

**FIFTY-FOURTH (BIS) SESSION OF THE IPCC
Written Session, 14 – 16 December 2021**

IPCC-LIV(bis)/INF. 1
(18.X.2021)
Agenda Item: 2.2
ENGLISH ONLY

IPCC TRUST FUND PROGRAMME AND BUDGET

**Audit of 2020 financial statements of the Intergovernmental Panel
on Climate Change**

(Submitted by the Secretary of the IPCC)

Audit of 2020 Financial Statements of the Intergovernmental Panel on Climate Change

The audited 2020 IPCC Financial Statements are being presented to the 54th (bis) Session of the IPCC as there was no Agenda Item on the IPCC Trust Fund Programme and Budget at the 54th Session of the IPCC/WG I - 14th Session which was held virtually from 26 July – 6 August 2021.

The External Auditor stated the 2020 IPCC Financial Statements “present fairly, in all material respects, the financial position of the Intergovernmental Panel on Climate Change (IPCC) as at 31 December 2020, and its financial performance, its changes in net asset/equity, its cash flows and its comparison of budget and actual amounts for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and the WMO Financial Regulations and Rules.”

The Panel is invited to take note of the document IPCC-LIV(bis)/INF.1 on the Audit of the 2020 IPCC Financial Statements.



Corte dei conti

AUDIT CERTIFICATE

Opinion

We have audited the Financial Statements of the Intergovernmental Panel on Climate Change (IPCC), which comprise the Statement of Financial Position as at 31 December 2020, the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts for the year then ended, and the accompanying Notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Intergovernmental Panel on Climate Change (IPCC) as at 31 December 2020, and its financial performance, its changes in net asset/equity, its cash flows and its comparison of budget and actual amounts for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and the WMO Financial Regulations and Rules.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). In the field of financial statements audit, the ISSAIs are a direct transposition from the International Standards on Auditing (ISAs). The Corte dei conti applies the provisions of the ISAs in so far as they are consistent with the specific nature of its audits. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the IPCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Nations system, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the IPCC Secretariat for the Financial Statements

The IPCC Secretariat is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and WMO's Financial Regulations, and for such internal control as the Secretariat determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the Secretariat's responsibility to assess the IPCC's ability to continue operating, to disclose, where appropriate, matters related to going concern and to use the going concern basis of accounting, unless the Secretariat either intends to liquidate the IPCC or to cease its activity or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the IPCC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Corte dei conti's objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes its opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect any material misstatements that may exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA standards, we exercise professional judgment and maintain professional scepticism throughout the audit.

In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtain an understanding of elements of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IPCC's internal control;

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretariat;
- We conclude on the appropriateness of the use by Secretariat of the going concern basis of accounting and, based on the audit evidence obtained, and on the existence or not of a material uncertainty related to events or conditions that may cast significant doubt on the IPCC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the IPCC to cease its operation.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

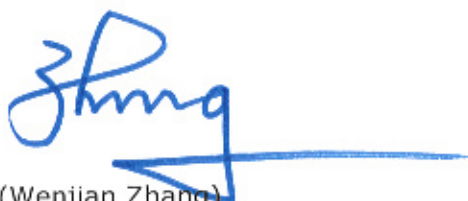
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rome, 25 June 2021

Guido Carlino
President of the Corte dei conti

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The following appended financial statements, comprising Statements I, II, III, IV and V, and the Notes to the Financial Statements were properly prepared in accordance with the International Public Sector Accounting Standards. I certify that, to the best of my knowledge and information, all transactions during the year have been properly entered in the accounting records and that these transactions, together with the related financial statements and notes, fairly present the financial position of the Intergovernmental Panel on Climate Change at 31 December 2020.



(Wenjian Zhang)
Assistant Secretary-General
World Meteorological Organization
18 June 2021



(Abdalah Mokssit)
Secretary
Intergovernmental Panel on Climate Change
18 June 2021

Intergovernmental Panel on Climate Change

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18 June 2021

STATEMENT I

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(in thousands of Swiss Francs)

	Note	2020	2019
ASSETS			
Current assets			
Contributions receivable	3.1	2,240	3,843
Inventory	3.2	10	11
Advances for meetings	3.3	650	68
Other receivables	3.4	95	58
Funds held by WMO	3.5	13,791	7,629
		<u>16,786</u>	<u>11,609</u>
Non-current assets			
Contributions receivable	3.1	4,174	3,514
Total Assets		20,960	15,123
LIABILITIES			
Current liabilities			
Deferred Revenue	3.6	4,017	1,585
Payables and accruals	3.7	87	147
Provision	3.8	129	82
Employee benefits	3.9	125	124
		<u>4,358</u>	<u>1,938</u>
Non-current liabilities			
Deferred Revenue	3.6	5,639	2,602
Long-term employee benefits	3.9	2,137	2,193
		<u>7,776</u>	<u>4,795</u>
Total liabilities		12,134	6,733
Net assets		8,826	8,390
NET ASSETS/EQUITY			
Fund balances	Sttmt III	9,528	9,272
Employee benefits reserves	3.10	(702)	(882)
Total net assets/equity		8,826	8,390

The accompanying notes form an integral part of these financial statements.

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2020
(in thousands of Swiss Francs)

	Note	2020	2019
Revenue			
Voluntary contributions	5.1	4,141	5,235
In-kind contributions	5.2	710	695
Other revenue	5.3	69	16
Total Revenue		4,920	5,946
Expenses			
Salaries and employee benefits	6.1	2,160	2,718
Travel	6.2	741	3,911
In-kind expenditures	6.3	710	695
Other expenditures	6.4	622	426
Grants and contributions for organization of meetings	6.5	275	408
Supplies, consumables and other running costs	6.6	156	390
Total Expenses		4,664	8,548
Surplus / (Deficit) for the year		256	(2,602)

The accompanying notes form an integral part of these financial statements.

