

SUMMARY OF THE FIRST EXTRAORDINARY SESSION OF THE CONFERENCE OF THE PARTIES TO THE UNCCD: 26 NOVEMBER 2007

The first extraordinary session of the Conference of the Parties (ESCAP) to the UN Convention to Combat Desertification (UNCCD) convened at UN headquarters in New York on Monday, 26 November 2007. The purpose of the extraordinary session was to complete the COP's consideration of the budget, which was deferred at COP 8 (Madrid, Spain, 3-14 September 2007). Upon the recommendation of the Committee of the Whole, COP 8 decided to convene this extraordinary session to agree upon the level of increase in the Convention's budget for the biennium 2008-09, without reopening negotiations on the remaining text of the draft decision contained in document ICCD/COP(8)/L.27.

OPENING PLENARY

The extraordinary session opened at 11:25 am in Conference Room 2. Chair Jose Luis Herranz, Ministry of Environment of Spain, sent the apologies of the COP 8 President, Spain's Environment Minister Cristina Narbona, who could not attend the meeting. He called on delegates to reach agreement on the budget increase during the next few hours and suggested that policy should prevail over minutiae.

UNCCD Executive Secretary Luc Gnacadja welcomed delegates and explained that since COP 8, the Secretariat has worked as never before, expressing their faith in the Convention. He noted that the proposed budget does not take into account the financial implications of the decisions taken at COP 8. He urged delegates to confirm the momentum gained in Madrid and seize the opportunity to launch the 2008-09 biennium on a sound footing. He noted that the proposed budget only represents 86% of the staffing costs approved at COP 3 in Recife in 1999, and highlighted that the tasks have expanded since then while costs have increased due to exchange rate fluctuations, annual UN-wide increases in salaries, and the need for information and communications technology upgrades.

Delegates then adopted the agenda and organization of work (ICCD/COP(ES-1)/1) and the accreditation of intergovernmental and non-governmental organizations, and the admission of observers (ICCD/COP(ES-1)/4).

Delegates then turned their attention to the programme and budget – consideration of the increase in the Convention's budget for the biennium 2008-09 (ICCD/COP(ES-1)/2). The Gambia, on behalf of the African Group, strongly supported the 5% euro value budget increase proposed at COP 8, stressing the importance of the Convention and its work.

Japan noted that it has made one of the largest contributions to the core budget of the Secretariat and even contributed funds to convene this extraordinary session. However, Japan said all requests for expenditures should be justified, the Strategic Plan adopted in Madrid should be implemented within the budget, and there is a need to exercise prudent financial discipline. He announced that Japan could support a 15.4% increase in US dollars to maintain a zero growth budget in euros. He stressed the importance of all parties paying their share of the budget.

Portugal, on behalf of the European Union, said adopting a modest budget increase of 5% in euro terms is key for the EU since it shows commitment to support the Convention and the new Strategic Plan. She added that secure and sufficient funding will be required to implement COP 8's decisions and the Secretariat's new results-based management approach.

Pakistan, on behalf of the Group of 77 and China, called for adopting the 5% euro value increase in the budget and said COP 8 adopted important decisions and needs predictable, stable and adequate resources to implement these decisions. Nigeria said the 5% euro value increase agreed to in Madrid was the minimum that could be agreed by all parties and that a 5% euro value increase is not much, considering the tasks before the Secretariat. Argentina noted that the UNCCD budget is one-third the size of the budget of the Framework Convention on Climate Change and well below the budget of the Convention on Biological Diversity.

The Republic of Korea said that Japan's proposal was a constructive basis for consultations. Switzerland said that an increase of 5% in euros is justified because the Convention is at an important juncture – a new strategic plan has been adopted and the results-based management approach is to be introduced. Antigua and Barbuda supported the 5% euro value increase, noting that the Secretariat needs a budget that will not hinder performance.

The Chair suspended the meeting at 1:00 pm so that an open-ended contact group, chaired by Ositadinma Anaedu (Nigeria) could meet.

CONTACT GROUP

The contact group held its first meeting from 1:00-4:20 pm, in a small room behind Conference Room 2. Initially, those parties who supported the 5% euro value budget increase argued that they had compromised enough in Madrid. One developed country party suggested a compromise of a 2.82% euro value increase, which would be enough to address the inflation rate in Europe and ensure staff capacity. Another developed country, who had said they wouldn't block consensus on the 5% euro value increase in Madrid, said that since there was no consensus

in Madrid, it was withdrawing its statement. Another developed country argued that it might have some problems paying the 5% euro value budget increase.

One country agreed to change its position from a 0% euro value increase to 2.5% euro value increase. The contact group suspended briefly to discuss the three proposals on the table: 2.5%, 2.8% and 5% euro value increases. When the contact group resumed, there was some discussion about stagnant budgetary growth in the Secretariat over time, whether a 5% euro value increase would still require staff cuts, the fact that many in the room had not been part of the negotiations in Madrid, and the added costs of implementing the decisions taken in Madrid at COP 8. Finally, the Chair made a proposal. The budget amount in paragraph 8 of the draft decision discussed in Madrid was 15,049,000 euros. He suggested reducing it to 15,000,000 euros, which would represent a 4.68% euro value increase. The contact group took a break so that delegates could discuss this proposal.

