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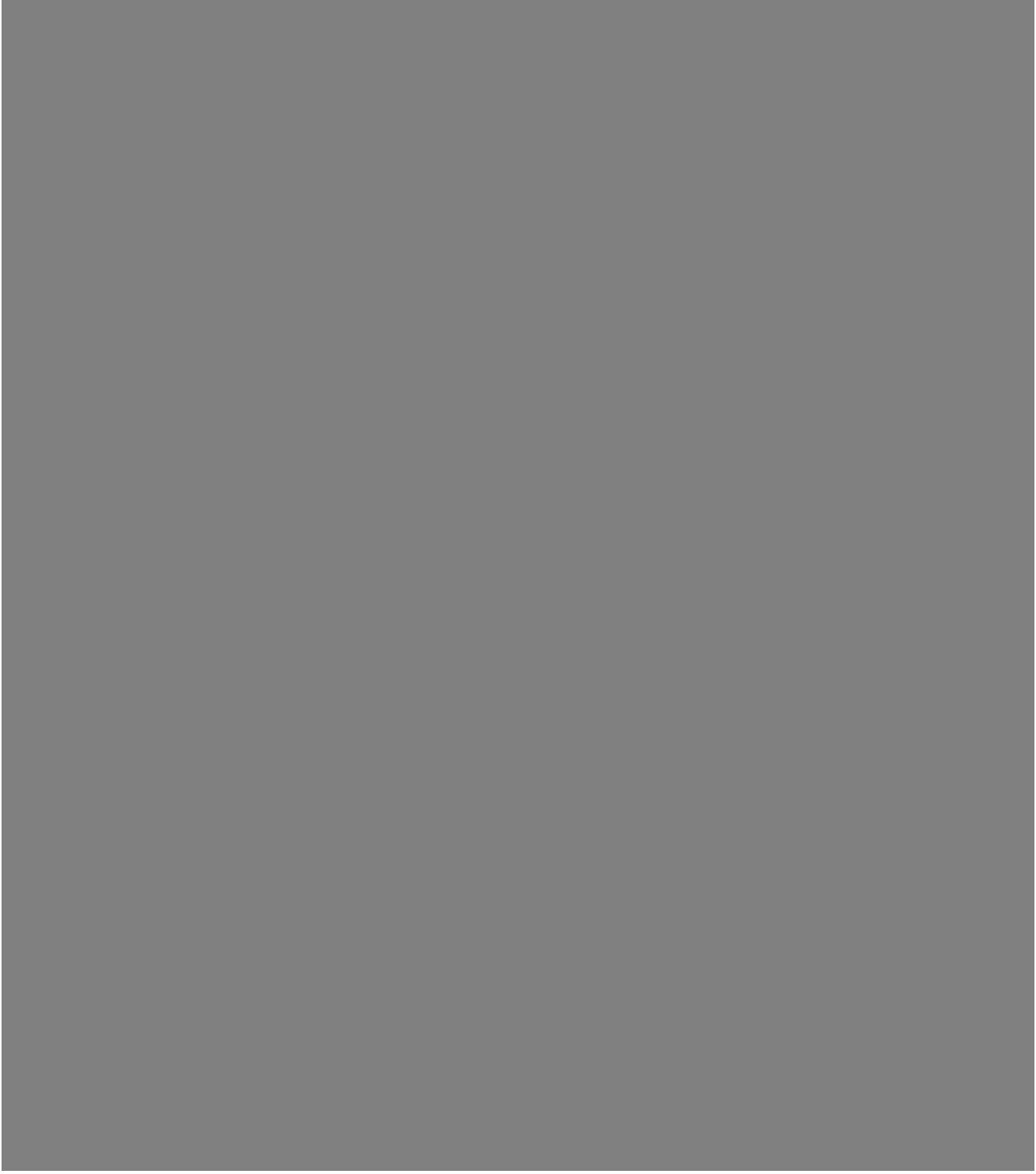
Item 8 (b) of the provisional agenda

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

The management response of the Global Mechanism

The present document, submitted to the Bureau of the ninth session of the Conference of the Parties on 15 April 2011, contains the response of the Global Mechanism's Managing Director to the consultants' report on the evaluation of the Global Mechanism. Please note that this document is published as received from the Global Mechanism and without further editing.





