



INTERNAL AUDIT DIVISION

REPORT 2019/122

**Audit of support and services provided
to the constituted bodies at the United
Nations Framework Convention on
Climate Change**

**Controls over support and services provided
to the constituted bodies need to be
strengthened**

**16 December 2019
Assignment No. AA2019/241/02**

Audit of support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change (UNFCCC). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective provision of support and services to the constituted bodies at UNFCCC. The audit covered the period from 1 January 2018 to 30 June 2019 and included a review of procedural, substantive and institutional matters, and work planning, monitoring and reporting.

During the period under review, the UNFCCC secretariat provided legal, administrative and logistical support to the constituted bodies in fulfilling their mandates through work planning, monitoring, and reporting. The audit indicated that the controls over support and services provided to the constituted bodies need to be strengthened.

OIOS made four recommendations. To address the issues identified in the audit, the UNFCCC secretariat needed to:

- Harmonize the provisions for safeguarding against potential conflict of interest situations in the Rules of Procedure of the constituted bodies to ensure consistency in the application of the Code of Ethics;
- Fully integrate gender perspectives in the work of the constituted bodies;
- Ensure that substantive programmes that support the constituted bodies establish well-defined unit/sub-programme level performance objectives and indicators aligned with the secretariat-wide work programme; and
- Ensure that the substantive programmes that support the constituted bodies obtain feedback on the quality of services provided and use it to improve service delivery as necessary.

The UNFCCC secretariat accepted the recommendations and has initiated action to implement them.

CONTENTS

	<i>Page</i>
I. BACKGROUND	1-2
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	2-6
A. Procedural, substantive and institutional matters	2-4
B. Work planning, monitoring and reporting	4-6
IV. ACKNOWLEDGEMENT	6
 ANNEX I Status of audit recommendations	
 APPENDIX I Management response	

Audit of support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change (UNFCCC).
2. UNFCCC was established as an overall framework for intergovernmental process to combat climate change. The Convention was ratified by 197 Parties and came into force on 24 March 1994. The Conference of the Parties (COP) is the Convention's supreme legislative body which is supported by the UNFCCC secretariat.
3. The Convention was complemented by the Kyoto Protocol which was adopted in December 1997. Furthermore, in December 2015, the Parties reached the Paris Agreement to combat climate change. The UNFCCC secretariat is required to facilitate the flow of authoritative information on the implementation of the Convention, the Kyoto Protocol and the Paris Agreement which established the institutional arrangements for the climate change intergovernmental process. This included: (a) governing bodies comprising the COP for the Convention, the COP serving as the meeting of the Parties to the Kyoto Protocol (CMP), and the COP serving as the meeting of the Parties to the Paris Agreement (CMA); (b) subsidiary bodies comprising the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation as well as other ad hoc subsidiary bodies established by the COP, CMP or CMA as deemed necessary; and (c) technical subsidiary bodies with limited membership, referred to in practice as the constituted bodies serviced by the UNFCCC secretariat.
4. The scope of responsibilities of constituted bodies varied depending on their mandate. Some bodies provided: (a) technical support to Parties, such as the Consultative Group of Experts (CGE) and the Least Developed Countries Expert Group (LEG); (b) advisory functions to the governing bodies, such as the Technology Executive Committee (TEC) and the Standing Committee on Finance (SCF); and (c) a combination of technical support and advisory functions, such as the Warsaw International Mechanism Executive Committee on Loss and Damage (or "WIM ExCom"). Some engaged directly with private sector and commercial interests, such as the Clean Development Mechanism Executive Board (CDM EB) and the Joint Implementation Supervisory Committee (JISC), and some engaged with stakeholders and other institutions to strengthen dialogue, coordination, coherence and synergies on matters being addressed by the climate change regime (i.e., SCF and WIM ExCom). The decisions and recommendations of the constituted bodies are submitted to the COP, CMP or CMA as appropriate.
5. The support and services provided by the UNFCCC secretariat to the constituted bodies was anchored in its substantive programmes, namely: Adaptation, Finance, Technology and Capacity-building, Mitigation, Data and Analysis, Legal affairs, and Sustainable Development Mechanisms. The programmes provided a broad suite of legal, logistical, documentation, information and communication technology, and travel support in fulfilling the mandates of the constituted bodies.
6. During the period under review, 37 Professional and 12 General Service staff of the substantive programmes serviced 30 meetings and events of the constituted bodies in coordination with the respective service programmes. The number of constituted bodies supported by the UNFCCC secretariat had increased from one in 1999 to eight in 2010 and 13 in 2019.

