, Jordan, Turkmenistan, Iran, SolArid countries). However, contradictory information on the matter tends also to indicate that many more such IFS workshop were effectively organized.
- 212 The CSEA was revised in 2009 and submitted to COP 9 (see 2 Year Work Programme), and the GM has followed the guidance of COP in fulfilling the realigned functions. The structured dialogue on finance conducted at the national level includes relevant financial actors, where available the GM uses existing platforms and processes, such as donor coordination mechanisms, bilateral, One UN, UNDAF etc.; See IFS process and RBM.
- 213 For example, the IFS process embarked on by Jordan has led to the establishment of an IIF, to the value of USD 600 million. Please also see Programme Performance Report to COP 9 and the informal document provided to evaluators IFS document [http://www.globalmechanism.org/dynamic/documents/document\\_file/ifs\\_eweb.pdf](http://www.globalmechanism.org/dynamic/documents/document_file/ifs_eweb.pdf). [Note from the authors: when meeting with Senior Staff of the IFAD, the Jordan case was noted as success story frequently cited by the GM, although the IFAD felt that the GM gravely overstated its role in securing the named financing, which had been pledged long before the GM had become involved.] According to the GM, it “has set up strategic programmes – notably on Market access and trade finance, private sector finance, incentive and market based finance and climate change finance – to strengthen its support to countries in accessing new sources of finance. Analysis of the potential of related sector finance, such as climate change, biodiversity, hunger and poverty, to contribute to SLM is analysed and explored at country and international levels. The GM South-to-South cooperation programme has had as its central theme the establishment of sub-regional platforms on finance. One notable example is the one on Magreb Sahel S-S cooperation, Solarid. The GMs Programme Performance Report to COP 9 in 2009 also outlines the GMs response to this call. The CSEA has indeed been revised, presented at COP 9 (see 2 year document)”.
- 214 Contribution to the organisation of a workshop to develop a global programme for assisting affected country parties in the review, alignment and/ or revision of action programmes by providing inputs on NAP alignment concerning OO5 of the Strategy.
- 215 This was discussed with the Legal Council and Senior Staff of IFAD on 6 September 2010. See also the section on existing reporting arrangements.