STATEMENT III

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC) STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (in thousands of Swiss Francs)

	<u>Fund Balances</u>	<u>Employee Benefits Reserves</u>	<u>Total Net Assets</u>
Total net assets at 31 December 2019	9,272	(882)	8,390
Movements in fund balances and reserves			
Surplus for the year (Statement II)	256	-	256
Gain/(Loss) arising on actuarial valuation of employee benefits	-	180	180
Total movements during the year	256	180	436
Total net assets at 31 December 2020	9,528	(702)	8,826

	<u>Fund Balances</u>	<u>Employee Benefits Reserves</u>	<u>Total Net Assets</u>
Total net assets at 31 December 2018 (Restated)	11,874	34	11,908
Movements in fund balances and reserves			
Deficit for the year (Statement II)	(2,602)	-	(2,602)
Gain/(Loss) arising on actuarial valuation of employee benefits	-	(916)	(916)
Total movements during the year	(2,602)	(916)	(3,518)
Total net assets at 31 December 2019	9,272	(882)	8,390

The accompanying notes form an integral part of these financial statements.

STATEMENT IV

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2020

(in thousands of Swiss Francs)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the period	256	(2,602)
Interest and Service Charges on employee benefits liabilities	157	164
(Increase) decrease in contributions receivables	1,603	(812)
(Increase) decrease in inventory	1	(10)
(Increase) decrease in advances to meetings	(582)	69
(Increase) decrease in other receivables	(37)	528
(Increase) decrease in funds held by WMO	(6,162)	(578)
(Increase) decrease in long-term contributions receivables	(660)	2,612
Increase (decrease) in Deferred Income	5,469	720
Increase (decrease) in payables and accruals	(60)	(122)
Increase (decrease) in provisions	47	82
Increase (decrease) in employee benefits	(32)	(51)
Net cash flows from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of the year	-	-

The accompanying notes form an integral part of these financial statements.

Intergovernmental Panel on Climate Change (IPCC)
Statement of Comparison of Budget and Actual Amounts
as at 31 December 2020
(in Swiss Francs)

Category	Budget	Expenditure	Budget Under/(Over)Spent
A. Governing Bodies:			
1. IPCC - 52	580,000	516,000	64,000
2. IPCC - 53	5,000	1,000	4,000
3. Bureau - 58 & 59	5,000	2,000	3,000
4. Prior year meetings	-	8,000	8,000
5. Total Governing Bodies	590,000	511,000	79,000
B. Scoping Meetings, Expert Meetings and Workshops			
1. WG II - AR6 LAM3	460,000	270,000	190,000
2. WGIII - AR6 LAM3	460,000	20,000	440,000
3. Prior year meetings	-	8,000	(8,000)
4. Scoping Meetings, Expert Meetings and Workshops	920,000	298,000	622,000
C. Other Expenditures			
1. 2006 GL software	18,000	18,000	-
2. EFDB maintenance	7,000	7,000	-
3. Translation/Publication	200,000	80,000	120,000
4. Communication I	105,000	134,000	(29,000)
5. Communication II	3,960	3,000	960
6. Distribution IPCC publications	100,000	39,000	61,000
7. IT Infrastructure	50,628	5,000	45,628
8. External Audit fee	20,000	5,000	15,000
9. Advisory Services (Conflict of Interest)	15,000	-	15,000
10. Co-chairs (developing country)	200,000	95,000	105,000
11. Prior year activities	-	51,000	(51,000)
12. Total Other Expenditure	719,588	437,000	282,588
D. Secretariat			
1. Secretariat	2,037,500	1,869,000	168,500
2. Prior year activities	-	-	-
3. Total Secretariat	2,037,500	1,869,000	168,500
E. Total all expenditure	4,267,088	3,115,000	1,152,088

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements as at 31 December 2020

NOTE 1: PURPOSES OF THE ORGANIZATION

a) The IPCC is an intergovernmental body open to all member countries of the UN and WMO. Its main purpose is to:

- (i) make assessments of available scientific information on climate change;
- (ii) make assessments of environmental and socio-economic impacts of climate change; and
- (iii) formulate response strategies to meet the challenge of climate change.

b) The IPCC works through three Working Groups (WG) and a Task Force (TFI). WG I deals with "The Physical Science Basis of Climate Change", WG II with "Climate Change Impacts, Adaptation and Vulnerability" and WG III with "Mitigation of Climate Change". The main objective of the Task Force on National Greenhouse Gas (GHG) Inventories (TFI) is to develop and refine a methodology for the calculation and reporting of national GHG emissions and removals.

c) Technical Support Units (TSUs) provide scientific, technical and organizational support to their respective IPCC WGs or TFI. The Technical Support Units are funded directly by the governments of countries in which they are located. In the case of the TFI TSU, the Government of Japan channels its funding through the IPCC Trust Fund.

d) The role of the IPCC Secretariat is to provide strategic, functional and administrative support to the implementation of the work programme of the IPCC; to provide cohesion and continuity to the organization; to ensure that the IPCC work programme is implemented consistently with the Principles Governing IPCC Work, the Decisions of the Panel and relevant UN regulations; and to liaise with Governments. The costs of the TSUs are not included in these financial statements as they are not under the direct control of the IPCC Secretariat.