Avant-Propos:

The Global Mechanism (GM) has been requested to provide a management response to the final draft of the consultancy report entitled "Assessment of the Global Mechanism" carried

to the section for the
the arguments for four
nt on the four proposals
The GM certainly stands
COP Bureau writing its

assessment report containing the analytical review, which develops
proposals of institutional change. The GM does not herein comment
themselves, as these will be taken into account by country Parties.
ready to contribute in any way possible during the process of the
report to COP 10, as well as during the negotiations in October 2011

internal to the UNCCD
be noted the comments
reau report, which was
next meeting of the COP

It should be noted that this version of the management response is
constituencies, as is the report of the consultants. It should also
contained herein are valid also for the zero draft of the COP Bu
recently circulated by the UNCCD Secretariat in preparation for the
Bureau in Argentina on 23-24 May 2011.

Analytical Summary of Factual Errors:

following assertions:

The analysis contained in the "Assessment of the GM" makes the fol

overall accountability is

1. The GM acts independently from the Secretariat;
2. The GM does not sufficiently report to the COP and its oversight is insufficient;
3. The oversight of IFAD is mainly administrative;
4. The cooperation with the Secretariat is still weak despite efforts;
5. Duplication and overlaps add to a waste of resources for the COP;
6. A clear delineation of tasks and functions of the Secretariat and the GM is missing.

ts of the COP;
Convention; and
and the GM is missing.

As a consequence, the report comes to the overall conclusion that the GM should be
controlled by a new institutional arrangement.

at the GM needs to be

The GM was indeed established as an independent subsidiary body in the
sense of from other subsidiary bodies, with its own management and
the COP. This was confirmed by the legal opinion of the Office of Legal
Affairs of the United Nations in October 2009. The administrative oversight of the GM
is guaranteed by the Convention and the Secretariat. The administrative oversight of the GM
International Fund for Agricultural Development (IFAD). New arrangements for
accountability by the COP for the Secretariat and the GM have been
put in place through the 10-Year Strategy of the Convention (2008-2018), namely the R
GM approach and new reporting structures.

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f is guaranteed by the
ments for oversight and
put in place through the
BM approach and new

its staff numbers and its
006. This was possible
the Integrated Financing
The IFS approach is fully
10-Year Strategy of the

Based on the current institutional arrangements, the GM has tripled
operational finance since 2004 and almost doubled them since 2006
through the changed approach of the GM developing the concept of
Strategy (IFS) as a governance tool for developing country Parties.
in line with the text of the Convention and contributes directly to the



UNCCD and its call for Investment Frameworks for sustainable land management, which is the ultimate goal of the IFS process at country and sub-regional levels.

In an earlier draft of the assessment, the consultants had written: (...) *the GM appears to have been very successful with its resource mobilization efforts and its programmes of work at the country level.* In a footnote it says: *For example, the GM continues to receive appreciative communications from Ministers and senior officials from affected parties for the very useful contribution that it is making towards addressing desertification issues in their respective countries.* This text no longer exists in the final report.

It is also certain that the growing number of requests for IFS development from country Parties and the increasing demand for the GM's knowledge exchange workshops on "Designing Integrated Financing Strategies" seem to be equally adequate indicators that the GM's approach to fulfil its mandate as outlined by the Convention has been mainstreamed under the UNCCD. In this regard, it seems that the consultants, in stark contrast with the views of the country Parties, have been critical of the concept of the IFS without adequately substantiating their line of reasoning on this crucial issue.

