United Nations

Report of the United Nations Board of Auditors on the financial statements of the United Nations Convention to Combat Desertification

for the year ended 31 December 2024

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Chapter I
Report of the Board of Auditors on the Financial Statements: Audit Opinion

Opinion

We have audited the financial statements of the United Nations Convention to Combat Desertification (UNCCD) which comprise the statement of financial position (statement I) as at 31 December 2024 and the statement of financial performance (statement II), statement of changes in net assets (statement III), cash flow statement (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNCCD as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and the International Standards of Supreme Audit Institutions (ISSAI). Our responsibilities under those standards are described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of UNCCD in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Information other than the Financial Statements and Auditor's Report thereon

The UNCCD Executive Secretary is responsible for the other information. The other information comprises the financial report for the year ended 31 December 2024 included in chapter IV, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as Management 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, Management is responsible for assessing UNCCD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate UNCCD or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(a) 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.

(b) Obtain an understanding 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 UNCCD's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

(d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UNCCD'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 auditor's report. However, future events or conditions may cause UNCCD to cease to continue as a going concern.

(e) 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 weaknesses in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, the transactions of UNCCD that have come to our notice or that we have tested as part of our audit have been, in all significant respects, in accordance with the Financial Regulations and Rules of UNCCD and legislative authority.

In accordance with article VII of the United Nations Financial Regulations and Rules, we have also issued a long-form report on our audit of UNCCD.

(*Signed*) Pierre **Moscovici**
First President of the French Cour des Comptes
Chair of the Board of Auditors
(Lead Auditor)

(*Signed***) Hou** Kai
Auditor General of the People’s Republic of China

(*Signed*) Vital **do Rêgo Filho**
President of the Brazilian Federal Court of Accounts

23 July 2025

Chapter II

Long-form Report of the Board of Auditors

Summary

The Board of Auditors (Board) audited the financial statements and reviewed the operations of the United Nations Convention to Combat Desertification (UNCCD) for the year ended 31 December 2024. The financial audit was carried out on site, in Bonn (Germany), from 4 to 8 November 2024 for the interim and the final audit was conducted on site from 1st to 17 April 2025. The performance audit was carried out on site, in Bonn, from 7 to 11 October 2024, and in Riyadh from 30 November to 4 December for the interim and the final audit was conducted in Bonn from 10 to 21 March 2025.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of the operations of the UNCCD as reported as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Overall conclusion

The United Nations Convention to Combat Desertification (UNCCD) was established in 1994 and is the binding international agreement linking environment and development to sustainable land management. The overall financial position of the Organization as at 31 December 2024 remained sound. The Administration needed to continue to strengthen core business processes in finance, budget and bank accounts. The Board also identified areas for improvement in the preparation, follow up and risk management of the Conferences of the Parties.

Key findings

Financial overview

Total revenue increased by 196 per cent, reaching $61 million. UNCCD is mainly funded through contributions and investment revenue. In 2024, total contributions amounted to $58.8 million. These contributions included $8.6 million of indicative contributions and $50.2 million of voluntary contributions. Total expenses increased by $13.2 million, reaching $40.1 million. The total surplus noted in 2024 amounted to $20.9 million representing 34.3 per cent of total revenues received in 2024.

The 2024 financial statements were presented for audit on 31 March 2025. The Board highlighted and discussed issues when reviewing the financial records of UNCCD for the year ended 31 December 2024 that were adjusted by UNCCD in the final financial records submitted on 27 May 2025.

Financial management

Risk mitigation for segregation of duties conflicts in Umoja

The review of the September 2024 segregation of duties (SoD) conflict report for UNCCD identified six staff members with role conflicts, two of them with high-risk conflicts. The Umoja SoD conflict report, which is automatically generated from Umoja, did not clearly define the criteria used to classify segregation of duties conflicts as high, medium, or low risk.

With respect to mitigation measures, the UNCCD Security liaison officers stated that safeguards were in place to ensure that no single staff member can create, certify and approve the same financial transaction in Umoja. However, this control was not formally documented nor embedded within a structured control framework.

Accrued Expenses Procedure and Conference of the Parties (COP) related expenses

Due to technical limitations in a new reporting tool, Umoja Analytics, and the lack of automation in accrued expenses procedure, a significant proportion of 2024 expenses transactions were not captured or did not appear in the specific report. Consequently, the UNCCD accrued these expenses manually at year-end based on several sources of information. As a result, an important portion of transactions was not initially identified in the generated commitment report unliquidated obligations (ULO) from Umoja Analytics. Consequently, multiple reconciliations and processing took place only during 2025.

Notable discrepancies for a cumulated amount of $0,5 million identified between the total expenses recognized in the COP year-end financial report and those reflected in the interim financial utilization report submitted to the host country—particularly with respect to COP16—required the UNCCD to undertake a diligent and exhaustive reconciliation, in compliance with applicable financial standards.

Non-compliance with budgetary limits and reallocation rules

Deviations from initial budgets exceeded the 20 per cent reallocation limit granted to the Executive Secretary—such as communication expenditures, which were 22 percent above the approved amount for the triennium. Furthermore, the principle that no single appropriation line may be reduced by more than 25 percent has not been respected, with Governing Bodies and Legal Affairs showing a 30 percent decrease. However, no written or formal documentation was provided to the Board to support the approval of this reallocation. As a result, the Board was unable to assess whether the reallocation was formally authorized, and thus whether the spending limits granted to the Executive Secretary have been respected.

Deutsche Bank account active signatory panel confirmation

UNCCD Management did not have access to the list of active bank signatories on UNCCD Deutsche bank account. Although the final designation of signatories falls under DMSPC authority, (Secretary-General's bulletin reference "ST/SGB/2019/2") all commitments, disbursements and expenses require at least two authorizing signatures (Rule 105.4 of the Financial Regulations and Rules of the United Nations). UNCCD should systematically obtain UN Treasurer letters requesting amendments to the active bank signatory panel as well as the confirmation from the bank.

Role of the Secretariat in the organization of COP16

General overview of COP16 and the role of the Secretariat

The Conference of the Parties (COP) is the main event organized by the United Nations Convention to Combat Desertification (UNCCD). COP16, held in Riyadh from 2 to 13 December 2024 was the largest gathering under the UNCCD, with over 50,000 participants. The unprecedented dimension of the event and the limited size of the Secretariat to support its preparation, implementation and manage the administrative and financial liquidation was a major challenge.

Preparation of the COP

The Secretariat established task forces to oversee various aspects of COP16, including logistics, negotiations, communication, and the Action Agenda, which featured thematic days on land, agri-food systems, governance, and resilience. Challenges were observed related to the late designation of the service provider and the need for improved risk management, which is not formalized enough.

Implementation of COP

On-site implementation involved coordinating over 380 side events, high-level segment participation, and engagement with civil society and the private sector. As part of its mandate, the Secretariat supported negotiations for the Parties by organizing preparatory meetings and preparing documents, particularly on drought. Taking up on decision 24/COP.16, the Secretariat should support the follow-up of discussions between Parties, while supporting the Kingdom of Saudi Arabia Presidency in consolidating its legacy in the transition phase leading to COP17 in Mongolia.

After the COP: Follow-up and towards COP17

Following COP16, the Secretariat conducted a lessons-learned exercise, including a ex-post assessment, to inform the preparation for COP17 in Mongolia. The Secretariat is tasked with supporting the follow-up of decisions and orientations taken during COP16 to ensure the success of the upcoming COP17 and should capitalize on the experience acquired in preparing and implementing the event. Financial liquidation indicated an expected positive fund balance, with ongoing discussions with the host country for the utilization of remaining funds.

Main recommendations

The Board has made 13 new recommendations based on its audit. **The main recommendations are that the UNCCD Secretariat:**

Financial management

Strengthening risk mitigation for segregation of duties conflicts in Umoja

(a) **formally document compensating controls for all Segregation of Duties conflicts classified as medium or high risk and considered acceptable without immediate modification of user roles.**

Accrued Expenses Procedure & COP related expenses

(b) **in coordination with the Umoja Analytics support team, improve the completeness of dedicated unliquidated obligations report and strengthen the accrued expenses procedure with regard to transactions identified and recorded in the financial statements at year-end;**

(c) **improve the reconciliation of COP-related expenses recorded in Umoja to ensure accurate expense recognition in the financial statements and alignment of year-end expenses with the signed report submitted to the host country**.

Improvements to fully comply with budgetary limits and reallocation rules

(d) **formally document and communicate all approved reallocations to the Parties, in order to ensure transparency and compliance with budgetary rules**;

Deutsche Bank account active signatory panel confirmation

(e) **coordinate with the UN Treasury team to set up a process to obtain letters requesting amendments to the Deutsche bank signatory panel, as well as the bank's confirmation once the updates have been made.**

Role of the Secretariat in the organization of COP16

Preparation of the COP

(f) **include environmental clauses in Host Country Agreements for future COPs, consistent with the UNCCD Secretariat's Greening the Blue commitments;**

(g) **add specific risks for the COP in its general risk register if the type of risk is not included yet in existing categories;**

Implementation of the COP

(h) **following decision 24/COP.16, initiate consultation with the COP16 Presidency to explore possible avenues for launching an intersessional informal consultation process on drought with Parties to ensure a transition between COP16 and COP17.**

After the COP: follow-up and towards COP17

(i) **formalize the preparation of the "post-mortem" report and commit to maintaining**

a record of recommendations and their follow-up actions;

(j) **based on the model already developed by UNFCCC, produce a "How to COP" guide for future presidencies, capitalizing on the experience of COP16.**

Previous recommendations

The Board noted that out of 23 outstanding recommendations, 5 (22 per cent) have been implemented, 14 (61 per cent) were under implementation, 3 (13 per cent) were overtaken by events, and 1 (4 per cent) was not implemented. Details of the status of implementation of these recommendations are presented in the annex to this report.

Key facts

$61.0 million	Revenue
$40.1 million	Expenses
$20.9 million	Surplus for the year
$77.9 million	Assets
$44.5 million	Liabilities
$33.4million	Fund balance and reserves
€8.2 million	Core budget
84	Staff

A. Mandate, scope and methodology

1. The United Nations Convention to Combat Desertification (UNCCD) was established in 1994 and is the binding international agreement linking environment and development to sustainable land management. Currently, the Convention has 197 parties. The work of UNCCD is facilitated by its Secretariat located in Bonn, Germany. Established under the Convention as an operational arm, the Global Mechanism provides advisory services and works together with developing countries, the private sector, and donors to mobilize substantial resources for the implementation of UNCCD.

2. The Board of Auditors (Board) has audited the financial statements of UNCCD and reviewed its operations for the year ended 31 December 2024 in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto and in accordance with the International Standards on Auditing (ISAs) and the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of UNCCD as at 31 December 2024 and the results of its operations and cash flows for the financial year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment as to whether the expenditures recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether revenue and expenditures had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations and IPSAS. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

4. In addition to auditing the accounts and financial transactions, the Board carried out reviews of the UNCCD operations under United Nations Financial Regulation 7.5. This enables the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, internal financial controls and, in general, the administration and management of UNCCD operations. The Board focused its audit, among others, on finance, and the role of the UNCCD Secretariat in the organization of Conference of the Parties (COP)16. The Board also followed up on its previous recommendations.

5. The financial audit was carried out on site, in Bonn (Germany), from 4 to 8 November 2024 and from 1st to 17 April 2025 and included a review of the internal controls and accounting systems and procedures only to the extent considered necessary for the effective performance of our examination. The performance audit was carried out on site, in Bonn, from 7 to 11 October 2024, and in Riyadh from 30 November to 4 December for the interim and the final audit was conducted in Bonn from 10 to 21 March 2025.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the Conference of the Parties. The Board's observations and conclusions were discussed with the UNCCD Secretariat whose views are appropriately reflected in the report.

B. Findings and recommendations

1. Previous recommendations

7. As of 31 December, 2024, there were 23 outstanding recommendations of the Board of Auditors concerning UNCCD: 11 from the audit report of 2023 and 12 from previous exercises.

8. Five (22 per cent) were implemented, 14 (61 per cent) were under implementation, 3 (13 per cent) were overtaken by events, and 1 (4 per cent) was not implemented. Details of the status of implementation of these recommendations are presented in the annex to this report.

9. Six recommendations (No. 19 to 23 and 25) regarding the budget have not received a written response. Only oral information was provided during a dedicated meeting.

2. Financial overview

10. On 31 December 2024, UNCCD fund balances and reserves stood at $33.4 million compared to $15.3 million in 2023. In 2024, UNCCD recognized a surplus of $20.9 million against a deficit of $6.3 million in 2023, due to the significant increase of the voluntary contributions in 2024.

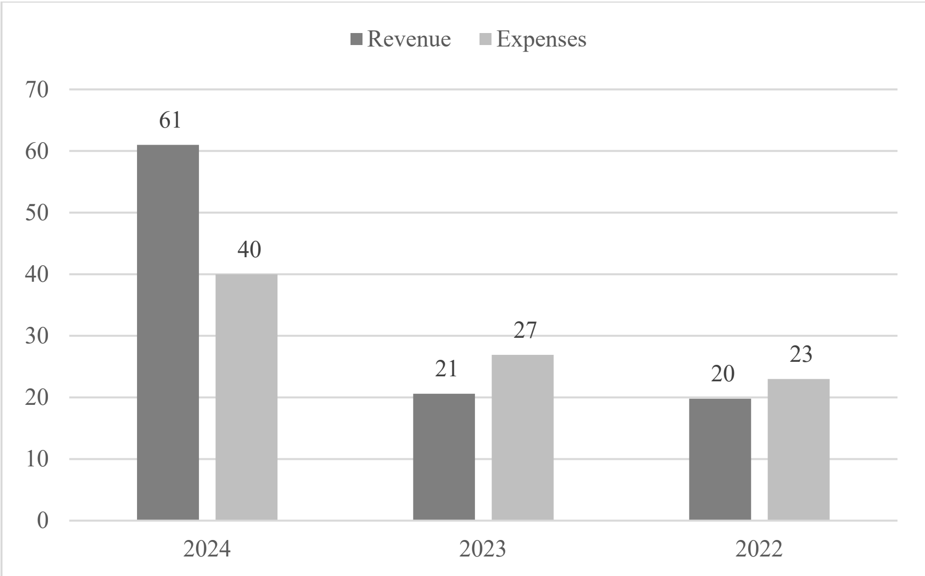
2.1. Revenue and expenses

11. Revenue from indicative[1] and voluntary contributions amounted to $58.8 million in 2024, compared to $18.2 million in 2023, representing almost 96 per cent of total revenue. With an amount of $2.2 million interest revenue and gain on investments were significantly higher than in the prior year when they stood at $1.7 million.

12. UNCCD's total expenses for 2024, which amounted to $40.1 million, increased by $13.2 million compared to $26.9 million in 2023. This increase was predominantly due to travel which increased by around $5.7 million and grants with a $5.5 million increase.

[1] Indicative contributions are preliminary, non-binding financial commitments provided by Parties to the UNCCD to guide the Convention's budgetary and work planning processes. They are calculated based on an agreed scale of assessment. The amounts were decided during the Conference of the Parties (COP15), which voted the budget for the triennium 2022-2024.

Figure II.I
Revenue and expenses
(Millions of United States dollars)



Source: UNCCD financial statements for 2024, 2023 and 2022.

13. Table 1 below presents an overview covering a three-year period from 2022 to 2024. The table shows changes and trends in revenue and expenses, and also in the balance sheet categories.

Table II.1
Overview covering the years 2022-2024
(Millions of United States dollars)

	Increase/(decrease)			*Increase/(decrease) in %*	
	2024	*2023*	*2022*	*2023 to 2024*	*2022 to 2023*
Revenue	61.0	20.6	19.8	196.1	4.1
Expenses	40.1	26.9	23.0	49.0	17.0
Surplus/Deficit	20.9	(6.3)	(3.2)	(430.9)	97.4
Assets	77.9	55.4	57.6	40.6	(3.9)
Liabilities	44.5	40.1	36.2	11.0	10.7
Fund balance and reserves	33.4	15.3	21.5	118.1	(28.8)
Personnel expenses	14.3	14.0	13,0	1.7	7.9

Source: UNCCD financial statements for 2024, 2023 and 2022.

2.2. Assets and liabilities

14. In 2024, total assets increased by $22.5 million, reaching $77.9 million at year-end compared to $55.4 million in 2023. This represented an increase of 40.6 per cent for one year. Major changes in the 2024 assets resulted from an increase in current and non-current contributions receivable by $17.0 million and an increase in investments by $4.8 million.

15. Liabilities amounted to $44.5 million at year-end 2024 compared to $40.1 million in 2023. Accounts payables increased by $3.0 million and employee benefit liability increased by $4.2 million to reach $33.1 million as at 31 December 2024.

16. Table 2 presents key financial ratios. The overall solvency (ratio of total assets to total liabilities) at year-end 2024 has increased to 1.75. According to the current ratio, the quick ratio and the cash ratio, UNCCD’s liquidity has improved.

Table II.2
Ratio analysis

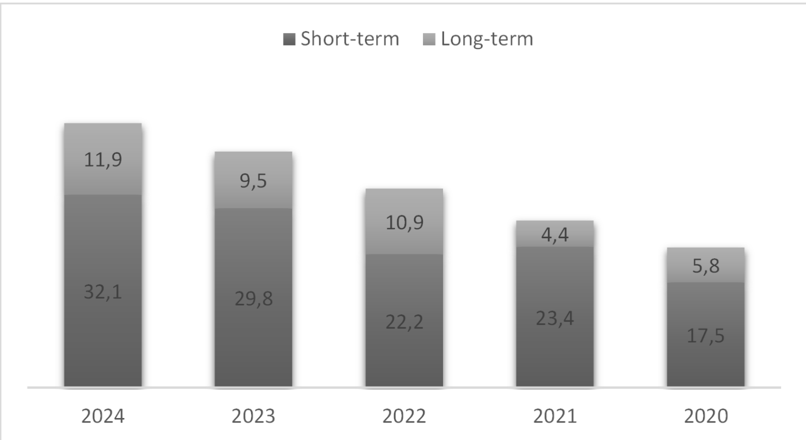
Ratio	*31 Dec 2024*	*31 Dec 2023*	*31 Dec 2022*	*31 Dec 2021*
Assets-to-liabilities ratio[a] Total assets: total liabilities	1.75	1.38	1.59	1.48
Current ratio[b] Current assets : current liabilities	3.95	3.37	3.86	12.20
Quick ratio[c] (Cash + short-term investments + accounts receivable): current liabilities	3.83	3.33	3,64	12.09
Cash ratio[d] (Cash + short-term investments): current liabilities	3.05	2.91	2.87	8.01

Source: Board of Auditors' calculations based on the UNCCD financial statements for 2024,2023, 2022, and 2021.