- 216 Specifically, Decision 10/COP.3. It is also important to note that the word used for this relationship with the GM in the Convention is to “house”; specifically, the role of the IFAD, in the words of article 21 (6), is to “house the GM for the administrative operations of such Mechanism”. The word “host” is often used in regard to a more formal legal relationship between the Secretariats of multilateral environmental agreements and Intergovernmental Organisation which hosts it (i.e. in the case of the UNCCD, the United Nations).
- 217 Although the MoU between the COP and IFAD (Decision 10/COP.3) refers to the GM as “an organic part of the structure of the Fund”, the entire MoU should be interpreted within the above mentioned language of Art. 21 (6) and within the spirit and word of the text of the Convention. In accordance with the principles of public international law, the text of the Convention is the final word and an MoU that clearly contravenes the express provisions of the Convention should *ipso facto* be deemed invalid.
- 218 The exception would be if the GM were to be delegated expressed authority by the President of IFAD. However, inquiries with IFAD have revealed that there has been no such express delegation of authority from the President of the IFAD to the GM or its Managing Director. Consequently, the GM lacks the delegated authority for the GM to conclude institutional agreements. According to email correspondence with IFAD, “IFAD’s President has never issued a delegation of authority (to the GM), as this would be contrary to one of our main legal contentions in the ICJ case, where we argue that the GM is a separate legal entity vested with the legal authority and capacity to conclude MoU or other institutional arrangements on its own.” In comparison, the Secretariat is mandated by the Convention with responsibility for coordination with other international bodies and conventions including entering into administrative and contractual arrangements; however, the COP can at will determine additional functions to be executed by the Secretariat (UNCCD, Art. 23, para. 2). [NOTE: awaiting OLA legal advice, get info on agreements concluded by the GM]
- 219 Comments received to the second draft report from the European Union noted disagreement on this aspect, stating that “according to the text of the Convention, the Secretariat neither has the status of a subsidiary body, nor is there a hierarchy and weighing behind subsidiary bodies.”
- 220 ILOAT Judgment No. 2867,  
[http://www.ilo.org/dyn/triblex/triblexmain.detail?p\\_lang=en&p\\_judgment\\_no=2867&p\\_org\\_id=56&p\\_language\\_code=EN](http://www.ilo.org/dyn/triblex/triblexmain.detail?p_lang=en&p_judgment_no=2867&p_org_id=56&p_language_code=EN).
- 221 It is also noted that, although IFAD’s responsibilities to the GM are limited to administrative matters, organisationally, the GM is located under the IFAD’s Programme Management Department, and not under its Finance and Administration Department, as noted in the section on existing reporting arrangements. See Appendix EB/98/Rev.1, IFAD’s Organizational Structure as of January 1, 2010, Annex or <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-minutes-rev-1.pdf>. p. 52.
- 222 ICJ Case <http://www.icj-cij.org/docket/index.php?p1=3&p2=4&code=fida&case=146&k=ad&PHPSESSID=4248a2be18e1af6b656dd3adfc9e71c7>.
- 223 ICJ press release No. 2011/3 28 dated January 2011, <http://www.icj-cij.org/docket/files/146/16310.pdf?PHPSESSID=4248a2be18e1af6b656dd3adfc9e71c7,+or+http://www.haguejusticeportalhaguejusticeportal.net/eCache/DEF/11/680.html>.
- 224 See ICJ Case  
[http://www.ilo.org/dyn/triblex/triblexmain.detail?p\\_lang=en&p\\_judgment\\_no=2867&p\\_org\\_id=56&p\\_language\\_code=EN](http://www.ilo.org/dyn/triblex/triblexmain.detail?p_lang=en&p_judgment_no=2867&p_org_id=56&p_language_code=EN), <http://www.icj-cij.org/docket/index.php?p1=3&p2=4&code=fida&case=146&k=ad&PHPSESSID=4248a2be18e1af6b656dd3adfc9e71c7>, or  
<http://www.haguejusticeportalhaguejusticeportal.net/eCache/DEF/11/680.html>; ILOAT Judgment No. 2867.
- 225 These include: the MoU between IFAD and the COP (including impacts of Decisions 10/COP.3, 24/COP.1, 25/COP.1, 18/COP.2, 19/COP.2); prior decisions made by IFAD governing bodies (specifically, EB 2006/89/R.56, PB/04/01, EB 98/64/R.31, EB 99/66/INF.10, PB No. 99/10, and PB No. 97/09 (see table on “Relevant IFAD Governing Documents relating to the GM”); See section on existing reporting arrangements.
- 226 According to the IFAD website, this includes 235 professional and higher-category positions and 224 general service positions, see <http://www.ifad.org/governance/internal/index.htm>.

