United Nations

Framework Convention on Climate Change

FCCC/SBI/2026/INF.7/Add.1

Distr.: General
6 November 2026

English only

Subsidiary Body for Implementation
Sixty-fifth session
Antalya, 9–14 November 2026
Item 18 of the provisional agenda
Administrative, financial and institutional matters

Financial report and audited financial statements for 2025 and report of the United Nations Board of Auditors

Note by the secretariat

Addendum

Management response by the secretariat

Summary

The report of the United Nations Board of Auditors for 2025 (FCCC/SBI/2026/INF.7) includes recommendations relating to the financial and performance audit of the UNFCCC. This addendum, which should be read with that report, provides the secretariat's comments on those recommendations and specifies the initial actions taken to implement them. This addendum also contains information on the status of implementation of all open recommendations relating to previous Board of Auditors reports.

Abbreviations and acronyms

CBD	Convention on Biological Diversity
COP	Conference of the Parties
IPSAS	International Public Sector Accounting Standards
MOU	memorandum of understanding
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNEP	United Nations Environment Programme

Table 1
Recommendations of the United Nations Board of Auditors for the year ended 31 December 2025

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
Recommendation 1, paragraph 49		
The Board recommends that the UNFCCC secretariat document its current procedure on Working Capital Reserve management.	The secretariat is drafting a procedure for the management of its working capital reserve.	Under implementation
Recommendation 2, paragraph 55		
The Board recommends that the UNFCCC secretariat perform an analysis to determine the nature of transfers from Clean Development Mechanism Fund to the Paris Agreement framework, the appropriate accounting treatment, and the required disclosures in the Notes to the financial statements.	The secretariat is performing an analysis of the nature of transfers from the trust fund for the clean development mechanism to other UNFCCC trust funds to determine the appropriate way of accounting for those transfers, and will include the required disclosures on this matter in the notes to its financial statements going forward.	Under implementation
Recommendation 3, paragraph 65		
The Board recommends that the UNFCCC secretariat provide documented, sufficient and verifiable evidence to substantiate the classification of annual leave liabilities as current and non-current at the reporting date, in accordance with IPSAS 39 requirements regarding the expected timing of settlement of employee benefit obligations.	The secretariat will provide to the Board sufficient and verifiable evidence to substantiate the classification of annual leave liabilities as current and non-current in accordance with IPSAS 39.	Under implementation
Recommendation 4, paragraph 80		
The Board recommends that the UNFCCC secretariat build on the new Climate Weeks pilot approach by (i) formalizing the segregation of roles and responsibilities in updated terms of reference, and (ii) expanding the annual project plan by including all the stakeholders involved in the preparation of Climate Weeks.	The secretariat has prepared draft terms of reference for roles and responsibilities and is reviewing the business model in relation to climate weeks.	Under implementation
Recommendation 5, paragraph 92		
The Board recommends that the UNFCCC secretariat, with regard to the Terms of Reference of the Governance Board, (i) ensure compliance with the existing provisions on both its role (information sharing and decision-making) and its organization and management, and (ii) revise the Terms of Reference to include oversight of intersessional mandated events not clustered in Climate Weeks.	The terms of reference of the Governance Board have been revised to incorporate oversight of intersessional mandated events. Final approval of the terms of reference is pending the approval of the secretariat's decision-making and governance framework, to which the revised terms of reference will be annexed.	Under implementation
Recommendation 6, paragraph 109		

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
The Board recommends that the UNFCCC secretariat include a framework agreement component within the template of the MOU for the Climate Weeks, and other mandated events organized outside Bonn, to facilitate earlier structuring of partnerships with host countries and reduce the need for repeated bilateral negotiations.	The secretariat has already initiated work on including a framework agreement component, setting out overarching arrangements that could apply to UNFCCC activities hosted in the respective country, within the template of the MOU for climate weeks and other mandated events organized outside Bonn, to facilitate earlier structuring of partnerships with host countries and reduce the need for repeated bilateral negotiations. While the inclusion of such a component is subject to the agreement of the host country, the secretariat is hopeful that this can be achieved for future climate weeks for which sufficient time for discussion and negotiation on the MOU is available. Outside the context of climate weeks, the secretariat has concluded several MOUs containing such framework agreement components, with discussions on this matter in progress in other cases.	Under implementation
Recommendation 7, paragraph 119		
The Board recommends that the UNFCCC secretariat establish a detailed and structured onboarding package for each Joint Operational Team workstream, bridging the gap between high-level guidance and technical specifications.	Joint operational teams provide the structure for the secretariat and the respective host country to coordinate the operational preparation and delivery of UNFCCC events across the relevant workstreams. Work is under way to develop a structured onboarding package for them, thereby bridging the gap between high-level guidance and technical specifications.	Under implementation
Recommendation 8, paragraph 128		
The Board recommends that the UNFCCC secretariat document standardized organizational models, proposals for the segregation of roles and responsibilities, and associated templates for job descriptions to support the early structuring of COP Presidency teams and to improve alignment between operational responsibilities and required competencies.	The secretariat will develop a practical reference package for future COP Presidencies, comprising standardized organizational models for Presidency teams, guidance on the segregation of key roles and responsibilities, and adaptable job description templates setting out expected functions and competencies. The package will draw on lessons learned from previous sessions of the COP and relevant operational experience and will be made available to incoming Presidencies to support the early design and staffing of their teams.	Not started
Recommendation 9, paragraph 134		
The Board recommends that the UNFCCC secretariat (i) encourage the COP Host Country to introduce a third-party quality assurance mechanism to facilitate decision-making in situations where the activation of operational contingency measures may face sensitivities, and (ii) produce an operational contingency plan for intersessional events where current risk management arrangements remain limited.	Work is under way to strengthen operational contingency planning for intersessional UNFCCC events taking into account the secretariat's risk management arrangements.	Under implementation
Recommendation 10, paragraph 140		

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
The Board recommends that the UNFCCC secretariat establish a structured and accessible repository of vetted suppliers from previous COPs.	The secretariat will establish a consolidated repository of vetted suppliers from previous sessions of the COP and update it on a yearly basis. The repository is expected to be in place by the end of the first quarter of 2027.	Under implementation
Recommendation 11, paragraph 145		
The Board recommends that the UNFCCC secretariat strengthen control mechanisms by clarifying roles and responsibilities across procurement layers and extending compliance requirements to secondary contractors.	Standard contract templates already contain provisions addressing disclosure, notification and the extension of applicable contractual requirements to subcontractors. The secretariat will strengthen these arrangements by clarifying the respective responsibilities of the country hosting the UNFCCC event and the secretariat for identifying, disclosing and screening secondary contractors, and by reviewing whether existing contractual provisions adequately extend relevant compliance requirements to such contractors.	Under implementation
Recommendation 12, paragraph 158		
The Board recommends that the UNFCCC secretariat establish Standard Operating Procedures concerning operations for Climate Weeks and intersessional mandated events.	The secretariat has prepared draft standard operating procedures for climate weeks with the aim of them being finalized in 2027.	Under implementation
Recommendation 13, paragraph 167		
The Board recommends that the UNFCCC secretariat establish a structured and systematic assessment framework for its services provided to the intergovernmental process, including formalized feedback mechanisms from key stakeholders, such as client surveys, and defined indicators, to support continuous improvement and ensure traceability of actions.	Relevant work will commence after COP 31. The secretariat initiated testing of some mechanisms for obtaining input from key stakeholders in June 2026, including feedback on training for negotiations at sessions of the governing and subsidiary bodies.	Not started
Recommendation 14, paragraph 174		
The Board recommends that the UNFCCC secretariat update and extend its Standard Operating Procedure on Climate Neutrality to enable the implementation of a carbon offset mechanism and establish sustainability reporting processes for the Subsidiary Bodies and Climate Weeks in order to fully cover all major events on the climate agenda.	Work is under way on updating the existing standard operating procedure on climate neutrality to address matters relating to carbon offsetting and sustainability reporting for sessions of the subsidiary bodies and climate weeks.	Under implementation

[a] Reproduced as received from the Board.

