



# Earth Negotiations Bulletin

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## INCD-10 HIGHLIGHTS WEDNESDAY, 8 JANUARY 1997

Delegates to the tenth session of the Intergovernmental Negotiating Committee on Desertification (INCD-10) met in Working Group I to discuss the Global Mechanism, as well as in regional groups. Working Group I met briefly in the morning and for the first ninety minutes of the afternoon in formal session. The latter part of the afternoon was an informal meeting to enable the drafting of a new paragraph 4 (mobilizing financial resources), which is the outstanding text for that issue. Discussion of the Global Mechanism was based on Annex I of decision 9/6 contained in document A/51/76/Add.1.

### WORKING GROUP I

The Chair of Working Group I, Mohamed Mahmoud Ould El Ghaouth (Mauritania), called the meeting to order and announced the Group's agenda and organization of work. The Group will consider the Global Mechanism, administrative arrangements for the designation of a Permanent Secretariat, financial rules and programme and budget. Delegates agreed that Working Group II would meet Thursday and would not meet when Working Group I discusses programme and budget.

The Chair noted that, on designation, the G-77 and China have an official document on the matter (A/AC.241/WG.I(VII)/L.1), which was transmitted from previous meetings. On financial rules, the text is consensus language with one issue pending. The programme and budget issue is new and time will be allocated to discuss the preliminary text. The Group therefore would not be able to aim at a definitive decision on this matter, but comments would be taken into account and a full-fledged budget would be submitted at the next stage.

On the Global Mechanism, he noted that INCD-9 was close to a satisfactory solution regarding the mobilization of financial resources. The text on this issue is bracketed in the draft that was forwarded from INCD-9. The three alternative versions for the paragraph were drafted by the G-77 and China, the OECD group of countries and the Chair. He asked delegates to try to arrive at a definitive decision and sought their flexibility.

The Netherlands, on behalf of the EU, emphasized that they are pleased with progress that was made at INCD-9. He noted that

agreement on the functions of the Global Mechanism in paragraphs 1 (collecting and disseminating information), 2 (analysing and advising on request), and 3 (promoting actions leading to cooperation and coordination) had been reached. He stated the EU's assumption that the brackets around the entire text could be removed once agreement is reached on paragraph 4 (financial resources). The EU believes that the basis for this text should be found in the Convention. Article 21, paragraph 4, states that the Global Mechanism is to promote actions leading to the mobilization of financial resources, and does not provide for a new funding mechanism. The Global Mechanism could have a catalytic role in this area, whose operational ways and means could be explored by the Working Group. The EU supports the increased efficiency of use of existing resources, and believes the Global Mechanism could explore the possibility of innovative funding mechanisms and ways in which new funds could be raised.

In the afternoon, Tanzania, on behalf of the G-77 and CHINA, sought clarification from the EU regarding three points from its opening statement: (1) what is the "new mechanism" that is referred to?; (2) what does "the Global Mechanism playing a catalytic role" mean?; and (3) stating that no new mechanisms should be set up while proposing innovative mechanisms appears contradictory.

BENIN concurred with the G-77 and China. He also noted that the sentence in the EU statement referring to the need for "efficiency and effectiveness of existing funds... to maximize their effects in the implementation of the CCD" and that the "GM could explore the possibility of finding innovative funding mechanisms..." are in consonance with the G-77 and China position at INCD-9. Thus, there already is a basis on which the Group could begin negotiation.

The EU responded to the issues raised. The Convention does not provide for setting up a new mechanism for the implementation of projects and programmes, but enables the setting up of a mechanism that promotes a more effective way of spending existing funds and fund raising. He gave three examples of what could constitute "a catalytic role": facilitating the availability of funds for projects to be funded; giving advice on how to find funds; and conducting feasibility studies. On the perceived contradiction between existing and innovative mechanisms, the US gave the examples of adapting the debt-for-nature-swaps concept to

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debt-for-desertification funds and the use of funds from the private sector. The US later asked whether the answers to the G-77 and China's questions were satisfactory. TUNISIA stated they were satisfactory but not convincing.

IRAN supported the G-77 and China position. He added that although there is agreement that the Convention should not be renegotiated, the objectives of the Convention cannot be achieved if adequate resources are not provided for the Convention. He also suggested that the Committee utilize the first option of paragraph 4 (the G-77 and China's) as a basis for negotiation.

GREECE noted that the OECD group of countries had, at the suggestion of the Chair, concentrated on the third option of paragraph 4 (the Chair's), which was extensively discussed during INCD-9. Alternatively, they could work on the second option of paragraph 4 (the OECD group of countries'). He also proposed a new sentence to be added to subparagraph (c) of the second option, which reads: "This would include playing a catalytic role in facilitating the availability of funds for project and programme design and development, from multilateral and bilateral sources, including those that may be made available from the host organization."

BENIN responded that there was no agreement yet on a specific option of paragraph 4 as a basis for negotiation and added that the new sentence provided by Greece was already contained in the G-77 and China's proposal, thus the first option could be used for negotiation. Delegates expressed their preferences for the text on which to base the negotiations. COLOMBIA and others supported the G-77 and China text. BOLIVIA, supported by BENIN, stated that a consolidated text would be a major step forward. GREECE indicated that the OECD group of countries was following the Chair's suggestion that the Chair's text provide the basis for negotiations, but welcomed comments on other texts. JAPAN did not support a negotiation on a specific text as the basis for negotiations. The Chair stated that his text could not compete with the text of sovereign countries, and suggested a first reading of the other two options. He converted the session into an informal meeting and delegates began to offer comments on the paragraph.

#### **INFORMAL WORKING GROUP ON PARAGRAPH 4:**

BENIN supported "mobilizing and channelling financial resources to all levels" for the title. GREECE supported "promote actions leading to the mobilization and channelling of financial resources to all levels," and also noted the need to see what the text would be before a title is selected.

BENIN stated a chapeau was not necessary for the paragraph. GREECE and the US supported a chapeau similar to that in the third option, "promote actions leading to the mobilization and channelling of financial resources to all levels in accordance with the provisions of the Convention." AUSTRIA suggested that the chapeau text could be added to the first subparagraph (mobilize financial resources). BENIN suggested that the chapeau text could be one subparagraph. The US stated that a separate subparagraph would not maintain the relationship between the texts. ALGERIA proposed adding a reference to "debt recycling" in the subparagraph regarding mobilizing financial resources.

GERMANY stated that he was experiencing *déjà vu* and that delegates were exchanging the same arguments that they had exchanged before.

BENIN, supported by SENEGAL, clarified that subparagraph (c) (facilitate transfer of technology) in the second option and subparagraphs (b) (efficiency of existing financial mechanisms) and (c) (facilitate transfer of technology) in the third option are agreed. It is subparagraphs (a) (mobilizing resources) and (b) (channelling resources) in the first and second options and subparagraph (a) (mobilization and channelling of resources) in the third option that need to be negotiated.

The Chair said that the first reading of the text had been satisfactorily concluded and that negotiations would resume Thursday. He expected a core group of representatives from the G-77 and China and the OECD group of countries to remain for negotiations on Thursday evening, 9 January.

### **IN THE CORRIDORS I**

Many delegates commented on what they considered a change in the EU position regarding the Global Mechanism. The EU's opening statement to Working Group I indicated that the Global Mechanism could have a catalytic role in promoting actions leading to the mobilization of resources in order to increase the effectiveness of existing financial mechanisms. A number of delegates welcomed this statement, although some were not clear as to whether the "catalytic role" implies fund raising. A number of delegates from developing countries noted that their priority is that the mechanism mobilize resources not just facilitate the mobilization of resources. Some delegates are said to still be pushing for a fund with substantial resources.

### **IN THE CORRIDORS II**

Some delegates commented on the slow start INCD-10 has had. First, only a brief opening plenary was held on Monday morning, 6 January, to allow for regional group consultations. Then the negotiations of Working Group II were postponed until Thursday, 9 January, to allow for full attention to the negotiations on the crucial Global Mechanism issue in Working Group I on Wednesday, 8 January. Despite the fact that, at the conclusion of INCD-9, many delegates believed that an eleventh INCD session was unnecessary, some think that the pace at this session seems to suggest otherwise.

Rumors are rife that a "resumed INCD-10" may be held in Geneva or New York in August, only a month before the first Conference of the Parties, which is scheduled for 29 September to 9 October in Rome. However, some noted that this would entail a tough schedule for the Interim Secretariat between the two meetings and that Chair Kjellén may want to hold informal consultations during the months between INCD-10 and the first Conference of the Parties to resolve any outstanding issues.

## **THINGS TO LOOK FOR TODAY**

**WORKING GROUP I:** The Group is expected to meet at 10:00 am in Conference Room 1 to continue consideration of the Global Mechanism. The Group will also meet at 3:00 pm. A core group is expected to meet in the evening to continue discussions on the Global Mechanism.

**WORKING GROUP II:** The Group is expected to meet at 10:00 am and 3:00 pm in Conference Room 2 to discuss rules of procedure and the communication of information and review of implementation.