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Administrative and financial matters
Internal review of the activities of the secretariat**

Report on the internal review of the activities of the secretariat

Note by the Executive Secretary

Summary

The internal review conducted in response to decision 16/CP.9 revealed that, over the past years, a wide range of tasks relating to various aspects of support to implementation by Parties have been added to the traditional work of the secretariat. Input provided by the Parties to the internal review, as well as the judgment of the United Nations Office for Internal Oversight Services, uphold the overall assessment that the secretariat fulfils its expanded mandate well, but that there is room for improvement.

The secretariat is challenged by the need to balance the resources available with the increasing scope and complexity of activities it has been asked to undertake. There is also some uncertainty about the role the secretariat is expected to play in relation to other actors. For the secretariat to meet expectations, it needs to strengthen its capacity in key areas, including support to developing countries, as well as to all Parties with respect to adaptation and reviews, mechanisms and compliance under the Kyoto Protocol.

Initiatives developed by the secretariat to address these challenges are presented, including a new programme structure and a move towards a results-based approach. The Subsidiary Body for Implementation is invited to provide feedback on these initiatives, to advise on some specific issues highlighted in this report, and to recommend conclusions for adoption by the Conference of the Parties, at its eleventh session, on the process and the outcome of the internal review of activities.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by its decision 16/CP.9, paragraph 23, requested the Executive Secretary to undertake, if necessary with relevant United Nations assistance, an internal review to evaluate the activities carried out by the secretariat and to report on findings to the COP at its eleventh session.

B. Scope of the note

2. This report presents the main findings and conclusions emanating from the internal review, which was conducted between August and November 2004. The secretariat focused on the activities outlined in the work programme for the biennium 2004–2005.¹ The biennium, however, is part of a larger programmatic phase following the adoption of the Marrakesh Accords at COP 7, so the period since then was reviewed as a whole.

C. Possible action by the Subsidiary Body for Implementation

3. The Subsidiary Body for Implementation (SBI) may wish to consider the information contained in this report as background to the proposed programme budget for the 2006–2007 biennium.² It may also wish to note the initiatives already implemented by the secretariat as listed in annex I to this document.

4. The SBI is also invited to provide guidance to the secretariat on the issues highlighted at the end of sections A and D of chapter III below, and to agree on conclusions or a draft decision on the internal review and evaluation of activities to be recommended for adoption by the COP at its eleventh session.

II. Approach

5. In accordance with the request by the COP, the review was undertaken mainly internally by secretariat staff. All programme and sub-programme managers, and many other staff, were involved to ensure that the input was comprehensive.

6. In order to promote a vigorous review, and to ensure that the process was methodologically sound, the secretariat invited the United Nations Office of Internal Oversight Services (OIOS) to assist. OIOS developed an approach to self-assessment, based on the concepts of results-based budgeting. It advised on the design of the review methodology, conducted in-house workshops, and provided a written report on its experience with the secretariat, excerpts from which are attached in annex II.

7. Following the methodology developed with OIOS, each sub-programme conducted a self-assessment. The self-assessment reports were synthesized at programme level and then peer-reviewed by other programmes. This self-assessment and review process was supplemented by other initiatives to explore a wide range of perspectives on the secretariat's activities.

8. The Executive Secretary invited Parties to communicate their views on the secretariat's activities.³ Twelve replies were received, one of which contained the views of 26 Parties. The Parties' submissions are summarized in annex III and reflected in the relevant sections below. Less formal inputs from Parties provided at sessions and meetings are also incorporated.

¹ FCCC/SBI/2003/15/Add.1.

² FCCC/SBI/2005/8 and Add.1–2.

³ Message to Parties from the Executive Secretary, dated 6 July 2004 (ICA/MTP/COP9/04).

9. In addition, the secretariat undertook several reviews and surveys: a specific review of the implementation of all requests to the secretariat contained in COP decisions and subsidiary body conclusions; a review of the secretariat's internal management committees and structures; a review of workshop arrangements; a review of in-house information systems, databases and clearing houses; a review of the support given by the secretariat to the COP Bureau; and a survey of in-house services. The findings of these reviews and surveys are reflected in this report.

10. Wherever possible, the secretariat has begun implementation of the conclusions drawn or reconfirmed during the internal review (annex I). The review has also resulted in important input to the proposed 2006–2007 programme budget and work programme, as well as to other issues discussed by Parties.⁴ Finally, issues requiring guidance from the Parties are summarized where appropriate.