NOTE 2: ACCOUNTING POLICIES

Basis of Preparation

1. Financial arrangements for the administration of IPCC are specified in the following:
 - a) Memorandum of Understanding between the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) on the Intergovernmental Panel on Climate Change (IPCC);
 - b) WMO Staff and Financial Rules and Regulations; and
 - c) delegation of responsibility from the Secretary-General of the WMO to the Secretary of IPCC.
2. Under the Memorandum of Understanding, WMO Staff and Financial Regulations and Rules apply to the transactions of IPCC. The accounting records of IPCC are maintained in accordance with these requirements. Management have considered that it is appropriate to prepare these financial statements on a going concern basis as there is no reason to believe that the commitments of panel members will not be sustained. In addition, the budget for 2020 has been approved by the Panel.
3. The IPCC works through the following two separate Trust Funds: (i) the IPCC Trust Fund, which receives contributions from Governments and International Organizations to support the activities of the Panel; and (ii) the Scholarship Programme Trust Fund, which contains the seed money of the Nobel Peace Prize awarded to IPCC in 2007 and contributions by private entities to support the activities of the IPCC Scholarship Programme. The financial statements refer to both Trust Funds.

4. The financial statements of the Intergovernmental Panel on Climate Change (IPCC) have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention.

5. As of 31 December 2020, the date of the financial position, the following IPSAS Standards had been issued, but had not taken effect:

- IPSAS 41 – Financial instruments and
- IPSAS 42 – Social benefits.

IPSAS 41 and IPSAS 42 will come into force in periods beginning on or after 1 January 2023. The potential effects of these standards are being evaluated.

6. In accordance with IPSAS requirements, and reflecting the nature of IPCC's business, revenue from voluntary contributions received as well as pledges of voluntary contributions confirmed in writing are recognized as non-exchange transactions as per IPSAS 23 - Revenue from Non-Exchange Transactions. IPCC considers that there are restrictions on the use of all contributions, and that some of these restrictions do meet the definition of a condition as described under IPSAS 23.

7. The Statement of Cash Flow is prepared using the indirect method.

8. The functional and reporting currency of IPCC is the Swiss Franc (CHF). Transactions in currencies other than CHF are converted into CHF at prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than CHF are translated into CHF at the UNORE in force at the end of the year. Resulting gains or losses are accounted for in the Statement of Financial Performance.

Revenue, Contributions and receivables

9. In accordance with IPSAS requirements, and reflecting the nature of IPCC's business, revenue from contributions as well as pledges of contributions confirmed in writing are recognized at their estimated realizable value as non-exchange transactions according to IPSAS 23 - Revenue from Non-Exchange Transactions.

10. Revenue from non-exchange transactions such as voluntary contributions is recognized as revenue at the time the agreement with the donor becomes binding unless the agreement includes conditions related to specific performance of services to third parties and the return of unexpended balances is the norm. Agreements containing such conditions require initial recognition of a liability and deferral of revenue recognition until such time as the liability is discharged through performance of the specific conditions included in the agreement.

11. In-kind contributions of services that directly support approved operations and activities and can be reliably measured, are recognized and valued at fair value. These contributions include use of premises and salary costs. They are treated as both revenue and expense in the Financial Statements.

12. Interest revenue is recognized as it accrues.

13. Receivables are valued at amortized cost less allowances for estimated irrecoverable amounts and discounted if cash flows are not expected within 12 months from the reporting date, if the effect of such discounting is material.

Expenses

14. In accordance with the accrual basis of accounting, expense recognition occurs at the time of delivery of goods or services by the supplier or service provider and are recorded in the accounting records and recognized in the financial statements of the periods to which they relate.

Financial Instruments

15. Financial instruments are recognized when IPCC becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and IPCC has transferred substantially all the risks and rewards of ownership.
16. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Receivables comprise contributions receivable in cash and other receivables. Receivables are stated at amortized cost.
17. All non-derivative financial liabilities are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method.

Funds held by WMO

18. IPCC does not maintain its own bank accounts. Its funds are administered by WMO.

Inventories

19. IPCC's publications are for free distribution. Publications in stock at the end of a financial period are recorded as inventories and are valued at the lower of cost or net replacement cost. For financial years 2020 and 2019, inventories which relate to the current seven-year Sixth Assessment Period are valued at one hundred per cent cost less any specific write-offs.

Property, Plant and Equipment

20. Property, Plant and Equipment (PPE) costing at least CHF 5,000 are stated at historical costs less accumulated depreciation and any impairment losses. Depreciation is provided for PPE for over their estimated useful lives using the straight-line method. IPCC does not have any Property, Plant and Equipment (PPE) recorded at 31 December 2020.

Intangible Assets

21. Intangible assets are stated at historical cost less accumulated amortization and any impaired losses. IPCC does not have Intangible Assets at 31 December 2020.

Employee Benefits

22. IPCC recognizes the following employee benefits:
 - a) short-term employee benefits which fall due wholly within twelve months after the end of the accounting period in which employees render the related service;
 - b) post-employment benefits;
 - c) other long-term employee benefits; and
 - d) termination benefits.
23. Employee benefits are recognized as expenses on an accrual basis. Similarly, terminal payments to staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation are expensed on an accrual basis.

24. By virtue of IPCC's affiliation with WMO and UNEP, IPCC staff are covered under the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.
25. The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. IPCC and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify IPCC's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence IPCC has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. IPCC's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.
26. Unrealized actuarial gains/losses are taken directly to reserves in the period in which they occur.

Provisions and Contingent Liabilities

27. Provisions are made for future liabilities and charges where IPCC has a present legal or constructive obligation as a result of past events and it is probable that IPCC will be required to settle the obligation.
28. Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of IPCC.

Budget Comparison

29. The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts by activity, while the Statement of Financial Performance (Statement II) presents expenditures classified based on the nature of the expense. As the bases used to prepare the budget and financial statements differ, Note 7 provides a reconciliation between the actual amounts presented in Statement V and the actual amounts presented in the Statement of Financial Performance, Statement II.

Critical Accounting Estimates

30. Preparing financial statements in accordance with IPSAS requires IPCC to make estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an on-going basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; impairment on assets; classification of financial instruments and contingent assets and liabilities. Changes in estimates are reflected in the year in which they become known.