[a] A high ratio (generally at least 1) indicates an entity's ability to meet its overall obligations.
[b] A high ratio (generally at least 1) indicates an entity's ability to pay off its current liabilities.
[c] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.
[d] The cash ratio is an indicator of an entity's liquidity. It serves to measure the amount of cash, cash equivalents or invested funds available in current assets to cover current liabilities.

17. Total investments handled by the United Nations Secretariat, increased in 2024 from $39.3 million to $44.0 million (see Figure II.II above). Cash decreased from $6.3 million to $6.0 million. The increase was mainly due to the higher volume of voluntary contributions received by cash in 2024.

Figure II.II
Development of investments during the years 2020-2024
(Millions of United States dollars)



Source: UNCCD financial statements for 2024, 2023, 2022, 2021, and 2020.

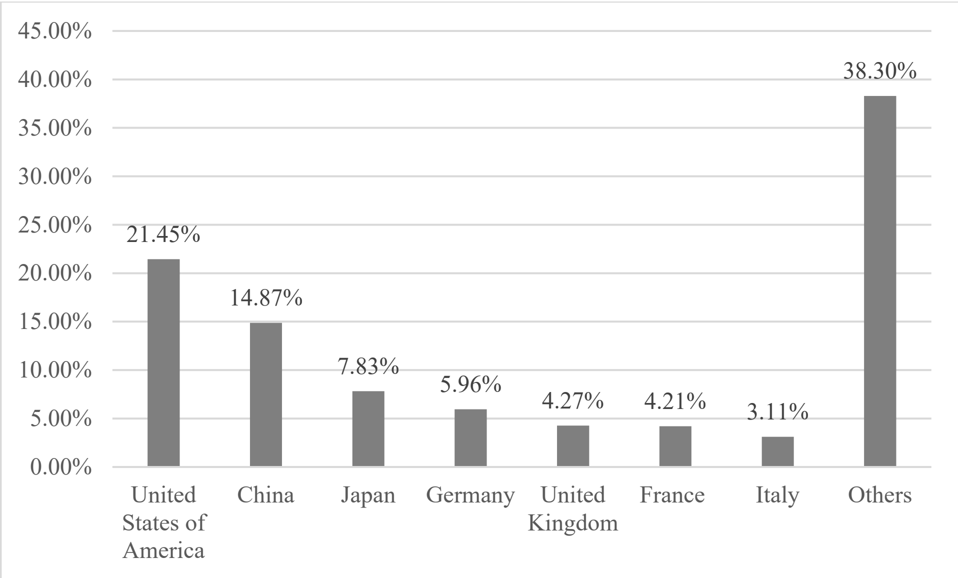
18. The total net assets increased by $18.1 million between 2023 and 2024 for reaching $33.4 million as at 31 December 2024.

2.3. Main Parties contributing to the core budget

19. The figure below shows the top seven parties providing 62 percent of UNCCD indicative contributions, with an amount of $5.9 million out of a total core budget of $8.6 million. The United States of America (21.45 per cent), China (14.87 per cent),

Japan (7.83 per cent) and Germany (5.96 per cent) shares accounted for almost 50 percent of total contributions.

Figure II.III
Main parties contributing to the core budget



Source: Analysis made by the Board of Auditors on the basis of the UNCCD 2024 financial statements.

2.4. Budgetary aspects

20. The budgetary performance concludes to a lower level of expenditures than the approved budget for 2024. The total approved core budget for 2024 amounted to EUR 8.2 million. As the budget is approved in Euro and converted into United States dollars [2] this final budget reached \$8.8 million, compared to an amount of expenditures of \$ 8.4 million.

21. The final triennial budget approved for 2022/2024 amounted to EUR 24.6 million, equal to \$26.4 million to be compared to a total expenditure for the triennial amounted to \$26.4 million. The under expenditure was due to lower expenses regarding global mechanism, governing bodies and legal affairs.

3. Financial management

3.1. Adjustments during the audit

22. The Board reviewed the financial statements in the version submitted on 31 March 2025 and identified several transactions that were incorrectly reflected or mistakes regarding wordings and titles. All of these have been corrected by UNCCD.

3.2. Presentation of Budget comparison information in financial statements

23. International Public Sector Accounting Standards IPSAS 1 (§21) and IPSAS 24 “Presentation of Budget Information in Financial Statements” (§14) required entities to present a comparison of budget and actual amounts, and note disclosures to explain material differences between the budget for which the entity is held publicly accountable and the actual amounts reported. Furthermore, §16 emphasizes that such

[2] Average of \$1 = EUR 0.93289 at the rate of exchange set by the United Nations.

explanations are essential to help users understand the reasons for significant deviations from the approved budget.

24. In its initial version of the financial statements submitted to the Board, UNCCD did not provide explanatory notes, despite significant variances between approved budgets and actual expenditures across several programmatic activities. The entity initially considered that the overall achievement of the three-year results provided sufficient justification. UNCCD indicated to the Board that the relevant information was communicated only orally during consultations conducted in the framework of the Conference of the Parties.

25. Following the Board's audit observation, UNCCD reviewed its approach and subsequently provided an additional paragraph providing further information on the reasons for the variances across expenditure line. The Board agreed with the additional information provided.

3.3. Strengthening risk mitigation for segregation of duties conflicts in Umoja

26. Effective access rights management in information systems plays a vital role in ensuring data security, operational integrity, and compliance with internal control standards. A key aspect of this management is the identification and mitigation of Segregation of Duties (SoD) conflicts[3]. These conflicts significantly increase the risk of errors, misuse, or fraud.

27. Establishing appropriate controls to prevent or monitor SoD conflicts is therefore essential to maintaining the reliability of financial and operational processes and to promoting sound governance within the organization. This principle is in line with the UN Financial Regulations and Rules[4], and the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which underpin the United Nations' Internal Control Framework (ICF)[5]. SoD conflicts are specifically identified and addressed in the Umoja role guides.

28. In the Umoja system, appointed Security liaison officers (SLO) are responsible for generating quarterly SoD reports to identify and resolve conflicting roles[6]. These automated reports classify conflicts into four levels: high, medium, low, and redundant. High-risk and medium-risk conflicts must be addressed through corrective actions, either by de-provisioning the conflicting role or by formally justifying the acceptance of the risk. Specific columns in the SoD conflict report allow for information and comments on SoD conflict justification and SLO remediation or acceptance.

29. The review of the September 2024 segregation of duties conflict report for UNCCD identified six staff members with role conflicts. Two individuals were found to have three high-risk conflicts each, all related to travel management processes. Three staff members each had one medium-risk conflict, associated with source-to-acquire and service delivery functions. One staff member had three redundant access rights conflicts resulting from overlapping roles.

30. The Board noted that the actions taken by the UNCCD SLO were not documented in the SoD conflict report, particularly regarding remediation measures—such as de-provisioning user roles (which was deemed unnecessary in the latest review) or providing formal justification for accepting risk levels. Specifically, UNCCD had not recorded any mitigation measures for six high-risk and three medium-risk conflicts.

[3] Segregation of Duties (SoD) conflicts: instances where a single user holds access rights that allow them to perform incompatible functions, such as initiating and approving the same transaction.
[4] ST/SGB/2013/4 Financial Regulations and Rules of the United Nations *Rule 105.5, Certifying officers, Rule 105.6 Approving officers.*
[5] A/64/640 Towards an accountability system in the United Nations Secretariat - Report of the Secretary-General.
[6] Umoja SLO Terms of reference, Umoja Role Guides, Umoja SLO Workbook.

31. The current Umoja SoD conflict report, which is automatically generated from Umoja, did not clearly define the criteria used to classify SoD conflicts as high, medium, or low risk.

32. During the audit, the UNCCD security liaison officer provided justifications for the identified conflicts, which were deemed necessary, and the associated risks acceptable for the organization to operate effectively. These justifications emphasized the small size of the UNCCD structure and the operational need for flexibility in managing business processes.

33. In the subsequent review conducted at the end of March 2025, the SoD conflict report included comments from the SLO indicating the status of each conflict — whether it should be deleted, retained due to the organization's limited size, or kept under review with corrective action to be taken at a later stage if required.

34. With respect to mitigation measures, the UNCCD SLO stated that safeguards were in place to ensure that no single staff member can create, certify and approve the same financial transaction in Umoja. However, this control was not formally documented nor embedded within a structured control framework.

35. Such compensating controls could take the form of a regular, and formalized review of user activity logs to detect any unauthorized or inappropriate transactions. This would require the extraction and analysis of log data, with a specific focus on the roles involved in the identified SoD conflicts.

36. **The Board recommends that UNCCD Secretariat formally document compensating controls for all Segregation of Duties conflicts classified as medium or high risk and considered acceptable without immediate modification of user roles.**

37. UNCCD Secretariat accepted the recommendation.

3.4. Accrued Expenses Procedure and COP related expenses

38. The Board reviewed the accrued expenses procedure and amounts recorded in the financial statements and COP related expenses at year-end 2024.

Accrued expenses procedure and amounts recorded

39. Due to technical limitations in a new reporting tool, Umoja Analytics, and the lack of automation in accrued expenses procedure, nearly a quarter of 2024 expenses value transactions were not captured or did not appear in the specific report; consequently, the UNCCD accrued these expenses manually at year-end based on several sources of information.

40. Accounts payables and accrued liabilities are subject to IPSAS 19 "provisions, contingent liabilities and contingent assets" for their recognition and IPSAS 1 for their presentation. As UNCCD prepares its financial statements on an accrual basis, accrued expenses are recognized at year-end.

41. These accruals are recorded in expense accounts and liability accounts They are intended to be cleared by actual transactions in the subsequent financial year.

42. In the conduct of 2024 closing procedures, year-end accruals have been determined based on a new tool *Umoja Analytics*, as *Power B*I was decommissioned in 4 December 2024, requiring a learning period for UNCCD.

43. The Umoja Analytics report provided to the Board based on unliquidated obligations (ULOs) summarized the year-end 2024 accruals, amounting to $975,000.

44. The Board noted that a portion of this amount ($219,000) was recorded manually by finance team with incomplete[7] information on individual transactions. These

[7] While the Umoja Analytics report describes a set of information fields (document number, fund center,

transactions correspond to incoming payment documents received early 2025 without fund commitment created in Umoja at year-end 2024 or due to other technical reasons in the report during account closing procedures.

45. As a result, transactions totalling $219,000 (22,4 percent of the accrued expenses) were not initially identified in the generated commitment report (ULO from Umoja Analytics). UNCCD pointed out that certain expenses could not be included in the ULO report, as some ULOs were processed after the year end, because majority of activities related to COP meeting, which took place in mid-December, just before end of year. As a result, multiple reconciliations and processing took place only during 2025.

46. Additionally, several transactions totalling $0.1 million reviewed at year-end based on the commitment report lacked complete financial supporting documentation (such as mailing support documents) and highlighted the need to enhance the accrual procedure, particularly in the context of significant year-end volume of transactions, such as COP16, with expenses totalling $8.9 million on the report as of 31 December 2024.

47. **The Board recommends that the UNCCD Secretariat, in coordination with the Umoja Analytics support team, improve the completeness of dedicated unliquidated obligations report and strengthen the accrued expenses procedure with regard to transactions identified and recorded in the financial statements at year-end.**

48. The UNCCD Secretariat accepted the recommendation.

On the COP related expenses and report

49. The notable discrepancies identified between the total expenses recognized in the COP year-end financial report and those reflected in the interim financial utilization report submitted to the host country—particularly with respect to COP 16—require the UNCCD to undertake a diligent, accurate, and exhaustive reconciliation, in compliance with applicable financial standards.

50. The reports on COP events require UNCCD extensive manual data compilation and formatting, as data are sourced from multiple reports due to underlying costs being recorded across several Umoja funding sources. UNCCD also relies on other UN entities, especially for daily subsistence allowance processing involving reconciliations with United Nations Environment Programme (UNEP) and some purchase orders, service entry sheets, and invoices had to be posted by UNEP United Nations Office at Nairobi, rather than by the UNCCD finance unit.

51. Based on final financial report for COP 15 and draft final report for Committee for the Review of the Implementation of the Convention (CRIC) 21 provided by UNCCD, the Board noted some differences between funds' balances 2023 and 2024, with some differences from 10 percent for the CRIC to a notable 35 percent for the COP 15, disclosed in the below table.

52. These were due to final posting of entries and closing of funds commitments which were no longer required and could not be directly spotted during the closing of the financial statements.

grant reference, funded program, open commitment/disbursement) for each accrued expense line, none of these fields are disclosed for the manually added additional expenses.

Table II. 3
COP 15 and CRIC 21 financial report status, December 2024
(United States dollars)

Description	Total Contribution	Total expenses	Fund Balance FY23 (basis of accrual 23)	Fund Balance FY24 (basis of accrual 24)	Difference ($)	Difference (%)
COP15	1 710 763	1 138 978	571 785	*372 819**	- 198 966	-35%
CRIC 21 (ZHC+Participation Fund)	785 100	528 522	256 578	*230 263*	- 26 315	-10%
TOTAL	**2 495 863**	**1 667 499**	**828 364**	**603 082***	**- 225 282**	

**before allocation in the 2024 financial statements of all the unspent balance to AMCEN session.*

Source: Board of Auditors, based on UNCCD financial utilization reports 2024.

53. With respect to COP 16 total expenses, based on the COP expense report as of 31 December 2024 (used as the basis for year-end accrued expenses) and the interim financial utilization report dated 18 March 2025 (reflecting total expenses as at February 2025), the total difference identified was $522,000, as disclosed in the below table. This difference would mainly pertain to unliquidated obligations that were not cleared at year-end for some categories of expenditures.

54. This discrepancy, particularly significant for expenses allocated to fund 32UVA due to hard-coded figures entered in the Excel interim report (COP16 Report 25 02 (002)), prevented a complete reconciliation between the signed report submitted to the host country and the detailed Excel report provided.

Table II. 4
COP 16 financial utilization report status
(United States dollars)

COP 16 financial utilization report status

Description	Total Contribution	Total expenses - Report 12.24 (*basis for accrual*)	Total expenses - Report 02.25 (*basis for interim report*)	difference ($)	difference (%)
COP 16	11 150 000	8 905 618	8 383 920	- 521 699	-6%
including 32UVA fund share	*2 612 302*	*3 820 600*	*3 067 561*	*- 753 039*	*-20%*

Source: Board of Auditors, based on UNCCD financial utilization reports 2024 and February 2025.

55. In order to ensure accuracy of payables and accrued expenses, UNCCD has to strengthen the analysis of unliquidated obligations (ULOs) at year-end—specifically distinguishing between delivered and undelivered portions. Only the portion of ULOs corresponding to goods or services delivered should be recognized as an accrual at year-end.

56. As the accrued balance for COP 16 stood at $1.1 million at year-end 2024, UNCCD should carry out an accurate and exhaustive reconciliation by expense category to ensure IPSAS 19 expenses recognition compliance.

57. **The Board recommends that the UNCCD Secretariat improve the reconciliation of COP-related expenses recorded in Umoja to ensure accurate expense recognition in the financial statements and alignment of year-end expenses with the signed report submitted to the host country.**

58. The UNCCD Secretariat accepted the recommendation.

3.5. Improvements to fully comply with budgetary limits and reallocation rules

59. The components of the UNCCD budget are defined in the Financial Rules of the Conference of the Parties (COP), originally adopted at COP 1 and subsequently amended at COP13, COP14, and COP15. These rules provide for a biennial financial period; however, following the COVID-19 pandemic, the Conference of the Parties decided to extend the financial period to three years.

60. At each session of the Conference of the Parties, the Executive Secretary submits a proposed programme budget for consideration by the Parties, outlining the objectives and corresponding budgets of the Secretariat and the Global Mechanism. The budget is adopted by consensus.

61. As part of its decision, the COP also adopts the total core budget and its allocation by appropriation line, corresponding to the various units of the Secretariat and the Global Mechanism. The Executive Secretary is authorized to transfer funds between appropriation lines, up to an aggregate limit of 20 per cent of the total estimated expenditures for the lines concerned. However, no single appropriation line may be reduced by more than 25 per cent.

62. The most recent budget was adopted at COP 15 in 2022, covering the period 2022/2024. It was presented with identical annual appropriations of €8,215,451 per year. The final budget remained unchanged from the original, and no inter-line transfers were recorded.

63. Sections §37 and §38 of IPSAS 24 “Presentation of Budget Information in Financial Statements” provide guidance on multi-year budgets, noting that multi-year budgets typically consist of a series of annual budgets, each reflecting the entity’s budgetary policies for the period. They also recognize the potential for carry-over of unused appropriations and encourage entities to provide note disclosures on the relationship between budgeted and actual amounts in multi-year frameworks.

64. While some discrepancies may be due to timing differences in the recognition of commitments, there are no properly authorized carry-overs in the budget. Historically, these commitments have neither been identified nor reflected in the subsequent year's budget allocations, which undermines users’ understanding of the financial statements.

65. The Board encourages the UNCCD Secretariat, in the context of its next budget cycle, to present and incorporate carry-over amounts as well as any surplus or deficit results into the final budgets of the subsequent years within a given budget period.

66. The Board also noted deviations from initial budgets that exceed the 20 percent reallocation limit granted to the Executive Secretary—such as communication expenditures, which were 22 percent above the approved amount for the triennium. Furthermore, the principle that no single appropriation line may be reduced by more than 25 percent has not been respected, with Governing Bodies and Legal Affairs showing a 30 percent decrease.

