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IPCC TRUST FUND PROGRAMME AND BUDGET

Resource Mobilization
IPCC Partnership Policy and Procedures

(Submitted by the Secretary of the IPCC)

IPCC TRUST FUND PROGRAMME AND BUDGET

Resource Mobilization IPCC Partnership Policy and Procedures

Background

In paragraph 14 of Decision IPCC/XLIV-1 on Programme and Budget, the IPCC “Requests the Secretariat to consider the ‘UNEP Partnership Policy and Procedures’ <http://www.unep.org/climatechange/Portals/50207/documents/Partnership-Policy.pdf> to report to IPCC-45 on its suitability for use by the IPCC and to continue informal discussions with potential partners.”

The IPCC Resource Mobilization Strategy identified several potential new donors with whom the IPCC is considering partnering with. These new potential donors fall into two categories i.e. not-for-profit and for-profit business sector.

The following policy lays down the modalities by which the IPCC can partner with new potential donors in the above-mentioned categories. It has been adapted from the UNEP Partnership Policy and Procedures.

IPCC Partnership Policy and Procedures

Introduction

Over the past few decades, increased recognition has been given to the important role played by partnerships in addressing global challenges. The UN Climate Summit (New York, September 2014) brought together Heads of State and Government and leaders from the private sector and civil society announcing actions in areas that would have the greatest impact on reducing emissions, including climate finance, energy, transport, industry, agriculture, cities, forests, and building resilience.

In September 2015, world leaders adopted the 2030 Agenda and the Sustainable Development Goals (SDGs) at an historic UN Summit held in New York. The 17 sustainable development goals cover three interconnected core elements; economic growth, social inclusion and environmental protection.

In December 2015, the Paris Agreement was adopted in Paris at the 21st Session of the Conference of the Parties (COP-21) of the United Nations Framework Convention on Climate Change (UNFCCC). The Agreement's objective is to limit global temperature rise below 2 °C and to aim for 1.5 °C.

The Intergovernmental Panel on Climate Change (IPCC) is currently in its Sixth Assessment Report cycle. During this cycle, the Panel will produce three Special Reports, a Methodology Report on national greenhouse gas inventories and the Sixth Assessment Report (AR6). The 43rd Session of the IPCC, held in April 2016, agreed that the AR6 Synthesis Report would be finalized in 2022 in time for the first United Nations Framework on Climate Change (UNFCCC) global stocktake when countries will review progress towards their goal of keeping global warming to well below 2 °C while pursuing efforts to limit it to 1.5 °C. The three Working Group contributions to AR6 will be finalized in 2021.

To address the diverse financing needs associated with sustainable development, the United Nations has been called upon to develop partnerships with the private sector, non-governmental organizations and civil society to enable them to contribute to the realization of internationally-agreed development goals and agreements as well as the organization's goals and programmes.

Also the IPCC has been called upon to broaden its contributions base in an effort to reverse the decline in the level of financial contributions and the number of contributors. To achieve this, the IPCC is considering developing partnerships with the private sector, non-governmental organizations and civil society.

Guiding Principles

While recognizing the value of cooperation between the IPCC and relevant partners, it is important to ensure that partnerships are undertaken in a manner that maintains the organization's **integrity, impartiality** and **independence** as well as its character as an intergovernmental organization comprised of Member governments, and ensure that *mutual benefits* are conferred to all parties involved. In addition, the use of resources through partnerships should strive to uphold the **UN principles of effectiveness, efficiency and economy**.

To this end, the UN General Assembly encourages the organization to give due consideration to the following principles when entering into partnerships:

- Common purpose
- Trust, transparency and accountability
- Bestowing no unfair advantage upon any partner of the United Nations
- Mutual benefit and respect
- Respect for modalities of the United Nations
- Sectoral and geographic balance: striving for balanced representation of partners from developed and developing countries and countries with economies in transition, and
- Not compromising the independence and neutrality of the United Nations.

In successful partnerships, all participants contribute and gain something. They all have a stake in the process and outcome despite the differences in their individual inputs and interests. Agreements between partners should ensure that there is a clear understanding of the partnership's objective, the role and the responsibilities of each party and the commonality, or potential divergence, of their interests. In addition, the contribution and work of each party should be acknowledged whenever appropriate.

The Secretary of the IPCC holds the ultimate authority and responsibility for IPCC partnerships.

Purpose

The purpose of this policy is ***to ensure that there is a consistent IPCC approach to entering into partnerships*** with not-for-profit (non-governmental and intergovernmental) and for-profit (private sector). This policy is to provide a strategic, organization-wide approach to the identification of partners and the establishment of a due diligence process for partner selection. The policy also provides guidance on the management and oversight of partnerships and IPCC-wide strategy for managing and analyzing partnership-related information. Information pertaining to the legal instruments to be used for concluding agreements is presented in **Annex 1**.

This policy is intended to complement the relevant UN and WMO regulations and rules as well as guidelines and initiatives relating to the United Nations' cooperation with partners. This policy does not change the requirements of the WMO procurement process which should be applied to the acquisition of goods and services for the organization or involving any transfer of funds to a private sector entity. With respect to private sector partnerships, this policy should be considered in conjunction with the "Guidelines on Cooperation between the United Nations and the Business Sector"¹ (November 2009) and the principles of UN Global Compact which encourages businesses to align their strategies and operations with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

By working with the business community, IPCC hopes to encourage corporations to take greater responsibility for their carbon footprint and that of the partners with whom they do business. By working with civil society and other non-state entities, IPCC hopes to help raise the profile of climate change issues and facilitate the adoption of new and innovative approaches to addressing climate change challenges.

The IPCC hopes that by involving all these various partners sound solutions could be found to tackle the climate change problems the world faces.

¹ Formerly referred to as the "Guidelines on Cooperation between the United Nations and the Business Community".

Benefits of Establishing Partnerships

Within the United Nations, partnerships are defined as voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task, and to share risks, responsibilities, resources and benefits. IPCC should engage in a partnership when the partnership will result in increased benefits that would not have been achieved if IPCC was acting alone. This definition encompasses a wide variety of partnerships, including international coalitions, community-based initiatives, time-bound projects, broad value-based frameworks for action, individual company commitments and multi-stakeholder initiatives.

Partnerships may involve two or more parties and may vary in size and importance. They may be concluded for a one-time undertaking to deliver a specific IPCC activity or product or may involve more strategic multi-year collaboration between parties. They primarily involve funding to the IPCC Trust Fund. In some cases IPCC and the partner may cooperate towards common objectives without any exchange of financial resources. The main categories of partners which the IPCC collaborates with and intends to collaborate with are indicated below and a clear distinction is made between governmental, non-governmental and inter-governmental entities and for-profit versus not-for-profit entities.