Segment Reporting

31. The financial statements are based on a fund accounting basis, showing at the end of the period the consolidated position of all IPCC funds. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives. Fund balances represent the accumulated residual of revenues and expenses.
32. A segment is a distinguishable activity or group of activities for which financial information is reported separately. IPCC classifies all projects, operations and fund activities into one segment. Therefore, no additional information per segment is given in the financial statements.

NOTE 3: ASSETS AND LIABILITIES

Note 3.1: Contributions receivable

33. Contributions receivable are comprised of pledges for voluntary contributions that have not yet been received. In 2020, there is a significant decrease in current contribution receivable mainly due to multi-year pledges made in 2018, additional portions of which were collected in 2020. The increase in the non-current contribution receivable is mainly due to the Covid-19 pandemic, one project was delayed and therefore the tranche that was supposed to be received in 2020 was moved to 2022.

	2020	2019
	<i>Swiss Francs</i>	
Current	2,240,000	3,843,000
Non-current	4,174,000	3,514,000
Total contributions receivable	6,414,000	7,357,000

Note 3.2: Inventory

	2020	2019
	<i>Swiss Francs</i>	
Opening Inventory	11,000	1,000
Increase (Purchases)	2,000	16,000
Total Inventory available for distribution	13,000	17,000
Less: Value of items distributed	3,000	6,000
Less: Decrease in value of publications	-	-
Total	10,000	11,000

34. The cost of inventory on-hand is CHF 10,000 as at 31 December 2020.
35. For publications the valuation includes costs incurred up to the point of distribution. They include paper, CDs, editing and, where applicable, outsourcing.

Note 3.3: Advances for meetings

	2020	2019
	<i>Swiss Francs</i>	
Advances to institutions for the organization of meetings and implementation of projects	650,000	68,000
Total	650,000	68,000

36. Advances for the organization of IPCC meetings represent advances given to institutions for the organization of IPCC meetings held outside of Geneva, based on a Letter of Agreement in which the recipient organization commits, inter alia, to providing an expenditure report for the advance within three months of the conclusion of the meeting. The advances are recognized as expenditure when the meeting is held.
37. Due to the Covid-19 pandemic, IPCC meetings were either held virtually or postponed to 2021, thus causing the delay in implementation of activities by the implementing partners. The current balance of CHF 650,000 relates to advances for ongoing projects that were transferred in 2020.

Note 3.4 Other receivables

	2020	2019
	<i>Swiss Francs</i>	
Travel refundable	62,000	24,000
Education grant advance	33,000	34,000
Total other receivables	95,000	58,000

38. Travel refundable represent advances that were sent to travelers who were not able to attend meetings which is expected to be reimbursed to IPCC. In 2020, many meetings were cancelled due to Covid-19 which resulted in an increase in the travel refundable.
39. Employees entitled to grants for the education of their eligible dependents may request an advance at the beginning of the school year. The amount of the advance which is accrued at 31 December 2020 is based on the number of months of attendance relative to the school year.

Note 3.5: Funds held by WMO

40. IPCC does not maintain its own bank accounts. Its funds are administered by WMO. Funds held by WMO represents the amount of IPCC funds in WMO bank accounts.

Note 3.6 Deferred revenue

	2020	2019
	<i>Swiss Francs</i>	
Current	4,017,000	1,585,000
Non-current	5,639,000	2,602,000
Total contributions receivable	9,656,000	4,187,000

41. Deferred revenue relates to voluntary contributions covered by agreements with conditions. Revenue will only be recognized when such conditions are met. In 2020, the deferred revenue is much higher as the implementation of many activities and projects was delayed due to the Covid-19 pandemic and these activities were postponed to 2021.
42. There are contingent assets as at 31 December 2020 in the amount of CHF 100,000 relating to revenue from agreements which have been entered into with donors for contributions for future years but where that future year funding is still subject to some parliamentary budget approval (CHF 223,000 in 2019).

Note 3.7 Payables and Accruals

	2020	2019
	<i>Swiss Francs</i>	
Accruals	64,000	43,000
Vendor payables	23,000	104,000
Total payables and accruals	87,000	147,000

43. Accruals represent the cost of goods and services received by IPCC and for which supplier invoices had not arrived as of the reporting date.
44. Payables to vendors relate to amounts due for goods and services for which invoices have been received.

Note 3.8 Provision

45. At 31 December 2020, there was a proceeding against IPCC filed with the United Nations Administrative Tribunal (UNAT) in which it was deemed probable that the case will be decided in favour of the staff members. The total estimate that the Agency would be liable for related to this case is approximately CHF 129,000 (CHF 82,000 in 2019), which has been recorded as a provision in these financial statements.

Note 3.9: Employee Benefits Liabilities

	2020	2019
	<i>Swiss Francs</i>	
Short-term employee benefits	125,000	124,000
Long-term employee benefits	2,137,000	2,193,000
Total employee benefits	2,262,000	2,317,000

Employee benefits comprise:

- **Post-Employment Benefits**

46. Post-employment benefits are defined benefit plans consisting of United Nations Joint Staff Pension Fund (UNJSPF), After-Service Health Insurance Plan (ASHI) and Repatriation Grant and related benefits including accrued annual leave.
47. Arrangements relating to the UNJSPF are set out in paragraphs 69 to 79.
48. ASHI is a plan that allows eligible retirees and their eligible family members to participate in the United Nations Staff Mutual Insurance Society (UNSMIS).
49. Repatriation benefits consist of a repatriation grant lump sum, travel of the staff member and eligible dependents and shipment of their personal effects. The Organization pays the amounts due for repatriation grant, travel and relocation expenses for the entitled staff members.

- **Other Long-Term Employee Benefits**

50. Other long-term employee benefits include accumulated balances of annual leave and, where applicable, compensation payments in the case of death, injury or illness attributable to performance of duties.
51. As the accumulated balance of annual leave is generally not wholly utilized in the 12 months following the balance sheet date, it is considered by IPSAS 39 as an "other long-term employee benefit".