Table II.5

Variances between approved budgets and actual expenditures (2024 and 2022–2024 period)

(Euros)

Core budget of the Secretariat *Programmes*	*Original budget 2024* *EUR*	*Final Budget 2024* *EUR*	*Actual 2024* *EUR*	*Discrepancy in % Actual to final* *EUR*	*Original budget 2022-2024* *EUR*	*Final Budget 2022-2024* *EUR*	*Actual 2022-2024* *EUR*	*Discrepancy in % Actual to original* *EUR*	*Discrepancy in % Actual to final* *EUR*
I. Secretariat programmes									
A. Executive Office	716 024	716 024	806 885	13%	2 148 072	2 148 072	2 475 787	15%	15%
B. Governing Bodies and Legal Affairs	426 807	426 807	200 639	-53%	1 280 422	1 230 422	898 996	-30%	-27%
C. Communications	561 295	561 295	763 581	36%	1 683 885	1 733 885	2 059 121	22%	19%
D. External Relations, Policy and Advocacy	1 091 937	1 091 937	1 086 983	0%	3 275 811	3 275 811	3 524 325	8%	8%
E. Science, Technology and Innovation	1 602 685	1 602 685	1 391 784	-13%	4 808 055	4 808 055	4 799 334	0%	0%
F. Administrative services	1 024 110	1 024 110	1 179 932	15%	3 072 330	3 072 330	3 508 427	14%	14%
II. Global Mechanism									
G. Global Mechanism	1 847 453	1 847 453	1 525 882	-17%	5 542 358	5 542 358	4 514 146	-19%	-19%
Subtotal (A-G)	7 270 311	7 270 311	6 955 686	-4%	21 810 933	21 810 933	21 780 136	0%	0%
Programme support costs	945 140	945 140	904 239	-4%	2 835 421	2 835 421	2 831 418	0%	0%
Working capital reserve	-	-	-		-	-	-		
TOTAL Core Budget of the Secretariat	**8 215 451**	**8 215 451**	**7 859 925**	**-4%**	**24 646 354**	**24 646 354**	**24 611 554**	**0%**	**0%**

Source: Board of Auditors based on financial statement data.

67. According to UNCCD Executive Office, "*at the 16th Session of the Conference of the Parties, UNCCD informed the budget contact group that minimal transfers between appropriations were necessary due to inflation. The same information was also provided during the various informal consultations on budget organized by UNCCD. After discussing it with the Executive Office of UNCCD, an amount of $50,000 has been reallocated from programme Governing Bodies and Legal Affairs to Communications with the same amount which allowed us to limit the transfers between appropriation to or less than 20 percent as per COP decision*".

68. However, no written or formal documentation was provided to the Board to support the approval of this reallocation. UNCCD assumes this fact, considering the size of the entity and that of the finance unit. Informations was provided through informal consultations on budget organized by UNCCD. As a result, the Board was unable to assess whether the reallocation was formally authorized, and thus whether the spending limits granted to the Executive Secretary have been respected.

69. Moreover, official documents could clarify that the limits set for the Executive Secretary apply to the entire approved budget period, rather than to each individual year within it. The current lack of explicit provisions may legitimately raise questions about the interpretation and application of these limits.

70. **The Board recommends that the UNCCD Secretariat formally document and communicate all approved reallocations to the Parties, in order to ensure transparency and compliance with budgetary rules.**

71. The UNCCD Secretariat accepted the recommendation.

3.6. Deutsche Bank account active signatory panel confirmation

72. UNCCD, under the authority of Department of Management Strategy, Policy and Compliance (DMSPC) of UN Secretariat, has a bank account with the Deutsche Bank AG (house bank account DEDB1 in Umoja), included in the UN cash pool portfolio to which a corporate credit card is attached and held by UNCCD.

73. The management of this account follows the prescribed rules of responsibility of the Secretary-General's bulletin reference ST/SGB/2019/2 (Annex I - B. Banking).

74. Bank signatories on the bank account are managed by the Office of Programme Planning, Finance and Budget (OPPFB-DMSPC) and UNCCD is responsible for informing OPPFB of all staff movements so that action can be taken in terms of any

movement of a bank signatory delegation. Since no formal written confirmation is requested in return, UNCCD cannot control whether or not the requested changes have been taken into consideration by the Deutsche Bank.

75. In accordance with ISA 505 “external confirmations”, the Board requested that Deutsche bank returns confirmation from bank signatories as at 31 December 2024. The Board noted discrepancies between UNCCD active bank signatories and those registered at the bank level.

76. Based on the bank confirmation requested by the Board and received, seven persons were confirmed, among which three were identified as active signatories by UNCCD, and the others are usually from UN Treasury, with no capacity for direct corroboration at UNCCD level.

77. The latest formal communication (through an email exchange with the DMSPC-OPPFB team) provided to the Board was dated 2 November 2023 and indicated three active bank signatories from UNCCD team. UNCCD did not systematically request confirmation in return from the UN Treasury on the updates.

78. UNCCD Management did not have access to the list of active bank signatories on UNCCD Deutsch bank account.

79. Although the final designation of signatories falls under DMSPC authority, (Secretary-General’s bulletin reference “ST/SGB/2019/2”) all commitments, disbursements and expenses require at least two authorizing signatures (Rule 105.4 of the Financial Regulations and Rules of the United Nations).

80. **The Board recommends that the UNCCD Secretariat coordinate with the UN Treasury team to set up a process to obtain letters requesting amendments to the Deutsche bank signatory panel, as well as the bank’s confirmation once the updates have been made.**

81. UNCCD Secretariat accepted the recommendation. However, UNCCD suggested that the recommendation should be addressed to UN Treasury which are responsible for all UN Bank accounts.

3.7. Events after the reporting date

82. In January 2025, the Government of the main donor of the UNCCD announced a 90-day suspension of foreign aid to reassess its alignment with national interests.

83. In 2024, indicative contributions from this donor represented 21 percent of UNCCD’s total indicative contributions. As at 31 December 2024, there were $1.9 million indicative contributions receivables due by this donor.

84. Given that this donor is a major contributor to the UNCCD, this suspension should it be applied to UNCCD may impact the funding of various programmes and operations.

85. However, UNCCD, considering that it had not received any indication of non-receipt of the contribution in writing, did not make any disclosure including a summary of its exposure to this risk and analysis of the impact of the announcement.

86. In addition, UNCCD did not include disclosure of stress testing, liquidity projections, and mitigation strategies, related to the donor’s announcement.

87. In the absence of any indication from the donor of its intentions with regard to UNCCD, there was no significant event after the reporting date that would have required the Organization, in accordance with IPSAS 14, to disclose in its financial statements the nature of the event and an estimate of its financial effect.

88. Nevertheless, the Board considers that it would have been good practice, as observed by other organizations, even in such a case, to provide an analysis of the risk exposure given the size of the donor. An Organization can always opt for general

disclosure on this subject, ensuring transparency while avoiding unnecessary speculation.

4. Role of the Secretariat in the organization of COP16

4.1. Introduction

The Conference of the Parties as the major event of UNCCD

89. Officially established by article 22 of the United Nations Convention to Combat Desertification (UNCCD), the Conference of the Parties (COP) is defined as "the supreme body of the Convention", which shall make "the decisions necessary to promote its effective implementation"[8]. As stated in paragraph 4, "ordinary sessions [of the COP] shall be held every two years". Prior to COP16, held in Riyadh from 2 to 13 December 2024, COP15 took place in Abidjan in May 2022, while COP14 was hosted in New Delhi in September 2019 — before the outbreak of the COVID-19 pandemic.

90. The rules of procedure of the COP were defined by decision 1/COP.1. These rules specifically set out how Parties are to be convened for COP meetings, and govern the internal functioning of the COP, including voting and operating rules[9].

What is expected from the Secretariat

91. As stated in Article 23 of the Convention, the UNCCD Secretariat is mandated "to make arrangements for sessions of the Conference of the Parties and its subsidiary bodies established under the Convention and to provide them with services as required", among other responsibilities[10].. The two subsidiary bodies created by the COP — the Committee for the Review of the Implementation of the Convention (CRIC)[11] and the Committee on Science and Technology (CST)[12] — also hold their own sessions at the same time.

COP16: a change of dimension for UNCCD

92. Identified as the host country for COP16 during the previous COP[13], the Kingdom of Saudi Arabia (KSA) has vowed to host "the largest-ever meeting of UNCCD's 197 Parties"[14]. For the first time under the UNCCD, the host country launched an Action Agenda to 'restore degraded land, combat desertification and boost drought resilience in communities, cities and countries'[15] and built around seven Thematic Days, which consisted of numerous events, performances and meetings[16]. Thematic Days covered by the Action Agenda were dedicated to land; agri-food systems and sustainable farming practices; inclusive land governance; people, including the role of youth, women and civil society in decision-making; science, technology and innovation; finance; and drought resilience.

[8] United Nations Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, 1994, article 22 – Conference of the Parties.
[9] United Nations Framework Convention on Climate Change, United Nations, 1992, Article 7 – Conference of the Parties.
[10] United Nations Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, 1994, Article 23 – Permanent Secretariat. A similar mandate has been given to the Secretariat under UNFCCC
[11] Decision 1/COP.5.
[12] United Nations Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, 1994, Article 24 – Committee on Science and Technology.
[13] Decision 34/COP.15, Dates and venues of future sessions of the Conference of the Parties.
[14] UNCCD United for land, Saudi Arabia to host largest-ever UN conference on land and drought, Press release, Riyadh, 31 January 2024.
[15] UNCCD, Informal COP16 Planning Decisions and Action Agenda, 2 April 2024 [internal document].
[16] UNCCD COP16 Informal Guide, COP16, Riyadh, Saudi Arabia, 2-13 December 2024.

93. Overall, COP16 gathered 176 Parties, hosting approximately 580 side-events, with more than 24,000 registered participants in the Blue Zone and more than 33,000 registered in the Green Zone[17].

Scope of the audit

94. After assessing the various risks and stakes faced by the Secretariat, the Board decided to focus its audit scope on areas which cover the chronological roll-out of the event related to the involvement of the Secretariat, the preparation, the implementation and the follow-up and the risk management of the COP.

4.2. The role of the Secretariat in the preparation of COP 16

4.2.1. Compliance with UN standards and guidelines

95. As with any official UN conference, the COP should comply with UN standards and guidelines, and consider recent trends such as limiting the environmental impact.

The organization of COP16 complies with UN General Assembly (UNGA) resolution 40/243[18]

96. This resolution provides that "United Nations bodies may hold sessions away from their established headquarters when a Government issuing an invitation has agreed to defray the actual additional costs directly or indirectly involved".

97. In its decision 34/COP.15, the Conference of the Parties has accepted the offers from the Government of Saudi Arabia and from the Government of Mongolia to respectively host the sixteenth (COP16) and the seventeenth session of the Conference of the Parties (COP17)[19].

98. For COP16, the terms and conditions for its organization are defined in the Host Country Agreement between the Government of the Kingdom of Saudi Arabia and the UNCCD Secretariat, signed on 31 January 2024[20], in accordance with United Nations guidelines[21]. The HCA details the logistical arrangements for the premises and equipment, and includes an estimate of the direct incremental costs borne by the host country[22] —among others.

99. The guidelines provided in administrative instruction ST/AI/342 identify minimal requirements, but do not exclude provision of the additional clauses agreed between the host country and the Secretariat servicing the COP. In this respect, and in comparison, the UNFCCC Secretariat has included a specific article on 'climate neutrality and sustainability' in its HCA, to provide evidence of its commitment to the organization of sustainable and climate-neutral COPs[23].

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[17] For the first time under the UNCCD, the COP was divided into two main areas, the Blue Zone and the Green Zone. Restricted to Parties delegates, observers, accredited civil society organizations, and private sector entities, the Blue Zone hosted high-level meetings and events, official sessions, negotiations, regional groups and contact groups meetings. While the Blue Zone was monitored by the Secretariat, the Green Zone, a public space open to non-accredited participants, was managed exclusively by the host country. Report of Chair's summary of the UNEP Committee of Permanent Representatives meeting on the COP16 outcomes held on 20 February 2025, https://wedocs.unep.org/bitstream/handle/20.500.11822/47101/Presentation-COP16-Outcomes-UNEPCPR-20022025.pdf?sequence=1&isAllowed=y , slide 2.
[18] A/RES/40/243, Pattern of conferences, 18 December 1985.
[19] Decision 34/COP.15, Dates and venues of future sessions of the Conference of the Parties.
[20] Agreement between the Government of the Kingdom of Saudi Arabia and the Secretariat of the United Nations Convention to Combat Desertification In Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD) regarding hosting the Sixteenth Session of the Conference of the Parties to the United Nations Convention to Combat Desertification (COP16), 31 January 2024.
[21] ST/AI/342, Chapter II Art A, OP7.
[22] HCA, Annex IV, Estimate of direct incremental costs to be borne by the Host Country Government, Riyadh, Saudi Arabia.
[23] Article 4. Agreement between the Secretariat of the United Nations Framework Convention on Climate Change, The Kyoto Protocol and the Paris Agreement and the government of the United Arab Emirates regarding the 28th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, signed on 22 June 2023, and Agreement between the Secretariat of the United Nations Framework Convention on Climate Change, The Kyoto Protocol and the Paris Agreement and the government of the Republic of Azerbaijan, signed on 23 August 2024.

In a context of growing concerns, the lack of sustainability standards embedded in the organization of UNCCD Secretariat's events could pose a reputational risk

100. Although the service provider chosen by KSA for the organization of COP16 has provided guarantees on environmental sustainability and Corporate Social Responsibility (CSR) policy[24] service providers are not necessarily required to do so. These guarantees cover sustainable energy solutions, sustainable water management solutions, sustainable and responsible constructions, among other. Exclusively chosen by the host country, service providers are accountable to the host country based on the contractual relationship established between the two parties. In this respect, the Secretariat can neither interfere in the selection process, nor define additional selection criteria once the HCA has been signed[25]. While environmental standards regarding the decommissioning phase remain unclear, concerns regarding the sustainability of the event have been raised by staff and participants in all post-COP surveys since COP14, notably on the reduction of waste at COP15[26] and at COP16[27].

101. The provision of environmental and sustainability standards in the HCA would enable the Secretariat to mitigate reputational risk, while enhancing the profile of the conference and of the host country in the process.

UNCCD Secretariat is committed to limiting the environment impact of COPs, although its commitment is not reflected as such in the HCA

102. UNCCD Secretariat's environmental commitment is rooted in its participation in UNEP-led Greening the Blue initiative, which monitors and reports on the UN system's environmental footprint and entities' efforts to reduce it[28]. In addition to reporting annually on its performance and operations, covering greenhouse gas emissions, water usage and waste, UNCCD Secretariat has also engaged in the system-wide UN reflection on the emission reduction strategy. In this respect, the Secretariat has chosen to address offsetting considerations "through the specific topic of the environmental impact generated by the statutory governing bodies' meetings of the Convention"[29].

103. Meanwhile, UNEP has also developed a Sustainable Events Guide, in order to support UN entities in their endeavours to "managing meetings and events in a sustainable manner"[30]. Such tool could be considered by the UNCCD Secretariat as well in the organization of future COPs and Committees for the Review of the Implementation of the Convention (CRICs).

104. While UNFCCC Secretariat's commitment to the organization of sustainable COPs is specified in the clauses of the HCA, UNCCD Secretariat has not yet formalized its commitment regarding its statutory governing bodies' meetings—i.e., COP, and CRIC. Since the HCA between the UNCCD Secretariat and the government of Mongolia for the organization of COP17 was already signed on 21 February 2025[31] the inclusion of environmental standards could be considered in the HCA for COP18. The UNCCD Secretariat could define environmental clauses tailored to its monitoring capacities – while benefiting from existing support tools such as the Greening Events Tool (GET), and the sharing of good practices from other Rio Conventions.

105. Such clauses should be tailored to the Secretariat's commitments, while considering in-house monitoring and current technical capacities.

[24] GL Events, Quality Management & Procedures, Presentation provided by UNCCD Secretariat.
[25] Additional documentation requests on COP16, Email dated 9 October 2024.
[26] UNCCD, COP15 post-mortem, Findings of the COP15 surveys and related recommendations [internal document].
[27] UNCCD, Lessons Learned from COP16, Overview of the findings and recommendations of the participant survey.
[28] About | Greening the Blue. Greening the Blue is managed by the United Nations Environment Programme's (UNEP) Sustainable United Nations (SUN) Facility. The SUN Facility assists UN system entities in: (i) Measuring their environmental performance, (ii) Reducing their environmental impacts, (iii) Offsetting their unavoidable greenhouse gas emissions.
[29] Greening the Blue, Performance of Individual UN Entities, United Nations Convention to Combat Desertification (UNCCD), Official website.
[30] United Nations Environment Programme, Sustainable United Nations (SUN), Sustainable Events Guide, Give your large event a small footprint, 2012.
[31] Agreement between the Secretariat of the United Nations Convention to Combat Desertification In Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD) and the Government of Mongolia regarding the Seventeenth Session of the Conference of the Parties to the United Nations Convention to Combat Desertification (COP17), 21 February 2025.

106. **The Board recommends that the UNCCD Secretariat include environmental clauses in Host Country Agreements for future COPs, consistent with the UNCCD Secretariat's *Greening the Blue* commitments.**

107. The UNCCD Secretariat accepted this recommendation for implementation at COP18, with the understanding that introduction of legally binding provisions in the HCA would normally require means of implementation and monitoring.

4.2.2. The preparation of a COP as a project

108. The organization of the COP is a major activity for the Secretariat and can be seen as a form of project management. At the end of each COP, the Secretariat sets up a work programme for the following biennium. This programme includes the preparation of the COP and also corporate indicators and follow-up mechanisms[32]. The impact on its day-to-day activity must be managed.

109. Early on in the preparatory phase, the Secretariat set up task forces on specific topics, covering both substantive and logistical aspects, and bringing together different teams according to the areas of expertise concerned:

- Logistics and coordination, led by the Chief of Staff;
- Negotiations and diplomatic engagement, led by the Deputy Executive Secretary (DES);
- Communication, led by the head of the Communication, External Relations and Partnerships unit (CERP) unit;
- Action Agenda, also led by the DES.

110. In addition to the overall organization of the COP and the thematic days that are planned in the Action Agenda, the Secretariat produce concept notes for various events. This is largely the responsibility of the task force on negotiations and diplomatic engagement, which has the most important role.

111. In the same way that the Secretariat and the host country prepare the main issues of the COP, the regional annexes are also continuously involved in the political process: COP subjects are likewise discussed. Starting in August 2024, regional preparatory meetings were held for each of the five regional annexes.

112. As an example, the agenda for the Regional Preparatory Meeting for Parties from Annex V – Central and Eastern Europe, held in Yerevan, covered COP, CRIC and CST related matters. The COP matters included an overview of COP16 sessions and events, policy frameworks and thematic issues[33]. This regional preparatory meeting resulted in the adoption of a joint political declaration on "Opportunities to raise ambition to combat desertification and land degradation and enhance drought resilience in Africa"[34].

4.2.3. Improving risk management

113. Risk management was the topic of the performance audit in the 2023 report on the year 2022. It is also a crucial process in the management of COPs which are the UNCCD's major event. Progress has been made by the Secretariat on this subject, and the majority of the recommendations in the 2023 report have been implemented. However, the risk management process requires ongoing monitoring.

114. The function of risk manager now exists within the Secretariat and functions effectively, with well identified persons.