Figure 1: Main categories of IPCC current and potential partners

	Governmental	Non-governmental	Inter-governmental
Not-for-profit	National government (agencies and subsidiary bodies) and sub-national government	NGOs, (research institutions, foundations)	Intergovernmental organizations, (UN organizations, IFIs, regional banks)
For profit/business sector	State-owned companies	Companies, business associations and coalitions, corporate philanthropic foundations	

There are several benefits to establishing partnerships, namely: targeting transformational change and strategizing long-term partnering, enhancing capacities and policy support, achieving synergies through joint efforts. IPCC's intention to forge partnerships with newly-identified potential partners is a positive way forward to broadening its contributions base.

KEY STAGES IN ESTABLISHING PARTNERSHIPS

STAGE 1: DETERMINING THE PURPOSE AND TYPE OF PARTNERSHIP

Before initiating a partnership, a number of considerations need to be addressed by the responsible Officer. This means going through a series of steps before formalizing a partnership. This process begins with initially identifying a partner and confirming what may be the presumed need for a partnership, followed by a series of decisions to be considered by the responsible officer(s) and manager(s) involved. The partner identification and decision making process is as follows:

Step 1: The responsible Officer evaluates the presumed need for a partnership, based on an assessment of resources required to implement the activities of projects that have been approved by the Plenary and the availability of potential partners on the market. The following are some of the key reasons to engage with partners:

- Achieve institutional and policy support for climate change objectives at the global, regional and national levels;
- Integrate climate change and sustainability considerations into the work of partners with a view of enhancing the sustainability of a given industry;
- Leverage technical capacity and pool resources to deliver on IPCC's programme objectives;
- Achieve sustainable and measurable results that cannot be achieved alone;
- Leverage greater impact based on complementarities and synergies available;
- Expand outreach and advocacy for achieving climate change objectives; and to
- Form a critical mass of players with relevant knowledge and access to resources.

Step 2: The responsible Officer determines the types of external resources required for project implementation. These can involve the acquisition of goods and services (including consultancies), a commercial relationship with an external supplier for which standard WMO procurement rules and procedures must be applied. Alternatively, IPCC may be in need of a collaborative relationship through which it obtains resources, accompanied or not by the transfer of money. In the case where a collaborative relationship is required, the responsible Officer moves to Step 3.

Step 3: The responsible Officer determines the nature of the foreseen partnership, which could involve (i) IPCC receiving funds from a partner, (ii) IPCC granting funds to a partner, or (iii) no fund transfer entailed but resource support made on the basis of in-kind contributions. These three options lead the responsible Officer to move to step 4, 5 or 6, as applicable.

Step 4: The responsible Officer determines the category of partner providing IPCC with funding. If it involves a governmental or UN body, existing standard procedures (e.g. donor or interagency agreements) apply. If it involves a for-profit organization, such as a private sector company providing IPCC with a financial contribution to support an IPCC initiative, the responsible Officer must apply the Due Diligence Procedure 1, as set out in this policy.

Step 5: The responsible Officer determines the category of partner that IPCC will provide with funding in relation to agreed tasks. If it involves a governmental or UN body, existing standard procedures (e.g. Letter of Agreement or Memorandum of Understanding) apply. If it involves a not-for-profit organization, such as an NGO, research body or training institute, the responsible Officer must apply the Due Diligence Procedure 2, as set out in this policy.

Step 6: The responsible Officer determines the category of collaborating partner with whom in-kind resources are shared, without any fund transfer obligations between IPCC and the partner. Depending on whether it involves a for-profit organization or not-for-profit organization, Due Diligence Procedures 1 or 2 must be followed.

Note: Final and formal selection of a partner can only take place once the project concept/document has been cleared by the Deputy Secretary of the IPCC (DS/IPCC) and approved by the Secretary of the IPCC (S/IPCC).

STAGE 2 - WORK FLOW AND RESPONSIBILITIES

The partner review process described below should be led by the responsible Officer examining the possibility of partnering with a specific entity. The Due Diligence procedure must be followed in consultation with the DS/IPCC, through to the presentation of a recommendation to the S/IPCC, depending on the nature of the partner and partnership involved.

- **Caution to be taken:** the application of Category B (Yellow) questions in Due Diligence Procedures 1 or 2 resulted in a “Yes” response, implying that special caution needs to be taken, and exclusion considered; and/or
- **The level of funding involved:** up to CHF 200,000 (granting funds) or beyond – leads to consideration by IPCC Secretariat decision makers.

The following must be noted when considering partners to whom funding will be provided by IPCC: The selection of not-for-profit executing partners should be prefaced by a comparative review process involving at least three candidate organizations. When comparison may not produce relevant results, a written justification should be provided in the file for the consideration by the S/IPCC together with the recommendation.

2.1 When IPCC intends to grant funds that are less than or equal to CHF 200,000 to an implementing partner in support of a collaborative partnership for shared results

For partnerships involving less than or equal to CHF 200,000, the partnership review process should be carried out at the Secretariat with operational responsibility taken by the responsible Officer. The responsible Officer must carry out the Due Diligence procedure, including financial information and availability of funds, ensuring consultations with the DS/IPCC on existing references on the entity, if any, and also with the Legal and Liaison Officer (LLO) on the appropriate legal information.

The resultant partnership dossier should be prepared by the Officer with a recommendation to be reviewed by the DS/IPCC and decided upon by the S/IPCC. More specifically:

- i. If the diligence review does not result in negative results from the Category A (Red): Exclusionary criteria nor from Category B (Yellow): Caution: decision of Partnership Committee and the results of Category C (Green): Screening is positive, the responsible Officer should finalize the partnership dossier, summarizing the results and recommendation. It must then be submitted through the DS/IPCC to the S/IPCC for consideration. The S/IPCC will consider and approve the proposed partnership by concluding a partnership agreement in line with the WMO Service Note 2/2005 (WMO Standing Instructions, Chapter 5), as revised from time to time.
- ii. If the due diligence review does provide positive results from Category B (Yellow) Caution: decision by Partnership Committee, the S/IPCC will prepare and submit the partnership dossier recommendation to the Partnership Committee. The Committee will review the dossier and supporting documentation and decide to approve or not approve. If the approval is given, the S/IPCC will consider and approve the proposed partnership by concluding a partnership agreement in line with the WMO Service Note 2/2005 (WMO Standing Instructions, Chapter 5), as revised from time to time.