7. Substantive programmes were headed by the respective Directors. Reporting to the Deputy Executive Secretary, the Senior Director for Policy and Programme Coordination led the UNFCCC secretariat's work related to the intergovernmental process, including oversight of support to the constituted bodies. In 2018 and 2019 (until June), the secretariat had spent \$5.6 million on staff-related costs and \$2.8 million on non-staff costs to support the work of the constituted bodies.

8. Comments provided by the UNFCCC secretariat are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective provision of support and services to the constituted bodies at UNFCCC.

10. The audit was included in the 2019 risk-based internal audit work plan due to the risk that potential weaknesses in the support and services provided to the constituted bodies could adversely affect the implementation of the UNFCCC mandate.

11. The audit was conducted from September to October 2019 and covered the period from 1 January 2018 to 30 June 2019. Based on an activity-level risk assessment, the audit covered risk areas in the support and services provided to the constituted bodies which included: (i) procedural, substantive and institutional matters; and (ii) work planning, monitoring and reporting.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

13. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Procedural, substantive and institutional matters

Need to harmonize provisions for safeguarding against potential conflict of interest

14. On 30 November 2018, the Bureau of the COP endorsed a draft Code of Ethics to be applied provisionally for elected and appointed officers under the Convention, the Kyoto Protocol and the Paris Agreement. The draft Code of Ethics require that all elected or appointed officers of the Convention, in the exercise of the duties or functions to which they have been elected or appointed (including in the chairing of the governing, subsidiary and constituted bodies of the Convention and in chairing or facilitating informal and formal meetings or events under the Convention or its subsidiary bodies) are to avoid any conflict of interest as well as situations which might reasonably be perceived as giving rise to a conflict of interest, in order to guarantee the integrity, impartiality and transparency of climate change conferences. At the time of the audit, the Legal Affairs programme was working on finalizing the draft Code of Ethics in coordination with the COP Bureau.

15. OIOS noted that the Rules of Procedure of some bodies (including CDM EB, JISC, and WIM ExCom) had explicit provisions to safeguard against potential conflict of interest situations in the working of these bodies. At the time of the audit, the Legal Affairs programme was working on facilitating the incorporation of such provisions in the Rules of Procedure under Article 15 of the Paris Agreement.

However, the Rules of Procedure of several other bodies (including CGE, LEG, SCF and TEC) did not have similar explicit provisions. This could lead to inconsistencies in implementing the Code of Ethics by the various constituted bodies.

16. Some substantive programmes explained that the mandates of the constituted bodies they supported did not require them to deal with financial matters and therefore, their work may not be exposed to the perceived risk. However, the Code of Ethics does not limit conflict of interest safeguards to only financial matters; they also seek to address/prevent other potential conflict of interest situations such as: (i) giving unwarranted preferential treatment to any Party, group of Parties, organization or person; and (ii) using the role of elected or appointed officers as a means to seek private gain or obtain private pecuniary advantages or other remuneration. Additionally, the Code of Ethics reminds the individuals to serve in their capacity as UNFCCC officers rather than the representative of a Party or group, and to refrain from adversely affecting the confidence of Parties in the integrity of UNFCCC's work. It is therefore essential that the provisions regarding conflict of interest are harmonized to ensure their consistent application across the secretariat.

(1) The UNFCCC Director of Legal Affairs programme should facilitate the harmonization of the provisions for safeguarding against potential conflict of interest situations in the Rules of Procedure of the constituted bodies to ensure consistency in the application of the Code of Ethics.

The UNFCCC secretariat accepted recommendation 1 and stated that changes to the Rules of Procedure of the constituted bodies involve adoption by the concerned body which in turn submit their conclusions to the subsidiary and governing bodies. It is thus important to ensure that the harmonization can also occur through a less stringent process, including in the Rules of Procedure when possible. The Rules of Procedure could be amended accordingly for those bodies that were established prior to the latest Code of Ethics and who do not have provisions dealing with conflict of interest (Adaptation Committee (AC), LEG) or could be incorporated for those who do not yet have Rules of Procedure (Facilitative Working Group of the Local Communities and Indigenous Peoples Platform). This could be done during 2020. For Katowice Committee on Experts on the implementation of response measures (KCI), the Rules of Procedure will be forwarded to the COP, CMP and CMA for adoption at their current session (December 2019). If the harmonized provisions for safeguarding potential conflict of interest is made available to the team, it can be included now, else the Rules of Procedure could be amended during 2020. Recommendation 1 remains open pending receipt of the harmonized Rules of Procedure of the constituted bodies to safeguard against potential conflict of interest situations in their working.