[32] 2022-2024 work programme of the UNCCD Secretariat and the Global Mechanism.
[33] UNCCD COP16 Regional Preparatory Meeting for Parties of Implementation Annex V, 15-17 October 2024, Yerevan, Armenia.
[34] Decision AMCEN/SS.X/1: Opportunities to raise ambition to combat desertification and land degradation and enhance drought resilience in Africa.

115. The risk management policy document has been drawn up. All departments were consulted on their risk assessments in several meetings during the first half of 2024. A risk register was compiled in spring 2024, in which 29 risks were listed and categorized.

116. A Risk Committee was set up in May 2024. It meets annually and its main function is to update the risk register.

Progress has to be made in risk management around the COP

117. The risk framework for the COP still requires improvement. Risk register is not specific to the COP, but covers all risks affecting the Secretariat. A specific document for the COP seems necessary, as it is the most important event organized by the Secretariat, and it mobilizes the entire Secretariat for several months, or an addendum into the general risk register if the type of risk is not included yet in existing categories. A single targeted document was drawn up, the Issues management plan. Drafted in October 2024, it deals essentially with reputational risks and the responses to be made in terms of communication.

118. During the COP, the Secretariat's senior management met on a daily basis to review important issues. No minutes were recorded, and no record of any incidents was kept, which means that the Board could not comment on the day-to-day management of risks during the COP. It is recommended that a template or procedure be drawn a record be kept of the topics discussed, and up for risk management issues.

119. More generally, discussions could be initiated with other climate conventions on the subject of risk management during COPs. Staff turnover within the UNFCCC Secretariat should not be one of the reasons given for this lack of communication. It can be addressed through the establishment of clear procedures.

120. **The Board recommends that UNCCD Secretariat add specific risks for the COP in its general risk register if the type of risk is not included yet in existing categories.**

121. The UNCCD Secretariat accepted the recommendation.

Awareness among participants to be strengthened, particularly regarding misbehavior

122. As with other UN entities, UNCCD is required to adhere to the zero-tolerance policy standard. In May 2018, the Chief Executives Board for Coordination (CEB) issued a CEB Statement on Addressing Sexual Harassment within the Organizations of the UN System in which UN system leaders unequivocally declared their firm commitment to upholding a zero-tolerance approach to sexual harassment. This also applies to the organization of events such as the COP[35]. This is an important point and is widely supported by the Secretary-General

123. COP participants were briefly informed about the risks associated with inappropriate behaviour, particularly sexual harassment. At the time of registration, each participant was required to certify that they had read and understood the terms and conditions, including provisions relating to harassment risks. However, this registration could be done several months before the COP and might not always have been completed by the participants themselves.

4.2.4. Preparation in terms of logistics, finance and administration, in relation with the host country

Preparation of the Host country agreement

124. After the Kingdom of Saudi Arabia was chosen as the host country for COP16, initial contact was made with the Ministry of the Environment, the national focal point (FP).

[35] CEB Statement on Addressing Sexual Harassment within the Organizations of the UN System, 2018.

125. The drafting of the HCA followed preparatory work between the Secretariat and the host country. The purpose of this work was to determine the amount that the host country might pay for the organization of the COP. The incremental costs must be covered by the host state. These are the additional costs incurred by organizing a COP outside the Convention headquarters, in this case Bonn. They include two types of costs:

- direct costs, which can be calculated and anticipated, such as Secretariat travel expenses, conference services, transportation of materials, payment of Daily Subsistence Allowance (DSA), etc.;
- indirect costs, such as outreach to relevant meetings and targeted expertise.

126. The latter are more difficult to estimate. They depend in particular on the choice of conference venue, the layout of the center, the location of offices, security requirements, technical needs, etc.

127. For COP16, the total was set at $10 million and does not include separate costs only borne by the Kingdom of Saudi Arabia for its own actions, notably everything that has been organized in the Green Zone.

128. The HCA determines the division of tasks between the Secretariat and the host country.

129. The Secretariat:

- invites the participants to the COP, some of whom in consultation with the host country (art. 2);
- manages security within the COP premises. In the case of COP16, this concerned the Blue Zone;
- provides the host country with details of the use of the $10 million provided to cover costs.

130. The host country must:

- provide premises for the COP, for the Secretariat and for the delegations;
- equip the premises for the COP;
- provide a medical team for the participants;
- manage security outside the COP perimeter;
- ensure a range of reasonably priced hotels;
- provide transport from the airport to the conference center for participants;
- provide a liaison officer with the Secretariat;
- provide staff to ensure the smooth running of the conference;
- undertake to respect the privileges and immunities provided for in United Nations texts.

131. Once the HCA has been signed and the contacts had been established, the preparation of the COP was supported by weekly meetings between the various task forces set up by the Secretariat and the local contacts. These meetings focused mainly on substantive and logistical issues and involved each team of the Secretariat in its area of intervention.

Having a liaison officer within the host country, a system which should be strengthened and structured

132. In order to be in constant contact with the host country, the Secretariat chose to send a liaison officer on site for several months. This position allowed them to work with the Ministry of the Environment of the host country, which was in charge of COP coordination within the host country government. Before leaving for Saudi Arabia, the liaison officer spent a week in Bonn for a briefing. However, he left without specific

terms of reference. To support the liaison officer's action, several missions were carried out on site and the task forces were set up.

133. However, the fact that the liaison officer was alone is a constraint and obliged the Secretariat to act frequently, more less in organisation issues. The Board considered that the position should be renewed for future COPs, even potentially reinforced: the requirements associated with the preparation of the COP have essentially focused on political and diplomatic aspects. However, the Board noted that the financing of this temporary recruitment depends on the host country.

Logistical preparations started late but awarded to an efficient service provider

134. The work on logistics only started in July 2024, with the late identification of the service provider. To mitigate the delay, field missions were carried out. An advance team was also sent on site at the beginning of November. This was the first time that an advance team had been sent so early before a COP.

4.3. Implementation of the COP

4.3.1 Contribution to the political and decision-making process

At the core of its mandate, the UNCCD Secretariat provides support to Parties in the decision-making and political process

135. By virtue of article 23 of the Convention, the Secretariat is *"to make arrangements for sessions of the Conference of the Parties and its subsidiary bodies established under the Convention and to provide them with services as required"* and *"to compile and transmit reports submitted to it*" – among other responsibilities[36].

136. In this respect, as part of its mandate to 'assist the COP and its subsidiary to carry out their tasks and activities' the Secretariat is mandated to support Parties in the political and decision-making process, through 'a wide range of tasks, ranging from the preparation of substantive documentation to logistical arrangements for the sessions'[37].

137. Among its main tasks, the Secretariat coordinates processing of documentation for the COP and its two subsidiary bodies, prior to submission to the United Nations Office at Geneva (UNOG) for official translation.

Building on lessons learnt from previous COPs, the UNCCD Secretariat has addressed concerns over capacity-building and information of delegates

138. In the preparation phase leading to COP16, the Secretariat has drawn lessons from previous post-COP surveys, especially participants' feedback on the need for capacity-building of national delegates, particularly from least developed countries, to effectively negotiate on various agenda items[38], and the suggestion to formalize a more comprehensive informal guide for delegates, based on the COP15 informal guide approach[39].

139. Global Policy, Advocacy and Regional Cooperation (GPARC) unit and Regional Liaison Offices (RLOs) implemented recommendations from COP14 post-mortem on 'further development of the regional coordination meetings or targeted briefings to key negotiators'[40]. In addition to regional consultations that customarily take place two days prior to the opening of the COP, from 30 November to 1 December 2024, the Secretariat organized regional preparatory meetings ahead of COP16[41].

[36] United Nations Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, 1994, article 23.
[37] UNCCD, Presentation of the Secretariat, Official website.
[38] UNCCD, Lessons learned from COP14 – 'Post Mortem' report, 7 November 2019 [internal document].
[39] UNCCD, COP15 Post Mortem, Findings on the COP15 surveys and related recommendations [internal document].
[40] UNCCD, Lessons learned from COP14, op. cit.
[41] UNCCD, Events - Regional meetings, Official website.

Despite momentum on drought resilience at COP16, a decision on a drought protocol is expected to be reached at the next COP – pending inter-sessional consultations

140. Momentum was built on drought resilience by UNCCD Secretariat's external communication contents, supported by the high priority conferred to the topic by the host country in the Action Agenda. While invitation letters sent to UN agencies clearly identify KSA's vow that COP16 will 'leave a strong Riyadh Legacy, including on drought management'[42], drought resilience is at the core of the Action Agenda, with one dedicated Thematic Day – Resilience Day on 10 December 2024, but also three successive ministerial dialogues on drought- related issues: Enhancing global and national policy instruments for proactive drought management; Unlocking public and private finance for land restoration and drought resilience and 'Impacts of land degradation and drought on forced migration, security and prosperity'[43]. As such, boosting resilience to intensifying droughts and sand and dust storms was one of the six items on which countries were expected to decide on, outlined by COP16 narrative[44] and contents addressed to the media[45].

141. Launching of the global drought agenda was one of the main topics identified in the negotiations agenda in the informal guide addressed to delegates[46], as the Intergovernmental Working Group (IWG) on Drought was expected to submit its final report, and present options to address drought resilience at COP16, in accordance with decision 23/COP.15[47].

142. Although some Parties were committed to the adoption of a protocol on drought, no consensus was reached on the matter during the Committee of the Whole (COW) contact group negotiations. As such, decision 24/COP.16 takes note of the report of the IWG on Drought and invites Parties to pursue discussions on drought in order to adopt a decision at COP 17[48]. An annex to the decision displays progress made at COP16, on discussions on a draft drought protocol, for which Parties have yet to agree on modalities. They appear willing to pursue discussions further, and could be seeking the Secretariat's support in the intersessional period to facilitate consensus-building ahead of COP17 in Mongolia[49]. As part of its mandate, the Secretariat's support to the decision-making process also includes the assistance to informal consultations of Parties, in addition to documentation and regional consultation processes above mentioned.

143. Taking up on decision 24/COP.16, the Secretariat could support the follow-up of discussions between Parties, while supporting the KSA Presidency in consolidating its legacy in the transition phase leading to COP17 in Mongolia.

144. **Following decision 24/COP.16, the Board recommends that the UNCCD Secretariat initiate consultation with the COP16 Presidency to explore possible avenues for launching an intersessional informal consultation process on drought with Parties, to ensure a transition between COP16 and COP17.**

145. The UNCCD Secretariat accepted the recommendation.

4.3.2 Meeting the ambition: communication and partnerships

146. As part of the preparations for COP16, and then the implementation on-site, communication was coordinated by the Communication Task Force, which oversaw

[42] UNCCD, Invitation Letters to UNEP, UNDP and FAO, 7 February 2024.
[43] ICCD/COP(16)/1/Rev.1, Revised provisional agenda and annotations, Note by the Secretariat. Ministerial dialogues mentioned above were held on Monday 2 December and Tuesday 3 December 2024.
[44] UNCCD COP16 Narrative, Our Land. Our Future., Riyadh Saudi Arabia, 2-13 December 2024.
[45] UNCCD COP16: Riyadh, Saudi Arabia, 2 to 13 December 2024, Media Primer. UNCCD COP16, Media Kit, 2-13 December 2024.
[46] UNCCD COP16 Informal Guide, 02-13 December 2024.
[47] Decision 23/COP.15, Policy advocacy on drought.
[48] Decision 24/COP.16, Follow-up on policy frameworks and thematic issues: Drought.
[49] United Nations Environment Programme, Committee of Permanent Representatives, Subcommittee Meeting, 20 February 2025 (Hybrid meeting), Chair's Summary, 28 February 2028.

media relations, social media, and crisis communication, led by the head of the CERP unit.

A communication strategy to use COP16 as an asset to increase visibility of UNCCD

147. As soon as it was announced that the Kingdom of Saudi Arabia would be hosting COP16, the Secretariat deployed a proactive external communications strategy to ensure visibility, generate public interest and ultimately document the legacy results of the COP.

148. One of the challenges for UNCCD is to make the notion of 'desertification' accessible and relatable to the general public. Thus, connecting land degradation and drought as part of the central action and message of the Convention is a means to connect it with the other two Rio conventions on climate and biodiversity.

149. Following the announcement of COP16 in a press release in January 2024[50], the Secretariat began to communicate widely about the event. In addition, the Secretariat has also formalised a narrative relating to COP16.

150. This multi-channel strategy included the internet and social networks (digital campaign), through various means of dissemination (videos, website, etc.), but also through the involvement of stakeholders — the media, partners such as other UN agencies, Land Ambassadors and goodwill ambassadors, youth champions, NGOs, etc. — in the campaign.

151. The Secretariat had commissioned a report on the results in terms of media, internet and social media coverage The results are positive, both in terms of coverage and tone, which is related to the unprecedented dimension of the COP and the involvement of the host country. In terms of social media coverage, the results were considered very satisfactory, with the involvement of influential stakeholders (in India especially, for example) and an echo granted by UN partners, such as United Nations Development Programme (UNDP) and United Nations Environment Programme.

A specific management of crisis communication

152. Communication is indeed a major stake for the Convention and its Secretariat, especially as United Nations events have sometimes received negative publicity amongst some civil societies, which could hinder the fulfilment of expectations.

153. In its report on the 2022 financial statements, with a focus on risk management, the Board underlined that "perception by the public and by donors heavily relies on its communication strategy, but also on the partners it is associated with – be it private donors or public personalities advocating for UNCCD's activities. Similarly, any incident affecting the organization of the COP or the Secretariat's activities could have an impact on UNCCD's reputation."

154. The Secretariat has issued a "COP16 Issues Management Communications Plan", which is an important asset to manage the reputation of UNCCD at this event. This document identifies several areas of potential risks leading to the implementation of crisis communication measures: media and social media, accreditation process, reputation risks.

155. This plan is actually a contingency plan, which is mandatory in some cases for risk management, designed in order to address on short notice, via communication, any major incident. The CERP unit mentioned that no such event happened during the COP.

156. The Board verified the existence and effectiveness of remediation measures, although it was not tested ahead of the COP.

de_29Nov.pdf.

[50] Informal Guide COP16, p2 HYPERLINK "https://www.unccd.int/sites/default/files/2024-11/COP16%20Informal%20Guide_29Nov.pdf"COP16 Informal Gui

[50] Informal Gui

4.3.3 The Action Agenda

157. The organization of the 'Riyadh Action Agenda', a major series of side events, was both a key objective and a factor in the success of COP16, in parallel with the official meetings, according to the mandate of the COP. The main objective of those side events was to offer a number of financial, political, and technical tools to help the Parties take and implement decisions during the COP. According to the conceptual framework presented by the terms of reference of COP16.

158. The main co-organizers and strategic partners of the thematic days were UN agencies such as UNDP, UNEP, Food and Agriculture Organization (FAO), World Meteorological Organization (WMO), as well as international financial institutions (IFIs) or multilateral development banks (MDBs) such as the World Bank or the Islamic Development Bank (ISB) on behalf of the Arab Coordination Group (ACG) and Global Environment Fund (GEF).

159. Indeed, the Action Agenda of COP16 represented an opportunity to enhance the cooperation with the other UN agencies and the IFIs and MBDs. Even though no formal Memorandums of Understanding (MoUs) were signed with them in this context, they committed to participating in COP16, based on common thematic topics with the Secretariat.

160. Consequently, all those side events of COP16 required significant mobilization from the Secretariat who worked both for the Conference and the side events, outside the formal agenda, which are intrinsically interconnected. In this context, the performance audit of the Management of budget processes in 2023 [51] already highlighted the need for the Secretariat to progressively secure critical positions and expenses for the implementation of its mandate on one hand, and to make better use of its performance framework as a managerial tool, in particular through workplans defining indicators at the unit level on the other hand.

161. Assessing the time spent by the different units of the Secretariat for the formal agenda and for the side events of COP16, was not possible. Therefore, the time allocation could benefit from a certain form of monitoring, complementary to a preliminary dedicated strategic framework, with targets in terms of required staff resources.

162. The Secretariat could then improve the assessment of the participation in the selected side events during the COPs as well as the staff resources mobilization.

4.3.4 Last-minute and on-site logistical arrangements

163. COP16 welcomed more than 50,000 participants. The Blue Zone52, an area dedicated to the "formally registered for the COP through the INDICO system" including mainly government representatives, scientists, civil society organizations, UN agencies or companies from private sector, totalled around 25,000 participants, whereas the Green Zone, which accounted for over 30,000 participants, was organized by the host country to welcome the "general public" 53 who wished to participate in COP16 and was not managed by the Administration.

164. Remedial actions have to be easily implementable, thanks to anticipated plans and processes to prevent potential difficulties. The performance audit on risk management in the Report of the Board of Auditors on the 2022 financial statements of UNCCD [54] already pointed out with the following recommendation, still under

[51] Report of the United Nations Board of Auditors on the financial statements of the United Nations Convention to Combat Desertification for the year ended 31 December 2023, 24 July 2024.
[52] Informal Guide COP16, p2 COP16 Informal Guide_29Nov.pdf.
[53] Id.
[54] Report of the United Nations Board of Auditors on the financial statements of the United Nations Convention to Combat Desertification for the year ended. [31] December 2022, 26 July 2023.

implementation as of March 2025: "Identify, ahead of the upcoming COP, the most critical risks at stake, including those related to the Host country agreement and the sponsoring of the Conference, in order to anticipate and mitigate them."

Logistical communication for the participants, including the hotline and help center information

165. Before the start of the COP16, two informative documents were provided to the participants registered to the Blue Zone: the Informal Guide to COP16, edited by UNCCD; available on the Convention's website[55], and the official document on "Information for Participants".

166. After the COP, the Lessons Learned from COP16 summarize the positive feedback as well as the potential improvements due to the issues encountered by the participants.

167. Nevertheless, the fact that there were two apps did not facilitate a user-friendly experience, with the app hosted by KSA targeting the participants of the Green Zone and the UNCCD Conference App targeting the Blue Zone participants. The information displayed was not necessarily homogeneous.

168. As regards the security matters section of the "Information for participants", the contact information was provided for the Event Security Coordinator from the UN Security and Safety Service. However, this information targeted high-level profiles. In addition, even if there was a "First Aid" centre on-site in the Blue Zone of the COP16, that was displayed in the "Venue Map", there was no contact number included in this map, only a QR code linked to the COP16 website, hosted by the Kingdom of Saudi Arabia.