11. The secretariat developed a framework for structuring its activities.⁵ Three clusters of secretariat activities were identified:

- (a) Support to the intergovernmental process
- (b) Substantive support to ongoing discussions among Parties on issues
- (c) Mandated implementation activities.

The following discussion of the outcomes of the internal review is organized according to this framework.

III. Outcomes of the review

12. The Marrakesh Accords were a turning point in the intergovernmental process on climate change. For the secretariat, they meant an evolution in the character of its work, and a major increase in volume of work. In addition to activities supporting the intergovernmental process, the emphasis shifted increasingly towards mandated implementation activities.

A. Support to the intergovernmental process

13. The submissions from Parties showed that Parties generally appreciated the work of the secretariat in organizing sessions and meetings and supporting the intergovernmental process. Specific mention was made of conference scheduling and logistics, workshop support, documentation and information services.

1. Organization of meetings and process support

14. Parties expressed some concerns about the number of meetings and the volume of competing activities during sessions. The secretariat makes every effort to reduce such pressures, but notes that they are not entirely within its control. Some factors contributing to the number and scope of meetings, such as the large number of agenda items and the frequency of their consideration, are being considered in the ongoing discussions of the intergovernmental process.

15. The Parties' views revealed general satisfaction with the organization of **COP and subsidiary body sessions**. The availability of facilities and infrastructure was considered sufficient to enable Parties

⁴ For example, arrangements for intergovernmental meetings, the continuing review of the functions and operations of the secretariat, and cooperation with relevant international organizations. Consideration of such issues by the SBI is not specifically proposed in this document but will be addressed under the respective other agenda items, to avoid duplication of discussions.

⁵ ICA/MTP/COP9/04.

to do their work. As a new element, some Parties expressed interest in having access to computer centre facilities during pre-sessional meetings. The secretariat will review information and communication technology requirements for meetings and adjust services where possible. It will also invest further efforts in on-line registration and electronic information dissemination to increase efficiency.

16. **Bureau members** expressed satisfaction with how the secretariat supports their deliberations and welcomed recent steps to strengthen the secretariat's support to the Bureau through earlier provision of agendas and documentation, and clearer presentation of issues. Former and current presiding officers,⁶ too, expressed high appreciation of the support received from the secretariat. The review identified a potential to further improve this support through clearer and more tailored advice, written material, and more training of secretariat staff, for example on procedural issues.

17. Although the volume of organizational support to **expert groups**⁷ has been anticipated appropriately, there has been a tendency to request additional substantive and documentary services from the secretariat, a practice on which Parties may wish to reflect.

18. The internal review identified a growing requirement for **legal advice** and support across a wide range of issues relating to the administrative authorities and operations of the secretariat as well as in the intergovernmental process, especially in areas where new mechanisms are becoming operational. Options to strengthen the secretariat's legal capacities are further explored in the context of the 2006–2007 programme budget.

2. Preparation of documents

19. The most prominent issue raised by Parties in their submissions concerned the preparation of documents. Many requested that documentation, including language versions, be available earlier. Although the quality of documents was generally appreciated, some suggested using less technical or complicated language and that documents be shorter.

20. Preparation of documents emerged as a priority area for improvement also in the secretariat's self-assessment. It was recognized that extra effort is needed to ensure **timely availability** of documentation in line with United Nations guidelines. At the same time, it was recognized that there are constraints, most importantly the annual cycle of two sessions per year, which severely limits the time for preparation. The necessary review and adjustment of practices will have implications for the scheduling of intersessional workshops, for the treatment of their reports and for the timing of submissions from Parties. Within the secretariat, in addition to streamlining internal processes and automating production, managerial rigour will be applied to meet the commitment to timeliness.

21. The secretariat also concluded that further improvement is needed in the **quality of documents** to make them more readable and the language less complicated. This will be accomplished through revised editorial and style guidelines, in-house training and a streamlined editing process.

22. The need to process a large **volume of documentation** can also lead to delays. The secretariat will be more conservative in proposing new documents, and review the scope for use of the UNFCCC web site,⁸ rather than official documents, to publish information.

⁶ Apart from members of the Bureaux, these include chairs of contact groups and convenors of informal consultations.

⁷ The Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, the Expert Group on Technology Transfer, and the Least Developed Countries Expert Group.

⁸ <unfccc.int>.

