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INCD HIGHLIGHTS WEDNESDAY, 14 FEBRUARY 1996

The two Working Groups met in morning sessions to complete consideration of outstanding issues and adopt their draft decisions. Working Group I met for 30 minutes in the afternoon to complete consideration of the draft decision on the Global Mechanism (GM).

WORKING GROUP I

FINANCIAL RULES OF THE COP, THE PERMANENT SECRETARIAT AND ITS SUBSIDIARY BODIES: The Secretariat explained that **paragraph 7** and **7 bis** contain three options proposed for the fund: three trust funds comprising a general trust fund, a supplementary fund and a special fund; a single trust fund; or one fund with sub-accounts for the core budget, special expenditures and contributions for developing countries' participation. He said the cost of either option would be the same, but budget experts prefer three separate accounts.

Philippines requested the Secretariat to explore whether recent decisions in the UN on trust funds would have an impact on administration of any of the options. The UK said the term "trust" should be retained in the titles of the funds. He favored a single fund with separate accounts based on precedent. Canada concurred.

Uganda preferred three separate accounts and, with Senegal and Tanzania, sought clarification on the legal implications of the UK's suggested change from "general fund" to "general trust fund" because Parties will make assessed contributions to this fund. The Secretariat responded that if the organization providing services to the permanent secretariat is the UN, then UN financial rules apply. Uganda said the proposal by the UK can be applied in reference to the other funds, but should be bracketed in the case of the general fund.

With this amendment the Group endorsed the option of three separate funds.

Paragraph 8 makes provision for the retention of a working capital reserve. The Secretariat said the issues were whether a reserve is needed and the process of setting its size.

Cuba preferred the option of a capital reserve which is "a percentage of" core budget expenditure "set by the COP." Germany said he could support Cuba as long as the brackets around paragraph 23, which provides for the COP decision to be reached by consensus, are retained.

The UK urged a decision on the preferred reserve instead of postponing it to successive meetings of the COP. He prefers a reserve "the equivalent of one month's core budget

expenditures," instead of "30 percent." Finland concurred because this option has precedent.

Uganda agreed with Cuba, adding that it may be premature to define the expenditures because the COP will need experience on the flow of resources. India agreed and added that programme and budget issue needs to be addressed before finalizing this matter.

Delegates deleted "30 percent" of core budget expenditures. Other language remains bracketed.

The agreement on paragraph 7, effectively removed all bracketed language around **paragraph 9** except subparagraphs (a), (b) and (c), outlining the types of expenditures the different accounts would disperse.

Uganda suggested amending subparagraph (a) to limit support to representatives of developing country NGOs. The UK said the phrase should be bracketed because it still may be too broad. Tunisia called for including sub-regional organizations. Bangladesh suggested emphasizing support "in particular for the least developed countries," which was added but bracketed.

The discussion on **Paragraph 10** focused on whether to emphasize sponsoring delegates from least developing countries. Australia and Nepal, supported by Austria and Mexico respectively, each suggested language to provide support for the participation of delegates from affected developing country Parties, with emphasis on the least developed countries. Cuba noted that there seemed to be consensus. Germany said the proposals should be bracketed. Discussion on this document was postponed to INCD-9.

The Group then considered the draft decisions.

DESIGNATION OF A PERMANENT SECRETARIAT AND ARRANGEMENTS FOR ITS FUNCTIONING: Ortiz (Bolivia) presented the draft decision as contained in document A/AC.241/WG.I(8)/L.1. Discussion centered on sub-paragraph (d), the April 15 submission deadline for governments offering to host the permanent secretariat. Spain suggested rescheduling to 1 June 1996 and the draft decision was adopted with this and other minor amendments.

The adopted draft decision: transmits to INCD-9 a draft decision from the G-77 and China; invites written comments by 15 April on the SG's note; requests UN agencies and international organizations to submit, by 15 April, written descriptions of support and administrative arrangements they would provide; requests governments to submit offers to host the PS by 1 June; and requests a compilation of the submissions for consideration at INCD-9.

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PROGRAMME AND BUDGET: The Vice-Chair introduced the draft decision contained in document A/AC.241/WG.I(8)/L.2.

Costa Rica, on behalf of the **GRULAC** countries, submitted an amendment. He said that taking into account comments by various delegations regarding the need to reflect the programmatic categories and proposals made by Antigua and Barbuda on the a category for implementation, the Group proposed that in paragraph 17 (f) the different categories should be set forth as indicated in the annex, including the breakdown, category and expenditure of trust funds so that all programmatic expenditures are indicated.

The Vice-Chair noted that this proposal addresses the format of the next session's document and has no effect on the present procedural draft decision.

The decision was adopted. It requests that the Secretariat should provide a draft programme of work and budget estimates to the last INCD session before the COP. The programme and budget should use document A/AC.241/46 as a basis and take into account opinions expressed at INCD-8 on this subject and on the financial rules and permanent secretariat.

