DAC Working Party on Development Finance Statistics

PROPOSAL FOR APPROVAL UNDER THE WRITTEN PROCEDURE TO ADD THE GLOBAL MECHANISM (GM) TO THE ANNEX 2 LIST OF ODA-ELIGIBLE INTERNATIONAL ORGANISATIONS

The Global Mechanism (GM) was identified by the Joint WP-STAT/ENVIRONET Task Team on Rio markers as a candidate for inclusion on the List of ODA-eligible international organisations (Annex 2 of the Converged Statistical Reporting Directives). At the WP-STAT meeting in May, members agreed that a proposal to include GM could be put forth under the written procedure if the Secretariat received in May the information required for assessment of its activities, including the beneficiaries of its activities in order to determine if an ODA coefficient would be necessary. Having received the necessary information and clarifications in June, the Secretariat now puts forward a proposal for decision under the written procedure to add GM to the List. If no objections are received by 15 July 2015, the proposal will be considered approved and in effect immediately for reporting contributions made in 2014.

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PROPOSAL FOR APPROVAL UNDER THE WRITTEN PROCEDURE TO ADD THE GLOBAL MECHANISM (GM) TO THE ANNEX 2 LIST OF ODA-ELIGIBLE INTERNATIONAL ORGANISATIONS

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2. **The Global Mechanism (GM)** is the financial mechanism of the UN Convention to Combat Desertification (UNCCD)1 that supports countries to mobilize financial resources and increase investments in sustainable land management (SLM), helping reverse, control and prevent desertification, land degradation, and drought.

3. It was established by Article 21 "to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties". The purpose of Article 21 (Financial Mechanisms) is "to maximize the availability of funding for affected developing country Parties, particularly those in Africa, to implement the Convention". GM is accountable to and functions under the authority and guidance of the Conference of the Parties (COP).

4. To carry out its mandate, GM engages in technical cooperation activities in developing countries that include assisting them with, for example:

   - Mainstreaming and harmonisation of sustainable land management (SLM) into policy frameworks (agriculture, natural resources, forestry, water management, development plans, etc.).

   - Developing projects that integrate a range of finance.

   - Coordination among ministries and potential donors/investors.

   - Developing Integrated Financing Strategies and Investment Frameworks for SLM.

   - Collecting financial information, including through national reports.

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1 UNCCD is already included in the Annex 2 List of ODA-eligible international organisations.
5. GM began its operations in 1998 where it was housed by IFAD. In April 2014, it relocated to Bonn, Germany where it is co-located with the UNCCD Secretariat, and a GM liaison office was established in Rome, Italy hosted by the FAO.

6. Since September 2013 under UNCCD administration in Bonn, GM has two contribution types: Core Budget (COP assessed contributions) and Trust Funds. The total Core Budget for the 2014-2015 biennia is USD 3.64 million, and 98% (USD 3.57) of it goes to countries on the DAC List of ODA Recipients.

7. As the activities of GM are focussed on the achievement of sustainable development of affected developing country parties, and 98% of the budget is for ODA countries, the Secretariat recommends including GM on the List as fully ODA-eligible under the category “UN Agencies, Funds and Commissions”. Core contributions would then be reportable as multilateral ODA under type of aid B02 using the channel of delivery code 41318, and members’ contributions to the GM Trust Funds should be reported as bilateral ODA under type of aid B03 using the same channel of delivery code.