Table 2
Recommendations of the United Nations Board of Auditors for the year ended 31 December 2024

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
Recommendation 4, paragraph 82		
The Board recommends that the UNFCCC secretariat: i) explore alternative contractual arrangements for cooperation with think tanks active in the field of climate finance; ii) specify in those arrangements the information the think tank will share with the UNFCCC, especially regarding data and the uses to which the UNFCCC secretariat can put this data.	No contractual arrangements for cooperation with think tanks active in the field of climate finance have yet been established, but the secretariat has been exploring the possibility of collaboration under the UN Climate Change Universities Partnership Programme with a view to tapping into the expertise of academic institutions in order to strengthen its gathering of data and research for climate finance reports and outputs under the UNFCCC. Appropriate contractual agreements will be explored further as the need arises. Goals and targets relevant to implementing this recommendation have been included in the workplans and performance appraisal system objectives of the responsible secretariat staff.	Under implementation
Recommendation 5, paragraph 87		
The Board recommends that the UNFCCC secretariat's policy on consultants and individual contractors, currently under development, include specific provisions on; (i) the prevention of conflicts of interest, in particular for the hiring of individuals who are likely to represent Parties in negotiations that are directly related to the delivery of services by the consultants and individual contractors, and (ii) the re-employment of consultants and individual contractors as a staff member.	The secretariat currently requires all prospective consultants and individual contractors to declare whether they have other contractual obligations. If they do, they must specify the employer's name, the scope of the assignment and the contract period. Following the recommendation of the Board of Auditors, the disclosure process will be expanded to include additional safeguards designed to prevent conflicts of interest.	Under implementation
Recommendation 8, paragraph 127		
The Board recommends that the UNFCCC secretariat in a whole of agency solution seeking approach and where it adds value sign and/or update legal arrangements with United Nations agencies, funds and programmes – in particular with UNDP (and UNCDF), UNEP, UNCCD, CBD, UNDRR, etc. – to maximize the secretariat's capacity to act as a catalyst.	The secretariat has taken steps to strengthen and update its legal arrangements with relevant United Nations entities.	Under implementation

[a] Reproduced as received from the Board.

Table 3
Open recommendations of the United Nations Board of Auditors for the year ended 31 December 2022

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
Recommendation 9, paragraph 224		
The Board recommends that the UNFCCC secretariat better prevent the risks of fraud, corruption and misconduct by enhancing and updating detection and treatment systems.	The secretariat reviewed the detection and treatment systems in place for preventing risks of fraud, corruption and misconduct while developing its statement of internal controls.	Under implementation

[a] Reproduced as received from the Board.

Table 4
Open recommendations of the United Nations Board of Auditors for the year ended 31 December 2021

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
Recommendation 9, paragraph 69		
The Board recommends that UNFCCC eliminate all shortcomings in UNFCCC policies that were identified in the policy review as soon as possible.	Updates to the UNFCCC policies identified in the policy review are at various stages of completion.	Under implementation

[a] Reproduced as received from the Board.

Table 5
Open recommendations of the United Nations Board of Auditors for the year ended 31 December 2020

Recommendation[a]	*Comments of the secretariat as at 1 October 2026*	*Status of implementation as at 1 October 2026*
Recommendation 6, paragraph 81		
The Board recommends that UNFCCC comply with the Procurement Manual in further low-value acquisition processes.	The secretariat confirms that the UNFCCC procurement policy aligns with the Procurement Manual. Changes to the delegation of authority of the UNFCCC Executive Secretary, which are expected to address, inter alia, procurement matters, are under discussion with the United Nations Secretariat.	Under implementation

[a] Reproduced as received from the Board.