



## ADAPTATION FUND

30 March 2022

---

Adaptation Fund Board

### ***Accreditation Panel Recommendation on the Re-accreditation of the World Meteorological Organization (WMO) as a Multilateral Implementing Entity (MIE) of the Adaptation Fund***

Having reviewed the re-accreditation application of the World Meteorological Organization (WMO), the Accreditation Panel recommended that WMO be re-accredited as a Multilateral Implementing Entity (MIE) of the Adaptation Fund.

A summary of the review is presented in Annex I below.

#### ***Re-accreditation Decision:***

Having considered the recommendation of the Accreditation Panel and following the re-accreditation process approved by Decision B.28/38, the Adaptation Fund Board decided to re-accredit the ***World Meteorological Organization (WMO)*** as a Multilateral Implementing Entity (MIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 29 March 2027.

***Decision B.37-38/12***

# **ANNEX I : REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE WORLD METEOROLOGICAL ORGANIZATION FOR THE SECOND-TIME REGULAR RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND**

## **BACKGROUND**

The World Meteorological Organization (WMO), headquartered in Geneva, Switzerland and with a field network comprising 4 regional offices (RO) has been a specialized agency of the United Nations since 1951. It was given the mandate to promote international cooperation and coordination on the state and behavior of the Earth's atmosphere, its interaction with the land and oceans, the weather and climate it produces, and the resulting distribution of water resources. As of 2021 WMO had 193 Members. The ROs are the main point of contact between Members and the (WMO) Secretariat.

WMO was initially accredited as a multilateral implementing entity (MIE) of the Adaptation Fund (AF) on December 15, 2010, and re-accredited on September 22, 2016. For purposes of this second-time re-accreditation application, WMO provided documents in the workflow as part of its and additional documents during the Panel's review in response to questions they had developed during the initial review. The Panel also considered other information in WMO and other relevant websites.

## **THE APPLICANT - WMO**

WMO is governed by the World Meteorological Congress (the Congress) comprising of representatives of all Members. The Congress is led by a President and three Vice-Presidents and meets every four years. Its decisions are implemented by an Executive Council, a 37-member body elected by the Congress, which meets at least once a year. The WMO Secretariat is headed by a Secretary-General who is appointed by the Congress for a four-year term, renewable once. As of the end of 2021, the Secretariat employed approximately 338 staff and 148 experts and consultants. WMO's operations are funded through a combination of Member assessments (approximately 71% of total revenue) and voluntary contributions (23%) from governments, inter-governmental or non-governmental sources, corporations and private donors.

Taking into account the issues of environmental degradation, resource constraints, increased competition, technological advances, and other forces, the Congress in June 2019 approved a package of governance and organizational reforms to ensure that WMO remains fit-for-purpose and to become nimbler and more cost-effective. Implementation of the reforms is ongoing, led by a Transition Team. In 2021, the Joint Inspection Unit (JIU) of the UN issued a report on its review of the reforms' progress. It concluded that although it is too early to assess the overall results (with many aspects of the reform being delayed by the covid-19 pandemic crisis) it found that restructuring of the Secretariat would achieve annual cost savings of approximately 2% of its annual budget. The report made four recommendations geared towards achieving better success with the reform effort. The

Executive Committee accepted an implementation plan prepared by management for these and outstanding recommendations from previous reviews. WMO demonstrated very strong performance in its 2019 UN-SWAP results: it “met” or “exceeded” the requirements for 7 (or 41%) performance indicators out of 17 applicable. While this was lower than the UN System average of 66%, it was higher than the 38% average for UN Agencies with a technical focus.

### **ASSESSMENT FOR REGULAR RE-ACCREDITATION**

WMO is being assessed for a second regular re-accreditation based on EB Decision B.34/3 (Updated Re-accreditation Process) based on AFB/B.34/5. It also includes an assessment of the Fund’s Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism pursuant to Board Decision B.32/36 based on AFB/EFC.23/4. As WMO is already implementing AF projects this assessment relied on implementation progress reports available at the AF Secretariat and, hence, did not assess the criteria for institutional capacity related to projects during implementation (criteria 6, 7 and 8) as set out in AFB/B.34/5.

### ***Financial Management and Fiduciary Standards***

#### **Legal Status**

In accordance with its own Convention and Article 57 of the Charter of the United Nations (Article 8) is a specialized agency of the UN with its own legal personality, the capacity to receive funds directly, authority to enter into contracts or agreement with international organizations and capacity to represent itself as plaintiff or defendant in legal processes. WMO provided examples of agreements it has entered into with the AF and with other international organizations.

#### **Financial statements including Project Accounts and Provisions for Internal and External Audits**

WMO’s Audited Financial Statements (AFS) comply with International Public Sector Accounting Standards which were adopted by the United Nations General Assembly for the UN system. WMO submitted AFS for the past several years, all with unqualified audit opinions.

Its institutional financial statements are externally audited by an independent auditor, who is the Auditor-General (or an officer exercising an equivalent function) of a Member and conducts audit in accordance with the International Standards on Auditing of the International Federation of Accountants.

WMO uses an Enterprise Resource Planning system for its financial and accounting information system as well as other business processes.