Once approved and signed, copies of the relevant documentation (including legal instruments) are to be sent to the WMO Legal Counsel and WMO Finance to keep central record of partnerships, including detailed financial information.

2.2 When IPCC intends to grant funds that are more than CHF 200,000 to its implementing partner in support of a collaborative partnership for shared results

For partnerships involving a transfer of more than CHF 200,000 the partnership review process involves the Partnership Committee, supported by the IPCC Secretariat. At the Secretariat level, the responsible Officer must develop the partnership dossier with recommendation and supporting documentation (checklist with due diligence results). The partnership dossier will be reviewed by IPCC Secretariat management and finalized before submission to the Partnership Committee.

Specifically, further to the due diligence review, if there are no negative results from the Category A (Green) Exclusionary criteria, the Officer prepares the partnership dossier for review by the DS/IPCC, with the view of arriving at an agreed recommendation. The finalized dossier with recommendation and supporting material must be submitted to the Partnership Committee by the S/IPCC.

The Partnership Committee reviews the submission and if an approval is given, the IPCC Secretariat will consider and approve the proposed partnership by concluding a partnership agreement in line with WMO Service Note 2/2005 (WMO Standing Instructions, Chapter 5), as revised from time to time.

Once approved and signed, copies of the relevant documentation (including legal instruments) are to be sent to WMO Legal Counsel and WMO Finance to keep central record of partnerships, including detailed financial information.

2.3 When IPCC intends to receive funds from for-profit entities

- i. The responsible Officer must develop the partnership dossier with recommendation and supporting documentation (checklist with due diligence results), for consideration by the S/IPCC. If there are negative results from the Category B (Yellow) Decision by Partnership Committee of **Annex 2**, the responsible Officer prepares the partnership dossier for review by the DS/IPCC. The finalized dossier with recommendation and supporting documentation must then be submitted to the Partnership Committee by the S/IPCC. The Partnership Committee will review the submission and, if an approval is given, the responsible Officer will consider and approve the proposed partnership by concluding a partnership agreement in line with WMO Service Note 2/2005 (WMO Standing Instructions, Chapter 5), as revised from time to time.

Once approved and signed, copies of the relevant documentation (including legal instruments) are to be sent to WMO Legal Counsel and WMO Finance to keep central record of partnerships including detailed financial information.

- ii. If the proposed partnership is within the scope of the IPCC Strategic Plan, The S/IPCC can proceed within his/her delegation of authority.
- iii. If the proposed partnership is not within an approved activity in the IPCC Strategic Plan, a project concept would need to be developed and approved by the IPCC Plenary to be included in the IPCC Strategic Plan.
- iv. The Partnership Committee may consider reviewing the partners/partnerships in a generic way.
- v. When appropriate, the IPCC Secretariat, on a case-by-case basis, suggests to the Partnership Committee to review the project and the partner/partnership simultaneously.

STAGE 3 - DUE DILIGENCE AND PARTNER SCREENING

There are two due diligence procedures set out below, which apply to for-profit and not-for-profit entities, respectively. These require the Officer to accomplish a standard checklist of information, involving a screening of the prospective partner organization. Each list covers negative or exclusionary criteria, followed by positive screening criteria that also serve to identify those organizations that are ahead of their peers.

The due diligence procedures, as key components of the partnership review process, also serve as a risk and opportunity management tool. They also address potential audit concerns related to the credentials of the organization involved, essential financial and administrative information and potential conflicts of interest.

When conducting due diligence, staff should ensure that potential partners are accorded the utmost respect, particularly by ensuring that the evaluation of their suitability is handled as early and as efficiently as possible.

Procedure 1 described below applies to for-profit organizations, recognizing that commercial entities pose certain ethical and policy considerations that normally come with the business of producing and selling goods and services.

Procedure 2 applies to not-for-profit organizations such as NGOs, organizations with which IPCC may wish to partner and grant funds to in respect of certain joint/collaborative project activities. The nature of criteria applied to these public interest organizations is focused mainly on organizational capacity, credibility and reputation. Unless specified otherwise, reference to not-for-profit entities below is NOT APPLICABLE to national government entities, including line ministries, agencies and subsidiary bodies, as well as sub-national government entities, and their agencies and subsidiary bodies.

For Procedures 1 and 2, the respective roles of the concerned responsible Officer, are the following:

Role of Responsible Officer: The role of the responsible Officer is to identify and determine potential, appropriate partnership entities; carry out the initial steps of the partnership review process and support the process through to its conclusion. The major elements include: carry out due diligence criteria²; compile the partnership dossier, monitoring and supporting the review process at the Secretariat level and, if need be, through the Partnership Committee. If the partnership is approved, the responsible Officer supports the development of the cleared legal agreement which will be cleared by the Legal and Liaison Officer, providing relevant documentation for Secretariat and WMO Legal Counsel records.

Role of Deputy Secretary of the IPCC: In accordance with the WMO Financial Rule 113.4 (a) and (b),³, the role of the Deputy Secretary of the IPCC is that of a certifying officer who reviews and verifies the partnership dossier prepared by the Responsible Officer. During the partnership review

² The Officer can apply the due diligence criteria by requesting the entity to supply the required information and collecting publicly available information.

³ **Certifying Officers Rule 113.4**

(a) One or more officials shall be designated by the Secretary-General as the certifying officer(s) for the account(s) pertaining to a section or subsection of an approved budget. Certifying authority and responsibility cannot be delegated. A certifying officer cannot exercise the approving functions assigned in accordance with Rule 113.5;

(b) Certifying officers are responsible for managing the utilization of resources, including posts in accordance with the purposes for which those resources were approved, the principles of efficiency and effectiveness and the Financial Regulations and Rules of the Organization. Certifying officers must maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Director, Resource Management Department, Internal Oversight Office or the External Auditor.

process, the DS/IPCC must be prepared to submit any supporting documents, explanations and justifications requested by the S/IPCC and the members of the Partnership Committee.

Role of the Secretary of the IPCC: In accordance with the WMO Financial Rule 113.5, (a) and (b)⁴ in line with the WMO's delegation of authority and based on the partnership dossier prepared by the PO and reviewed by the DS/IPCC, the Secretary of the IPCC exercises his or her judgement to determine whether the proposed partnership dossier should be approved, denied or sent to the Partnership Committee in the best interests of the Organization. For amounts below or equal to CHF 200,000 (granting funds), or where the due diligence does not reveal negative results under Category B of **Annex 2** (receiving funds), the S/IPCC can select and conclude a standard legal agreement with the preferred executing partner, or decide to send the case to the Partnership Committee. For amounts exceeding the above threshold, the S/IPCC shall, with support from the responsible Officer and DS/IPCC, submit his/her recommendation and the finalized partnership dossier to the Partnership Committee for consideration.