- 227 Current GM Staff: 2 D (1 D2, 1 D1), 17 P (3 P5, 4 P4, 6 P3, 2 P2, 2 P1), 5 G (4 G5, 1 G4), 14 =24; Consultant = 38. The GM's website, for example, currently lists 36 staff members, see <http://global-mechanism.org/about-us/whos-who>.
- 228 Both the GM and IFAD noted discussion and consideration by IFAD to increase percentage received for support costs from 8% to 13% of the total budget (although this is not standard IFAD practice) due to the increasing budget of GM, from 5 million to 25 million annually.
- 229 These number were reconfirmed by both IFAD's vice-President and head of the Finance division in personal meetings in Rome on 6 September 2010.
- 230 The language of the agreement states "Whereas the UN acknowledges that the offer of the Government of the Federal Republic of Germany to provide, inter alia, premises in Bonn to the CCD Secretariat, free of rent and on a permanent basis, has been accepted by the CCD/COP", see also Decisions 4/COP.2 and 5/COP.1.
- 231 According to email correspondence and data provided by the Unit Coordinator of Administration and Finance Service (AFS) of the UNCCD Secretariat.
- 232 According to GM's 2009 Progress report to the IFAD Executive Board, "IFAD's FC (Financial Services) Division provides services related to the Fund's (IFAD's) administrative and operational expenses, such as payment of suppliers, staff payroll, consultants' emoluments, and travel. Additionally, FC oversees and manages staff medical insurance and compensation policy matters. FC has effectively supported the financial management of the Global Mechanism." EB 2009/98/R.59, para. 51, see <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-R-59.pdf>.
- 233 Supporting documents provided by CM in email correspondence on 10 December 2010; The service charges reported in the PWC audit (200,291 USD for 2009 and 190,270 USD for 2008) refers to the 8% programme support costs withheld by IFAD from the GM;s Core budget provided by the COP. Compare to PWC audits of the GM core budget under Appendix B, "Service charges", which also correspond to the reference in IFAD "s Executive Board document "Report of the Audit Committee" EB 2009/96/R.37 from April 2009 (see <http://www.ifad.org/gbdocs/eb/96/e/EB-2009-96-R-37.pdf>, para. 11. On the basis of the expanded scope of the audit and increased number of hours, PwC presented a higher fee of EUR 220,000 (against the 2008 audit fee of EUR 180,000); see <http://www.ifad.org/gbdocs/eb/96/e/EB-2009-96-R-37.pdf>, para. 11; See also see IFAD Reports of the Audit Committee <http://www.ifad.org/gbdocs/eb/96/e/EB-2009-96-R-37.pdf>, <http://www.ifad.org/gbdocs/eb/95/e/EB-2008-95-R-49.pdf>.
- 234 According to the GM (comments received 23 November 2010), In 2005, IFAD had advanced a total of USD 2.3 million to the GM due to some irregularities in transfer of funds from the UNCCD Secretariat to the GM, specifically "The CCD Secretariat is experiencing late payments of assessed contributions by some Parties to the Convention and is therefore not always in the position to transfer funds to IFAD before the Global Mechanism has initiated commitments against that budget. As soon as the CCD Secretariat receives funds from the Parties, it transfers funds to IFAD as per the decision of the COP." Therefore, "the President of IFAD may advance, from IFAD's own resources, to the Global Mechanism amounts necessary for its proper operations but not exceeding the annual budget that the Conference of the Parties has approved for the Global Mechanism, on the condition that the Fund shall recover such amounts upon receipt of funds from the CCD Secretariat."; see EB 2001/72/R.10, para. 3-4 April 2001, Provision of advance financing to the Global Mechanism of the United Nations Convention To Combat Desertification, <http://www.ifad.org/gbdocs/eb/72/e/EB-2001-72-R-10.pdf>. Secretariat's Response: Under the heading "IFAD Advancing finance" the GM refers to "...some irregularities in transfer of funds from the UNCCD Secretariat to the GM" this constitutes a misleading and certainly unfortunate term, particularly when dealing with aspects related to financial operations. There are factually no irregularities what so ever in the transfers made by the secretariat to the GM. The GM may be referring to the transfers received from the Secretariat and representing the core budget share of the GM. Those transfers have been made at the pro-rata of resources received. The secretariat explained in that regard that it was not in the capacity to transfer to the GM more resources than it actually receives. Initially, payments were not made on a monthly but on a quarterly basis. This procedure has since then been rectified to revert to a monthly payment.
- 235 According to GM comments on FIRST Draft report, received 26 November 2010, whatever the financial transfer from assessed contributions of country Parties are during the respective years, the GM staff is covered by the decision to advance a maximum of one-years salary payments amounting to up to EUR 1.750 000 annually. Should country Parties fail to provide the full core