The GM was not established to serve as the fund-raising body of the Convention for the functioning of the "UNCCD machinery" such as for recurrent costs for COP and CRIC participation of focal points, the budget for CRICs and CST events and other costs of the Convention at global level. The Convention text is very clear in this regard. The Decision of COP9 on the development of a "common fund raising strategy" for this purpose is a joint activity of the Secretariat and the GM and does not change the GM's mandate as the GM is only asked to support the fund-raising unit of the Secretariat through its experience and networks.

Both the JIU Report¹ and the report of the consultants base their arguments strongly on the cooperation or lack thereof with the Secretariat and the consultants call for a systemic or institutional arrangement to enforce cooperation. The GM has always portrayed the cooperation between the Secretariat and the GM as a "learning process" with increasingly good results as perceived very positively during CRIC in February 2011. The GM team would like to take this opportunity to thank all colleagues of the Secretariat of the UNCCD for their engagement with the GM on our joint achievements such as on RCM/RCU, PRAIS I and communication. Considering the good results of the cooperation, the issue of lack of cooperation has become increasingly political and is not based on the day-to-day reality of the two teams.

Finally, the GM would like to reiterate that accountability, transparency and compliance with COP decisions on the side of the GM has not been subject to any criticism at any COP or CRIC. No decision in this regard has been taken by any COP and the assessment of the GM has not evaluated the new modalities of accountability and transparency as regards the RBM Programme of Work and Budget of the GM as well as reporting obligations as decided upon in 2007 and 2009.

Conclusion:

Based on the above and in summary of the factual corrections below, the management of the GM would like to underline that the report as a whole portrays the GM, at best, as pursuing an agenda separate from the Convention, and at worst as being willingly delinquent. The report broadly lacks due diligence in evaluating the facts and figures, it disregards developing countries' appreciation of and demand for the GM's engagement at country and sub-regional

¹ ICCD/COP(9)/9



levels and it sends the message to donor agencies and international institutions that the GM is essentially dysfunctional.

With regard to the latter, the portrayal of a subsidiary body of the UNCCD in this manner will almost certainly guarantee that the success of future resource mobilisation efforts will be negligible, not only for the GM and its activities but for the Convention as whole. The report is in no way helpful to finding a solution to the long-standing "institutional issue", which has very little to do with the quality of the GM's work. It is therefore both unfortunate and unnecessary that the consultants have chosen such a biased and negative approach to the assessment and the report, which will find neither appreciation nor acceptance with a good number of country Parties and international institutions.

The nature of this report gives rise to the expectation that more partners will turn away from the Convention, which will only serve to exacerbate this issue and lose yet more time, which is urgently needed for substantive policy debate in the UNCCD around the pressing problems of sustainable land management, food security and agricultural growth as well as water and forest management.

The country Parties need to decide during COP 10 in October 2011 on which institutional setting and improved governance structure could best accomplish an improved implementation of the UNCCD.

In this regard, one element continues to be missing. While the GM has clearly outlined its approach, functions and organigramme, it remains unclear what change in the GM's approach and delivery of services is envisaged under a new institutional arrangement.

A profound risk assessment in this regard would certainly be helpful before changing the accountability line.

Detailed Factual Corrections:

A. LACK OF DISCLOSURE AND ACCOUNTABILITY AND REPORTING ON PROGRAMMES AND BUDGET

The line of argument in the consultancy report is or implies that the GM has not complied with mandated requests as regards reporting on its programme or budget. The portrayal that the GM is delinquent in complying with COP requests is factually incorrect. There are no decisions by COP on this account that the GM has not fully complied with. Neither are there any decisions by COP stating that the GM has been in non-compliance with any such decisions or rules, nor does the consultancy report list any such decisions.