3.1 Procedure 1: When IPCC intends to receive funds from for-profit entities

As an intergovernmental entity of the United Nations, the IPCC enters into partnership agreements with for-profit entities for the purpose of fulfilling its mandate to review and assess the most recent scientific, technical and socio-economic information produced worldwide relevant to the understanding of climate change and not for the purpose of entering into any form of commercial relationship with the partner. All corporate partners should acknowledge this principle as to the fundamental framework for interpreting their rights and obligations as a partner of IPCC and as a guide for their conduct in this capacity.

The due diligence procedure is set out in **Annex 2** (Template for Due Diligence Procedure 1 for the selection of for-profit organizations) and is comprised of three categories that the concerned PO needs to apply in sequence. The categories are as follows:

Category A (Red) Exclusion Screening: The five questions listed in this category are based on the Guidelines on Cooperation between the United Nations and the Business Sector (2009). They reflect the minimum list of negative screening criteria that all UN agencies are expected to apply. If, for example, it appears that a company is involved or complicit in human rights abuses or in the use of child labour, the UN, as a matter of principle, will not partner with such a company. An answer of "Yes" to any one of the five questions results in a "No Go" decision, in which case the responsible Officer needs to go no further. Template 1 provides under "Guidance" indication of resources the responsible Officer can consult, including an online search and relevant UN offices to approach for advice, if necessary.

Category B (Yellow) Caution: Decision by Partnership Committee: If all five questions under Category A lead to a "No" answer, the responsible Officer needs to consider additional situations which could justify referring the decision to the Partnership Committee. One issue is whether the organization involved is based in any sensitive industries listed under Category B. This list has

⁴ **Approving Officers Rule 113.5**

(a) Approving officers are designated by the Secretary-General to approve the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertaking after verifying that they are in order and have been certified by a duly designated certifying officer. Approving officers are also responsible for approving the making of payments once they have ensured that they are properly due, confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered and, if the cost exceeds CHF 1,000 (or its equivalent in other currencies), in accordance with the purpose for which the relevant financial obligation was established. Approving officers must maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated responsibility in the Organization's accounting system and must be prepared to submit any supporting documents, explanations or justifications requested by the Director, Resource Management Department, Internal Oversight Office or the External Auditor;

(b) Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An approving officer cannot exercise the certifying functions assigned in accordance with Rule 113.4 or the bank signatory functions assigned in accordance with Rule 111.2.

been compiled by UN headquarters based on feedback from UN agency private sector focal points, coordinated by the UN Global Compact Office. UN entities take different positions on these sectors, considering their mandates. The World Health Organization, for example, will not collaborate with a tobacco industry company. In addition IPCC-sensitive industries such as petroleum should be considered carefully. UN entities are, however, encouraged to be consistent across the UN system, and the responsible Officer needs to **consider exclusion** in cases where the potential partner organization originates from industries such as arms, tobacco and alcohol manufacturing and/or gambling.

A recommendation to partner with an organization from any of the listed industries requires that the case be referred to the Partnership Committee established under this policy for its decision – irrespective of the amount (including none) of financial contribution involved.

There are also situations where the entity might pose a potential conflict of interest or a reputational risk to IPCC. In the case where another Department in WMO is working with a partner, the Secretariat, in compiling the dossier, might decide to send the case to the Partnership Committee for its judgement, *inter alia*, on coherence, checks and balances, or potential conflict of interest.

Though environmental and/or sustainability reporting can be a positive sign of an entity being an accountable and transparent organization, if the due diligence process highlights that the reporting could be seen as ‘green washing’ this justifies referring the decision to the Partnership Committee. In addition, care should be taken if there is any reason to believe that a company may use IPCC branding in an inappropriate way.

In addition, potential conflict of interest could result if the organization is a significant supplier in IPCC or WMO procurement or if partnership could be perceived to benefit, directly or indirectly, IPCC staff. Throughout, the Officer needs to consider principles such as “no unfair advantage” (compared to other companies) as described in the guidelines on Cooperation between the United Nations and the Business Sector.

The S/IPCC may also use his/her own discretion and refer a partnership to the Partnership Committee based on other issues of concern that might arise in the due diligence and partnership screening.

Category C (Green) Positive Screening: The next procedure for the responsible Officer is to apply questions 1 - 10 to the organization being screened. As indicated in the guidance section of Template 1, most of the questions can be answered by examining specified websites, including that of the company examined. In this procedure, a scoring system results in the organization obtaining a value out of a maximum score of 9. The value of the score, as indicated at the bottom of the Template, results in a ‘go ahead’ (>6), caution (3-6) or ‘little positive added value’ (<3).

The questions serve to identify organizations that are more advanced in the integration of climate change, environmental and social principles in their operations compared to their peers and have shown explicit commitment to help promote IPCC’s goals. The questions also consider the criteria taken from the Guidelines on Cooperation between the United Nations and the Business Sector, notably whether the organization is a participant in the UN Global Compact and any UN or IPCC initiative.

The responsible Officer is expected to indicate the result, having gone through screening categories A - C, and to formulate a recommendation based on this.

3.2 Procedure 2: When IPCC intends to grant funds to not-for-profit implementing partners

The due diligence procedure as set out in **Annex 3** (Template for Due Diligence Procedure 2 not-for-profit organizations) and is comprised of three categories that the concerned Officer needs to apply in sequence A – C. The categories are as follows:

Category A (Red) Exclusion Screening: The questions listed in this category reflect the minimum screening criteria to confirm the legal status as well as financial and technical capacity of the organization considered. It should be possible to obtain all this information from the organization's most recent annual reports and website. An answer of "No" to any one of the three questions results in a "No Go" decision, in which case the responsible Officer needs to go no further.

Category B (Yellow) Caution: Decision by Partnership Committee: The questions listed under Category B address alignment with values of the UN and IPCC. These refer to obligations or responsibilities expected by the UN, as well as sanctions and any reputational risks posed by any association with the organization involved.

Category C (Green) Positive Screening: The next procedure for the Officer is to apply questions 1 – 8, which relate to the technical and strategic capacity of the organization under consideration. These questions address the organization's relevant work experience, as well as possible past experience of working with other UN entities. The information should be available from the organization's website, as well as from consultation with the IPCC partnerships central information repository.