- budget at the end of the first year of the biennium, the GM and IFAD agree on a budget provision for the following year. According to comments received by the GM on the first draft, dated 6 December 2010, this is an important service of IFAD, since IFAD's rules and regulations normally demand a full-cost budget provision for the entire contract period, if a division like the GM requests to appoint staff. This service of IFAD is based on COP budget decisions.
- <sup>236</sup> In Rome on 6 September 2010.
- <sup>237</sup> EB 2009/98/R.59, para. 54-56, see <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-R-59.pdf>.
- <sup>238</sup> EB 2009/98/R.59, para. 52, see <http://www.ifad.org/gbdocs/eb/98/e/EB-2009-98-R-59.pdf>.
- <sup>239</sup> This was noted as financial and human resources administration and legal support of IFAD. According to GM's response to the FIRST DRAFT report, dated 28 November 2010, the value of IFAD's in-kind contribution for the biennium programme 2010 – 2011 stands at EUR 1 380 000 at the regular programme support cost rate of 13%. This in-kind contribution covers only the extra-budgetary portfolio of EUR 10.691.797. This figure on in-kind contribution was cleared by IFAD's Controller's Office and is laid down in document ICCD/COP(9)/5/Add.2, Table 6; see Decision 6/COP.9
- <sup>240</sup> Consultations with IFAD indicated that it has never discussed charging the GM 13% in programme support costs, or agreed to provide this as an in-kind contribution, nor does it charge this amount to other institutes it houses and therefore should not be considered an in-kind contribution to the GM. Discussed during a meeting with the IFAD Vice president and senior staff on 6 September 2010, as confirmed with IFAD's Head of Administration and in a formal questionnaire. Compare to ICCD/COP(9)/5/Add.2, para. 38.
- <sup>241</sup> Decision 9/COP.9, table 1, Decision 9/COP.9, Annex I Work Programmes; COP(9)/5/Add.2.
- <sup>242</sup> See ICCD/CRIC(9)/14, dated 25 October 2010: 5.1.J1., preparation of CRIC document containing an analysis of financial information in the national reports; 5.2.01. Information for the CRIC and the Conference of the Parties (COP); X.1.01. GM input provided to the implementation of the joint work programme in cooperation with the UNCCD secretariat and service provided to GM-relevant agenda items for the COP and the CRIC as decided by COP (including Facilitation Committee related collaboration); X.1.02. Effective and transparent management of the work programme and financial resources; X.1.03. Contributions provided to the UNCCD secretariat for the overall communication strategy of the Convention; X.E.J1. Joint work programme.
- <sup>243</sup> NAP relating expenditures included 2.2.01. Existing NAPs assessed in view of The Strategy are included IFSs; 2.2.J1. A shared framework of support in the alignment of action programmes; 2.3.01. GM support provided for the integration of NAPs and land degradation in development planning through mainstreaming and related activities; See ICCD/CRIC(9)/14, dated 25 October 2010.
- <sup>244</sup> For example, Earth Negotiation Bulletin / IISD COP9 report <http://www.iisd.ca/desert/cop9/>, see <http://www.iisd.ca/download/pdf/enb04229e.pdf> "A BRIEF ANALYSIS OF COP 9" which outlines the widely held perception of a UNCCD COP overshadowed by political and institutional obstacles caused by "a house divided" between the Secretariat and the Global Mechanism, which opens with the quote from Abraham Lincoln that "a house divided against itself cannot stand." See JIU/REP/2009/4, ICCD/COP(8)/10/Add.1.
- <sup>245</sup> See JIU/REP/2009/4, ICCD/COP(8)/10/Add.1.
- <sup>246</sup> COP is required by Art. 27 of the Convention to set out "procedures and institutional mechanisms" to enable the Convention to be implemented effectively, by streamlining the functions of the Secretariat and the GM within the framework of their respective mandates set out in the Convention and realigning the relations between these two Convention bodies.
- <sup>247</sup> For example, the staff of the GM, including the Managing Director, would continue to be appointed by the President of IFAD and be regarded as the staff of IFAD; the GM accounts of the would continue to be administered by IFAD; and reporting and accountability lines would be channelled through IFAD's President. Moreover, it must be noted here that IFAD is seeking to revise, in view of the case before the ICJ, the current MoU, rendering the need to address these issues essential.
- <sup>248</sup> The IFAD in its memorial to the ICJ had already stated that it has no management function over the staff of the GM and is not in any way liable for the actions of the GM.
- <sup>249</sup> ICCD/COP(8)/16/Add.1, Decision 3/COP.8 annex para. 18 (a), (i), (ii).