When the contact group resumed at 4:00 pm, a group of developing countries and some developed countries indicated that they could accept the Chair's proposal, but developing countries said that if consensus wasn't reached they would resume their earlier position for a 5% euro value increase. However, one country came back with a counter-proposal of 14,700,000 euros and suggested ways that the Secretariat could save money. This would represent a 2.8% euro value increase, which the delegate said showed flexibility from the earlier proposals of 0% and 2.5% euro value increases. Several countries expressed their willingness to accept this proposal, but the developing countries objected to micromanagement of the Secretariat. The contact group adjourned at 4:20 pm without an agreement.

At 11:20 pm, after a meeting of the Bureau and hours of informal consultations, revised text for paragraph 8 was distributed to delegates. The text read:

"Approves the core budget for the biennium 2008-2009, amounting to 14,896,000 euros for the purposes specified in table I below, and agrees to the following:

- (a) The Parties shall be assessed total contributions of 14,711,000 euros.
- (b) The remaining 185,000 euros will be funded as voluntary contributions for core budget activities.
- (c) For the biennium 2010-2011 and thereafter, the basis for subsequent budget deliberations shall begin with the total amount approved for the biennium 2008-2009, taking into account non-recurrent costs."

After informal discussion, another version of the text was produced, indicating that this agreement would not be precedent setting, and the contact group resumed meeting at 12:45 am, based on the Japanese proposal for a budget increase of 2.8% plus 1.2% in voluntary contributions. The developing countries asked for clarification of the numbers, especially who would cover the voluntary contributions. It was indicated that several countries would cover the 185,000 euros in voluntary contributions. There was some question about the legal implications since this did not provide secure funding, which had implications for contracts and other expenses. Spain noted that it would be prepared to cover the full voluntary share. A group of developing countries requested that reference to non-recurrent costs be removed from the text. After much debate, a compromise was reached that the phrase would be removed but that it would be included in the verbatim notes of the meeting. The contact group adjourned at 1:35 am.

CLOSING PLENARY

Following further informal discussions of the revised text prepared by the Secretariat, the plenary resumed at 3:30 am and reached agreement on the following for paragraph 8:

"Approves the core budget for the biennium 2008-2009, amounting to 14,896,000 euros, which, on an exceptional basis for the biennium 2008-2009 and without creating a precedent for this Convention or any other convention, includes a specific contribution of 185,000 euros by a Party, for the purposes specified in table 1 below, therefore the Parties shall be assessed in total contributions of 14,711,000 euros. Also approves that for the biennium 2010-2011, the basis for budget deliberations shall begin with the total amount approved for the biennium 2008-2009." There is a footnote after "14,896,000 euros" saying that "The above amount is after the deduction of the host country contribution referred to in paragraph 9."

The agreed budget represents an increase of 4% above the 2006-2007 level, 1.2 % of which will be covered by the Government of Spain.

The US stated that they considered the contributions voluntary and reserved the right to determine their contribution in the US Congress. Japan accepted the text on an understanding that the 2010-2011 budget will be based on the total amount of the 2008-2009 budget, taking into account non-recurrent costs. Japan asked that this statement be recorded in the report of the meeting.

Delegates then adopted paragraph 8 of the budget decision.

Thailand expressed appreciation to the Chair. Mexico joined the consensus, with due regard to implications to costs incurred and said it would do its utmost to comply.

Delegates then approved the credentials of delegations, as contained in document ICCD/COP(ES-1)/3. The report of the meeting was adopted with amendments proposed by Japan.

The Executive Secretary expressed gratitude to the Chair and to delegates and hoped to see everyone in the spring for a thematic meeting and in October for the Committee for the Review of the Implementation of the Convention (CRIC). The G-77/China extended appreciation to the Chair and to Spain. The G-77/China said it had considered a 5% budget increase necessary and had agreed to a lower budget level in order to reach consensus on a stable and predictable budget.

The EU thanked all parties and the Chair. The final outcome was not what the EU aimed for but it was time to look forward. The EU expressed full confidence in the Executive Secretary and looked forward to the CRIC.

Japan thanked Spain and the Executive Secretary, in whom Japan has full confidence. Japan said that the agreement was not satisfactory to everyone, but the budget was predictable. Japan looked forward to improved efficiency.

The Chair thanked all delegates for their professional contributions and efforts as well as the sound technician and all members of the Secretariat. He gavelled the meeting to a close at 3:58 am.

IN THE CORRIDORS

As consultations continued late into the night, patience began to wear thin among the ESCOP delegates waiting in Conference Room 2. Many thought that a compromise was at hand by 8:30 pm, but when the draft text was printed out, one party said it did not represent what they had agreed to and consultations resumed. Observers attributed delegates' frustration to the late hour as well as to the fact that the debate was initially over approximately 600,000 euros for the biennium, and shrunk to only 185,000 euros in the final hours. Some argued that this sum will be important for the UNCCD, as it attempts to develop results-based management, reorganize the Secretariat and implement the new Strategic Plan in the next two years, all on what some called a "less than adequate" budget. Some questioned how the Secretariat "could be expected to do anything?" when some parties were willing to stay up half the night arguing over the difference between a few thousand euros.