Internal audit services, aimed at improving the efficiency and effectiveness of WMO’s operations and governance processes, are provided by an independent Internal Oversight Office (IOO), which adheres to internationally recognized professional standards. The IOO’s charter was recently expanded to include investigation and evaluation. The function is regularly subject to independent quality assessments. IOO issues a report for each

engagement, and WMO provided evidence that these are highly rated (on the internal audit report scale). Implementation of IOO's approved annual work programme is detailed in its *annual accountability report* which is posted on its public website.

The Audit and Oversight Committee (AOC) is an independent advisory body charged with providing expert advice to Management and to the Executive Council in the discharge of its oversight responsibilities. The AOC does this through its oversight of the internal and external audit functions and ensures that audit recommendations are implemented as well as of the investigation and evaluation functions.

### **Internal Control Framework**

WMO's internal control framework (ICF) is anchored on a set of core principles and policies built into the Organization's structure and operations, which are fully integrated in the management processes of planning, execution and monitoring. They aim to ensure effectiveness and efficiency in management and the use of organizational resources. Elements of the ICF are regularly updated to reflect modifications in operational processes and systems arising from governance and management decisions. Recently, risk management processes and capacities, the Ethics Framework and the project management guidelines were updated.

### **Policies and procedures, screening and decision-making related to anti-money laundering/countering the financing of terrorism (AML/CFT) on disbursements, procurement, and handling instances of non-compliance to these policies and procedures, and laws.**

As a UN entity WMO has adopted prevailing frameworks that ensure that its operational policies and procedures comply with AML/CFT standards of UN entities, including relevant UN Charter and Security Council sanctions. WMO's standing instructions on procure to pay with established payment thresholds, application of a risk appetite framework and access to third party risk rating agency reports all help to ensure that its AML/CFT screening regime is effective. Governance and regular evaluation of the AML/CFT system have been integrated into WMO's existing governance arrangements and operations.

### **Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets.**

WMO has adopted a four-year strategic planning horizon (currently 2020-2023) which in turn is based on a ten-year vision (currently 2020-2030). It has operational planning processes in place supported by a multi-year track record of effectively managing its funds to ensure its continuity as a going concern.

It prepares biennial budgets linking planned operations and expected funding for the biennium, and its financial system supports budget control, monitoring and reporting at institutional and project levels.

### ***Requisite Institutional Capacity***

### **Project Management - Project Closure and Evaluation**

WMO has in place policies, systems and capacity to assess the impact/implications of different aspects of projects/programmes, execute or oversee their execution, and self-evaluate and commissions independent evaluations of programmes and projects. WMO demonstrated these capabilities with examples from its projects and programmes.

### ***Transparency, self-investigative powers, and anti-corruption measures***

#### **Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractices**

WMO's policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice is included in its "Ethics Framework" which is comprised of its Policy Against Fraud and a Code of Ethics. It is backed by a commitment to a culture of deterrence and prevention, and the obligation to report. Its ethical culture is also enhanced through annual conflict of interest and financial disclosure by staff, and an active Ethics Office that is shared with another UN organization.

WMO has an array of policies and procedures, operational systems, and staffing in place to prevent, detect and deter financial mismanagement, corruption and other forms of malpractice. It has in place sound and accessible mechanisms for reporting suspected fraud and corruption, and an appropriate and well publicized disciplinary framework and sanctions regime applicable to staff and third parties found to have engaged in prohibited practices. The internal oversight function manages the reporting hotlines and carry out investigations using best practice investigation guidelines. While WMO provided data on cases in which the Ethics Office provided advice, there were no violations reported or investigations related to fraud or any malpractice.

#### **Commitment by the entity to apply the Fund's Environmental and Social (E&S) Policy and Gender Policy**

The Secretary-General has reaffirmed WMO's committed to abide by the AF's Environmental and Social, and Gender (ES&G) policies. Although its projects are classified as having minimal or no adverse environmental and/or social risks and/or impacts, WMO has taken steps to strengthen its E&S risk and impact management processes in projects to ensure that they meet ES&G safeguard standards. WMO has a long tradition of leadership in gender mainstreaming and the empowerment of women, and places gender as a key principle in all its undertakings. Its Gender and Equality Policy, adopted in 2015, is implemented through four-year Gender Action Plans (GAP), currently in its second phase (2020-2023). The GAP is facilitated through well-resourced structural elements for implementation with leadership at the highest rungs of WMO, as confirmed by the 2019 UN-SWAP 2.0. Overall, WMO has demonstrated E&S and Gender compliance in the AF projects it is implementing.

#### **Mechanism to Deal with complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programmes**

WMO has the commitment and the capability to receive, have independently reviewed and take remedial action where appropriate on complaints regarding environmental, social and gender harms caused by its programmes and projects. Considering that its activities are generally classified as low risk, WMO recently decided to experiment with customizing

grievance mechanisms specific to a project. This approach complements the general access line to WMO which, by design, is not dedicated to project-related complaints. It provided an actual example of such a customized approach. To date no grievances have been reported.

## **CONCLUSION**

After taking into consideration the information provided by WMO during the regular re-accreditation process, the applicant is considered to meet all the standards reviewed and the Panel, therefore, recommends that WMO be re-accredited for the second time as a Multilateral Implementing Entity of the Adaptation Fund.