Gender perspectives needed to be fully integrated in the work of the constituted bodies

17. In 2016, by decision 21/CP.22, the COP noted the urgent need to improve the representation of women in all the bodies established under the Convention, the Kyoto Protocol and the Paris Agreement. The COP also requested that progress towards the integration of gender perspectives in the constituted bodies' respective processes be regularly reported. The UNFCCC secretariat was required to prepare a synthesis report on the information contained in these reports.

18. The representation of women in the constituted bodies stood at 32.4 per cent and 29.2 per cent in 2018 and 2019 (as at June), respectively. In 2018, the representation of women in the various constituted bodies ranged between 10 per cent and 58 per cent.

19. Substantive programmes had assisted the constituted bodies in establishing procedures for integrating and reporting on the gender perspectives in their work. However, two constituted bodies (CDM

EB and JISC) did not report on the progress towards integration of gender perspectives in their processes due to the unique and technical nature of their work streams which had remained static over a period. OIOS noted that some constituted bodies had explicit mandates (such as LEG and WIM ExCom) for promoting gender issues while others did not have such mandates (CGE, CDM EB, JISC, and TEC).

20. OIOS recognizes that the UNFCCC secretariat only has a facilitation role over the process of electing members to the constituted bodies. Nevertheless, continued advocacy by the secretariat could lead the constituted bodies to integrate gender perspectives in their processes.

(2) The UNFCCC secretariat should advocate and facilitate the integration of gender perspectives in the work of the constituted bodies and report on the progress made in achieving this performance objective.

The UNFCCC secretariat accepted recommendation 2 and stated that advocacy work on the integration of gender perspectives in the work of the constituted bodies already takes place but needs to continue and be enhanced. Nominations of individuals in constituted bodies is done by Parties, on which secretariat has no control. Nevertheless, Parties have been encouraged for balanced nomination. To stress the continuation of past efforts, AC, LEG and WIM ExCom have undertaken training activities and actively included gender considerations in their work and participated in relevant activities under the Gender Action Plan. Progress is also detailed in the respective reports of the bodies. At the same time, the secretariat has actively advocated for gender balance among elected members but also in decision-making aspects (i.e., office of co-chairs). However, representatives of the constituted bodies are ultimately nominated by the regional groups and elected by the COP, CMP and CMA, respectively. Integration of gender issues is also being considered in the development of the work plan of KCI by the forum on impact of implementation of response measures. Recommendation 2 remains open pending receipt of evidence of the results of the advocacy efforts made to increase the representation of women in the constituted bodies.

B. Work planning, monitoring and reporting

Need to strengthen controls in programme planning, monitoring and reporting

21. The UNFCCC budget support guide for 2018-2019 requires programmes to ensure: (i) a collaborative and collective approach towards determining the expected results for each programme to achieve high levels of efficiency in programme delivery; and (ii) a fully results-oriented planning process, articulating expected accomplishments and good performance indicators consistent with UNFCCC's secretariat-wide long-term strategy.

22. OIOS' review of controls over the support and services provided to the constituted bodies indicated the following:

(a) Work planning: To support the work of the constituted bodies, substantive programmes had developed unit/sub-programme level work plans. The work plans prepared during the period under review to support three bodies did not have defined performance objectives and performance indicators. Unit level plans prepared to support six other bodies did not have performance indicators, although their objectives were stated. Unit/sub-programme performance objectives and indicators need to be aligned to the UNFCCC secretariat-wide work programme to ensure that secretariat-wide accomplishments in supporting the constituted bodies are objectively measured and reported for accountability in service delivery.