FINANCIAL RULES OF THE COP, ITS SUBSIDIARY BODIES AND THE PERMANENT SECRETARIAT: The draft decision as contained in document A/AC.241/WG.I(8)/L.3 was adopted. The decision invites a revised version of the rules from the Secretariat for INCD-9.

IDENTIFICATION OF AN ORGANIZATION TO HOUSE THE GLOBAL MECHANISM: After the Vice-Chair introduced the draft decision as contained in document A/AC.241/WG.I(8)/L.4, it was adopted with amendments.

The decision invites written comments by 1 May, requests a compilation from the Secretariat for INCD-9, and requests the Secretariat to prepare a preliminary negotiating text on GM functions and criteria for an institution to house it.

WORKING GROUP II

The Group spent its morning session, chaired by Takao Shibata, completing discussions on Section II, Part III on *ad hoc* panels in document A/AC.241/47 and then considered draft decisions.

ORGANIZATION OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION: **Egypt** suggested merging paragraphs 23 to 25, on the functions of *ad hoc* panels and the possibility for the COP to appoint them. He also proposed amending the second sentence in paragraph 27, so that it reads: "The Conference of the Parties may ask the Committee to consider the reports from *ad hoc* Panels and make recommendations based upon them." He also suggested merging paragraphs 29 and 30, which deal with the composition and size of the panels, and deleting paragraph 31, which restricts panels to 12 members and permits the COP to appoint a coordinator. He further suggested moving paragraph 34, financial support, into the section on financing, which provides that the *ad hoc* panels are subsidized by the COP. He finally suggested the deletion of paragraph 37 on reporting.

INCD-8 SUMMARY ISSUE

The *Earth Negotiations Bulletin* will produce a summary and analysis of INCD-8. If you would like to receive a copy of the issue, either give your name and postal or electronic mail address to one of the editors or send a request to IISD at the address listed at the bottom of page 1.

China said the panels should consider the global dimensions of desertification and seek the latest technology. The panels should be efficient, multidisciplinary, representative and not too large. **France** said *ad hoc* panels should address the needs the CST cannot deal with and have a limited time frame. **Canada** agreed that the panels should be multidisciplinary and reflect broad geographical representation. She also suggested additional text to paragraph 26 to insure that the panels reflect gender balance. **Japan** was concerned about the procedure of choosing members and suggested looking at precedents. The number of *ad hoc* panels should not exceed three.

The **UK** proposed that the Secretariat adds an appendix on precedents on how experts for *ad hoc* panels are chosen. **Austria** suggested deleting paragraph 36 that proposes two *ad hoc* panels. **Australia** rejected the proposal in paragraph 32 to choose panel members from the roster of experts because it is too restrictive. With regard to paragraph 31, a panel should be free to select its own coordinator. He suggested adding the importance of local knowledge to Canada's proposal on gender balance. **Spain** emphasized that not all research under the CCD should be carried out by panels. The independence of panels is important because they can insure the independence of information. The first part of the Secretariat document should say that panels are established by the COP with the recommendation of the CST and specify a time limit. He did not support the general comments in paragraphs 24-27. Panels should be selected from the roster. Financing is more important than the roster because panels have expenditure. The cost should be included in the budget of CST to insure the independence of the panels.

Mexico supported the suggestion in paragraph 36 to limit the panels to two. **Gambia** said the number of panelists should not exceed 12, but the number of panels should not be fixed. **Cuba** concurred and added that reports should be submitted through the CST, however, the CST should not amend their conclusions. The **NGOs** emphasized the need for a strategy regarding how output of the panels can be communicated to drylands' people. The **Chair** concluded that: it was not advisable to prescribe the number of panels; the panels should not be too large; modalities should be worked out for duration; terms of reference and modalities are the task for COP; it should not be prescribed that CST or COP should select from the roster; there appears to be trust for the Secretariat and Bureau of the CST; and that there should be an emphasis on local knowledge and expertise.

ADOPTION OF DRAFT DECISIONS: The Group adopted five draft decisions. Document A/AC.241/WG.II(8)/L.1 requests that the Secretariat should prepare a revised draft decision on the CST terms of reference and, using comments from INCD-8 and written remarks submitted by 15 April, a new draft decision on the roster of experts and *ad hoc* panels. Regarding the rules of procedure, document A/AC.241/WG.II(8)/L.2 requests a revised text from the Secretariat for INCD-9. Document A/AC.241/WG.II(8)/L.3 on Procedures for communication of information and review of implementation requests that the Secretariat should prepare a revised draft decision and reports on work being done on benchmarks and indicators. On Procedures for conciliation and arbitration, document A/AC.241/WG.II(8)/L.4, and Procedures to resolve questions on implementation, document A/AC.241/WG.II(8)/L.5, the decisions postpone further consideration until COP-1 and invite written comments from delegations.

THINGS TO LOOK FOR TODAY

PLENARY: The final Plenary meets this morning at 11:00 am to adopt the decisions of the Committee and the provisional agenda for INCD-9.