169. **The Board recommends that the UNCCD Secretariat improve the overall communication of the help and emergency contact information during the COP, digitally and through printed materials, especially by creating a help desk with a hotline managed at the level of the COP.**

170. The UNCCD Secretariat accepted the recommendation.

Collaboration with service providers during COP16

With UN agencies

171. During the Conference of the Parties, the Secretariat uses the services provided by United Nations agencies.

172. During COP16, the Administration received support from UN headquarters through UNTV media, offering a significant visibility of the event within the UN-wide environment, with its technical communication capacities in the six official UN languages. UNEP was also a service provider, reserving 600 cards to allow payments with DSA and sending two seconded staff members to assist with the distribution procedure[56]. In the Information and Technology (IT) team, there was also one IT support officer from UN Volunteers (UNV).

173. Some other UN agencies were also involved in the organization of COP16 related to the operational and substantive contents of the COP's activities. Those staff members, present on-site during the event, included one Liaison Officer with Civil Society from UNFCCC, five representatives from the Economic and Social Council (ECOSOC) related to procedural matters, and one Liaison Officer with the Kingdom of Saudi Arabia from UNDP.

174. Additionally, the organization of the COP involved the UN Department of Safety and Security (UNDSS) as well as the Department for General Assembly and

[55] COP16 Informal Guide_29Nov.pdf.
[56] Minutes of the meeting held on 03 may 2024 – UNEP/UNCCD.

Conference Management (DGACM)[57] from UNOG, amounting to approximately 100 UN staff for both security and interpretation, amongst other job positions[58]. During the official meetings of the Conference of the Parties, the Administration must work with the accredited interpreters from UNOG as well as Conference officers and Documents Reprography and Distribution officers.

175. The coverage of meetings by UNOG interpreters is limited to official sessions of given governing bodies such as the COP, the CRIC and the CST.. However, the COP16 for UNCCD implied the assignment of two teams of interpreters for the COP itself and one team of interpreters for CRICs, whose time slots have to be planned carefully in advance. Considering the interpreters' service allocation was not sufficient for the work foreseen, the Administration secured a third team of interpreters, funded by the host country. Additional team of interpreters were also made available for non-official meetings on a commercial basis.

176. During the governing bodies meetings, the accredited interpreters' schedule was agreed upon with the Chief Interpreter in liaison with the UNOG Conference Coordinator. Daily consultations took place to update the interpretation requirements as advance confirmations are needed to book interpreters even in case of last-minute reorganizations. Despite this thorough advance planning, some schedule constraints of accredited interpreters raised an issue for official negotiations during late sessions at the beginning of the COP16, which the Secretariat addressed immediately for the following days.

With other private third-parties

177. In accordance with the Host Country Agreement with the KSA[59], the government provided conference space and meeting rooms, offices, telecommunications, press and catering facilities, a Secretariat service centre, adequate medical facilities for first aid at the Conference Centre, police protection and security with the required list of equipment, utilities and supplies, including a dedicated network structure detailed in the annexes of the agreements, further completed by clarifying terms of reference. As such, the host country had subcontracted an international event company a few months before holding the COP to install the premises on the dedicated site, whose infrastructures were specifically built for this event.

178. Additionally, in accordance with the HCA, the Government provided transportation in order to reach the site in Riyadh for the participants from the principal hotels. Dedicated local personnel were recruited to work on-site under the general supervision of the Secretariat. The local staff plan requirements originally called for 176 headcounts, whereas the Government ended up assigning approximately 400 staff who completely fulfilled the expectations of the Secretariat.

179. COP16, with its unmatched scale in terms of attendees, financial and human resources and organized side events through the Action Agenda, involved a series of service providers working directly for the host country or the side events holders that is, not only the Secretariat but other co-leads or strategic partners as well. In any case, during the COP, the Secretariat works both for the Conference and the side events, which are intrinsically interconnected.

180. The selection of the service provider is made by the host country based on a diverse set of requirements, as delineated in the Host Country Agreement. UNCCD is not part of the selection process and therefore does not know the contractual arrangements agreed upon until the host country inform UNCCD. Nevertheless, the service provider worked directly for the host country or the side events, which were under a co-lead of the Secretariat and other strategic partners, as part of the COP in the broadest definition.

[57] https://www.un.org/dgacm/en/content/protocol/manual-of-protocol.
[58] 50 UNDSS, 52 UNOG.
[59] Host Country Agreement signed between UNCCD Secretariat and the Ministry of Environment, Water and Agriculture of KSA, 31 January 2024.

181. One case was identified where a catering firm made last-minute requests for advance payments in order to provide its services for a UNCCD side event occurring at the beginning of the COP. However, this practice is not admitted in the Administration’s financial and administrative framework. It has to be noted that this service provider was also working for the Conference event *per se* but the issue was not raised as the contractual matters were arranged directly with the host country as per the HCA. The Secretariat dealt efficiently with this situation thanks to the assistance of another service provider, agreeing to pay those advances on behalf of later reimbursement through final invoicing. This situation should be corrected for the next COP.

182. **The Board recommends that the UNCCD Secretariat obtain from the next host country (Mongolia) the contracts with service providers, including those appointed for the side events managed by the Administration, in order to assess the criticality and potential difficulties in service provision and plan accordingly for remedial actions to prevent and address them on-site during the event, where appropriate.**

183. The UNCCD Secretariat accepted the recommendation.

4.4. Immediate follow-up and towards the next COP

4.4.1. Final figures on the attendance to the COP

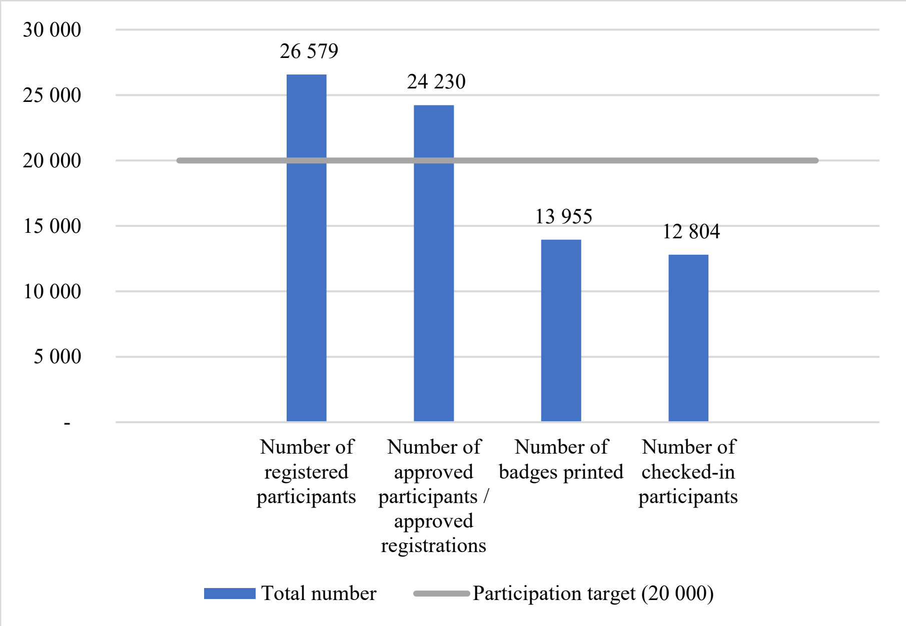
Despite a participation target set for COP16 with the host country, participation figures remain difficult to capture

184. KSA expected to host up to 20,000 participants to COP16, a figure two to four times higher than previous COPs, where participation figures ranged from 5,000 to 10,000 people. To that end, the host country deployed considerable resources, whether to fund participation, host side events but also events, exhibitions, and meetings related to desertification, land degradations and drought (DLDD) and accessible to the general public[60].

185. Although a historic level of participation was reached at COP16, there is no definitive assessment of overall participation.

[60] UNCCD COP16 Informal Guide, 02-13 December 2024.

Figure II.IV
Overview of participation in the Blue Zone, per participation status (in total number of participants)



Source: Board of Auditors, based on COP16 Participation in Numbers, 13 December 2024, data shared by UNCCD Secretariat.

186. No standard criteria to account for participation at UNCCD COPs had been set. While the host country has only provided data on registered participants, the Secretariat provided figures on the number of approved participants (i.e., 24,239 as of 13 December 2024) on its official information notice on the full list of participants[61]. It should be noted that participation figures were not provided in previous official information notices on participation at COP15[62] and COP14[63], which display the full list of participants.

Data communicated by the UNCCD Secretariat vary, while there is no common standard to account for participation

187. The figures communicated in the information notice above-mentioned account for 24,239 approved participants at COP16, figures communicated on participation differ between sources. In addition, the Secretariat itself displays different standards of participation on external communication materials on COP16.

188. Based on three officials communications released by the Secretariat, it is to be noted that different standards are used to account for participation: approved participants in the official information notice, registered participants in the presentation given at the UNEP Committee of Permanent Representatives, and no detail on the figure featured in the press release. In an internal lessons-learned exercise carried out after COP16, the Secretariat indicated “a participation rate of over 50,000 people”, stating that ‘around 25,000 participants’ were registered for the Blue Zone and “over 30,000 participants” were registered for the Green Zone[64]. While the estimate of over 50,000 people makes COP16 ‘the largest COP ever held under the UNCCD’, the standard criterion applied remains unclear, although its monitoring appears key — all the more so when the host country sets a participation target. In this respect, a single standard criterion should be defined, and used in all official as well as external communication

[61] ICCD/COP(16)/INF.3, Final list of participants.
[62] ICCD/COP(15)/INF.3, List of participants.
[63] ICCD/COP(14)/INF.5, List of participants.
[64] UNCCD, Lessons learned from COP16, Overview of the findings and recommendations of the participant survey [internal document].

documents. Such a measure would aim to avoid discrepancies or misinterpretations of reported figures, through a clear and homogenous communication on participation.

189. **The Board recommends that the UNCCD Secretariat propose a common standard to communicate participation in official documents and external communication materials.**

190. The UNCCD Secretariat accepted the recommendation.

191. It should be mentioned whether the number of participants considered cover accredited COP participants, approved participants or checked-in participants, as well as an estimate of visitors to the Green Zone.

4.4.2. Financial and administrative liquidation

192. After each session of the Conference of the Parties, the Secretariat prepares financial reporting not only for accounting purposes but also to send it to the host country as the contributing donor. The COP operational activity is therefore closed administratively. As such, a financial report is issued, highlighting the fund balance, if any, resulting from the contribution received from the host country and the expenditures incurred by the Secretariat to organize the Conference.

193. For COP16, the budget was five to seven times larger than the one agreed for each of the previous two COPs[65]. This amount does not take into consideration the funding for direct participation to the COP per se or to side events, outside the formal agenda if any, that may be charged to other voluntary fund contributions.

194. In Annex IV of the HCA[66], the different types of incremental costs are estimated such as the travel and related costs for the UNCCD and UN Secretariat staff Other required expenses are also included for freight and insurance as well as for communication and outreach. Other types of costs have also been funded by the agreed contributions for COP16 such as the participation fund, which supports the participation of representatives of eligible Parties and CSOs, and the IISD reporting services, and additional funds have also been made available to strengthen the organizational process, outreach to relevant meetings, and targeted expertise, on the one hand, and for a liaison officer on the other hand.

195. The main types of expenditures are the travel costs for staff and consultants, including planning missions, which amounted to approximately 20 percent of the total expenditures for COP16, up to 55 percent for COP15 and around 23 percent for COP14 held in New Delhi 67. The administrative support costs, so called the Programme Support Costs, calculated as a fixed percentage applied to actual expenditures, are usually the second largest category of expenditures.

196. Despite the restrictions imposed by the HCA and the list of travel expenses that still needs to be fully assessed, the remaining fund balance of COP16 is expected to be positive, as only 85 percent of the contribution has been used. This was also the case for the two previous COPs, with respectively 88 percent utilization for COP14 and 78 percent for COP15[68].

197. As per the HCA, the “Secretariat, on the basis of this set of accounts, shall refund to the Government any funds unspent from the deposit, i.e., the contribution”.

[65] In accordance with the different host country agreements signed between UNCCD and the Republic of India for COP14, and the Republic of Côte d’Ivoire for COP15 and the Kingdom for Saudi Arabia for COP16.
[66] Host Country Agreement signed between UNCCD the Kingdom for Saudi Arabia for COP16, 31 January 2024.
[67] As per the financial utilization reports signed respectively for COP16 as of 18 March 2025 (interim version), COP15 as of 31 January 2025 and COP14 as of 24 November 2021.
[68] Id. According to the financial utilization reports with total expenditures / total contributions for COP14: 1, 932, 646/ 2, 209, 570 = 87,5 percent, COP15: (1, 710, 963 – 372, 819 (deduction of the Regional Africa preparatory meeting for COP16, including in the total expenditures) / 1 710 763 =78,2 percent, COP16 =9, 473, 829 / 11, 150, 000 = To be noted for COP16, there were to contributions amounted to $11, 150, 000, with the deposit of $10, 000, 000 as per the HCA with KSA and an additional amount of $1, 150, 000, mainly to cover the participation Minister and Speakers at COP16 (Invoice “extra funding COP16”, 27 December 2024).

Nevertheless, the Secretariat might be entitled to use the remaining balance according to the agreed terms and conditions depending on negotiations with the host country. In the case of COP15, the unused amount has been spent on the organization of the Africa regional preparatory meeting to the following COP16.

198. For this COP16, as the balance would be positive, discussions are currently ongoing with the host country and the Executive Secretary to agree on its future utilization. The ongoing discussions regarding the use of the remaining balance, if no alternative to a refund is agreed upon, could last for a long period after the COP, as highlighted by the late signing of the final financial utilization report for the previous COP15, signed on 31 January 2025. In order to avoid such delay, an agreement could be signed with the host country encouraging the effective utilization of the funds no later than the beginning of the next COP.

199. Therefore, the organization of COP17, in Ulaanbaatar in 2026, whose budget is anticipated to be lower than that of the previous COP, could partially or fully benefit from the remaining balance from COP16, to keep the momentum and support the political process.

4.4.3. Lessons-learned and way forward: towards COP17 - capitalizing on experience

a. The lessons-learned process should be more formalized

200. The importance for the Secretariat to capitalize on the experience acquired at each COP, both for its own benefit and for that of the Parties, third parties and the host State. This was emphasised by the Office of Internal Oversight Services (OIOS) in a 2009[69] report on the organization of conferences by the UNFCCC, the only one on this subject.

201. The process of capitalizing on experience and taking stock of the COP is steered by the Secretariat's Evaluation Office. It mainly consists of drafting a report on the outcome of the COP, based on surveys of participants and UNCCD staff, which is then used in a document entitled “post-mortem” assessment.

202. However, it should be noted that the framework for this exercise has not been precisely defined: timetable, responsibilities in the organization and then the decision-making mechanism for validation and, above all, follow-up and implementation of the recommendations, which are now called ‘conclusions’ and constitute the vehicle for making this document operational. Improvements to the functionalities of the COP's digital application, proposed following COP14 and COP15, did not seem to have been fully implemented.

203. UNFCCC has been carrying out these same lessons learned exercises since at least COP25. In a report[70], the internal auditor emphasized the need for this sister convention to formalize the lessons-learned process further, with the recommendation due to be implemented in 2022. For the sake of synergies and efficiency gains, the Board encouraged the Secretariat's evaluation office to contact its counterpart in Bonn, in order to draw inspiration from established practices.

204. The purpose of conducting surveys, the process of which is not regulated, is to benefit from feedback (qualitative assessment / perception) from participants by category in order to formulate recommendations to improve preparations for the next COP. For example, in the follow-up to COP14: “Shortly after the COP, the secretariat prepared a post mortem assessment of how well the secretariat and, as feasible, the GM succeeded in the organization of COP14[71] ”.

[69] Assignment No. AA/2008/241/02, 14 July 2009.
[70] OIOS, Assignment No. AE2020-241-01, 30 June 2021.
[71] UNCCD Secretariat, “Lessons-learned from COP14: follow-up”, January 2020.

205. In the long term, formalising the framework of this “post-mortem” (ex-post) report and monitoring the implementation of its recommendations would be an effective vector for improvement.

206. **The Board recommends that the UNCCD Secretariat formalize the preparation of the “post-mortem” report and commit to maintaining a record of recommendations and their follow-up actions.**

207. The UNCCD Secretariat accepted the recommendation.

b. Towards COP17: building on experience to support the host country

On-the-spot documentation

208. Although the process is not standardised or defined, the Secretariat produces various documents for its use in the immediate aftermath of the COP:

- the post mortem assessment;
- a table – “COP16 tasks” - compiling the COP decisions requiring action by the secretariat and assigning follow-up/implementation tasks to its units, tasks that are effectively monitored through the Operations Group Meetings[72];
- various thematic documents, such as a ‘briefing on COP 16 outcomes[73]’ shared with UNEP, for example.

209. There is no internal document listing all the work to be produced or its deadlines. Therefore, as with other Secretariat processes, the smooth running of activities—which is undeniable for COP16—relies on the know-how of highly experienced staff.

210. In this configuration, there is a risk already mentioned by the Board in terms of business continuity[74] with the prospect of the retirement of several key managers (Administration, STI, etc.) potentially between now and COP17 — and certainly COP18 — the question of knowledge management clearly arises: the future success of the support provided by the Secretariat at the next COPs may be jeopardized if it is not supported by structured knowledge transfer mechanisms.

The road to COP17

211. The political preparations for COP17 began even before the launch of COP16. The main theme of COP 17 will be “rangelands and pastoralists”, which are explicitly mentioned in decision 29/COP.16[75], with the aim of reaching a broader agreement on the issue of drought.

212. In March 2022, the General Assembly adopted resolution 76/253[76] making 2026 “the International Year of Rangelands and Pastoralists”. The UNCCD Secretariat published its flagship scientific product ‘Global Land Outlook’ in May 2024[77]. This topic was introduced at COP16 by the Secretariat, at the request of the Parties, in documents ICCD/COP(16)/21 - ICCD/COP(16)/CST/9[78].

213. The process of preparing COP17 formally gets underway at the close of COP16, in particular following decision 36/COP.16, which defines the guidelines for the next COP. This process will naturally be supported by a range of activities between the two sessions, in particular the CRIC23[79].

214. One of the major factors in the success of a COP is the commitment of the host country. The UNFCCC Secretariat has published a guide to help the host country, *as*

[72] Example of decision 4/COP.16, with subsequent measures to be implemented at STI unit, OG meeting 24 February 2025.
[73] tps://wedocs.unep.org/bitstream/handle/20.500.11822/47101/Presentation-COP16-Outcomes-UNEPCPR-20022025.pdf?sequence=1&isAllowed=y .
[74] Audited financial statements 2022 - para. 160 to 170.
[75] https://www.unccd.int/sites/default/files/2025-03/29-cop16.pdf.
[76] https://digitallibrary.un.org/record/3965711?v=pdf.
[77] https://www.unccd.int/sites/default/files/2024-05/GLO%20rangelands%20full.pdf.
[78] https://www.unccd.int/sites/default/files/2024-09/2416051E.pdf.
[79] Its work programme has been determined by decision 13/COP.16.