	2020	2019
	<i>Swiss Francs (thousands)</i>	
After-service health insurance	1,838	1,902
Annual leave accrued	162	146
Repatriation grant	262	269
Total benefits	2,262	2,317
Current liabilities - Short-term benefits	125	124
Non-current liabilities - Long-term benefits	2,137	2,193
Total benefits	2,262	2,317

Actuarial Valuations of Post – Employment and Other Separation – Related Benefits

52. Liabilities arising from post-employment benefits and other separation-related benefits are determined by a professional independent actuary. These employee benefits are established for staff members who are entitled to such benefits under WMO Staff Regulations and Staff Rules. A full actuarial valuation will be carried out as at 31 December 2020. The prior valuation performed on 31 December 2019 was also a full actuarial valuation.
53. The CHF 64,000 (3%) decrease in the liabilities is mainly due to the following:
 - a) An increase of 7% arising from one additional year of service and interest on liabilities amounting to CHF 157,000;
 - b) A decrease of 2% following payment of benefits amounting to CHF 48,000;
 - c) A decrease of 8% due to a net actuarial gain on the benefits of CHF 173,000.
54. The accrued benefit obligation represents that portion of the present value of future benefits that had been accrued from the staff members' date of entry on duty until 31 December 2020, the date of valuation. Active staff members' benefits are considered fully accrued when they reach their dates of full eligibility for benefits.

Actuarial Assumptions and Methods

55. During each actuarial study, WMO in conjunction with the actuary, reviews and selects assumptions that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for WMO's after-service benefit plans (post-employment benefits and other separation-related benefits and unused annual leave).
56. The following assumptions have been used to determine the value of post-employment and other separation-related employee liabilities for WMO at 31 December 2020:

- *Economics assumptions*

ASHI

Discount rate: 0.40 % (2019: 0.50%)

The discount rate is estimated to approximate the single equivalent rate such that the present value of the plan's cash flows (i.e. expected as from 31 December 2020; for 2019 as from 31 December 2019) using the single rate equals the present value of those cash flows using the spot rate at each maturity of the AAA and AA in CHF denominated Corporate Bonds yield as at 31 December 2020 (2019: 31 December 2019) for the relevant currency (primarily CHF, with approximately 5% each in EUR and USD). The reference spot rates are based upon the Aon yield curve and were provided by the UN Headquarters.

Pensionable Remuneration Increase Rate: 2.00% (2019: 2.50%)

Salary increase rate:

The salary increase rate as per UNJSPF salary scale has been applied, as per following sample rates:

At 31 December 2020		
Age	General service staff	Professional staff
20	6.33%	8.57%
30	5.97%	6.57%
40	4.77%	4.77%
50	4.37%	3.77%
60	3.97%	3.47%

At 31 December 2019		
Age	General service staff	Professional staff
20	6.53%	8.77%
30	6.17%	6.77%
40	4.97%	4.97%
50	4.57%	3.97%
60	4.17%	3.67%

Healthcare cost increase rate:

As at 31 December 2020, the health care cost increase rate has been set to a constant rate for the future of 2.90% which is line with the long-term nominal medical trend rates as per the UN guidelines. As at 31 December 2019, it was set to 3.00%.

Claim cost/ contribution rate:

The contributions rates applied as at 31 December 2020, which are unchanged compared to 31 December 2019, are the following:

	Payable by insured person	Payable by WMO
Retired member only	3.4%	6.8%
Retired member with one dependent	4.4%	8.8%
Retired member with more than one dependent	4.8%	9.6%

Repatriation

Salary increase rate:	Same as ASHI
Discount rate (using US dollar yield curve*):	1.90% (2019: 2.80%)
Travel cost increase rate:	2.00% (2019: 2:00%)
<i>*the spot rates have been provided by UN Headquarters</i>	

- Demographic assumptions

The tables of the United Nations Joint Staff Pension Fund have been applied for both 2020 and 2019 with respect to mortality, disability and early retirement rate, as these are based on the demographic experience of the UN Joint Staff Pension Fund. Turnover rates are based upon WMO specific experience. The following provides the details relating to the demographic assumptions:

Disability:	UNJSPF tables for 2020 and 2019.
Mortality:	UNJSPF tables – The post retirement mortality rates utilized are headcount weighted, gender-distinct mortality rates with static longevity improvements applied for healthy retirees and beneficiaries
Retirement rates:	UNJSPF tables – The retirement rates are gender-distinct and vary based upon professional or general service staff and years of service.
Participation:	95% of future retirees are assumed to elect post-retirement medical coverage for 2020 and 2019
Spousal coverage:	60% of future retirees are assumed married at retirement and elect coverage for their spouse for both 2020 and 2019. Males are assumed to be 3 years older than spouse
Turnover rates:	Based upon WMO specific experience as summarized in the following table for both 2020 and 2019:

Age	Turnover Rate
30	20%
35	12%
40	7%
45	7%
50	5%
55	8%
60+	10%

The turnover rates for those aged over 55 are only applied if the staff member is not yet eligible for ASHI

57. Reconciliation of Defined Benefit Obligation for 2020

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2019	1,902	269	2,171
Service cost for 2020	108	33	141
Interest cost for 2020	9	7	16
Benefits paid in 2020	(11)	(37)	(48)
Actuarial (gain)/loss	(170)	(10)	(180)
Benefit obligation at 31 December 2020	1,838	262	2,100

58. Reconciliation of Defined Benefit Obligation for 2019

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2018	837	282	1,119
Service cost for 2019	108	38	146
Interest cost for 2019	7	11	18
Benefits paid in 2019	(11)	(18)	(29)
Actuarial (gain)/loss	961	(44)	917
Benefit obligation at 31 December 2019	1,902	269	2,171

59. Reconciliation of recognized actuarial gains / losses

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Actuarial gains (losses) at 31 December 2019	(788)	(94)	(882)
Movement in reporting period (IPCC)	170	10	180
Actuarial gains/(losses) at 31 December 2020	(618)	(84)	(702)

60. In the 2020 valuation of employee benefits liabilities, the actuaries have determined gross actuarial gain under post-employment benefits and other separation-related benefits of CHF 173,000 (2019: gross actuarial loss of CHF 917,000).