(b) Monitoring and reporting: Although substantive programmes tracked and reported on the recommendations of the constituted bodies they supported, the UNFCCC secretariat did not prepare a synthesis report on the status of the recommendations. Such information would help the secretariat to identify synergies and avoid potential duplication in the work plans across all the constituted bodies. A secretariat-wide synthesis report could be an important building block in collective measurement and reporting on its accomplishments in servicing the constituted bodies. However, the secretariat explained that there were political and operational constraints in assessing and reporting on the collective progress achieved in implementing the recommendations of the constituted bodies. Instead, the secretariat prepares synthesis reports on various aspects of the global climate action for consideration of the constituted bodies.

23. In addition to the technical support and services, Programme Administrative Teams in every substantive programme provided administrative and logistical support to the work of the constituted bodies. But there were risks of duplication and redundancy because substantive programmes did not adequately coordinate when performing these tasks. For example, some meeting participants travelled to Bonn within 10 to 21 days after attending certain events arranged by the same or related substantive programmes. Harmonizing the administrative and logistics activities and strengthening collaboration among the teams supporting the constituted bodies could enhance economy (by reduction in travel costs) and efficiency. The UNFCCC secretariat explained that it had embarked on a thorough review of its operations and structure with the objective of maximizing synergies. The revised structure to be implemented from January 2020 was expected to effectively address all such risks.

(3) The UNFCCC secretariat should ensure that substantive programmes that support the constituted bodies establish well-defined unit/sub-programme level performance objectives and indicators aligned with the secretariat-wide work programme.

The UNFCCC secretariat accepted recommendation 3 and stated that this is already being partly implemented. Following the adoption of the new budget methodology and a secretariat-wide objective of “Support to constituted bodies”, reporting on such support provided can be harmonized. Indeed, the bodies, with the support of the secretariat, already have mechanisms in place to ensure coordination and collaboration on the implementation of work plans. For example, following each COP, the AC produces a mapping of activities outlining the different requests from the supreme and subsidiary bodies to the different constituted bodies so as to avoid duplication and enhance coherence. Recommendation 3 remains open pending receipt of evidence of the unit/sub-programme level work plans of all the substantive programmes with well-defined performance objectives and indicators to support the work of the constituted bodies.

Need to obtain feedback on the quality of services and support provided to the constituted bodies

24. The secretariat’s work programme for 2018-2019 set an objective to provide optimal technical support to its Parties to advance negotiations under the Convention and its Kyoto Protocol and to complete the Paris Agreement work programme. The performance indicator for the objective was the level of satisfaction of Parties with the secretariat’s support.

25. The Legal Affairs programme and the Mitigation, Data and Analysis programme obtained formal feedback on the quality of support they provided to the participants of the concerned constituted bodies. The Finance, Technology and Capacity-building programme obtained informal feedback from the three bodies it supported. However, substantive programmes did not obtain formal feedback for events they organized for 10 out of 13 bodies (excluding the Committee under Article 15 of the Paris Agreement which was expected to commence its operations in 2020). In the absence of an appropriate feedback mechanism, the UNFCCC secretariat may not be able to effectively assess the quality of services and support it provides, and identify areas for improvement, if any.

- (4) The UNFCCC secretariat should ensure that the substantive programmes that support the constituted bodies obtain feedback on the quality of services provided and use it to improve service delivery as necessary.**

The UNFCCC secretariat accepted recommendation 4 and stated that appropriate structure and process-related measures would be taken in the context of the ongoing structure review and implementation, and in particular the cross-cutting divisions. Recommendation 4 remains open pending receipt of evidence of formal feedback obtained from the participants of the constituted bodies supported by the Finance, Technology and Capacity-building, Adaptation, and Sustainable Development Mechanisms programmes.

IV. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the management and staff of UNFCCC secretariat for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNFCCC Director of Legal Affairs programme should facilitate the harmonization of the provisions for safeguarding against potential conflict of interest situations in the Rules of Procedure of the constituted bodies to ensure consistency in the application of the Code of Ethics	Important	O	Receipt of the harmonized Rules of Procedure of the constituted bodies for safeguarding against potential conflict of interest situations.	31 December 2020
2	The UNFCCC secretariat should advocate and facilitate the integration of gender perspectives in the work of the constituted bodies and report on the progress made in achieving this performance objective.	Important	O	Receipt of the results of the advocacy efforts made to increase the representation of women in the constituted bodies.	31 December 2020
3	The UNFCCC secretariat should ensure that substantive programmes that support the constituted bodies establish well-defined unit/sub-programme level performance objectives and indicators aligned with the secretariat-wide work programme.	Important	O	Receipt of the unit/sub-programme level work plans of all the substantive programmes with well-defined performance objectives and indicators to support the work of the constituted bodies.	31 December 2020
4	The UNFCCC secretariat should ensure that the substantive programmes that support the constituted bodies obtain feedback on the quality of services provided and use it to improve service delivery as necessary.	Important	O	Receipt of evidence of formal feedback obtained from the participants of the constituted bodies supported by the Finance, Technology and Capacity-building, Adaptation, and Sustainable Development Mechanisms programmes.	31 July 2020