"The host country will benefit from a clear understanding of the myriad organizational and managerial responsibilities required to host a COP". This "How to COP" manual[80] is the result of capitalizing on the skills acquired by this Convention in organizing one of the major conferences of the United Nations system.

215. With COP 16 having had comparable dimensions, and in view of the efforts made, there is good reason for the Secretariat to take part in the transfer of knowledge. Mongolia, the next host country, has established a "National Committee in charge of Management and Coordination of Preparations for the 17th Session of the COP17 to the UNCCD", which held its first session on 6 February 2025[81].

216. This Committee, like all local stakeholders, could benefit from clear recommendations, including specific guidance on roles, responsibilities, and communication channels with the Secretariat, and should maintain constant contact with the Secretariat, particularly during the six months prior to the Conference.

217. **The Board recommends, based on the model already developed by UNFCCC, that the UNCCD Secretariat produce a "How to COP" guide for future presidencies, capitalizing on the experience of COP16.**

218. The UNCCD Secretariat accepted the recommendation.

C. Transmissions of information by management

1. Write-off of cash, receivables, inventories and property

219. In accordance with Regulation 6.5 of the UN Financial Regulations and Rules the Management may, after full investigation, authorize the writing-off of losses of assets, including cash, inventories and property, plant and equipment, provided that a statement of all such amounts written off is submitted to the Board with the annual financial statements submitted as required by Regulation 6.1.

220. UNCCD reported that there were no write-offs of cash, receivables and assets during 2024.

2. Ex gratia payments

221. Regulation 5.11 of the UN Financial Regulations and Rules states that the Management may make ex gratia payments as they are deemed to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the Board with the financial statements.

222. UNCCD reported that, for 2024, also did not make any ex gratia payments.

3. Cases of fraud and presumptive fraud

223. In accordance with the additional terms of reference to the Financial Regulations and Rules of the United Nations (Annex-6-c-i), fraud cases are included in the matters that should be reported by the Board. The External Auditor's role is not to investigate fraud or provide assurance on the matter. The primary responsibility for preventing and detecting fraud rests with management. Nevertheless, in accordance with International Standards on Auditing 240, the Board plans its audits of the financial statements so that it has a reasonable assurance of identifying material misstatements, including those resulting from fraud.

[80] https://unfccc.int/sites/default/files/resource/How-to-COP.pdf .
[81] https://montsame.mn/en/read/361507 .

224. During the audit, the Board made enquiries of Management regarding their oversight responsibility of assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that Management has identified or that has been brought to their attention. The Board also inquired whether Management has any knowledge of any actual, suspected or alleged fraud.

225. UNCCD further reported that there was no case of fraud and presumptive fraud for the financial year ended 31 December 2024.

D. Acknowledgement

226. The Board wishes to express its appreciation for the cooperation and assistance extended to it by the Executive Secretary and staff members of UNCCD.

(*Signed*) Pierre **Moscovici**
First President of the French Cour des comptes
(Lead Auditor) - Chair of the Board of Auditors

(*Signed*) **Hou** Kai
Auditor General of the People’s Republic of China

(*Signed*) Vital **do Rêgo Filho**
President of the Brazilian Federal Court of Accounts

23 July 2025

Annex
Status of implementation of recommendations up to the financial year ended 31 December 2024

No.	*Audit report year*	*Report reference*	*Board's recommendation*	*Management's response*	*Board's assessment*	*Status after verification*			
						Implemented	*Under implementation*	*Not implemented*	*Overtaken by events*
4	2019	ICCD/COP(15)/8	The Board recommends that UNCCD Secretariat liaise with UN treasury to specify the responsibilities between UNCCD and UN Treasury and explore options to formalize this arrangement	Since this can be implemented jointly with UNHQ. UNCCD's opinion is that this observation should also be raised directly with UNHQ Treasury unit and implemented by UNHQ for all entities participating in the central cash pool	The Board considers the recommendation still under implementation. The Board suggests that the UNCCD document its understanding of the respective responsibilities of both the UNCCD and the UN Treasury to implement to implement this recommendation and get further clarity.		X		
5	2020	ICCD/COP(15)/9 chap. II, para. 116	The Board recommends that UNCCD Secretariat implement comprehensive guidelines for the CiC documentation and file management. The guidelines should determine what kind of esential information shall be documented to extent required	UNCCD has drafted a comprehensive standard operating procedure for CiC, and the intranet human resources site is rebuilt to provide easy access to related policies, guidance and templates. Draft SOP has been prepared which will be presented to senior management for official approval	The Board takes note positively of the steps taken to implement this recommendation, which will however stay under implementation while the SOP has not been officially endorsed by senior management.		X		
7	2021	chap. II, para. 70	The Board recommends that UNCCD Secretariat reconsider a SIC based on the SIC signed by the Secretary-General in 2021.	Initial discussion held with the Board and at the Operational Group meeting of UNCCD. The preliminary work on SIC is expected to be included in the 2022 FS after further discussion with the	The Board considers the recommendation is under implementation and a formal SIC may be presented by ES for financial statements.		X		

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				Board.					
8	2021	ICCD/COP(16)/9 chap. II, para. 124	The Board recommends that UNCCD Secretariat establish an implementation plan for the Board's recommendations that is underpinned with staff resources.	Check/update concerning of the implementation of the Board recommendations is included in the agenda of the UNCCD management meeting of 23 April.	The next budget submission should address the question of critical positions in the Secretariat and as such support the implementation of existing open recommendations. New recommendations on 2023 financial statements shall be related to the identification of the critical resources. Therefore, the Board considers the recommendation as overtaken by events.				X
9	2021	ICCD/COP(16)/9 chap. II, para. 125	Furthermore, the Board recommends that UNCCD Secretariat continuously monitor progress against the implementation plan.	This Board recommendation check at the level of the management team will be a standing item twice a year (usually one month before the Board visit).	In line with the assessment of the previous recommendation's implementation, the Board considers that the recommendation is overtaken by events. However, the Board will continue to bring special attention to the monitoring of open recommendations.				X
10	2022	ICCD/COP(X)/X chap. II para. 28	The Board recommends that UNCCD Secretariat specify the information related to its assets and financial performance on investments in the notes to its financial	UNCCD followed up with UNHQ treasury and upon request, UNCCD has received a statement of investment report. With regards to	Based on additional information UNCCD provided in its financial statements and confirmed	X			

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
			statements	other report, UNCCD was informed to find out itself, similar to UNFCCC who calculates the data. UNCCD's opinion that this recommendation should also be addressed to UNHQ treasury as UNCCD will not be able to implement this without the assistance from UNHQ treasury	with UN Treasury team, the Board considers the recommendation implemented.				
12	2022	ICCD/COP(X)/X chap. II, para. 62	The Board recommends that the UNCCD Secretariat identify, ahead of the upcoming COP, the most critical risks at stake, including related to the Host country agreement and to the sponsoring of the Conference, in order to anticipate and mitigate them.	The corporate risk register includes several risks that are critically important for the COPs, from misconduct cases to staffing gaps. Financial risks do not specify the COP hosting agreements but cover related risks. In this context, the secretariat considers that this recommendation is completed. Nevertheless, the secretariat recognizes that assessing COP related risks cannot be over-emphasized and plans to establish a specific risk register ahead of each COP	UNCCD Secretariat was working on a specific risk register related to COP 16. But the existing risk register is not specific to the COP, but covers all risks affecting the Secretariat. No general risk document was produced for the COP. A single targeted document has been drawn up, the Issues management plan. The Board considers the recommendation under implementation.		X		
13	2022	ICCD/COP(X)/X chap. II, para. 70	The Board recommends that the UNCCD Secretariat update its risk management policy, with a view to ensure a more effective and efficient process, focusing as a priority on critical risks of strategic importance.	The UNCCD risk management policy has been updated and it was tested during the unit training workshops. The policy includes also detailed guidelines for risk assessment, terms of reference for the Risk Management Committee, and a template for the risk register	The risk management policy has been updated in April 2024 and is approved. It's supported by the Executive Secretary Bulletin. The Board considers the recommendation	X			

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				Policy has been approved by the Risk Management Committee on 1 May 2024. ES official bulletin to be circulated to all staff is still pending.	implemented.				
15	2022	ICCD/COP(X)/X chap. II, para. 97	The Board recommends that the UNCCD Secretariat assign the responsibility of Chief Risk Officer to an existing senior executive.	The Deputy Executive Secretary is nominated as the Chief Risk Officer. Of other key positions, the Deputy Chief of Administrative Services serves as the Secretary of the Risk Management. ES official bulletin to be circulated to all staff is still pending	The Deputy Executive Secretary has been approved as the Chief Risk Officer in the revised risk policy. The Board considers the recommendation implemented.	X			
17	2022	ICCD/COP(X)/X chap. II, para. 134	The Board recommends that the UNCCD Secretariat update and supplement its policies on conduct and discipline and the prevention of fraud and corruption, and ensure their effective implementation.	Both topics are covered in the risk register and will be regularly monitored. Policy on conduct and discipline still has to be signed and explained to staff members	The Secretariat has taken steps to implement the recommendation. A policy on conduct and discipline still has to be signed and explained to staff members so that the recommendation would be completely implemented. In the meanwhile, the Board considers the recommendation under implementation		X		
18	2022	ICCD/COP(X)/X chap. II, para	The Board recommends that the UNCCD Secretariat update the job descriptions for each position, starting with the most essential ones	The UNCCD secretariat has started working on them, currently under the review	UNCCD has started to review and update the job description base on its priority and is committed to continue with this process in	X			

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
					2024/2025.UNCCD provide the list of the reviewed job description since 2022. The Board considers the recommendation is implemented				
19	2023	ICCD/2024/ chap. II/ para. 49	The Board recommends that the UNCCD Secretariat provide sufficient information in its financial statements on liabilities linked to the pending status of the main Host country agreements		Since 2024, UNCCD states a monthly financial utilization report follow-up on both CRIC and COP events. Final allocation decisions for the unspent balances for CRIC 21 and COP 16 were still pending at year-end. In reviewing the final balance of COP 16, the Board identified several areas requiring improvement from UNCCD. Therefore, this recommendation has been partially implemented and overtaken by subsequent developments in 2024/2025, based on the new audit findings and recommendations regarding COP accruals as of 31 December, 2024.				X
20	2023	ICCD/2024/ chap. II/ para.77	The Board recommends that the UNCCD Secretariat take the opportunity of its core budget proposal for the next biennium to		The Secretariat presented a budget following the Board's recommendation	X			

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			present ways to progressively secure critical positions and expenses for the implementation of its mandate, while better taking into account the effects of inflation;		with an analysis of the structure and a proposition of increase, with an online consultation. The Parties have been adequately informed. The Board considers the recommendation implemented.				
21	2023	ICCD/2024/ chap. II/ para. 86	The Board recommends that the UNCCD Secretariat endorse a resource mobilization strategy at the Executive Secretary level with the objective to increase both the volume and quality of its funding, including in terms of flexibility, multiyear visibility and diversification		The Secretariat only begins the process. Is revising internal allocation of work to improve the quality and the volume of its funding. Nevertheless, the effects cannot be measured yet and the Board considers the recommendation under implementation.		X		
22	2023	ICCD/2024/ chap. II/ para. 98	The Board recommends that the UNCCD Secretariat carry out a feasibility study on the extension of Umoja budget modules, and take a decision on this extension, considering the costs and expected benefits as well as the implementation conditions required;		The Secretariat starts to act to resolve the recommendation. The Secretariat hired a consultant and the ToR is complete. It notes difficulties in recruiting Umoja specialists to go further. The Board waits for the work of the consultant. The Board considers the recommendation under implementation.		X		
23	2023	ICCD/2024/ chap. II/	The Board recommends that the UNCCD Secretariat progressively ensure a better link		The Secretariat did not take any decision about		X		

						Status after verification			
No.	Audit report year	Report reference	Board’s recommendation	Management’s response	Board’s assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		para.113	between budget and performance processes;		this recommendation in line with the assessment of previous recommendation; The Board considers the recommendation under implementation.				
24	2023	ICCD/2024/ chap. II/ para.123	The Board recommends that the UNCCD Secretariat make better use of its performance framework as a managerial tool for the Organization, in particular through workplans defining indicators at the unit level	UNCCD has already established corporate level as well as Unit level work plan	The Secretariat has already corporate level with a Unit level work plan. The Board considers the recommendation under implementation.		X		
25	2023	ICCD/2024/ chap. II/ para. 128	The Board recommends that the UNCCD Secretariat set-up an integrated budget framework, presenting both projected core and non-core resources, for the information of the COP 17		During the final mission, the consultant has presented the time line of the project which is accepted by the Secretariat. The Board considers the recommendation under implementation and expects that the recommendation should be totally implemented next year.		X		
26	2023	ICCD/2024/ chap. II/ para. 149	The Board recommends that the UNCCD Secretariat explore ways to deepen its work on science, including by taking into account the relevant lessons from the social sciences as well as indigenous and local knowledge	Decision 20/COP16 decided to (OP 1) establish a standing Science-Policy Interface. SPI will take (OP 2) the scientific lead in the production of the Global Land Outlook products and similar high-profile science-based flagship	The COP's decision has allowed the recommendation to go ahead. The COP establishes a standing Science-Policy-Interface to manage scientific		X		

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				reports and requests the secretariat to continue to ensure that these products are supported by a comprehensive and innovative communication strategy; Decision 20/COP16 also requests to (OP 12) renew the SPI membership. SPI Open call is ongoing and should be completed up to the next SPI meeting tentatively scheduled for 13-15 May 2025	reports and to ensure they are comprehensive and associated with a communication strategy. The Board awaits the first actions. The Board considers the recommendation under implementation.				
27	2023	ICCD/2024/ chap. II/ para. 156	The Board recommends that the UNCCD secretariat propose to the Parties formalized guidelines for the functioning of the "science and technology correspondents" network, to ensure higher effectiveness	Decision 20/COP16 calls upon the regional groups and Regional Implementation Annexes to support and strengthen existing or newly established regional scientific networks/institutions, and requests the Secretariat to support the interaction of such regional scientific networks/institutions with the Science-Policy Interface for the provision of scientific advice stemming from its work. Also requests the secretariat to identify and organize opportunities for information-sharing and exchanges on the work of the Science-Policy Interface among the members of the Science-Policy Interface, Parties, the scientific community and/or other key stakeholders, which may include informal regional and subregional intersessional dialogues, online briefings, social	Decision 20/COP16 allowed the recommendation to go ahead. The regional groups are encouraged to strengthen regional scientific networks with the support of the Secretariat. The Secretariat plans to start the action for 2025-2026; the Board awaits the first actions to consider the recommendation under implementation. At this stage, the Board considers the recommendation not implemented.			X	27

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				media posts, and side events on suitable occasions, subject to the availability of resources; Not yet started, the activities are planned for 2025-2026					
28	2023	ICCD/2024/ chap. II/ para. 167	The Board recommends that the UNCCD Secretariat strengthen its monitoring on partnerships related to bridging science and policy, including by: (i) better mapping the existing partnerships and prioritizing areas where similar partnerships would also be needed; (ii) identifying and mitigating critical risks associated with these partnerships, notably through formalized due diligence; and (iii) finalizing a strategy on partnerships and adopting it at the Executive Secretary's level	Initial mapping was done in 2024, and overall Secretariat-wide partnership strategy was developed, including processes for due diligence and monitoring. A UNCCD partnership committee was started, consisting of all units, the GM and country-hosted initiatives. The committee agreed on the overall course and direction. Approval of the finalized partnerships strategy and related internal work processes by the Executive Secretary is expected in the first half of 2025	Two of the three items of this recommendation are implemented. The first one about mapping the partnerships and the second one, identifying and mitigating risks. The last one which includes the finalization of the strategy should be done in 2025. The Board considers the recommendation still under implementation.		X		28
29	2023	ICCD/2024/ chap. II/ para.189	The Board recommends that the UNCCD Secretariat establish an action plan to strengthen the secretariat's capacities to support Parties in monitoring and evaluating objectives of the UNCCD, including Capacity Building and Knowledge Management as a key role in bridging between science and policy, and allocate sufficient resources for its effective implementation	Decision 4/COP1.16, requests to (OP 8) to (i) continue exploring different reporting frameworks and systems to identify possibilities to ease the current data collection and verification tasks of Parties; and (ii) further develop capacity-building for national reporting; In the same decision (OP 9), Parties decided to establish an Intergovernmental Working Group on the Future Strategic Framework of the Convention, within the scope and	The COP decision 4/COP1.16 allows to implement this recommendation. The Secretariat is now able to explore different reporting frameworks and to develop capacity-building. An intergovernmental Working Group is established and will be supported by the Secretariat. The Board		X		

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				mandate of the Convention a view to making them more responsive for a post-2030 strategic framework of the Convention, while ensuring that future methodologies are feasible, simple to understand and within the capacities of Parties; Current updating of the reporting tools for the 2025-2026 reporting process is ongoing which responds to the requests from Parties at CRIC 21 and CRIC 22; Capacity-building and technical support for the 2026 national reporting process is planned for Parties The series of the online workshops are scheduled in the light of amended reporting process	considers the recommendation under implementation and notes that it could be implemented in 2026.				
30	2023	ICCD/2024/ chap. II/ para. 202	The Board recommends that the UNCCD Secretariat define a corporate agenda on innovation, to fully benefit from the Convention's interactions with the scientific community, the private sector and civil society.	An official document will be presented at CRIC 23 in 2025 (tentatively scheduled for December) on capacity building, responding to Decision 2/COP1.16. Decision 2/COP1.16, requests (OP 4) to Develop a capacity-building strategy to mainstream capacity-building across the Convention institutions and any other associated initiatives while emphasizing innovative approaches to help make access to capacity-building easier for Parties and practitioners; and (OP 5) Maintain an annual work programme for capacity	The Secretariat has taken the first step. The Board asks for more details about the implementation of three Pillars. The first part of the answer, concerning capacity-building seems far from the heart of the recommendation.		X		

No.	Audit report year	Report reference	Board's recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				development activities undertaken by Convention institutions, the Group of Twenty Global Land Initiative and other related initiatives, as well as by external partners for monitoring purposes, and to assess needs for additional resources; The initial steps are already taken at management level for the innovation aspect of Digital transformation of the UNCCD in three Pillars; (i) internal flows of digitalization (ii) reporting and data (iii) land restoration efforts					
Total number of recommendations				**23**		**5**	**14**	**1**	**3**
Percentage of the total number of recommendations				**100**		**22%**	**61%**	**4%**	**13%**

Chapter III

Certification of the financial statements

The financial statements of the United Nations Convention to Combat Desertification (UNCCD) for the financial year ended 31 December 2024 have been prepared in accordance with financial rule 106.1 of the Financial Regulations and Rules of the United Nations. They include all trust funds and special accounts operated by UNCCD. This is the tenth time that the financial statements have been prepared under the International Public Sector Accounting Standards (IPSAS). The accounts of UNCCD are maintained in accordance with the Financial Rules of the Conference of Parties.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by UNCCD during the period covered by the statements, for which the Executive Secretary has administrative responsibility.