- 250 Firstly, it must address the duplication and overlapping in mandates and activities within the Convention through a clear division of labour, as well in the mandates with other IGOs, in particular with the GEF. Secondly, it must promote complementarities and synergies through enhanced coordination and cooperation within the Convention as well as with other MEAs and strengthening partnerships with IGOs and CSOs. Third, it must eliminate indirect reporting lines to the COP thereby clarifying accountability. Finally, it must help to secure long-term financial predictability.
- 251 In March 2009, the Internal Audit Division of the released an audit report on the “Financial Management in UNCCD” but did not take the GM into consideration and instead focused solely on the Secretariat for reasons which are not clear, Assignment No. AA2008/242/1.
- 252 Decision 10/COP.3, Memorandum of understanding between the Conference of the Parties to the United Nations Convention to Combat Desertification and the International Fund for Agricultural Development regarding the modalities and administrative operations of the Global Mechanism, Annex II, D. Management of the Global Mechanism: The Managing Director of the Global Mechanism (hereinafter called "the Managing Director") will be nominated by the Administrator of UNDP and appointed by the President of the Fund. The Managing Director, in discharging his or her responsibilities, will report directly to the President of IFAD. The Managing Director will cooperate with the Executive Secretary of the CCD pursuant to decision 9/COP.1.
- 253 Decision 10/COP.3, Section III. Relationship Of The Global Mechanism To The Conference, B. Cooperation with the Convention secretariat.
- 254 Decision 3 and 9/COP.5, Decision 3 and 7/COP.8, and Decisions 1, 2, 3, 4, 8, 9, 13, 14 of COP.9.
- 255 This was the central theme of the Report of the UN Secretary-General's High-level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance, and the Environment, and is a corner stone of the UN-wide reforms to face the challenges of the 21st Century. Report of the UN Secretary-General's High-level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance, and the Environment, ( UNGA document A/61/583) and the related UNGA Resolution 62/277 System-wide Coherence ( UNGA document A/Res./62/277). The 2009 JIU Report unequivocally called on the GM to maximize the impact of its own specialized expertise by ensuring liaison and coordination with its partners, in particular members of the Facilitation Committee and other organizations of the United Nations system in the spirit of the "one United Nations" in conformity with the Paris Declaration on Aid Effectiveness (the Paris Declaration).
- 256 This arose from the discontinuation of a GM staff member, in which the Tribunal declared that “the Global Mechanism is to be assimilated to the various administrative units of the Fund for all administrative purposes” and that “the effect of this is that the administrative decisions taken by the Managing Director in relation to staff in the Global Mechanism are, in law, decisions of the Fund”
- 257 For example, reporting to COP indicated that both the Secretariat and GM allocate to the operational objectives categories of Executive Direction, Management, policy framework; Finance and Technology Transfer; Policy framework and Advocacy, awareness raising, education. This results in both core and extrabudgetary expenditures of up to 25,500,000 EUR for potentially repetitive efforts, see figure 5, p. 52; Decision 9/COP.9, table 1, Decision 9/COP.9, Annex I Work Programmes; COP(9)/5/Add.2.
- 258 See ICCD/CRIC(9)/14, dated 25 October 2010: 5.1.J1., preparation of CRIC document containing an analysis of financial information in the national reports; 5.2.01. Information for the CRIC and the Conference of the Parties (COP); X.1.01. GM input provided to the implementation of the joint work programme in cooperation with the UNCCD secretariat and service provided to GM-relevant agenda items for the COP and the CRIC as decided by COP (including Facilitation Committee related coloboration); X.1.02. Effective and transparent management of the work programme and financial resources; X.1.03. Contributions provided to the UNCCD secretariat for the overall communication strategy of the Convention; X.E.J1. Joint work programme. In comparison, the GM reported no expenditure in relation to the PRAIS process, and only 387,877 USD for direct NAP related activities: NAP relating expenditures included 2.2.01. Existing NAPs assessed in

view of The Strategy are included IFSs; 2.2.J1. A shared framework of support in the alignment of action programmes; 2.3.01. GM support provided for the integration of NAPs and land degradation in development planning through mainstreaming and related activities; See ICCD/CRIC(9)/14, dated 25 October 2010.