In this procedure, a scoring system results in the organization obtaining a value out of maximum score of 8. The value of the score, as indicated at the bottom of the Template, results in a 'go ahead' (>6), caution (3-6) or 'little positive added value (<3). The responsible Officer, having gone through screening categories A – C, is expected to indicate the result and formulate a recommendation based on this.

3.3 Due diligence where no transfer of funding is involved

IPCC often partners with organizations where the collaboration does not involve the transfer of funds but entails the sharing of resources (information, personnel and other) and other forms of in-kind contributions. In these cases, Due Diligence Procedures 1 and 2 should still be applied but in a somewhat simplified format:

Procedure 1 – for-profit organizations: Full Procedure 1 needs to be applied. The principles, reputational risks and other criteria listed in Due Diligence Procedure 1 are equally relevant when considering close association with a for-profit organization even where no transfer of funds to IPCC is involved.

Procedure 2 – not-for-profit organizations: Only categories B and C need to be applied. Since the relevant organization will not be paid to execute certain tasks, its legal and financial status is less relevant as a precondition for consideration as partner. On the other hand, alignment with the values of the UN and IPCC as well as relevant technical knowledge and strategic positioning are relevant criteria even if no paid execution of tasks is at stake.

STAGE 4 - THE PARTNERSHIP COMMITTEE

Introduction

The Partnership Committee supports the partnership review process in cases where the need for special caution has been determined and where a significant level of financial support is involved. In the case of executing partner organizations in support of a collaborative partnership for shared results, the Partnership Committee may also oversee a 'pre-screening' of partners for approval based on the criteria of Due Diligence Procedure 2.

Objectives

The objectives of the Committee are to (i) consider and approve or disapprove recommendations from the Secretariat on the selection of entities with whom new partnerships will be undertaken and (ii) provide a forum for joint deliberation among IPCC senior management on partner risks and opportunities that require special caution.

Composition

The Committee shall be composed of the following 3 members, or their alternates:

- 1 representative from Senior Management
- 1 representative from Programme
- 1 representative from Legal Affairs

Partnership dossier and recommendation

At least ten days before scheduled Committee meetings, the Officer in the Secretariat shall submit a finalized dossier with the Secretary of the IPCC's recommendation and all necessary documentation to enable the Committee to properly review the substantive, legal and financial aspects of the Partnership being proposed. The dossier should include:

- Results of the due diligence procedure (check list with score results)
- Secretary of the IPCC's recommendation(s) to the Partnership Committee
- Relevant supporting documentation such as the relevant PAG/PRC approved project document and information specific to the entity (e.g. annual report of the organization showing its status and missions statement)

Procedures

The Committee meets to discuss recommendations provided and, having considered requests, decides to:

- Approve the selection of the implementing partner; or
- Defer any decision pending receipt of additional information or clarification; or
- Reject the selection of the (funding/executing) partner

The Committee should also review on an ongoing basis and, if need be, refine and/or supplement, procedural aspects such as the specific elements covered in categories A, B and C of the due diligence checklist.

Any division will require concurrence of the majority of Committee members. Once the Committee has met, the minutes of the meeting shall be prepared by the designated Officer and distributed to the Committee members of verification and signature for approval.

The responsible Officer shall provide electronic copies of all related documentation to the Secretariat and inform the recommended implementing partner of the outcome of its selection.

STAGE 5 - PARTNERSHIP MANAGEMENT

5.1 Standard Legal Instruments

Annex 4 provides details of the location of the current versions of the standard templates and guidelines to be used for preparing partnership agreements. Any revisions to these documents will be formally issued by WMO's management and the most current versions posed on the WMO document management system (ELIOS). Responsible Officers should ensure that partnership agreements are developed using the most current version of the appropriate standard legal instrument template.

5.2 Financial Management and Oversight

Please refer to **Annex 5**.

5.3 Information Management

After the conclusion of executing partner or donor partner agreements, the responsible Officer and the DS/IPCC shall ensure that the partnership conditions are adhered to and that reports, in the necessary number of copies, are submitted by the partner to IPCC on time.

The Secretariat shall maintain an electronic file, in ELIOS, on each partnership, which should include the legal instrument, the partnership dossier (including results of due diligence procedure and recommendation), decision(s) of the Partnership Committee, and related audit and evaluation documentation. The central partnership information repository, within the IPCC Secretariat, should also include, when available, information relating to the evaluation of the partner's performance; and instances of non-compliance of the partner's legal, financial or programmatic obligations undertaken within a particular implementation agreement.

The relevant Officer will be in charge of the regular monitoring and evaluation of the implementation of the partnership agreement. The Partnership Committee will, with the DS/IPCC's support, review and learn lessons on the previous year's partnerships, and when relevant, share them with the IPCC Plenary.