I certify that the appended financial statements of the United Nations Convention to Combat Desertification, numbered I to V are correct.

Ibrahim Thiaw
Executive Secretary

31 March 2025

Chapter IV
Financial report for the year ended 31 December 2024

A. Introduction

1. The permanent secretariat of the United Nations Convention to Combat Desertification (UNCCD) was established in December 1996. The Strategy is to forge global partnerships to reverse and prevent desertification and land degradation. These partnerships are also meant to mitigate the effects of drought in affected areas. Coupled with the vision is a strategy mission: To provide a global framework to support the development and implementation of national and regional policies that contribute to the reduction of poverty.

2. Note 1 to the financial statements provides information on the governance of the UNCCD.

3. UNCCD receives services from United Nations Headquarters (UNHQ), New York; United Nations Office at Geneva (UNOG); United Nations Framework Convention on Climate Change (UNFCCC); United Nations Development Programme (UNDP); and United Nations Common Services in Bonn.

4. UNHQ provides treasury services including the report of cash and its equivalent, investment, posting interest income, gain and losses, revaluation and forward the notes on financial risk and instruments.

5. UNOG provides Human Resources Services such as Medical Services, Legal and Policy Advisory Services, and contract, entitlements, benefits and time administration. Financial Services include applied deposits/cash applications, vendor payments, medical/life insurance, payroll processing, banking/vendor investigations, and disbursements. It also provides limited Information and Communication Technology services including Umoja user access provisioning, Umoja role mapping and Remote Access Services.

6. UNCCD has an agreement with UNFCCC on procurement services.

7. UNCCD has an arrangement with the UNDP on a Service Clearing Account, whereby UNDP disburses funds to implementing partners, vendors, and consultants. Furthermore, UNDP provides administrative, procurement and financial services for the Regional Liaison Office in Africa.

8. UN Common Services is responsible for the operation and maintenance of UN premises including security in Bonn, Germany. It is also responsible for mail and franking, telephone reception services, meeting rooms and equipment for conference servicing. UNCCD receives these services and reimburses the costs based on the actual services provided.

9. The financial statements of the UNCCD are prepared and submitted to the Conference of the Parties (COP) in accordance with the UN financial regulations and rules. The financial statements include all the operations under the direct authority of the Executive Secretary including the core budget, the Global Mechanism and the extra-budgetary financed activities. The 2024 financial

statements are prepared based upon International Public Sector Accounting Standards (IPSAS) in accordance with the decision of the United Nations General Assembly, provide increased information on actual assets and liabilities enabling in improved internal control and enhanced management of UNCCD's total resources. The statements include additional information on revenue and expenses to senior management to support decision-making and enhance strategic planning. The financial statements are prepared under IPSAS using full accrual-based accounting. UNCCD's budget is prepared on a modified cash basis of accounting in accordance with its financial regulations. Note that under IPSAS:

- Revenue from voluntary contributions is recognized when the contract with the donor becomes binding (i.e. at the time of signature of both parties, rather than when cash is received).
- In the case of contributions that impose conditions requiring return of funds not utilized in accordance with the terms of the agreement, revenue is not recognized until UNCCD delivers the services specified in the agreement with the donor.
- Expenses are recognized when services or goods are received or delivered rather than when a commitment is recognized.
- The annual changes in employee defined benefit obligations (other than those caused by adjustments in actuarial assumptions) are now recognized as expenses rather than in fund balance.
- The value of fixed assets such as vehicles and communications information technology equipment acquired has been capitalized rather than expensed.

B. Overview of financial statements for the year ended 31 December 2024

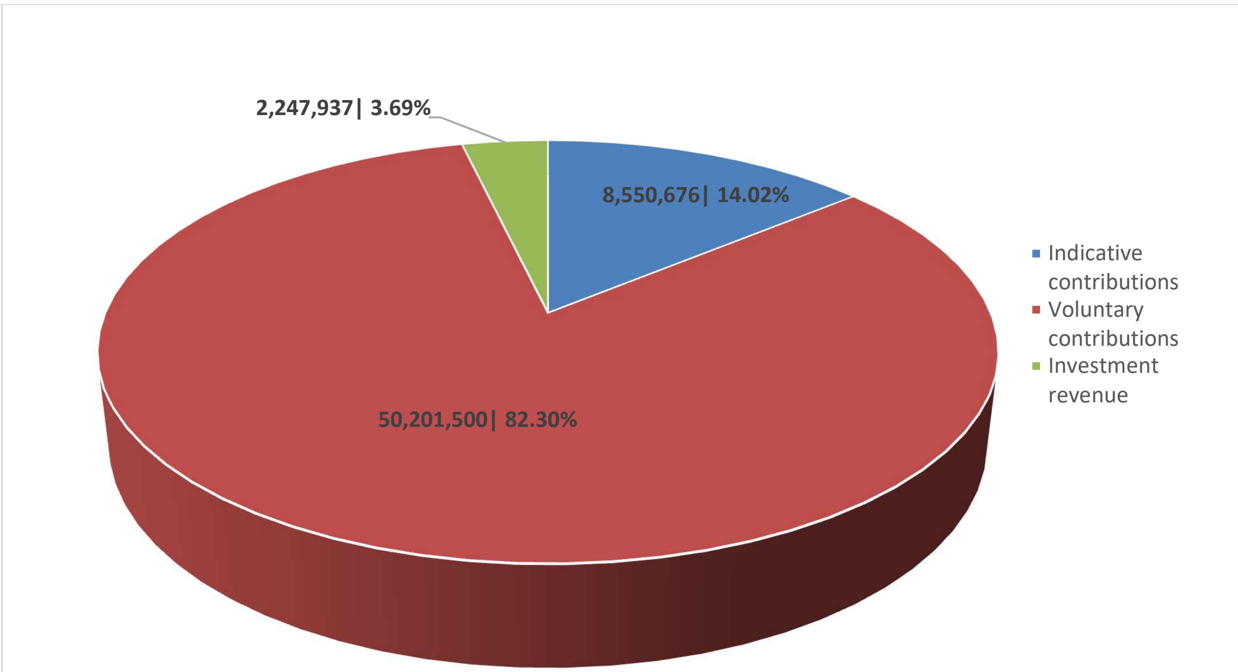
10. Financial statements I, II, III, IV and V show the financial results of the activities of UNCCD and its financial position as at 31 December 2024. The notes to the financial statements explain UNCCD's accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

Financial performance

Revenue

11. Revenue in 2024 totalled USD 61.00 million (see Note 17: Revenue), as presented below in figure I.

Figure I. Total Revenue as at 31 December 2024
(In United States dollars)



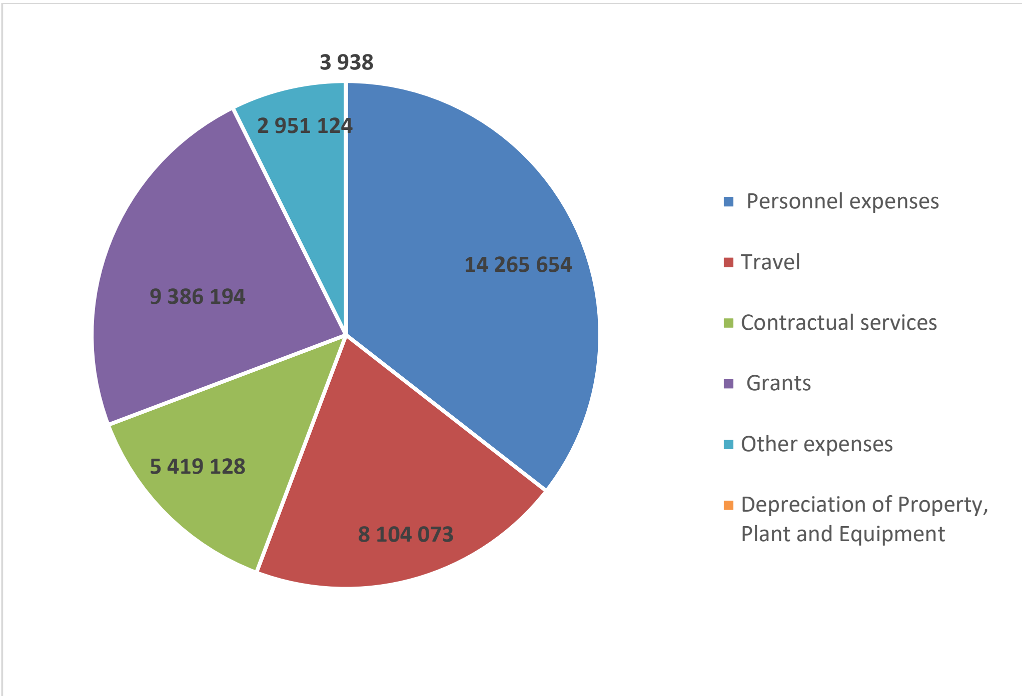
12. The principal sources of revenue were:

- Indicative contributions from signatories of the Convention. Indicative contributions for 2024 totalled USD 8.55 million from Member States, or 14.02 per cent of total revenue (2023: USD 8.20 million or 39.82 per cent).
- Voluntary contributions from donors totalled USD 50.20 million, or 82.30 per cent (2023: USD 9.95 million or 48.30 per cent), comprising (i) contributions of USD 25.86 million for the Global Mechanisms and USD 24.34 million for Secretariat respectively.
- Investment revenue, which represented 3.69 per cent of total revenue, increased to USD 2.25 million from USD 1.75 million reported in 2023.

Expenses

13. Expenses in 2024 totalled USD 40.13 million as shown below in figure II.

Figure II. Total Expenses as at 31 December 2024
(In United States dollars)

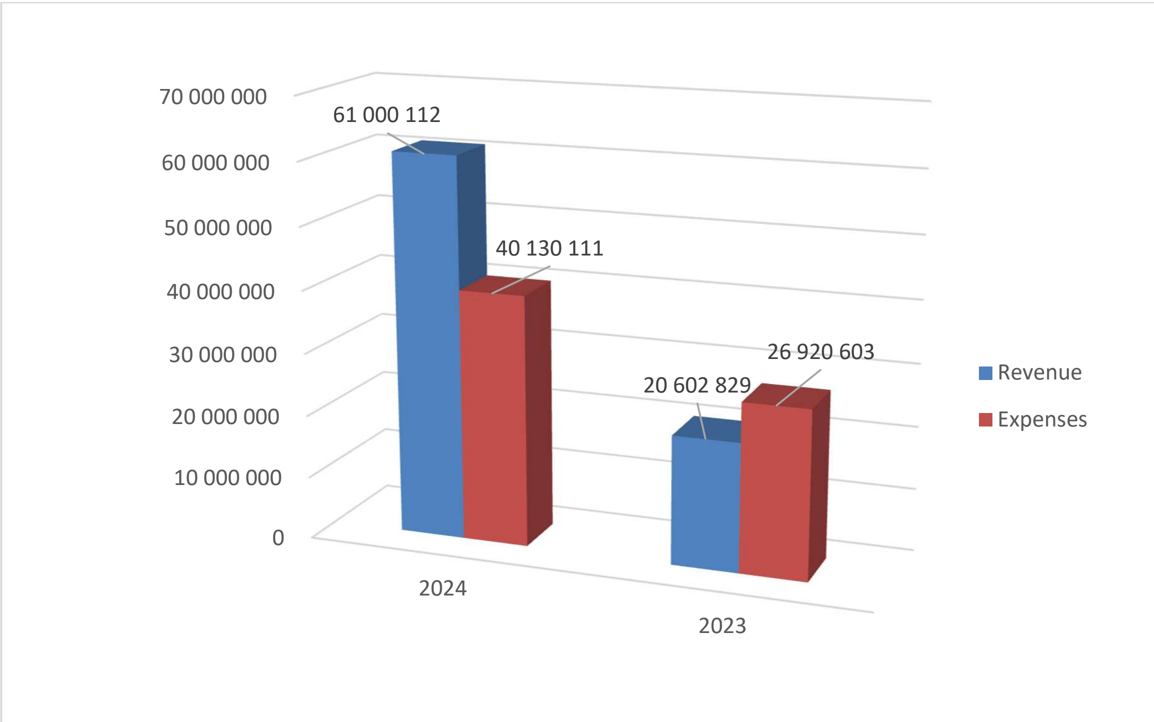


14. An increase of USD 13.21 million in total expenses was reported from the total expense amount of USD 26.92 million reported in 2023. The main increases in 2024 were due to increased Travel and Grants expenses.

15. The main expense categories are Personnel expenses for USD 14.27 million or 35.56 per cent (2023: USD 14.03 million), Grants for USD 9.39 million, or 23.39 per cent (2023: USD 3.84 million), Travel in the amount of USD 8.10 million or 20.19 per cent (2023: USD 2.36 million), Contractual services (non-employee compensation including consulting services individual fee, consultancy travel fee) for USD 5.42 million or 13.50 per cent (2023: USD 4.11 million), and Other expenses of USD 2.95 million or 7.35 per cent (2023: USD 2.58 million).

16. Total Personnel expenses for USD 14.27 million, include (i) salary and wages of USD 8.40 million; (ii) pension and insurance of USD 2.63 million; (iii) interest and current service costs related to defined benefit obligations (After-Service Health Insurance, annual leave, and repatriation grant/travel) in the amount of USD 1.51 million; and (iv) other benefits of USD 1.72 million.

Figure III. Movement in revenue and expenses
(In United States dollars)



17. There was an increase of USD 40.40 million in total revenue compared with the revenue reported in 2023, as shown in figure III above. Revenue increased due to voluntary contributions recognised for Global Mechanism and the Secretariat. There was also an increase of USD 13.21 million in total expenses compared with the expenses reported in 2023. The main sources of significant increase were USD 5.75 million for Travel and USD 5.55 million for Grants.

Operating results

18. The net surplus in revenue over expense in 2024 is reported at USD 20.87 million, compared with the deficit of USD 6.32 million in 2023.

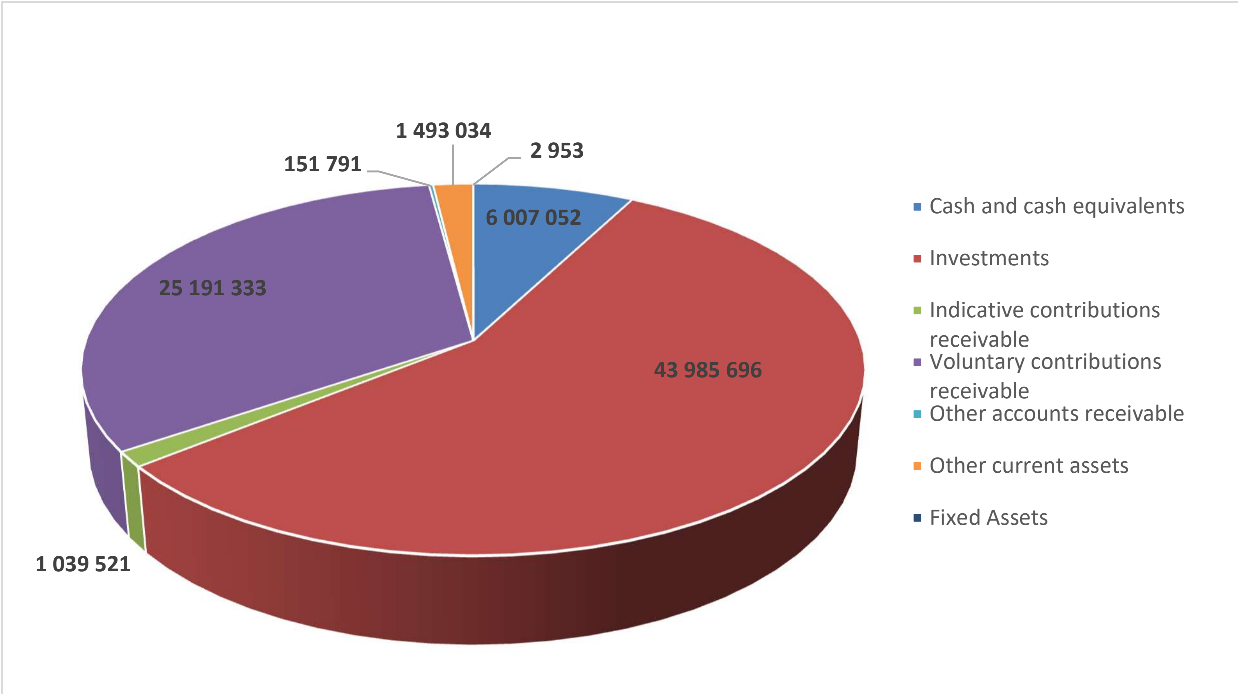
Financial position

Assets

19. UNCCD reports an increase in total assets of USD 22.48 million as at 31 December 2024 from the balance of USD 55.39 million reported as at 31 December 2023, to the current USD 77.87 million. The major components of UNCCD's assets are as follows:

Summary of Assets as at 31 December (in United States dollars)	2024	2023	Difference
Cash and cash equivalents	6 007 052	6 290 067	(283 015)
Investments	43 985 696	39 217 886	4 767 810
Sub total assets held in cash pool	49 992 748	45 507 953	4 484 795
Indicative contributions receivable	4 310 785	4 571 261	(260 476)
Less provision for doubtful receivables	(3 271 264)	(3 218 487)	(52 777)
Net indicative contributions receivable	1 039 521	1 352 774	(313 253)
Voluntary contributions receivable	25 191 333	7 850 581	17 340 752
Less provision for doubtful receivables	0	0	0
Net voluntary contributions receivable	25 191 333	7 850 581	17 340 752
Other accounts receivable	151 791	156 076	(4 285)
Other current assets	1 493 034	519 614	973 420
Fixed assets	2 953	6 891	(3 938)
Total Assets	**77 871 380**	**55 393 889**	**22 477 491**

Figure IV. Total assets as at 31 December 2024
(In United States dollars)



20. As shown above in figure IV, UNCCD's assets largely comprised investments of USD 43.99 million, or 56.49 per cent (2023: USD 39.22 million), voluntary contributions receivable from donors of USD 25.19 million, or 32.35 per cent (2023: USD 7.85 million), cash and cash equivalents totalling USD 6.01 million, or 7.71 per cent (2023: USD 6.29 million), other current assets of USD 1.49 million, or 1.92 per cent (2023: USD 0.52 million) and indicative contributions receivable from signatories to the Convention in the amount of USD 1.04 million, or 1.33 per cent (2023: USD 1.35 million).