3. Organization of workshops and expert meetings

23. In their submissions, Parties generally expressed appreciation for the quality and efficiency of the secretariat's work in organizing workshops and meetings. However, they raised two issues: the need for timelier issuance of invitations and availability of background documents, and the balance of participation between Parties included and not included in Annex I to the Convention (Annex I and non-Annex I Parties, respectively). Under item 10 of the agenda of the twenty-first session of the SBI dealing with the continuing review of the functions and operations of the secretariat, Parties considered in depth, and provided valuable guidance on, how to address these issues.⁹

24. The secretariat's internal review concluded that the internal structures in place for workshop organization were generally functional. The secretariat will further strengthen its procedures and consultations in order to gain efficiency. Questionnaires could be helpful to assess individual workshops.

25. The policy of **scheduling** workshops after the subsequent sessional period was found to give sufficient time for proper organization of quality events. Full implementation of this policy, however, has often conflicted with the need to be flexible in support of the political process.

26. The secretariat will be more rigorous in issuing **invitations and documents** earlier. Late availability of funding, however, often prevented the setting of clear internal deadlines; uncertainties about the scheduling of workshops and meetings will be minimized by the SBI request to the secretariat, made at SBI 21, to postpone workshops if funding is not confirmed in sufficient time.

27. A review of **participation** in all workshops since COP 7 revealed that 56 per cent of all participants came from non-Annex I Parties, and 44 per cent from Annex I Parties. As requested at SBI 21, the secretariat will work with the chairs of the subsidiary bodies, who are responsible for invitations to workshops, to ensure strong participation from non-Annex I Parties and raise the necessary funds.

4. Information activities and services

28. Parties were very positive in their views about the UNFCCC **web site** and other published information products. They made suggestions about the frequency of updates, searching facilities and organization of documents. Some Parties expressed interest in having more information published in languages other than English, and more information on contacts in the secretariat.

29. The secretariat used the October 2004 relaunch of the web site to respond to comments and suggestions. It will give additional attention to providing contact information and assuring a rigorous approach to updates of web content.

30. As a result of initiatives and contributions from interested Parties, the secretariat has been able to make some information available on the web site in languages other than English, for example through French and Spanish web modules. A continuation and expansion of these services will require additional arrangements and funding.

31. **Media interest** in the issue of climate change, the Convention and the Kyoto Protocol has grown considerably and the secretariat needs to be able to respond appropriately. Parties have drawn attention to the need to be prudent in language used in press releases and public statements. The secretariat's internal review concluded that the secretariat must clarify responsibilities and strengthen its capacity to tailor services to meet increased media requirements.

⁹ See also documents FCCC/SBI/2004/19 and FCCC/SBI/2004/INF.10.

32. In considering the secretariat's activities in support of the intergovernmental process, **the SBI may wish:**

- (a) **To reflect on the role expert groups are to play in supporting the Convention process and the distribution of work to be done by the secretariat and the members of expert groups in advancing their work programmes;**
- (b) **To consider on an ongoing basis whether all documents requested are required to advance the process and invite the secretariat to review serial documents to determine if they are still essential.**

B. Substantive support to ongoing discussions among Parties

33. In sessions and between sessions, the secretariat prepares materials to support discussions under COP and subsidiary body agenda items. In addition, it provides advice to officers, contact group chairs and consulting officials on the substance of issues under discussion. The range of issues covered is extremely wide, dictated by the agendas and the course of the intergovernmental process.

34. Party submissions acknowledged the role of the secretariat in supporting intergovernmental deliberations. Some suggested, however, that the secretariat favoured issues of interest to Annex I Parties and should allocate more time and resources to issues of interest to non-Annex I Parties. Although agendas are prepared by the secretariat, they reflect specific requests by the COP and subsidiary bodies rather than secretariat preferences. The secretariat will continue to provide its best, impartial advice to Parties, especially to presiding officers, to implement its work programme pursuant to guidance from the Convention process, and to develop innovative and creative options to help Parties address issues in the intergovernmental process. (See also section III.D.3 below on support to non-Annex I Parties.)

35. The secretariat's staff and consultants are considered to have delivered complex analytical work of high quality. For example, the secretariat has provided the Convention process with expert advice and support on highly technical issues regarding the Kyoto Protocol, often breaking new ground in the United Nations system. In order to sustain high performance levels, sufficient time and resources must be secured on a more permanent basis.

C. Mandated implementation activities¹⁰

36. Party submissions revealed a number of individual Party comments rather than concerns shared by several Parties. Positive feedback was given on in-depth reviews (IDR) of Annex I Parties' national communications, inventory reviews and support for non-Annex I Party national communications.