61. The total actuarial gain of CHF 173,000 represents a gain of CHF 170,000 relating to After Service Health Insurance, a gain of CHF 3,000 relating to Repatriation.

62. Annual Expense

	2020	2019
	<i>(Swiss Francs thousands)</i>	
Service cost	141	146
Interest cost	16	18
Total	157	164

63. The composition of the defined benefit obligation for ASHI between active staff members and retirees is as follows:

	2020	2019
	<i>(Swiss Francs thousands)</i>	
Active staff members	1,580	1,642
Retirees	258	260
Total ASHI obligation	1,838	1902

After-Service Health Insurance – Sensitivity Analysis

64. Two of the principal assumptions in the valuation of the After-Service Health Insurance are: (i) the rate at which medical costs are expected to increase in the future; and (ii) the discount rate used to determine the present value of benefits that will be paid from the plan in the future.
65. A sensitivity analysis was undertaken to determine the impact of the above assumptions on the liability and service cost under IPSAS 39.
66. The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:

ASHI Benefit Obligation at 31 December 2020		Discount rate currently reflected	Discount rate increase +1%	Discount rate increase -1%
Amount		1,838	(21.00%)	28.90%
Repatriation Related Benefit Obligation at 31 December 2020		Discount rate currently reflected	Discount rate increase +1%	Discount rate increase -1%
Amount		262	(7.10%)	8.20%

67. The effect of on the ASHI DBO of increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:

ASHI Benefit Obligation at 31 December 2020		Healthcare cost currently reflected	Healthcare cost increase +1%	Healthcare cost increase - 1%
Amount		1,838	2,507	1,335
Effect		-	669	(503)
Service cost and interest cost 2020		Healthcare cost currently reflected	Healthcare cost increase +1%	Healthcare cost increase - 1%
Amount		117	175	75
Effect		-	58	(42)

Expected Costs during 2021

68. The expected contribution of IPCC in 2021 to the employee benefit plan is CHF 34,000.

United Nations Joint Staff Pension Fund (UNJSPF)

69. WMO is a member organization participating in the United Nations Joint Staff Pension Fund (the UNJSPF or the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Fund is a funded multi-employer defined benefit plan. As specified by article 3 (b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.
70. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that

there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. WMO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify the Agency's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, IPCC has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 - Employee Benefits. IPCC's contributions to the plan during the financial period are recognized as expenses in the Statement of Financial Performance.

71. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.
72. IPCC's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.
73. The latest actuarial valuation as of 31 December 2019 has been performed. A roll forward of the participation data as of 31 December 2019 to 31 December 2020 will be used by the Fund for its 2020 financial statements.
74. The actuarial valuation as of 31 December 2019 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 144.2% (139.2% in the 2017 valuation) The funded ratio was 107.1% (102.7% in the 2017 valuation) when the current system of pension adjustments was taken into account.
75. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2019, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.
76. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the UNJSPF pension plan, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the UNJSPF during the preceding three years (2017, 2018 and 2019) USD 7,131.6 million, of which less than 0.1 % was contributed by IPCC.
77. During 2020, contributions paid by IPCC to UNJSPF amounted to CHF 262,000 (CHF 290,000 in 2019).
78. Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund

at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

79. The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

Note 3.10: Reserve for ASHI

80. The Reserve for ASHI was created in 2020 for setting funds aside to cover the long-term employee benefits of IPCC staff after separation or retirement in accordance with Decision-LII-9, paragraph 15 taken by the IPCC Panel at its 52nd Session. The balance of this Reserve as at 31 December 2020 amounts to CHF 1,838,000, equivalent to the actuarial valuation of the ASHI valuation.

Note 3.11: Employee benefits reserves

81. The Reserve for Employee Benefits represents the actuarial gains and losses arising from the actuarial valuation of the employee benefits liabilities which are determined by a professional actuary at the end of each financial period. The balance of this Reserve as at 31 December 2020 amounts to a net actuarial loss of CHF 702,000 (net actuarial loss of CHF 882,000 at 31 December 2020).

Note 4: Risk Analysis

Credit Risk

82. Credit risk and liquidity risk associated with cash and cash equivalents is minimized substantially by WMO ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade ratings by a primary rating agency. Financial arrangements for the administration of IPCC are specified in the Memorandum of Understanding between the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) on the Intergovernmental Panel on Climate Change (IPCC) and WMO Staff and Financial Rules and Regulations.
83. Contributions receivable comprise primarily amounts due from pledged voluntary contributions from sovereign nations.

Liquidity Risk

84. IPCC's funds held by WMO at 31 December 2020 amounting to CHF 13,971,000 are sufficient to meet its current liabilities of CHF 4,358,000 at that date. On an ongoing basis, it is anticipated that IPCC will have sufficient liquidity to pay all debts due.
85. Implementation of IPCC activities cannot commence until a contribution has been received. Budgets are only allotted to the level of contributions received after a withholding of ten percent is made to cover any fluctuations that may arise against legal obligations and commitments entered into. These procedures are adequate to ensure that there is sufficient cash to meet contractual liabilities.

Market Risk

86. Interest earnings for the period in 2020 is CHF 1,000 (CHF 3,000 in 2019).

87. The implementation of IPCC's plan and budget is not dependent on or impacted by interest earnings.

Currency Risk

88. The IPCC budget is prepared in Swiss Francs and is funded through voluntary contributions which are pledged in various currencies. IPCC's funds are entrusted to WMO and managed through WMO's bank accounts.