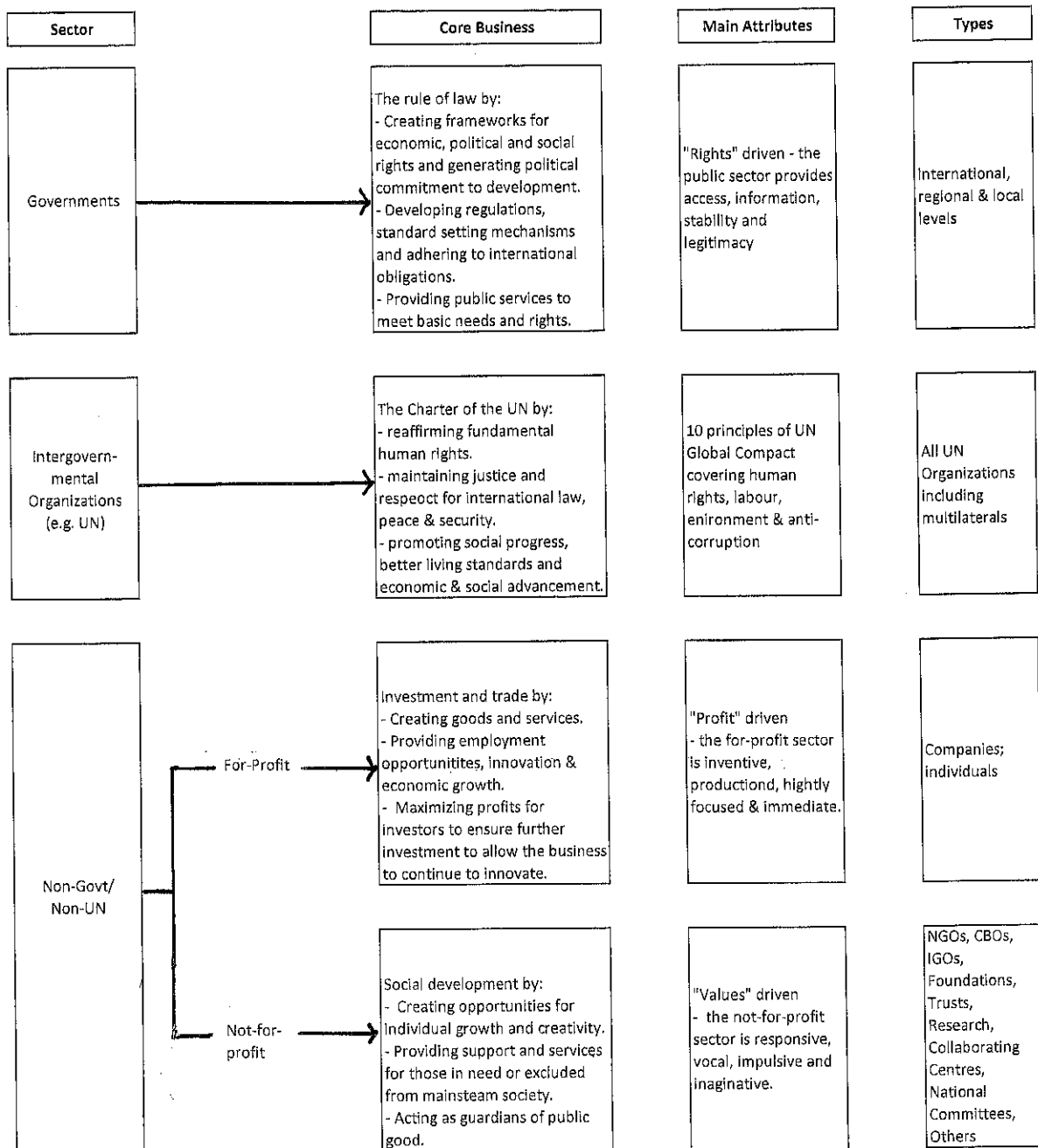
STAGE 6 – INTERPRETATION AND REVISION

Questions regarding the interpretation of this document should be addressed to the Secretariat which will serve as the final determinant on such issues.

The annexes to the present document, including the templates for standard legal instruments and related guidelines referred to in **Annex 4**, are an integral part of WMO's policy and procedures on partnerships. Any amendments to the present document shall be issued by the S/IPCC.

However, procedures for due diligence on **Annexes 2 and 3** can be amended after due process, by the Partnership Committee. Such amended procedures would be communicated by DS/IPCC or S/IPCC to all staff and posted in ELIOS along with the date they become effective.

Types of Partners



Annex 2: Template for Due Diligence Procedure 1 – For-profit Organizations

Category A (Red) Exclusionary criteria		
Criteria:	Yes/No	Guidance
1. Is it complicit in human rights abuses?	-	<ul style="list-style-type: none"> - Cf UN Global Compact human rights principles and UN Guiding Principles on Business and Human Rights - OHCHR available for advice - See www.business-humanrights.org/SpecialRepPortal/Home
2. Does it tolerate forced or compulsory labour or the use of child labour?	-	<ul style="list-style-type: none"> - Cf UN Global Compact labour principles and ILO Declaration on Fundamental Principles and Rights at Work - ILO available for advice - See www.ilo.org/declaration/lang--en/index.htm
3. Is it involved in the sale or manufacture of anti-personnel landmines or cluster bombs?	-	<ul style="list-style-type: none"> - Cf company website and any accusation to this effect in media (online search) - UNOG / Antipersonnel Landmines Convention available for advice - See www.icbl.org/intro.php
4. Does it not meet relevant obligations or responsibilities required by the United Nations?	-	<ul style="list-style-type: none"> - Consider evidence that it counters / active works against UN/IPCC promoted goals and responsibilities (e.g. use of online media search – e.g. accusations by NGOs such as Corpwatch of persistent, irresponsible behavior)
5. Does it violate sanctions established by the UN Security Council?	-	<ul style="list-style-type: none"> - Cf any recent accusation to this effect reported in media (online search) - Cf UNSC sanctions / countries list at www.un.org/sc/committees/
Category B (Yellow) Caution – Decision by Partnership Committee (check)		
1. UNGC sensitive industries list: <ul style="list-style-type: none"> • Military, armaments and weapons manufacturing • Tobacco and alcohol • Gambling (excluding lotteries with charitable objectives) • Breast milk substitutes • Extractive industries 	Yes/No	Guidance: <ul style="list-style-type: none"> - These organizations exclude working with companies in these sectors: OHCHR, UNICEF, UNESCO, UNFPA, WFP, UN Women - These organizations exclude working with companies in these sectors: WHO, UNICEF, OHCHR, UNFPA, UNITAR - These organizations exclude working with companies in these sectors: UNICEF, UNAIDS, UN Women - These organizations exclude working with companies in these sectors: UNEP, UNICEF, UN Women, UNFPA, UNESCO <p>These organizations exclude working with companies in these sectors: UNICEF (take extra caution)</p>
2. IPCC sensitive sectors: <ul style="list-style-type: none"> • Fossil fuels • Chemicals • GMOs, etc 		<p>These organization exclude working with companies in these sectors: UNICEF (take extra caution)</p>
3. Does the company produce banned pesticides, herbicides, etc?	-	<ul style="list-style-type: none"> - These organizations exclude working with such companies: UNICEF, UN Women, UNFPA, UNESCO
4. Potential conflict of interest: Is there a possible		<p>A 'conflict of interest' situation arises when a staff member's private interests – such as outside professional relationships or personal financial assets –</p>

<p>perception of a conflict of interest?</p> <p>Issues to consider:</p> <ul style="list-style-type: none"> • Does the entity already work with IPCC as an implementing partner? • Does an online search (Google, Corpwatch, media) show it being accused of significant cases of irresponsibility / litigations / or green washing? • Are there any other issues arising from the due diligence that might justify referring the decision to the Partnership Committee? • Is there a potential reputational risk for IPCC arising from the partner's promotional activities or its use of IPCC/WMO/UNEP logos? 		<p>might interfere with the proper performance of their professional functions or obligations as a United Nations official. A partnership should not be perceived to benefit, directly or indirectly, IPCC staff. For example, staff members should not be actively associated with managing or holding financial interest in any business if either the staff member or the entity has the opportunity to benefit from such an association by way of the staff members' position at the United Nations.⁵</p> <p>Relevant questions to consider: Is the company a significant supplier in IPCC procurement? Are the families of IPCC staff, or ex-IPCC staff working or associated with the partnership entity?</p> <ul style="list-style-type: none"> - Consider alleged involvement in bribery and corruption (see www.unglobalcompact.org/issues/transparency) - UNODC and Transparency International available for advise - Consider allegations / evidence of deliberate or negligent destruction, heavy pollution or degradation of the environment (cf ISO 1400 / environmental standards) - Consider allegations of other ISO 26000 "core subject" areas, notable human rights, labour, consumer health
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Category C (Green) Positive screening (eligibility criteria)