37. Considerable investment has been made both by Parties and by the secretariat in the development of mandated implementation activities. These activities serve a specific purpose and some of them will form the building blocks of the emerging Kyoto Protocol infrastructure. In spite of good progress in this area, important challenges emerged from the internal review in the cross-cutting areas of presentation and utility of data, priority-setting, workload and funding.

¹⁰ This report does not include an analysis of future mandated activities, some of which are currently in the preparatory and/or negotiating phase, such as the compliance system, registries and transaction log, and joint implementation.

1. Supporting Annex I Parties' national communications

38. The IDR process is resource-intensive. The secretariat will review the process before the next round in 2006–2007 to identify possible synergy and remove any organizational bottlenecks. Consideration will be given to the feasibility of combining IDRs with inventory reviews for some countries.

39. The secretariat uses the UNFCCC web site to present consolidated relevant information on existing guidelines, decisions and conclusions relating to the preparation of national communications and reports demonstrating progress made in achieving commitments under the Protocol. It will increase its efforts to develop more reader-friendly compilation and synthesis reports and review reports, and strengthen their analytical components. The accessibility of information on the implementation of the Convention and the Kyoto Protocol will be improved by providing, on the web site, concise and visually appealing data, for example the country profiles of Annex I Parties.

2. Coordinating Annex I Parties' annual inventory reviews and training reviewers

40. The investment made over the past several years has paid off in substantive improvements in greenhouse gas (GHG) inventories and reporting. The quality of the database compiled from the inventory process has been steadily improving.

41. During certain periods in a year, the workload to meet the deadlines set by the review guidelines has been excessively high. In some cases (for example Part I of the synthesis and assessment reports) deadlines have been impossible to meet. The secretariat therefore intends to simplify and automate outputs where possible. The secretariat will reinforce the quality of training for new experts, as well as its efforts to organize lead reviewers' meetings and the reviewer selection process efficiently. It will also expedite the constitution of review teams and the dispatch of review materials.

3. Developing and maintaining the GHG information system

42. Inventory submissions from Parties, when put together in an information system, are a valuable resource that will grow in value with time. This function of the secretariat is central to the implementation of the Convention and the Protocol and cannot be outsourced. The GHG information system was reviewed by experts in 2002; the implementation of their recommendations is under way, though challenged by some resource shortfalls.

43. The secretariat's assessment of improvements achieved and problems faced indicates that, although the direction of ongoing technical work is sound and will provide solutions in a period of two to three years, the work on the GHG information system and related activities is close to unmanageable with the current level of human and financial resources.

44. The development of software to facilitate inventory submissions by Annex I Parties, and the related restructuring and enhancement of the GHG database, were delayed. The internal review showed that initial plans were overly optimistic. The maintenance and further development of the GHG information system require greater expertise in software development and database management. Also, there is a need to enhance public access to the database. Competing priorities and workload pressures resulting therefrom, contracting problems, and unpredictability of funding added to the difficulties faced.

4. Assisting the preparation of non-Annex I national communications

45. Non-Annex I Parties require further support if they are to contribute effectively to the implementation of the Convention. The new guidelines for national communications place higher expectations in terms of depth of analysis and level of detail required.

46. Given the many actors involved in training, capacity-building and public awareness, the secretariat is taking a more strategic approach to its contributions to training workshops and side events. The focus is on refining the secretariat's role so that it can deliver greater value added and, at the same time, make it easier for Parties, implementing agencies of the Global Environment Facility (GEF), and others, to replicate and expand the work.

47. The information gathered from the national communications can be presented in a more accessible way and in a way that clearly presents both the progress in efforts made by Parties to implement the Convention and the challenges they face. This will enhance the Parties' ability to devise corrective and/or supportive measures. The work undertaken in the secretariat on the list of mitigation projects proposed for financing in accordance with Article 12.4 of the Convention has been unproductive due to the nature and the substance of the list. The SBI is currently considering how to improve the situation.

5. Supporting the Executive Board of the clean development mechanism and capacity-building for CDM

48. The past three years have seen the clean development mechanism (CDM) move from theory to practice. Support to the CDM Executive Board has evolved into a major activity of the secretariat. The work of the Executive Board requires a high degree of expertise in a diverse range of new domains, such as methodologies, registry, and the international transaction log.

49. Providing the requisite technical services is a demanding task. However, it is largely carried out by temporary assistants and consultants, as Parties have not equipped the CDM with predictable funding. The situation is clearly unsustainable.