NOTE 5: REVENUE

5.1 Monetary contributions

	2020	2019
	<i>Swiss Francs</i>	
Voluntary contributions	3,916,000	4,492,000
Voluntary contributions-pledged	100,000	565,000
Contribution from General Fund	125,000	178,000
	4,141,000	5,235,000

89. IPCC's Monetary contributions have decreased from 2019 to 2020. This is mainly due to the decrease in multi-years voluntary contribution pledges received as well as the delay in implementation of activities due to the Covid-19 pandemic for which deferral of the related revenue was required.
90. Voluntary contributions - pledged are signed contributions from donors for which cash has not been received yet. These contributions are recognized as revenue in the year the conditions are met.

5.2 In-kind contributions

91. IPCC receives a number of in-kind contributions, which are described in the paragraphs below. In-kind contributions are expensed in the same period as they are recognized as revenue.
- a. Remuneration costs: Contributions in-kind relate to the remuneration costs of the IPCC Secretary paid by WMO (CHF 281,000 in 2020; CHF 278,000 in 2019) and the Deputy Secretary paid by UNEP (CHF 270,000 in 2020; CHF 268,000 in 2019).
 - b. Office space: Office space is provided by WMO (CHF 147,000 in 2020; CHF 137,000 in 2019). There was a change in the calculation of the in-kind for office space in 2020, using square meters instead of the number of offices used. In-kind revenue was also recorded towards the IPCC storage rental amounting to CHF 12,000 in 2020 and 2019.
 - c. Administrative support: In accordance with the Memorandum of Understanding between WMO and UNEP establishing the IPCC, WMO also provides various administrative support facilities free of charge to IPCC. As the costs are not quantifiable, these cannot be recorded as in-kind revenue and expense.
 - d. IPCC meetings: IPCC also receives contributions in-kind from members, which are not recognized in the IPCC financial statement as IPCC did not have control over those contributions in-kind and could not measure their fair value reliably. The services in-kind which are provided by members, relate to the support provided for IPCC meetings held in their countries. The estimated costs for these meetings were included in the IPCC budget for 2020 as shown in Statement V and in total amount to approximately CHF 178,000 in 2020, (CHF 700,000 in 2019).

- e. IPCC work: The work of the IPCC is delivered by thousands of scientists from all over the world who contribute on a voluntary basis as authors, contributors and reviewers. None of these authors are paid by the IPCC. The number of authors involved in preparing IPCC reports has steadily increased in the previous assessment cycles. However, from the Fifth Assessment Report to the Sixth Assessment Report, Lead Authors have decreased from 850 to about 737 Lead Authors due to a lesser number of chapters involved. The value of these in-kind contributions are not recognized in the IPCC financial statement as IPCC did not have control over those contributions in-kind and could not measure their fair value reliably.

5.3 Other revenue

92. Other revenue relates to the impact of non-CHF currency exchange rates, interest income and other income.

	2020	2019
	<i>Swiss Francs</i>	
Unrealized gain from currency exchange	67,000	10,000
Interest income	1,000	3,000
Other income	1,000	3,000
	69,000	16,000

NOTE 6: EXPENSES

	2020	2019
	<i>Swiss Francs</i>	
6.1 Salaries and employee benefits		
Staff costs (2019 includes CHF 82,000 and 2020 includes CHF 42,000 as provision for legal judgement see note 3.8)	1,537,000	1,542,000
Employee benefits (includes actuarial service and interest costs of CHF 157,000 in 2020 and CHF 164,000 in 2019; Decrease mainly due to lower support to education grants in 2019 and Increase in Removal of household effect upon separation by CHF 18,000 in 2019)	491,000	585,000
Consultancy cost (more interpretation in 2019 due to more Meetings)	132,000	591,000
	2,160,000	2,718,000
6.2 Travel		
Scoping meetings, expert meetings and workshops (more meetings in 2019 compared to 2020 due to the impact of the Covid-19 pandemic)	412,000	2,287,000
Governing bodies (more meetings in 2019)	298,000	1,424,000
AR 5 Outreach Action Plan (slight decrease in AR5 Outreach Events in 2020)	29,000	49,000
Other - outreach, secretariat (reduced travel of secretariat to attend the meetings due to the impact of the Covid-19 pandemic; includes refund from travel for staff for CHF 5,000 in 2020 and provision for travel refund for CHF 4,000 in 2020)	2,000	151,000
	741,000	3,911,000
6.3 In-kind expenditure		
Seconded staff	551,000	546,000
Rental of office space (includes storage space for IPCC publications; change in calculation of in-kind based on square meters in 2020 instead of office space in 2019)	159,000	149,000
	710,000	695,000
6.4 Other expenditures		
Loss currency exchange differences:		
Realized (on receipt of contributions)	229,000	143,000
Unrealized (Increased in 2020 due to the impact of exchange loss for holding cash in different currencies, primarily USD)	324,000	76,000
	553,000	219,000
Write-offs (Write-off of an uncollectible pledge in 2020 and in 2019 plus an uncollectible travel recovery in 2019)	27,000	7,000
Specialized services (IPCC Website and Catering services in 2019, Media training in 2020)	16,000	110,000
Public information	10,000	9,000

Miscellaneous services (Membership fee for International PI Director roundtable and staff training)	6,000	9,000
Bank charges	5,000	20,000
Audit fee	5,000	5,000
Hospitality	-	40,000
Studies, reports, brochures, reprints	-	1,000
Loss on discounting present value	-	6,000
	622,000	426,000

6.5 Grants and contributions for organization of meetings

Contributions for organization of meetings (there were more meetings sponsored in 2019 than in 2020 due to the impact of the Covid-19 pandemic)	95,000	216,000
Grants (more Financial support in 2019 than in 2020)	180,000	192,000
	275,000	408,000

