

GLOBAL
ENVIRONMENT
FACILITY

DRAFT RESPONSE TO INQUIRY MADE BY THE
CHAIRMAN OF THE INTERGOVERNMENTAL
NEGOTIATING COMMITTEE FOR THE CONVENTION
TO COMBAT DESERTIFICATION AS TO WHETHER THE
GEF HAS THE INTEREST AND CAPACITY TO HOST
THE GLOBAL MECHANISM TO BE ESTABLISHED
UNDER THE CONVENTION

GEF Council Meeting
Washington, D.C.
May 3 - 5, 1995

DRAFT COUNCIL DECISION

The Council reviewed and endorsed the CEO's letter in response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the convention.

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April 15, 1995

Mr. Hama Arba Diallo
Executive Secretary
Intergovernmental Negotiating Committee
for a Convention to Combat Desertification
Geneva Executive Center
11 13 Chemin des Anemones
BP 76
CH-1219 Chatelaine, Geneva
SWITZERLAND

Dear Mr. Diallo:

I am writing to you in regard to the letter dated January 18, 1995, addressed to me from Mr. Bo Kjellen, Chairman of the Intergovernmental Negotiating Committee. In his letter, Mr. Kjellen requested that I address a statement to you on the interest and capacity of the Global Environment Facility to host the Global Mechanism to be established in accordance with Article 21 of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.

I have given serious consideration to this request, including a careful review of the provisions of the Convention, and in particular Article 21.5 which outlines the functions of the Mechanism. I have also submitted a draft of this letter to the GEF Council for its review and comment.

My first conclusion is that the objectives of the Desertification Convention are quite extensive in that they encompass effective action at all levels to combat desertification and mitigate the effects of drought with a view to contributing to the achievement of sustainable development in affected areas. The scope of the GEF is considerably more narrow than the scope of the Convention. The GEF is a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed *global environmental benefits* in four focal areas: climate change, biological diversity, international waters, and ozone layer depletion. Within this scope, the GEF does address the agreed incremental costs of activities concerning land degradation, primarily desertification and deforestation, as they relate to the four focal areas. The broader objectives of the Convention clearly extend beyond the mandate of the GEF.

My second conclusion is that the GEF is not as well equipped as some multilateral institutions to fulfill the functions of the Global Mechanism. We recognize that the vast majority of resources currently being devoted to combat desertification and to mitigate the effects of drought come from institutions other than the GEF. It is our opinion that other existing institutions with in-depth

DRAFT

Mr. Hama Arba Diallo

- 2 -

April 15, 1995

experience in resource mobilization and expertise in combatting desertification would be better placed to fulfill the responsibilities of the Global Mechanism. With regard to the functions listed in Article 21.5, the GEF has no comparative advantage.

On this basis, I have concluded that the GEF would not be an appropriate institution to house the Global Mechanism.

Nonetheless, taking into account the agreed scope of the GEF, we are committed to financing project and program activities concerning land degradation as it relates to the four focal areas. As you know, the GEF Council meeting that was held February 22-24, 1995, the Council reviewed and endorsed a paper that describes the scope and preliminary operational strategy for GEF activities in the area of land degradation. This paper will be revised and incorporated into the proposed GEF long-term operational strategy to be reviewed by the Council at its meeting in July 1995. Within this context, we look forward to contributing to activities that are supportive of the Desertification Convention, including cooperation with its secretariat and the institution that is identified to house the Convention's Global Mechanism.

I wish you every success in your consideration of this matter at the first meeting of the Conference of the Parties.

Sincerely,

Mohamed T. El-Ashry
Chief Executive Officer
and Chairman