D. Cross-cutting issues

1. Review of mandate implementation

50. The secretariat conducted a comprehensive review of all specific requests for secretariat action made in the six sessional periods between the fifteenth and twentieth sessions of the subsidiary bodies. The analysis showed that 60 per cent of COP requests were for singular activities (preparing a document, organizing a workshop, etc.), and the rest were for activities of a continuing nature (maintaining a database, training reviewers, supporting an expert group, etc.).

51. Action has been taken on the vast majority of singular requests: three quarters have been completed; work on one fifth is under way. Four requested one-off activities are not due before later in 2005. Of the requested continuing activities, all have started, including preparations for those that depended on the entry into force of the Kyoto Protocol. A small number of activities (11, or less than 3 per cent) have not yet been undertaken, or work on them has come to a halt. In seven cases the reason is lack of funding, in four cases it is late Party submissions. Some areas are more affected by funding unpredictability and/or shortfalls than others; they include Article 6 of the Convention, inventory issues, facilitation of flow of scientific information into the Convention process, and adaptation assessment.

2. Adaptation

52. Adaptation has, since COP 8, emerged as a more central element of the climate change intergovernmental process. The adoption of the Buenos Aires programme of work on adaptation and response measures (decision 1/CP.10) was a major step forward, although questions remain concerning implementation and financing.

53. Adaptation was also a key element considered in the self-evaluation. The organizational situation within the secretariat mirrors the situation in the intergovernmental process: work on

adaptation-related activities¹¹ has been undertaken in several programmes, coordinated through an internal task force. In the light of the internal review and the adoption of decision 1/CP.10, the Executive Secretary has initiated changes in the way the secretariat supports the intergovernmental discussion of adaptation and the related implementation activities. The proposed 2006–2007 programme budget sees consolidation and enhancement of secretariat work on adaptation issues.

3. Support to non-Annex I Parties

54. The secretariat work on support to non-Annex I Parties is developed as a reflection of Parties' demands, and is considered by Parties in the context of the adoption of the budget. The submissions from Parties reveal that some non-Annex I Parties consider that the work plan should give a more balanced weight to issues of importance to Annex I and non-Annex I Parties.

55. During the internal review, the secretariat recognized that Parties' expectations of secretariat support to non-Annex I Parties have grown.¹² At the same time, pursuant to Article 8.2(c) of the Convention, the secretariat's role is predominantly catalytic, with emphasis on inter-agency coordination and advocacy. In cooperation with the secretariat of the GEF and its implementing and executing agencies, the secretariat attempts to ensure GEF funds are spent well and spending is consistent with guidance provided by the COP.

56. The Executive Secretary has concluded that the secretariat should consolidate and strengthen its support to non-Annex I Parties to the extent resources permit and within the agreed and clear priorities and mandates set by Parties. The proposed 2006–2007 programme budget reflects the attempt to better define and communicate the secretariat's specific role.

4. Engagement and participation of partner organizations

57. According to Article 8 of the Convention and COP decisions relating to this Article, the secretariat is not an implementing agency. Rather, it is assumed that much of the work of the implementation of the Convention at the national level will be supported by key international agencies, such as the United Nations Development Programme, the United Nations Environment Programme, or the World Bank, often with funding from the GEF.

58. In reality, it has been difficult for the secretariat to fully engage other organizations to respond to priorities expressed in decisions of the COP, because these entities have their own governing structures. Conversely, Parties have sometimes hesitated to accept efforts from other organizations to support the process. In the 2006–2007 budget proposal the secretariat refocuses its efforts to cooperate with other organizations.

5. UNFCCC information systems, databases and clearing houses

59. The collection and management of data and information is a core activity of the secretariat, accounting for about 20 per cent of its budget.

60. Parties expressed their general satisfaction with the information and the information systems, databases and clearing houses provided by the secretariat. In a survey conducted among users of the UNFCCC technology information clearing house (TT:CLEAR) in 2004, the majority of the respondents

¹¹ Methodologies for vulnerability assessment, reporting in national communications, research and systematic observation, funding issues, adaptation technologies, addressing adverse effects of climate change, and impacts of response measures.

¹² In the areas of the preparation of national communications, including inventories; capacity-building; technology transfer; support to least developed countries (LDC); national adaptation programmes of action; and the implementation of the LDC work programme.

found the web pages useful and relevant to their work, providing good quality information in a well organized and easy to use manner.¹³ In the case of TT:CLEAR, the feasibility of networking national and regional technology centres to increase the efficiency of clearing houses is being tested.