Criteria:	Yes/No	Score 1/0 ⁶	Guidance:
1. Does it support core values and goals of the UN (e.g. SDGs)?			<ul style="list-style-type: none"> - Consider fit / commitment to IPCC strategic priority, related to IPCC Strategic Plan activities and interest areas e.g. climate, oceans, desertification - Consider related certification, labeling recognition it has
2. Is it currently a participant in the UN Global Compact, or becoming one?			<ul style="list-style-type: none"> - See UNGC participants list / search online at www.unglobalcompact.org/participants/search - Covers over 5,300 business in 130 countries (delisted if not reporting annually on progress)
3. Does it publish an Environmental or sustainability report, disclosing information on its environmental/ CSR policy & performance?			<ul style="list-style-type: none"> - See relevant company website or printed material available; consider its stated policies and actions (e.g. ISO 14000 series) on environmental issues and broader social responsibility (ISO 26000, including contribution to community development)
4. Does it publish a			<ul style="list-style-type: none"> - See relevant company website and examine e.g. introduction

⁵ (check WMO policy)

⁶ For questions 1-8 award 1 point for YES, 0 for NO. In case of questions 9-10, award 1 for YES and 0 for NO.

sustainability report based on the GRI Guideline?			and/or annex indicator index of sustainability/CSR report for explicit reference to GRI - For GRI reporters database see www.ungloaireporting.org -		
5. Is it open to Engagement in multi-stakeholder dialogue IPCC and others?			- Assess from direct communication with company and IPCC - A plus if it uses AA1000 standard on stakeholder engagement (www.accountability.org) -		
6. Does it have any relevant corporate sustainability activities?			- Examples of (related) sustainability initiatives. Including any awards received for corporate responsibility initiatives.		
7. Is it listed on global/national sustainability indices (e.g. FTSE4Good, DJSI) or award schemes?			- Cf www.sustainability-index.com/ , www.ftse.com/index.jsp , ACCA national reporting awards (www2.accaglobal.com/) and ICC partnership awards (www.iccwbo.org) -		
8. Does it have any sustainability-related certifications?			- Consider standards such as the ISO 14000 environmental management series.		
9. Is the activity to be funded linked with the core business of the company?			- Core business (advancing CSR and cleaner production in own operations of the company), as opposed to philanthropic funding of activity unrelated to its core business (e.g. sponsorship).		
Total score for positive screening:		x/9	>6	3-6	<3
<i>Score of more than 6 – clear yes; score of 3-6 require an explicit, clear commitment; score of less than 3 consider no</i>					
How many other entities were considered for partnering on the intervention? Explain briefly the relative strength of the proposed organization.					
Based on the above checklist results, provide your recommendation with respect to the organization considered for partnership.					

Signature: _____
Name:
Title: Responsible Officer
Date:

Signature: _____
Name:
Title: Secretary of the IPCC
Date:

Signature: _____
Name:
Title: Chair, Partnership Committee
Date:

Annex 3: Template for Due Diligence Procedure 2 – for the selection of not-for-profit organizations⁷

Category A (Red) Exclusionary criteria		
Criteria:	Yes/No	Guidance
1. Legal status and governance	-	- Copies of the Partner's incorporation/registration document; and its governing documents (e.g. byelaws) must be publicly available
1.1 Does legal status reflect a not-for-profit status?	-	
1.2 Has the entity been duly registered?	-	
2. Financial and administrative	-	
2.1 Are its audited financial statements publicly available, showing sound financial management?	-	
3. Technical capacity	-	
3.1 Does the entity have the basic technical capacities to carry out the intervention?	-	
Category B (Yellow) Caution – Decision by Partnership Committee (check)		
4. Alignment to UN values	Yes/No	Guidance:
4.1 Does the entity fail to meet relevant obligations or responsibilities required by the United Nations?		- Consider evidence suggesting that it actively works against UN/IPCC goals and responsibilities (e.g. use online media search – such as accusations of irresponsible behaviour) If yes, then referred to Partnership Committee
4.2 Does the entity violate sanctions established by the UN Security Council?	-	- Is any recent accusation to this effect reported in media (online search) - Cf UNSC sanctions / countries list at www.un.org/sc/committees/ If yes then referred to Partnership Committee.
4.3 Are there any issues with the entity that could pose a reputational risk to IPCC?		This could include the following type of issues: - Possible conflict of interest (e.g. an ex-IPCC staff, family or spouse work at the entity) - Media reports on alleged 'green washing', bribery, corruption, other ethics violations; or related to governance or financial issues. If yes then referred to Partnership Committee.
5. Already working with IPCC		
5.1 Is it currently working with any part of WMO, UNEP or IPCC as		- Check the financial and technical track record with WMO, UNEP and IPCC

⁷ If any one of the criteria in Category A applies, exclude the company/no further consideration required. If company is from any one of the industry sector under Category B, proceed with special caution to Category C. If none of Categories A and B apply to the company, proceed directly to applying criteria under category C.

an implementing partner? Are there any reasons the decision should be taken by the Partnership Committee?			
Category C (Green) Positive screening (eligibility criteria)			
Criteria:	Yes/No	Score 1/0⁸	Guidance:
6. Specific Technical Capacities			
6.1 Does the organization have relevant proven experience in implementing similar activities (e.g. at a similar level of technical complexity; access to relevant information sources/networks)?			<ul style="list-style-type: none"> - This can be ascertained by internet research or requesting information from the entity. - Consider fit/commitment to IPCC thematic priority, related IPCC programme of work activities. - Consider related certification, labeling, awards recognition. Equal value should be assigned to these elements so as to ensure that no unfair advantage is given to organizations that can afford certification.
6.2 Has the organization previously managed activities in the same geographic area?			<ul style="list-style-type: none"> - This can be ascertained by internet research or requesting information from the entity. If the organization has worked for other UN entities, they should be contacted for feedback.
6.3 Has the organization previously managed efforts at a similar scale of funding?			<ul style="list-style-type: none"> - This can be ascertained by internet research or requesting information from the entity. If the organization has worked for other UN entities, they should be contacted for feedback.
6.4 Are there additional technical merits for partnering?			<ul style="list-style-type: none"> - This can be ascertain by internet research or requesting information from the entity. - For example building capacity, skills and training competencies.
7. Strategic Capacity			
7.1 Does the organizational mandate of the organization cover the purpose of the proposed activity?			
7.2 Does the organization have an environmental or sustainability policy that reflects similar/complementary values to those of IPCC?			
7.3 Does the organization have positive feedback from working with			

⁸ For questions 1-8 award 1 point for YES, 0 for NO. In case of questions 9-10, award 1 for YES and 0 for NO.