6.6 Supplies, consumables and other running costs

Information/Telecommunication (ICT charges)	69,000	72,000
Postage and storage of IPCC publications (increase in freight in 2020)	40,000	26,000
Common services/Utilities (COS charges)	32,000	35,000
Supplies and other running costs (in 2019 increase of supplies due to the increase of meetings)	8,000	55,000
Information Technology (relates to software subscriptions and laptops not capitalized)	7,000	1,000
Rental of premises (rental of rooms in the WMO Conference Centre in 2019 that was not required in 2020 as such meetings were not held)	-	178,000
Data processing services	-	3,000
Building maintenance and security (Security services during meetings that took place in WMO building in 2019 that was not required in 2020 as such meetings were not held)	-	20,000
	156,000	390,000

NOTE 7: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

- 93.** The revised IPCC budget for 2020 is CHF 4,267,088 and was approved in December 2020. The original IPCC budget for 2020 was CHF 8,627,688. The decrease of CHF 5,975,580 compared to the 2019 IPCC budget of CHF 10,242,668 has been done on all elements of the budget except the Secretariat which has slightly increased since 2019. This decrease has been made due to the restrictions resulting from the Covid-19 pandemic as most planned 2020 meetings were either held virtually, cancelled or postponed to 2021.
- 94.** IPCC's financial statements are prepared on full IPSAS accrual basis using classification based on the nature of expenses in the Statement of Financial Performance (Statement II), whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared using classification by activity.
- 95.** As required under IPSAS-24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget shall be reconciled to the actual amounts presented in the financial statements.
- 96.** The reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance for the year ended 31 December 2020 is presented below:

	Note	Swiss Francs
Amount of expenditure, Statement V		3,115,000
Plus:		
In-kind expenditure	6.3	710,000
Currency exchange differences	6.4	553,000
Bank Charges	6.4	5,000
Write-Offs	6.4	27,000
Provisions included in Staff cost	6.1	42,000
Provisions included in Travel	6.2	4,000
Annual net impact of employee benefits	6.1	125,000
AR 5 Outreach Action Plan	6.2	29,000
Methodology Report on Short-Lived Climate Forcers (SLCF)	6.5	54,000
Amount of expense, Statement II		4,664,000

97. The AR5 Outreach Action Plan was established in 2015 to disseminate the findings of the AR5 report during the course of 2015 and 2016 through a series of regional outreach events. Contributions were received from Members specifically earmarked for this activity. It was not planned for in the 2020 budget and thus it appears as a reconciling item.
98. The 2020 budget of IPCC was revised in December 2020 to reflect changes to the Annual Work Programme due to the Covid-19 pandemic. The expert meetings of Short-Lived Climate Forcers (SLCF) which were planned to be held in 2020 were postponed to 2021. The development of the Methodology Report on Short-Lived Climate Forcers (SLCF) will only start after the meetings take place in 2021. As this item was moved to the 2021 budget, it appears in 2020 as a reconciling item.

NOTE 8: VARIANCES BETWEEN BUDGET AND ACTUAL AMOUNTS BY CATEGORY

99. The principal variances between budget and actual amounts by category are:

Category A: Savings were obtained as a result of the amount of resources needed to support participation in one meeting was lower than originally planned due to advanced purchases and reduced ticket costs and changes in the number of expected participants. In addition, savings were also obtained as a result of under-utilization of funds set aside for three other activities which were held virtually, due to the COVID-19 pandemic situation.

Category B: Savings were derived from non-utilization of funds set aside for meeting costs of one meeting while another meeting was held virtually. Other originally planned meetings were either cancelled or postponed to 2021, due to the COVID-19 pandemic situation.

Category C: Savings were obtained due to under-utilization of funds set aside for some activities which were either not carried out or postponed to 2021, due to the COVID-19 pandemic situation.

Category D: Savings were derived from non-utilization of funds set aside for two activities, which were postponed to 2021, due to the COVID-19 pandemic situation.

NOTE 9: LEGAL OR CONTINGENT LIABILITIES AND WRITE-OFFS

100. As at 31 December 2020, there were no contingent liabilities arising from legal actions and claims that are likely to result in a significant liability to IPCC. No cases of fraud were noted.

NOTE 10: OTHER COMMITMENTS

101. At 31 December 2020, IPCC had obligations for the acquisition of goods and services contracted but not delivered amounting to CHF 151,000 (CHF 59,000 as at 31 December 2019).
102. Under IPSAS 1 on accrual accounting and on the basis of the delivery principle, commitments for future expenses are not recognized in the financial statements. Such commitments will be settled from the unexpended portion of contributions after receipt of the related goods or services.

NOTE 11: RELATED PARTY AND OTHER SENIOR MANAGEMENT DISCLOSURE

Key Management Personnel	Number of posts	Compensation and post adjustment	Entitlements	Pensions and health plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans
2020	2	349,000	116,000	90,000	555,000	16,000	-
2019	2	399,000	45,000	103,000	547,000	19,000	-

103. The Secretary and Deputy Secretary of IPCC are the only members of key management who have the authority and responsibility for planning, directing and controlling the activities of IPCC.
104. The aggregate remuneration paid to key management personnel includes: net salary, post adjustment, entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effect shipment costs, and employer pension and current health insurance contributions. These costs are paid by WMO and UNEP and are considered as in-kind income and in-kind expenditure for IPCC.
105. Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified.
106. Key management personnel are ordinary members of the UNJSPF.

NOTE 12: EVENTS AFTER REPORTING DATE

107. IPCC's reporting date is 31 December 2020. On the date of signing of these accounts, other than as stated in the following paragraphs, there have been no material events, favourable or unfavourable that occurred between the Statement of Financial Position date and the date when the financial statements have been authorized for issue.