61. The secretariat undertook a detailed review of all of its databases and clearing houses. The review revealed no substantial duplication of data processing or system development. Each system serves a specific purpose or has a specific output. As various systems become established and used, the secretariat will gain experience, and identify indicators for the efficiency and effectiveness of addressing user needs. Established international standards and benchmarks will guide the allocation of resources, the consolidation of systems, or the discontinuation of systems no longer needed.

62. At present, most systems are in the design and development phase, which is labour and resource intensive; one-off supplementary funding is made available as necessary. Once systems are fully operational, costs are expected to decrease to levels required for maintenance. At that stage, however, stable recurrent funding must be ensured.

63. In considering issues cutting across the entire range of the secretariat's activities, **the SBI may wish:**

- (a) **To define an approach to engage other agencies in support of the UNFCCC work programmes;**
- (b) **To consider how to address the need for sufficient and predictable funding for operation and maintenance of information systems, databases and clearing houses after the development phase.**

E. Managerial issues

64. During the internal review, a number of issues of a managerial nature arose, relating to, for example, resources, staffing and structures. OIOS addressed some of these issues in its report. It concluded that the secretariat was "a generally healthy organization" (annex II).

1. Geographical distribution

65. In a number of Party submissions concern was expressed about a perceived imbalance between staff from Annex I and non-Annex I Parties, especially at senior levels. Latest data indicate that 44 per cent of professional staff at levels P-1 to P-4, and 50 per cent of management (75 per cent of sub-programme managers, 25 per cent of senior managers) are from non-Annex I Parties. In its continuing review of the functions and operations of the secretariat, the SBI, at its twenty-first session, provided guidance to the Executive Secretary on how to address this matter.¹⁴

66. The Executive Secretary sees the recruitment of more senior managers from non-Annex I Parties as an imperative, so that the secretariat is fully representative of all Parties. She recognizes that the highest standards of professionalism must be the over-riding consideration, that staff members "check their passports at the door" and that staff are required, as international civil servants, to serve with complete impartiality. The secretariat actively encourages applications by qualified candidates from non-Annex I Parties, and will advertise senior positions in a more targeted manner.

¹³ FCCC/SBSTA/2004/INF.8 and Add.1 and Add.1/Corr.1.

¹⁴ FCCC/SBI/2004/19.

2. Funding shortfalls, unpredictable funding, and workload imbalances

67. Over the past years, there has been a tendency in the intergovernmental process to expand the scope of supplementary activities without identifying priorities and providing the required resources. The resulting shortfall in funding has meant that a number of activities were delayed or could not be undertaken, including workshops on Article 6 of the Convention and decision 5/CP.7 (adaptation assessment), and some activities relating to the Least Developed Countries Expert Group.

68. A number of important activities, such as those relating to inventories, workshops and mechanisms, require considerable supplementary funding. Fund-raising activities add to the secretariat's workload and distract already over-extended staff from core activities, often without the pledges being proportionate to the time invested. Despite some success, the amounts received have been considerably below identified needs: in the 2002–2003 biennium, for example, only 47 per cent of the required funds could be raised.

69. The secretariat has therefore made efforts to improve and streamline its supplementary fund-raising activities. It will continue and enhance these through development of a fund-raising strategy. Further efforts are being made to report on expenditure of supplementary contributions, both directly to contributors and generally to Parties. The secretariat will also continue to proactively analyse and bring forward information on budgetary implications of decisions, so that Parties are in a better position to take decisions in full consideration of their financial implications.

70. The availability of supplementary funds is unpredictable and impermanent. Therefore, activities of central importance to Parties and the intergovernmental process cannot depend on supplementary funding, most importantly:

- (a) Core work programme activities with prescribed deadlines
- (b) Maintenance of systems, databases and clearing houses (e.g. GHG information system)
- (c) Regulatory functions (e.g. CDM Executive Board, Compliance Committee).

Proposals designed to put the funding of these activities on a sound footing are included in the 2006–2007 programme budget.

71. Many of the shortcomings identified in the secretariat's self-assessment result from the imbalance between workload and staff; 10 per cent of the posts on the approved staffing table have been frozen. Unexpected tasks prompted by external factors increase the strain on the secretariat's core staff and financial resources; for example United Nations security requirements demand increased attention in Bonn and for events outside Bonn. The 2006–2007 budget proposes three solutions: efficiency gains, including through restructuring; innovative ways to mobilize external engagement; or reduction or suspension of some work programme activities.

3. A new approach to budgeting and structure

72. The internal review of activities has raised the question whether the present programme and management structures, including management tools, fit current and planned needs. Some Parties commented on the utility of the secretariat's performance reports, specifically the need for greater transparency regarding the allocation of resources and the assessment of the cost-effectiveness of the secretariat's activities.