<sup>259</sup> For example, Earth Negotiation Bulletin / IISD COP9 report <http://www.iisd.ca/desert/cop9/>, see <http://www.iisd.ca/download/pdf/enb04229e.pdf> "A BRIEF ANALYSIS OF COP 9" which outlines the widely held perception of a UNCCD COP overshadowed by political and institutional obstacles caused by "a house divided" between the Secretariat and the Global Mechanism, which opens with the quote from Abraham Lincoln that "a house divided against itself cannot stand."

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<sup>261</sup> See ICCD/CRIC(9)/14, dated 25 October 2010: 5.1.J1., 1,756,103 USD total for the following costs: preparation of CRIC document containing an analysis of financial information in the national reports; 5.2.01. Information for the CRIC and the Conference of the Parties (COP); X.1.01. GM input provided to the implementation of the joint work programme in cooperation with the UNCCD secretariat and service provided to GM-relevant agenda items for the COP and the CRIC as decided by COP (including Facilitation Committee related collaboration); X.1.02. Effective and transparent management of the work programme and financial resources; X.1.03. Contributions provided to the UNCCD secretariat for the overall communication strategy of the Convention; X.E.J1. Joint work programme.

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<sup>263</sup> It should also be mentioned that the institutional structure described under this proposal has the full endorsement of the author of the 2009 JIU report who was interviewed, who confirmed that this was indeed the intended outcome of the second scenario elaborated in their Evaluation Report of 2009.

<sup>264</sup> It must be noted in this connection that the Executive Secretaries of all other Multilateral Environmental Agreements have been empowered by their respective COPs to wield oversight and management powers and functions over their respective subsidiary bodies. The absence of such oversight and management powers with the Executive Secretary of the UNCCD Secretariat might probably explain why the governance, accountability and reporting problems of the UNCCD's body- the GM- have become chronic, as confirmed by successive independent evaluations. The position of UNCCD Executive Secretary was not established through the Convention, but through a COP Decision, similar to other MEAs, such as the Kyoto Protocol to the United Nations Framework Convention on Climate Change: See Art. 23 of the Convention established a Permanent Secretariat, but not an Executive Secretary of head, Decision 4/COP.1 para. 4. "Requests also the Secretary General to appoint, after consultation with the Conference the Parties through its Bureau, the first head of the Convention Secretariat, with the title of Executive Secretary at the level of Assistant Secretary General on an exceptional basis for a three year period starting on 1 January 1999"; this is similarly the case in the Kyoto Protocol to the United Nations Framework Convention on Climate Change, see Art. 13, 14, and 23.

<sup>265</sup> Which was effectively disbanded in 2006, subsequent to IFAD's decision to allow the GM to singly disburse resources held in the third account (SRCF).

<sup>266</sup> For example, Earth Negotiation Bulletin / IISD COP9 report <http://www.iisd.ca/desert/cop9/>, see <http://www.iisd.ca/download/pdf/enb04229e.pdf> "A BRIEF ANALYSIS OF COP 9" which outlines the widely held perception of a UNCCD COP overshadowed by political and institutional