The consultancy report does not distinguish clearly between what its authors would like to see or recommend in terms of GM disclosure and accountability and what the Convention and COP decisions have actually stipulated. However, it is clear that the GM should be evaluated against its obligations and not against the views of the consultants. The GM has never been in non-compliance with COP directives, so the impression given in the report is, at best, skewed, and at worst a gross misrepresentation.

The COP decided on a new structure for reporting and programming through Decision 3/COP 8, which initiated a RBM/RBB approach for the UNCCD and its subsidiary bodies. The GM has complied with this decision. Furthermore, through its Decision 9/COP.9 on the



budget, the COP outlined the format its budget performance reports should follow, adopting a specific template. In this regard, the GM even gave a progress report on the template's application through an official document submitted to CRIC 9 (ICCD/CRIC(9)/14) on the implementation of Decision 6/COP.9.

Detailed summary:

1. the GM has always fully complied with the reporting format of the Convention and before 2007 at COP 8, no request to improve or change the reporting of the GM has ever been forwarded by the Conference of the Parties by comment or decision;
2. the GM is fully compliant with the reporting format initiated at COP 8 based on the RBM approach of the Convention and any other reporting request by the COP, such as the details provided in the budget decision from COP 9;
3. the GM has always reported against the entire programme of work financed through both core budget resources and voluntary resources in its reports on activities undertaken in the biennia. The reports to COP always included a list of contributions received from donor agencies and details were contained in the annual external audit reports, which were freely available and forwarded to the Secretariat and to the donor agencies on a regular annual basis;
4. with reference to the "incompatibility of the financial rules" by which the GM is governed as opposed to those of the UN system, it should be clear that this has never led to any problems in accounting or budget administration, including the new RBM/RBB approach. IFAD's rules are sufficiently transparent for a USD 3.5 billion portfolio of the Fund and there does not seem to be any need to have the two be

The incorrect portrayal of the GM's staffing situation and reporting and accountability obligations is used in the consultancy report to substantiate the skewed conclusion that " (...) *the GM appears to have failed to discharge its reporting and thus accountability obligation to the COP and CRIC (...)*". The GM objects to this slanted depiction.

Detailed Summary:

1. The consultancy report states that one example of a lack of COP oversight is that the COP does not explicitly approve extra budgetary posts. While extra budgetary posts are not approved in the budget decision, the subsidiary bodies of the Convention do present their estimation of staffing needs funded from voluntary contributions in their budget proposal. Currently, none of the UNCCD subsidiary bodies have their extra budgetary posts explicitly approved in the budget decision as they are not part of the core budget and can only be filled if the funds are secured by other means. The subsidiary bodies do disclose their estimated extra budgetary positions (P and GS) to the COP through their budget proposals.



2. With regard to the table on “GM Staff Positions as of September 2010” (page 38), the appointments of P-level staff from extra-budgetary positions is not 10 (ten), but 5 (five). This is in line with the proposed Programme of Work and Budget of the GM (ICCD/COP(9)/5/Add.2) discussed and adopted by COP 9/Decision 6. The report should have made it perfectly clear that the 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 in the budget proposal to COP. It is fully in line with UN practices, including for the UNCCD Secretariat to appoint staff on a temporary basis to implement programmes that are financed by the donor community beyond the core budget. It should also be noted that the GM informed the consultants of this factual mistake as it appeared in the previous drafts of the assessment report also, although no action was taken to rectify the error.
3. In addition to the core and extra budgetary fixed term positions as reflected in our proposed programme of work and budget for 2010-2011, the GM also employs consultants. The authors of the consultancy report were provided with ToRs for all categories of human resources (P, GS, longer term consultants, core and extra-budgetary funded). Estimates for the use of resources for consultancies are also included in the programme budget proposals presented to COPs, both core and voluntary.
4. Long-term consulting arrangements (including RCU in LAC and Africa) are: 9 for 2010 and 7 for 2011. Two junior consultants were working at GM HQ in Rome until 31. December 2010. All other consultancies range from 2 weeks to 3 months.