73. The Executive Secretary has looked at problem areas and options, and, in the light of the outcome of COP 10, has initiated the process of introducing a new secretariat structure for the 2006–2007 biennium and a new results-based approach. The changes aim at transparency and relevance

to Parties, and increased efficiency, more coherence and enhanced capacity in priority areas inside the secretariat.

74. The internal review identified the need to reinforce internal communication systems, and enhance consultations and information sharing between the secretariat's programmes.¹⁵ Assessment of internal management structures will continue in a phased manner as part of the restructuring. To date, the secretariat's work and its results have been found to benefit from coordination between the secretariat's programmes, so action has been taken to clarify mandates and streamline the links between different managerial groups where needed.

75. The new structure is reflected in the 2006–2007 budget proposal. It groups the secretariat's activities into three clusters around the topics of implementation; adaptation, technology, science and mechanisms under the Protocol; and services. Internal management structures will be leaner, with authority delegated to the operational level to achieve optimal productivity and optimal support to the COP, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the subsidiary bodies and the other bodies established under the Convention and the Protocol. A small core strategy group will be able to mobilize teams across the clusters to perform specific tasks in response to new demands.

76. Building upon the OIOS recommendations, the secretariat will develop and test a results-based approach to planning, evaluating, and reporting on its activities and use of resources in the 2006–2007 biennium.

¹⁵ The secretariat is located on two sites. This impediment to communication will be removed by the end of 2005, when the staff will again be accommodated in a single building.

Annex I**Initiatives by the secretariat in the context of the internal review of activities****Management of financial resources:**

- Streamline supplementary fund-raising efforts, establish fund-raising strategy
- Delay or suspend activities in the absence of supplementary funding
- Seek to move activities with prescribed deadlines, information systems maintenance and regulatory activities from supplementary to core work programme and funds
- Enhance reporting to contributors and Parties on expenditure of supplementary contributions
- Present information on budgetary implications of decisions more systematically
- Test and move towards results-based approach

Recruitment:

- Strengthen efforts to ensure wider geographical balance at senior levels
- Actively encourage applications from Parties not included in Annex I to the Convention (non-Annex I Parties), advertise in targeted regions

Organizational structure and capacity:

- Introduce new organizational and management structures for 2006–2007
- Consolidate and strengthen support to non-Annex I Parties with a better defined, specific role for the secretariat
- Consolidate and enhance support to discussion of adaptation and related implementation activities
- Address workload imbalance through efficiency gains and engagement of external partners
- Strengthen cooperation with the secretariat of the Global Environment Facility to ensure funds are spent consistent with guidance from the Conference of the Parties (COP)
- Identify synergy and potential for efficiency in in-depth review process, remove bottlenecks
- Organize the inventory reviewer selection process, teams, meetings and materials dispatch more efficiently ; reinforce quality of training for new reviewers
- Strengthen legal capacity

Support to meetings:

- Provide clearer, more tailored and timely advice to the COP Bureau and presiding officers; improve written material
- Improve training of secretariat staff, e.g. on procedural issues
- Ensure, with chairs of subsidiary bodies, strong workshop participation from non-Annex I Parties; raise funds
- Expedite issuance of workshop invitations and documents
- Strengthen internal procedures and consultations in workshop planning

Documentation, information and information technology (IT):

- Ensure timely availability of documentation in line with United Nations guidelines
- Make documents more reader-friendly and less bureaucratic
- Take rigorous approach to keeping content on the UNFCCC web site up to date
- Provide more secretariat contact information on the UNFCCC web site
- Seek additional donor support for expansion of non-English web site content
- Clarify responsibilities and strengthen capacity of the secretariat to respond to increased media interest
- Consolidate information on relevant guidelines, decisions and conclusions relevant to preparation of national communications and the secretariat's role in support of preparation of non-Annex I Parties' national communications
- Improve presentation and accessibility of information on implementation activities (national submissions, reviews, greenhouse gas (GHG) information system)
- Identify and apply standards and benchmarks for information systems
- Strengthen expertise in software development and database management
- Steadily improve quality of database compiled from the inventory process
- Implement recommendations of 2002 expert review of GHG information system
- Test networking national and regional technology centres to increase efficiency of clearing houses
- Review IT requirements for meetings (in-session and pre-session) and adjust services

Annex II**Excerpts from “OIOS support for the 2004 UNFCCC self-evaluation”**

...