IPCC, the UN and/or other intergovernmental organizations?					
7.4 Are there additional strategic merits for partnering?			- For example an organization that is doing leading normative guidance, research or advocacy work that is internationally recognized.		
Total score for positive screening:		x/8	>5	3-5	<3
<i>Score of more than 5 – clear yes; score of 3-5 require an explicit, clear commitment; score of less than 3 consider no</i>					
How many other entities were considered for partnering on the intervention? Explain briefly the relative strength of the proposed organization.					
Based on the above checklist results, provide your recommendation with respect to the organization considered for partnership.					

Signature: _____

Name:

Title: Responsible Officer

Date:

Signature: _____

Name:

Title: Secretary of the IPCC

Date:

Signature: _____

Name:

Title: Chair, Partnership Committee

Date:

Annex 4

WMO's Standard Legal Instruments: templates and guidelines

For considering a partnership, WMO's standard legal instruments must be used in accordance with the Service Note No. 2/2005, as revised from time to time. The Responsible Officer should regularly check ELIOS for updated documents to ensure that the most recent one is being used.

Legal instruments for partnerships:

WMO's standard legal instrument template is available on the WMO intranet at http://intranet.wmo.int:7778/portal/page/portal/WMO/Document%20Resources/Regulatory%20Framework/TAB47110/All%20Service%20Notes/02-2005_en.pdf

and on ELIOS at:

<https://elios.wmo.int/share/page/repository#filter=path|%2FClassification%2520scheme%2520%2528WMO%2529%2FREM.%2520Resources%2520and%2520Management%2520Department%2FRegulatory%2520Framework%2FStanding%2520Instructions|&page=1>

Related guidelines:

See also the link for the WMO Standing Instructions – Chapter 5 – Finance, Budget and Internal Oversight:

<https://elios.wmo.int/share/page/folder-details?nodeRef=workspace://SpacesStore/83b3daef-ca02-4bb9-826b-a8987e10e57d>

Annex 5

Financial Management and Oversight of Legal Instruments

Financial Management

The use of resources with the United Nations is guided by the principles of effectiveness, efficiency and economy (UN Financial Regulations and Rules, 101.1). Since the financial controls and management practices utilized by IPCC/WMO's partners differs from those employed within the United Nations, it is incumbent upon the organization to encourage the application of these principles on resources expended through implementation agreements. As there is a risk of financial impropriety arising from the use of the financial management systems of Partner Institutions, it is imperative that mitigation measures be implemented to ensure that resources are used for the intended purpose, are fully accounted for and utilized in an effective, efficient and economical manner. It is with this in mind that the following guidelines and procedures have been prepared to aid Programme Managers with the development and management of the financial aspects of implementation agreements.

Budget Information

Implementation agreements' budgets and implementation plans serve as the basis for exercising financial oversight and monitoring resources provided to Partner Institutions. Budgets should therefore contain sufficient detail to justify resource requirements, demonstrate cost-effectiveness and as much as practicable, provide a breakdown of the resource requirements corresponding to the periods for which cash transfers will be made to the Implementing Partner. To this end, budgets should be prepared for each activity and further broken down by budget line elaborating resource requirements for each of WMO's major cost categories (i.e. objects of expenditure). While budgets should be as accurate as possible, it should be recognized that a budget is essentially a plan and that variances will occur during implementation. Consequently, a 10% variation in actual expenditure on budget lines can be considered acceptable provided the overall allocation for the implementation agreement is not exceeded. Variation in budget lines exceeding 10% should be reflected in an amendment to the implementation agreement.

Implementation agreements' budgets should only include financial provisions for activities that are directly relevant to the attainment of the agreement's objectives. In this regard, it is worth noting that although implementation agreements involving payments from IPCC are only concluded with not-for-profits, if the services being provided by the not-for-profit institution are of a commercial value, then the WMO's procurement process should be used rather than concluding an implementation agreement. Under no circumstances should WMO's standard legal instruments be used to circumvent the WMO's procurement or recruitment process. The administrative costs (e.g. managing, monitoring, preparing substantive and financial reports, etc.) associated with partnership agreements should normally be borne by the Partner, however, in instances where the Partner's capacity is limited, such costs may be included in the budget. When administrative costs are included in the budget, every effort should be made to keep them to a minimum and they should never exceed 13% of the overall budget.

Instalments: advances and payment schedule

A key consideration for the effective management of implementation agreements is the level of operational advances paid to the implementing Partner. In general, lower levels of operational advances are preferred as this allows the organization to minimize financial loss by withholding subsequent instalments in cases of non-performance. Ideally, instalments should correspond with the resources required to achieve the agreement's major milestones, however, higher initial Instalments may be warranted by factors such as the Partner's satisfactory prior performance, low overall cost of the agreement, nature of activities, etc. Appart from the initial instalment, requests

for subsequent advances should be accompanied by financial reports which should provide detailed information on expenditures incurred against each budget line.

Financial/expenditure reports

All expenditure reports should be certified by an authorized official from the Partner institution attesting to the accuracy of reported expenditures, that resources have been used in accordance with budget provisions and the implementation agreement's terms and conditions and that all expenditures are supported by relevant documents. IPCC will only accept expenditures that are in line with the approved budget.

Audit

Although certified financial statements provide some assurance of authenticity, ideally, financial statements should also be independently verified by an external auditor. As auditing all implementation agreements would neither be cost-effective nor practical, only agreements exceeding a value of CHF 200,000 are required to be audited at the end of their implementation. The audit may be performed as part of the Partner's external audit process provided IPCC's funding is explicitly mentioned as being included as part of the audit. Should this not be possible, the cost of the audit may be covered in the implementation agreement's budget. While the audit would be left with a partner organization it should not preclude the audit of the partnership by the Internal Oversight Office (IOO) according to WMO policies.