C. GM's SUBSTANTIVE WORK AND INDEPENDENCE FROM CONVENTION

The line of reasoning in the consultancy report is that through providing technical advice on financing strategies to country Parties, the GM is not supporting NAPs, and that this would improve if the institutional arrangements were changed. The report claims that the GM is using the Integrated Financing Strategy independently of the CRIC and the COP using tools developed outside Convention processes.

This is factually incorrect. The GM has continued to support the development of NAPs (Rwanda etc.), has engaged with the Secretariat on NAP alignment exercises and has always taken NAPs into full account when working on IFS (see IFS concept note as well as a number of IFS documents).

The GM has always sought the decision from COP when developing its strategies, approaches and programmes of work. The tools and opportunities for CRIC and COP pronouncement and decision-making on the direction and tools used for implementing the mandate of the GM are already in place. The COPs and CRICs were well informed and the feedback of country Parties was very positive in this regard.

Considering the feedback of country Parties and international institutions/processes such as FAO, UNDP, UNFF, CBD and others, it should be stressed that this section of the assessment report by no means reflects the reality on the ground in our cooperation with country Parties.



Summary of Decisions by COP:

Since the GM proposed the Consolidated Strategy and Enhanced Approach in Nairobi in 2005 the following decisions have been taken on the direction of the GM's work:

1. Decision 4/COP.7 2005 Nairobi: The decision encourages the implementation of the Consolidated Strategy and Enhanced Approach (CSEA).
2. Decision 3/COP.8 2007 Madrid: The decision assigns responsibility within and delineates the operational framework for the 10-Year Strategy (to which the NAPs would then be aligned). The 10-Year Strategy and the operational framework is the basis for the systematisation of the GM's approach to financial resource mobilisation for the UNCCD, which was named the Integrated Financing Strategy in reference to its expected result, namely an Integrated Investment Framework, as called for specifically by the Strategy.
3. Decision 1/COP.9 2009 Buenos Aires: The decision established the four and two year work programmes of the GM and other subsidiary bodies, which includes expected accomplishments related to IFS. Thus COP has accepted the IFS as a tool for UNCCD implementation at least for 2010-2011.

Detailed Summary on IFS:

1. The IFS is an operational instrument that follows the 10-Year Strategy of the UNCCD and its operational framework calling for an investment framework, which is the objective of the IFS. It is therefore an effective a tool to assist countries in implementing Operational Objective No.5 of the 10-Year Strategy. It is also a way for countries to align their NAP as regards financing.
2. The IFS is not developed outside Convention processes and is not used without COP and CRIC approval, it is an integral implementation tool of the 10- Year strategy. The IFS should be seen as strengthening, not weakening the implementation process as it provides finance for NAPs and related programmes. In none of the GM's sub-regional and national workshops were negative comments in that vein received. On the contrary, IFS processes are increasingly in demand.
3. The "reorientation of the GM towards IFS" should therefore read "the orientation and focus of the GM on IFS development and implementation" is fully justified by high country demand, the COP's adoption of the GM Strategy of 2005, the 10-Year Strategy, the adoption of the GM's work programme at COP 9 and the GM's on-going country programmes.

D. DUPLICATION OF WORK

There is continuous reference in the consultancy report to overlaps, duplications, performing similar functions and uncoordinated actions among others between the Secretariat and the GM. However, the assessment has remained at the level of generalities as regards duplication of work and no suggestion for delineation is made. The evaluation has not been undertaken against the clear delineation of tasks and functions of the Secretariat and the GM. Considering the profound difference between a Secretariat of a global Convention and a



subsidiary body charged with country support, the portrayed duplication of work is in fact mistaken in many cases.

It is obvious that a constructive discussion on the roles and functions of the Secretariat and the GM is necessary in order to clarify what, from the perspective of country Parties, the respective scope and functions of our work should be.