21. **Cash, cash equivalents and investments**: Cash, cash equivalents and investments are USD 49.99 million held in the UN Treasury Cash Pools (2023: USD 45.51 million). This represents an increase of USD 4.48 million over the balance held at the end of 2023. Changes in cash are shown in statement IV.

22. **Accounts receivable**: Accounts receivable from indicative contributions are recognized net of allowance for expected credit losses (ECL) in accordance with IPSAS41. Voluntary contributions receivable based on the signed agreement/letter of intent in the net amount of USD 25.19 million of which USD 22.29 million represents receivable due for the Global Mechanism. Other accounts receivable of USD 0.15 million comprise mainly of receivable value added tax balances.

Liabilities

23. Liabilities as at 31 December 2024 totalled USD 44.45 million (2023: USD 40.08 million)

as follows:

Summary of liabilities at 31 December (in United States dollars)	2024	2023	Difference
Accounts payable and accruals	4 941 613	1 990 027	2 951 586
Advance receipts	6 303 646	9 138 832	(2 835 185)
Employee benefit liabilities	33 086 898	28 857 244	4 229 654
Other liabilities	119 103	96 264	22 839
Total Liabilities	**44 451 261**	**40 082 367**	**4 368 894**

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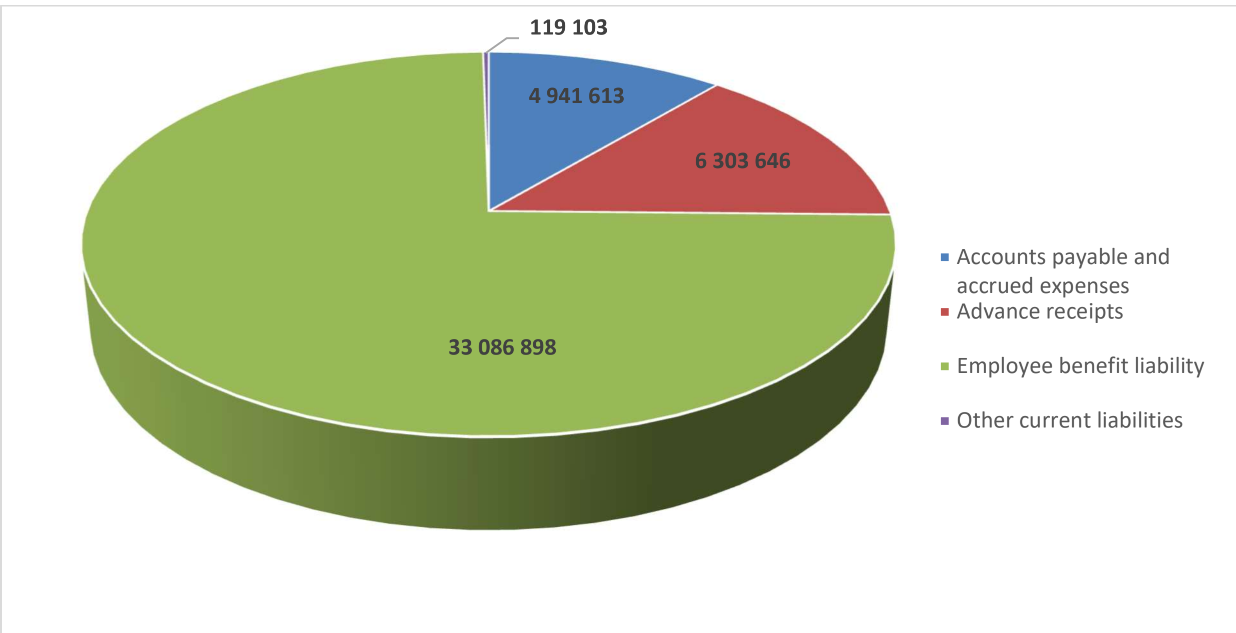
Figure V. Total Liabilities as at 31 December 2024
(In United States dollars)

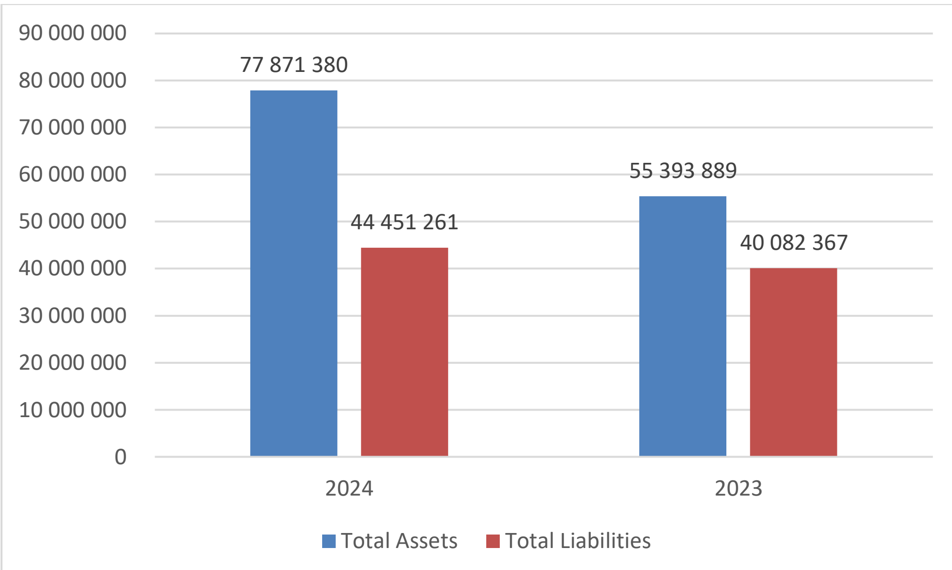


24. The most significant liability is the employee benefits (see figure V) earned by staff members and retirees but not paid at the reporting date, primarily the liability for ASHI. These liabilities total USD 33.09 million, or 74.43 per cent (2023: USD 28.86 million) of UNCCD's total liabilities, and are explained in detail in Note 14 to the financial statements.

25. Advance receipts of USD 6.30 million include indicative contributions received in advance of the start of the year to which they are related totalling USD 0.20 million (2023: USD 0.76 million) as well as voluntary contributions, provided by donors totalling USD 6.10 million (2023: USD 8.38 million), that contain conditions requiring the performance of specified services or the return of unused funds to the donor in accordance with the terms of the agreement. In addition, Accounts payable and accrued liabilities stood at USD 4.94 million (2023: USD 1.99 million); this amount relates primarily to payables to vendors in the amount of USD 2.60 million and accruals

for goods and services and refunds of unused funds to donors in the totalling USD 2.34 million. Other liabilities in the amount of USD 0.1 million relate to repatriation grant held in trust for two former staff members.

Figure VI. Movement in assets and liabilities as at 31 December 2024
(In United States dollars)



26. Figure VI shows an increase of assets held of USD 22.48 million, from USD 55.39 million reported in 2023 to USD 77.87 million reported for 2024, and an increase in liabilities of USD 4.37 million, from USD 40.08 million reported for 2023 to USD 44.45 million reported for 2024.

Net assets

27. The movement in net assets during the year reflects increase of USD 18.11 million from USD 15.31 million in 2023 to USD 33.42 million in 2024 due to the surplus of USD 20.87 million offset by actuarial and other adjustments recognized in net assets of USD 2.76 million. Net assets include the operating reserves which remained at USD 1.95 million.

Core budget

29. At 15th session of the Conference of the Parties, by its Decision 10 of ICCD/COP(15)/23/Add.1, approved a core budget for the triennium 2022–2024 amounting to EUR 24.6 million of which EUR 8.2 million was programmed for 2024. In addition, the Conference of the Parties approved 1) a contingency budget amounting to EUR 2,104,660 for conference servicing, to be added to the programme budget for the triennium 2022–2024 in the event that the General Assembly decides not to provide resources for these activities in the United Nations regular budget; and 2) on an exceptional basis, to use the remainder of the amount previously allocated from the reserves of the Trust Fund for the Core Budget of the UNCCD for a) set aside funds for after-service health insurance; b) support the Intergovernmental Working Group on Drought and

c) provide partial funding for the financial needs assessment to be conducted by the Global Mechanism and submitted to the sixteenth session of the COP. It should be noted that the General Assembly approved a provision for conference servicing for 2024.

30. The core budget continues to be prepared on a modified cash basis in accordance with the UN Financial Regulations. The overall budgetary results for the 2024 financial period in euros are summarized in Statements V. The differences between the net results on the IPSAS basis and results on budgetary basis are explained in Note 4: Budget Comparison and Reconciliation.

31. Total approved core budget for 2024 amounted to EUR 8.2 million. Expenses under the core budget during 2024 (valued in US dollars at the average USD 1 = EUR 0.93289 at the rate of exchange set by the United Nations and using the modified cash method of accounting) amounted to EUR 7.9 million resulting in a net fund surplus of EUR 0.3 million for the year. Total approved core budget for years 2022-2024 amounted to EUR 24.65 million while the expenses amounted to EUR 24.61 million resulting in utilization rate of 99.9% of the approved budget.

Statement on Internal Control

Purpose of the system of internal control

32. Internal control is designed to reduce, manage, and mitigate to an acceptable level, the risk of failure to achieve the Organization's aims, objectives and related policies. Therefore, it can provide reasonable but not absolute assurance of effectiveness. It is based on an ongoing process designed to identify the key risks, evaluate the nature and extent of those risks and manage them efficiently and effectively.

33. Internal control is a process through which the Executive Secretary, senior management and other personnel provide reasonable assurance to Governing Bodies regarding the achievement of the following:

a) effectiveness and efficiency of operations;
b) safeguarding of assets;
c) reliability of financial reporting; and
d) compliance with applicable regulations and rules.

34. Thus, on an operational level, UNCCD's internal control system is not solely a policy or procedure that is performed at certain points in time but, rather, operated continually at all levels within the Organization through internal control processes to ensure the above objectives.

Capacity to handle risk

35. UNCCD has established a conceptual framework of internal control that includes a risk management system. UNCCD's approach to risk management is an integral and systematic process that is identifying, mitigating, monitoring and communicating top risks to the Organization. A new Enterprise Risk Management (ERM) Policy has been developed to enable the Organization to better integrate risk management into significant activities and functions, thereby enhancing the decision-making process. All units have been trained on risk management and participated in

assessing risks most relevant to them. The institutional set-up is completed, with the Deputy Executive Secretary nominated as the Chief Risk Officer and a Risk Management Committee, consisting of all unit heads, serving as the coordination and overseeing body.

Risk and internal control framework

36. The Organization's risk and internal control framework includes:

- the identification of risks classified according to category, likelihood, impact and significance; and
- the Risk Management Committee composed of Heads of Units whose mandate is to implement mitigation actions to address major risks, further develop the integrated risk-management framework, strengthen a risk management culture, and regularly re-evaluate risks and the Organization's tolerance levels in light of the evolving environment.

37. The documentation of risks and mitigation to be undertaken are summarized in risk registers. Furthermore, the Executive Secretary is committed to a continuous improvement program to strengthen the system of internal controls across the Organization.

Review of effectiveness

38. The review of the effectiveness of the system of internal controls is mainly performed by the Chief Risk Officer and Heads of Units. The Office of Internal Oversight Services (OIOS) of whose reports on internal audits, and the External Auditor, who provides reports on both the compliance of the accounts with the financial regulations and on the performance of selected areas of UNCCD. These include independent and objective information on compliance and program effectiveness, together with recommendations for improvement. The selected staff of UNCCD will also submit the United Nations Financial Disclosure Program and observations and decisions of the Conference of the Parties. The Executive Secretary of the UNCCD has also issued the delegation of authority to the Heads of Units as well as Certifying and Approving Officers depending on the responsibility of tasks and nature of transactions.

V. Financial statements for the year ended 31 December 2024

STATEMENT I

United Nations Convention to Combat Desertification

Statement of Financial Position as at 31 December 2024

(In United States Dollars)	*Reference*	*31 December 2024*	*31 December 2023*
Assets			
Current Assets			
Cash and cash equivalents	Note 6	6 007 052	6 290 067
Investments	Note 6	32 052 266	29 769 643
Indicative contributions receivable	Note 7	1 039 520	1 352 774
Voluntary contributions receivable	Note 8	8 522 118	3 595 307
Other accounts receivable	Note 9	151 791	156 076
Other current assets	Note 10	1 493 034	519 614
Total current Assets		**49 265 781**	**41 683 481**
Non-Current Assets			
Investments	Note 6	11 933 430	9 448 243
Voluntary contributions receivable	Note 8	16 669 216	4 255 275
Fixed Assets	Note 11	2 953	6 891
Total Non-Current Assets		**28 605 599**	**13 710 408**
Total Assets		**77 871 380**	**55 393 889**
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	Note 12	4 941 613	1 990 027
Advance receipts	Note 13	6 303 646	9 138 832
Employee benefit liability	Note 14	1 092 899	1 154 244
Other current liabilities	Note 15	119 103	96 264
Total Current Liabilities		**12 457 261**	**12 379 367**
Non-Current Liabilities			
Employee benefit liability	Note 14	31 994 000	27 703 000
Total Non-Current Liabilities		**31 994 000**	**27 703 000**
Total Liabilities		**44 451 261**	**40 082 367**
Net Assets		**33 420 119**	**15 311 522**
Net Assets/Equity			
Accumulated surpluses/(deficits)		38 926 555	18 039 958
Actuarial gain (loss) recognized in net assets	Note 16	(7 458 691)	(4 680 691)
Operating reserves	Note 16	1 952 255	1 952 255
Total Fund Balances and Reserves		**33 420 119**	**15 311 522**

The accompanying notes form an integral part of these financial statements

STATEMENT II

United Nations Convention to Combat Desertification

Statement of Financial Performance for the period 1 January to 31 December 2024

(in United States dollars)	*Reference*	*2024*	*2023*
REVENUE			
Indicative contributions	Note 17	8 550 676	8 204 642
Voluntary contributions	Note 17	50 201 500	9 951 345
Investment revenue	Note 18	2 247 936	1 746 196
Other revenue	Note 19	-	700 646
TOTAL REVENUE		**61 000 112**	**20 602 829**
EXPENSES			
Personnel expenses	Note 20	14 265 654	14 026 568
Travel	Note 20	8 104 073	2 358 873
Contractual services	Note 20	5 419 128	4 111 113
Grants	Note 20	9 386 194	3 838 528
Depreciation of Property, Plant and Equipment	Note 20	3 938	3 938
Other expenses	Note 20	2 951 124	2 581 582
TOTAL EXPENSES		**40 130 111**	**26 920 603**
SURPLUS/DEFICIT FOR THE PERIOD		**20 870 001**	**(6 317 774)**

The accompanying notes form an integral part of these financial statements

STATEMENT III

United Nations Convention to Combat Desertification

Statement of Changes in Net Assets for the year ended 31 December 2024

(United States Dollars)	Reference	Accumulated Surplus – General Fund	Reserves	Total
Net Assets 31 December 2022		**19 519 194**	**1 952 255**	**21 471 449**
Actuarial gains / (loss) on employee benefit liabilities		(39 000)		(39 000)
Other adjustments		196 847		196 847
Surplus/ (deficit) for the year	Statement II	(6 317 774)		(6 317 774)
Total changes in net assets	Note 16	(6 159 927)	-	(6 159 927)
Net Assets at 31 December 2023	Statement I	**13 359 267**	**1 952 255**	**15 311 522**
Actuarial gains / (loss) on employee benefit liabilities		(2 778 000)		(2 778 000)
Other adjustments		16 596		16 596
Surplus/ (deficit) for the year	Statement II	20 870 001		20 870 001
Total changes in net assets	Note 16	18 108 596	-	18 108 596
Net Assets at 31 December 2024	Statement I	**31 467 864**	**1 952 255**	**33 420 119**

The accompanying notes form an integral part of these financial statements

STATEMENT IV

United Nations Convention to Combat Desertification

Statement of Cash Flows for the year ended 31 December 2024

(in United States dollars)	*Reference*	*2024*	*2023*
Cash flows from operating activities			
Surplus (deficit) for the period		20 870 001	(6 317 774)
Actuarial and other non-cash adjustments to net assets	Note 16	(2 761 405)	157 847
Depreciation and amortization	Note 20	3 938	3 938
(Increase)/decrease in receivables	Note 7, 8, 9	(17 023 213)	8 377 595
(Increase)/decrease in other current assets	Note 10	(973 420)	150 578
Increase/(decrease) in advance receipts	Note 13	(2 835 185)	2 022 698
Increase/(decrease) in accounts payable	Note 12	2 951 586	264 299
Increase/(decrease) in other current liabilities	Note 15	22 839	96 264
Increase/(decrease) in employee benefit liabilities	Note 14	4 229 654	1 528 739
Net cash flows from operating activities		**4 484 795**	**6 644 742**
Cash flows from investing activities			
(Increase) decrease in short-term investments	Note 6, 21	(2 282 623)	(7 547 828)
(Increase) decrease in long-term investments	Note 6, 21	(2 485 187)	1 407 946
Net cash flows from investing activities		**(4 767 810)**	**(6 139 882)**
Net cash flows from financing activities		**-**	**-**
Net increase (decrease) in cash and cash equivalents		**(283 015)**	**504 860**
Cash and cash equivalents at beginning of year	Note 6, 21	**6 290 067**	**5 785 207**
Cash and cash equivalents at end of year	Note 6, 21	**6 007 052**	**6 290 067**

The accompanying notes form an integral part of these financial statements

STATEMENT V

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

STATEMENT OF BUDGET TO ACTUAL COMPARISON - CORE BUDGET

For the period 1 January 2022 to 31 December 2024

(in euros)*

Core budget of the Secretariat *Programmes*	*Original budget 2024 EUR*	*Final Budget 2024 EUR*	*Actual 2024 EUR*	*Actual 2024 USD*	*Original budget 2022-2024 EUR*	*Final Budget 2022-2024 EUR*	*Actual 2022-2024 EUR*	*Actual 2022-2024 USD*
I. Secretariat programmes								
A. Executive Office	716 024	716 024	806 885	864 932	2 148 072	2 148 072	2 475 787	2 653 893
B. