

FINANCIAL PROCEDURES FOR THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

Adopted at the Twelfth Session of the IPCC (Mexico City, 11-13 September 1996)

Revised at the Thirty Fourth Session of the IPCC (Kampala, 18-19 November 2011)

Scope

1. These procedures shall govern the financial administration of the Intergovernmental Panel on Climate Change (IPCC). In so far as not specifically provided under these procedures, the Financial Regulations and Rules of the World Meteorological Organization (WMO) shall apply.

Financial Period and Financial Year

2. The financial period shall be the calendar year and shall be subject to the International Public Sector Accounting Standards (IPSAS).

IPCC Trust Fund

3. Following up on a proposal of the IPCC first session in November 1988, the IPCC Trust Fund was established in 1989 by the Executive Director of United Nations Environment Programme (UNEP) and the Secretary-General of World Meteorological Organization (WMO). The IPCC Trust Fund finances the Panel and its activities. Adoption of the budget of the IPCC Trust Fund is the responsibility of the Panel (see paragraphs 9-14 below).

4. The IPCC Trust Fund is administered, by mutual agreement between the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP), the two sponsoring Organizations, under the Financial Regulations of the WMO¹, Consistent with the International Public Sector Accounting Standards (IPSAS) the responsibility and accountability for financial reporting on the IPCC Trust Fund resides with the IPCC itself.

5. In accordance with Article 1 of the Memorandum of Agreement with UNEP and WMO "... no administrative support charges shall be imposed by WMO on any expenditure incurred by the trust fund." As a principle, WMO shall not charge IPCC for the total indirect costs, but rather for incremental costs only. The incremental costs of administrative services provided by WMO to IPCC are to be agreed upon between WMO and UNEP in the form of a separate Memorandum of Agreement (ref paragraph 5 of the 1989 MOU).

Financial Task Team

6. The Panel should establish for every assessment cycle a Financial Task Team (FiTT) to undertake tasks including reviewing income and expenditures, assisting in preparing the budget proposals and developing other recommendations related to finance for consideration by the Panel.

¹ See MOU dated May 1989

7. The Financial Task Team should be co-chaired by two government representatives represented on the IPCC Bureau: one from a developed country and one from either a developing country or a country with economy in transition. While being open-ended, the Financial Task Team would have a core membership of four government representatives from countries represented on the Bureau. The co-chairs and core members of the Financial Task Team would be selected by the Bureau.

Currency

8. The currency for budgeting and reporting receipts and expenditures shall be the Swiss Franc.

Budget

9. The Secretary of the IPCC shall prepare the budget and transmit it to governments at least 60 days before the session of the Panel at which the budget is to be adopted.

10. The budget shall consist of:

- (a) the proposed budget for the next year;
- (b) a forecast budget for the second year; and
- (c) an indicative budget for the third year.

11. The Panel shall consider the proposed budget, and shall adopt a budget by consensus prior to the commencement of the financial year that it covers. The Panel shall note the forecast and indicative budget for subsequent years.

12. The Secretary is authorized to reallocate funds, if necessary, up to 20 per cent of a budget appropriation line. This limit may be revisited from time to time by the Panel. A budget appropriation line constitutes a major budget category for activities or products.

13. In the event that the level of the available balance in the IPCC Trust Fund is less than the approved budget, the Secretary, following consultation with the Executive Committee, is authorized to adjust the allocations, to bring it in line with the fluctuations in income as compared to the approved level of budget lines. The Secretary will report on actions taken to the Panel at the earliest plenary session.

14. Adoption of the budget by the Panel shall constitute authority to the Secretary to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved, provided that the commitments are covered by related income.

Contributions

15. The resources of the IPCC shall comprise:

- (a) the person-year costs of the Secretary of the IPCC and costs of housing the IPCC Secretariat, provided by WMO;
- (b) the person-year costs of the Deputy Secretary provided by UNEP;
- (c) annual cash contributions provided by WMO and UNEP to the IPCC Trust Fund;
- (d) annual cash contributions provided by the UN Framework Convention on Climate Change to the IPCC Trust Fund in support of the work of the IPCC;
- (e)² annual cash contributions provided by IPCC Members to the IPCC Trust Fund;

² The Panel deferred decision on this sub-paragraph. The sub-paragraph is to be treated as if it is in square brackets.