Detailed Summary:

- 1) The report states as proof of duplication that both the GM and the Secretariat put resources in their budget under operational objective 1 and 2 of the 10-Year Strategy. The GM has been mandated to have a supporting role in assisting countries under these objectives and is required to allocate resources to these objectives. The evaluation does not identify for what purposes the GM has allocated resources that are almost entirely on finance (see RBM 2010-2011). This was a decision taken by country Parties and extensively discussed in Istanbul in 2008 and in Buenos Aires in 2009.
- 2) On the issue of resource mobilization efforts of the Secretariat and the GM, it should be underlined that, in the majority of cases, the GM addresses different budget lines of the donor agencies when requesting support for its own activities than does the Secretariat. The GM's requests for support are dependent on the nature of the activities to which the GM is mandated to undertake, thus limiting any direct competition with the Secretariat. The latter has to mobilize finance for recurrent costs emanating from the intergovernmental machinery. In other words, there is no duplication as the GM raises finance for different purposes and mostly from different sources/budget lines of donor agencies. The common fund raising strategy will clarify a number of these issues.
- 3) The report claims that work with the GEF is another area of duplication and non-cooperation between the Secretariat and the GM, while at the same time asserting that the GM has distanced itself from GEF. The GM participated in a GEF retreat with the UNCCD Secretariat early in 2011, where the cooperation with the GEF was outlined in an action plan with the roles of the GM, the UNCCD Secretariat and the GEF Secretariat delineated. Clearly the GM is more engaged at sub-regional and national levels without engaging into resource allocations of GEF at the international level as the GM is not an executing or implementing agency under the GEF. The latter is left to the political convening power of the Executive Secretary. For the GEF at the international level, the UNCCD Secretariat is in the lead and the GM works at that level only upon the request of the Executive Secretary.

The GM's work with GEF finance under TerrAfrica, CACILM and the Congo Basin Partnership/Forest Commission (COMIFAC) of Central Africa as well as other sub-regional processes and national-level engagements are clearly geared at baseline financing through day-to-day cooperation with governments, UNDP, FAO, UNEP, World Bank and IFAD as well as bilateral donor agencies. The GM has availed to the authors of the consultancy report a document with dozens of examples of GM cooperation initiatives and projects based on our GEF strategy, introduced in essence in our RBM document at COP 9 "Programme of Work and Budget 2011-2012". However, these examples do not appear to have been taken into account when the consultants drew their conclusions on the GM's work with the GEF.



IFAD Contributions

Beyond the UNCCD programme support costs of 8% of GM's core budget to IFAD in the value of EUR 289 000 for the biennium 2010/2011, IFAD provides: (i) housing with all costs included (not officially estimated), which the Government of Italy is providing; (ii) financial and human resources administration and legal council for GM's programme 2010-2011, which has an indicative budget of EUR 14 million for the biennium (see Decision 6/COP.9). The value of IFAD's provisions for the biennium programme 2010-2011 was calculated at EUR 1 380 000 using the common programme support cost rate of 13% under the Convention. This covers only the extra-budgetary portfolio of EUR 10 691 797. This figure was cleared by IFAD's Controller's Office, and is laid down in document ICCD/COP(9)/5/Add.2, Table 1.

er, the guarantee and advancement of finance occurs in
2-year fixed term contracts for core budget staff based
ive COP. In other words, whatever the financial transfer
ry Parties is during the respective years, GM staff are
maximum of one-year's salary payments amounting to
ld country Parties fail to provide the full core budget at
um, the GM and IFAD agree on a budget provision for
n of IFAD's Executive Board in support of the UNCCD.
ge this decision on its own.

etc. is not available by IFAD. However
every biennium, when IFAD agrees t
on the budget decision of the respec
from assessed contributions of cour
covered by the decision to advance
up to EUR 1 750 000 annually. Sho
the end of the first year of the bienn
the following year. This was a decisi
The IFAD administration cannot char