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- 268 The ILO Administrative Tribunal has held that staff of the GM are staff of IFAD, and that IFAD is responsible for the actions of the GM Managing Director; the case currently pending before the International Court of Justice may decide to examine the legal status of the staff of the GM vis-à-vis IFAD.
- 269 The IFAD in its memorial to the ICJ had already stated that it has no management function over the staff of the GM and is not in any way liable for the actions of the GM.
- 270 It was noted here that the GM, under IFAD, currently uses the SAP accounting system, and that the Secretariat likewise plans to transfer to this accounting system by 2014; IMIS does not allow for interest earned, which is currently enjoyed by the GM within the IFAD structure; GM admin. staff might require some introductions to the IMIS system, if the SAP system not yet in place.
- 271 However, this might have implications for GM Staff which have not been approved by the COP, as discussed later in the report.
- 272 During a personal meeting in Rome on 6 September 2010.
- 273 For example, reporting to COP indicated that both the Secretariat and GM allocate to the operational objectives categories of Executive Direction, Management, policy framework; Finance and Technology Transfer; Policy framework and Advocacy, awareness raising, education. This results in both core and extrabudgetary expenditures of up to 25,500,000 EUR for potentially repetitive efforts.
- 274 For further details see document UNEP/FAO/CHW/RC/POPS/EXCOPS.1/8.
- 275 Requires one-time physical relocation of the GM staff according to UN Staff Rules, this applies for nine COP approved positions, 2 Director and 7 Professional-level staff positions = 9): fixed amount of 10,000 USD per P-level staff without dependents OR 15,000 USD with dependents (one time lump sum removal cost for relocation), one time travel costs for P-staff and dependents, and possible assignment grant of 30 days DSA (at 221 EUR/day) for each P-level staff, 15 days DSA for dependents. 135,000 USD for relocation, 4,500 travel, 90,000 EUR DSA = range of 200,000 EUR.
- 276 Although the objective of the exercises is itself not directed at effecting savings: The objective is not to save on costs per say, but to enhance efficiency, resulting in long-term saving.
- 277 Although it could be significant in terms of lost financial support and losses arising from the ineffective implementation of the Convention
- 278 Requires one-time physical relocation of the GM staff according to UN Staff Rules, this applies for nine COP approved positions, 2 Director and 7 Professional-level staff positions = 9): fixed amount of 10,000 USD per P-level staff without dependents OR 15,000 USD with dependents (one time lump sum removal cost for relocation), one time travel costs for P-staff and dependents, and possible assignment grant of 30 days DSA (at 221 EUR/day) for each P-level staff, 15 days DSA for dependents. 135,000 USD for relocation, 4,500 travel, 90,000 EUR DSA = range of 200,000 EUR.
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<sup>282</sup> See annexed table on responses to questionnaire.

<sup>283</sup> Dated 17 June 2010, prepared by the GM in consultation with the GEF and UNCCD Secretariats. This also includes supplementary financing for scaling up the global environmental benefits components while continuing to provide services, such as catalytic finance, support to development of IFSs that lead to integrated investment frameworks, analyses on financial flows to SLM, and technical backstopping to countries for developing innovative partnership platforms at the national and (sub) regional levels, which can serve as a vehicle for GEF programming. Other areas in which the GM will provide its services to GEF Agencies and other domestic and international stakeholders include the following: facilitate the integration of GEF Agencies in UNCCD country financing processes; establish a national partnership platform that brings together the GEF and MEA Focal Points, relevant ministries including finance, civil society and donors; work with the national IFS development teams for securing national budgetary baseline financing; through the IFS development process, identify a range of co-financing opportunities including from climate change funds; and make available GM expertise with establishing successful financing partnerships. It is anticipated that these actions will ensure that the GEF Agencies and donors, NGOs and private sector partners converge around country-owned partnerships leading to concrete financial agreements.

<sup>284</sup> Document ICCD/CRIC(6)/6 of 12 July 2007.

<sup>285</sup> In particular its functions include regularly reviewing the implementation of the Convention and the functioning of its institutional arrangements in the light of the experience gained at the national, sub-regional, regional and international levels and on the basis of the evolution of scientific and technological knowledge; adopting amendments to the Convention pursuant to Articles 30 and 31; approving a programme and budget for its activities, including those of its subsidiary bodies, and undertaking necessary arrangements for their financing; strengthening relationships with other relevant conventions while avoiding duplication of effort and taking other action necessary for the achievement of the objective of the Convention.

<sup>286</sup> International Court Of Justice, No. 103., *Legality of the use by a State of Nuclear Weapons in Armed Conflict*, Advisory Opinion of 8 July 1996, I.C.J. Reports 1996, p. 66.

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