- (e)-bis³ annual cash contributions provided by IPCC Members to the IPCC Trust Fund on the basis of an indicative scale, adopted by consensus by the Panel, and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.01 per cent of the total; that no one contribution exceeds 25 per cent of the total; and that no contribution from a least developed country exceeds 0.01 per cent of the total;
- (f) contributions provided in kind by IPCC Members, such as support for Technical Support Units, publications, translation, meetings, workshops, etc.;
- (g) other cash and in kind contributions to the IPCC Trust Fund;
- (h) the uncommitted balance of appropriations from previous financial periods;
- (i) miscellaneous income.

16. Contributions from IPCC Members are due on 1 January of each calendar year.

17. All cash contributions shall be paid in convertible currencies into the bank account designated by the WMO.

18. The Secretary shall acknowledge promptly all pledges and contributions and shall inform the Panel at each session on the status of pledges, payments of contributions and of expenditures. The report of the Secretary shall include specific reference to contributions in-kind and shall quantify such in-kind contribution, to the extent that they can be reliably measured.

Working Capital Reserve⁴

19. Within the IPCC Trust Fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Panel by consensus. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the working capital reserve shall be restored from contributions as soon as possible.

Accounts and Audit

20. The financial statements of the IPCC Trust Fund shall be subject to internal and external audit. The financial statement of the IPCC Trust Fund will be prepared in accordance with the International Public Sector Accounting Standards (IPSAS) as specified in the WMO Financial Regulations. Responsibility and accountability for financial reporting resides with the IPCC itself.

21. In accordance with the WMO Financial Regulations and Rules, WMO provides the External Auditors of the IPCC Trust Fund with a complete draft of the financial statements in line with the timetable agreed with the Secretariat each year. From financial periods ending on or after 31 December 2011 the audited Financial Statement shall be provided to the Panel within six months of the end of the financial period.

³ The Panel deferred decision on this sub-paragraph. The sub-paragraph is to be treated as if it is in square brackets.

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Appointment

The provisions outlined below in paragraphs 22.1 to 22.11 are subject to the WMO Financial Regulations and Rules.

22.1 The IPCC Secretariat will make arrangements with WMO for appropriate internal audit coverage on an annual basis. An External Auditor, who shall be the Auditor-General (or officer holding the equivalent title) of a Member State, shall be appointed in the manner and for the period decided by the WMO Executive Council, as stipulated by WMO audit arrangements. The appointment of an External Auditor will be submitted to the IPCC Panel for acceptance.

Tenure of Office

22.2. If the External Auditor ceases to hold that office in his or her own country, his or her tenure of office as External Auditor shall thereupon be terminated and he or she shall be succeeded as External Auditor by his or her successor as Auditor-General. The External Auditor may not otherwise be removed during his or her tenure of office except by the WMO Executive Council.

Scope of audit

22.3 The audit shall be conducted in conformity with generally accepted common auditing standards, and, subject to any special directions of the Panel, in accordance with the additional terms of reference set out in the annex to these Regulations.

22.4 The External Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

22.5 The External Auditor shall be completely independent and solely responsible for the conduct of the audit.

22.6 The Panel may request the External Auditor to perform certain specific examinations and issue separate reports on the results, to be agreed with the External Auditor on an individual basis as required.

Facilities

22.7 The Secretary General of WMO shall provide the External Auditor with the facilities he or she may require in the performance of the audit.

22.8 For the purpose of making a local or special examination or of effecting economies of audit cost, the External Auditor may engage the services of any national Auditor-General (or equivalent title) or commercial public auditors of known repute or any other person or firm who, in the opinion of the External Auditor, is technically qualified.

Reporting

22.9 The External Auditor shall issue reports on the audit of the financial statements and relevant schedules, which shall include such information as he or she deems necessary with regard to matters referred to in Regulation 22.4 and in the additional terms of reference.

22.10 The External Auditor's reports shall be transmitted, together with the relevant audited financial statements, to the Panel, which shall examine them in accordance with any directions given by the Panel.

22.11 The financial statements, together with the External Auditor's certificates and reports, shall be transmitted to the Panel by the Secretary.

General Provisions

23. In the event that WMO and UNEP decide to terminate the IPCC Trust Fund, they shall so advise governments at least six months before the date of termination so decided. The Panel shall decide, in consultation with WMO and UNEP, on the distribution of any uncommitted balance after all liquidation expenses have been met.

24. Any amendments to these procedures shall be subject to the WMO Financial Regulations and Rules and be adopted by the Panel by consensus.