II Findings and Results**II.1 Managerial consensus on purpose and approach to the self-evaluation****Strengths:**

- (i) In general, staff and managers are ready for and interested in performance management and innovation;

...

Areas for improvement:

- (i) The organization can improve its approach to identification and communication of results;
- (ii) The organization can improve its approach to sharing of lessons learned (strengths and areas for improvement);

...

II.4 Identification of areas for improvement in organization and management**Strengths:**

- (i) The organization perceives itself as doing fairly well on most dimensions ...;
- (ii) There is a general feeling of good management of partnerships and resources, especially the use of IT interface and management of available resources;
- (iii) Leaders are personally involved in improvement of management practice;
- (iv) There is a recognition of which areas are in need of improvement.

Areas for improvement:

- (i) The client interface can be more systematically utilized for informing improvements of product and services;
- (ii) Gathering and analysis of internal and external information on performance and client requirements can be more systematic;
- (iii) Use of performance information as a basis for development of policy and strategy can be enhanced;
- (iv) Processes and strategy (outputs and results) can be better aligned and integrated;
- (v) Management should ensure that all task forces dealing with crosscutting issues have a clear understanding of their objective and expected product, and how the product will be incorporated into ongoing processes;
- (vi) Communication of strategic priorities by top management can be enhanced;
- (vii) Explicit allocation of time for personal and organizational learning should be ensured.

...

III Methods and Process**III.5 Identification of areas for improvement in organization and management**

Methods applied: (i) Real-time survey of 5 managerial and organizational dimensions ...

(ii) On-the-spot communication and processing of results, including comparison to trends from other programme workshops

...

The overall impression of a generally healthy organization was substantiated by the facilitators' experience at the workshops. The interaction of staff was characterized by a collegial atmosphere with mutual respect, indicated by a high level of engagement by staff in the workshops, candid and open exchange of views as well as by verbal and non verbal cues provided by staff behaviour.

Annex III**Synthesis of the submissions from Parties**

1. As a key element in the review process, the Executive Secretary requested comments from Parties on “the type of activities undertaken, the quality of results achieved, and the overall level of satisfaction with performance and services of the secretariat”.¹ Submissions were received from 12 Parties, including one on behalf of 26 Parties. Many Parties utilized the “Preliminary framework for a review of activities”² to guide their remarks and highlight items of interest; almost all focused on the category of activities relating to support to the intergovernmental process.
2. In general, Parties expressed overall satisfaction with the execution of tasks, duties and other functions by the secretariat. Many Parties appreciated the high quality of professional services, both in the effective implementation of activities and in the support provided to the intergovernmental process. The substantive support to ongoing discussions among Parties on issues was generally commended. Those Parties that commented on mandated implementation activities expressed satisfaction with them.
3. The issue most prominent in the submissions related to documentation. Many Parties requested that documents be available earlier. Although most Parties appreciated the high quality of documents, a few suggested the use of less technical or complicated language. A number of Parties also underlined the importance of the earlier availability of the language versions.
4. Most Parties appreciated the quality and efficiency of workshop and meeting organization. A few identified a need for additional attention to balanced involvement from Parties included and not included in Annex I to the Convention (Annex I and non-Annex I Parties, respectively); some raised the issue of timely notice for the scheduling and announcement of workshops.
5. Several Parties emphasized the importance of an appropriate geographical distribution among staff, especially in senior posts. Non-Annex I Parties were mentioned as being underrepresented. One submission said that staffing imbalance created partiality towards particular issues.
6. There were few comments on the work programme of the secretariat. Some Parties made the suggestion that the secretariat undertake more work on issues of interest to developing countries, but did not indicate from where the necessary resources should be redeployed. Some Parties also suggested a need for greater transparency in the allocation of resources and assessment of the cost-effectiveness of programmes, particularly in relation to extra budgetary funding.
7. Positive comments were made by most Parties on the usefulness of the UNFCCC web site. Some Parties noted that future changes could include translation into other United Nations official languages, more frequent updates and increased searching capacity and size of the document library.
8. In terms of providing in-session support and logistics, general satisfaction was expressed. Some Parties saw the need for computer and Internet facilities in pre-sessional meetings.
9. The organization of the intergovernmental process was mentioned by a few Parties. There was a request to decrease the number of meetings and to hold them in sequence rather than in parallel (to accommodate small delegations). Along similar lines, a request was made to discourage informal consultations and limit discussions to formal contact groups.

¹ Message to Parties from the Executive Secretary, dated 6 July 2004 (ICA/MTP/COP9/04).

² ICA/MTP/COP9/04.