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by UNFCCC in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNFCCC Director of Legal Affairs programme should facilitate the harmonization of the provisions for safeguarding against potential conflict of interest situations in the rules of procedure of the constituted bodies to ensure consistency in the application of the Code of Ethics.	Important	Yes	Director, Legal Affairs	31 December 2020	<p>Changes to the Rules of Procedure of the Constituted Bodies involve adoption by the concerned body which in turn submit their conclusions to the Subsidiary and Governing Bodies. It is thus important to ensure that the harmonization can also occur through a less stringent process, including in the rules of procedure when possible.</p> <p>The Rules of Procedure could be amended accordingly for those bodies that were established prior to the latest code of ethics and who do not have provisions dealing with conflict of interests (AC, LEG) or could be incorporated for those who do not yet have Rules of Procedure (FWG). This could be done during 2020.</p> <p>For KCI, the Rules of Procedure will be forwarded to the COP, CMP and CMA for adoption at their current session (December 2019). If the harmonized provisions for safeguarding potential conflict of interest is made available to the team, it can be included now else the Rules of Procedure could be amended during 2020.</p>
2	The UNFCCC secretariat should continue to advocate and facilitate the integration of gender perspectives in the work of the constituted bodies and report on the progress made in achieving this performance objective.	Important	Yes	UNFCCC Gender Focal Point, Lead supports for the respective bodies	31 December 2020	<p>Advocacy work on the integration of gender perspectives in the work of the constituted bodies already takes place but need to continue and be enhanced.</p> <p>Please note that nominations of individuals in constituted bodies is done by Parties, on which secretariat has no control. Nevertheless, Parties have been encouraged for balanced nomination.</p> <p>To stress the continuation of past efforts, the AC, LEG and ExCom have undertaken training activities and actively</p>

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>included gender considerations in their work and participated in relevant activities under the Gender Action Plan. Progress is also detailed in the respective reports of the bodies.</p> <p>At the same time, the Secretariat has actively advocated for gender balance among elected members but also in decision-making aspects (i.e. office of co-chairs), however representatives of the constituted bodies are ultimately nominated by the regional groups and elected by the COP, CMP and CMA, respectively.</p> <p>For example, in the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI), gender capacity building is included in the agenda of KCI 2 meeting with a view that the tailor-made training will be carried out in 2020. Integration of gender issues is also being considered in the development of the workplan of the KCI by the forum on impact of implementation of response measures.</p>
3	The UNFCCC secretariat should ensure that substantive programmes that support the constituted bodies establish well-defined unit/sub-programme level performance objectives and indicators aligned with the secretariat-wide work programme.	Important	Yes	Lead supports for the respective bodies (Directors Adaptation and SDM)	31 December 2020	Agreed. This is already being partly implemented (having well-defined unit/sub-programme level performance objectives and indicators aligned with the secretariat-wide work programme). Following the adoption of the new budget methodology and the adoption of a secretariat-wide objective of "Support to constituted bodies". Reporting on such support provided can be harmonized. Indeed, the bodies, with the support of the secretariat, already have mechanisms in place to ensure coordination and collaboration on the implementation of workplans. For example, following each COP the AC produces a mapping of activities outlining the different requests from the supreme and subsidiary bodies to the different constituted bodies so as to avoid duplication and enhance coherence.
4	The UNFCCC secretariat should ensure that the substantive	Important	Yes	Lead supports for the respective	31 July 2020	Appropriate structure and process-related measures will be taken in the context of the on-going structure review and

Management Response

Audit of support and services provided to the constituted bodies at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	programmes that support the constituted bodies obtain feedback on the quality of services provided and use it to improve service delivery as necessary.			bodies (Senior Director for Programme Coordination and Policy)		implementation, and the cross-cutting divisions.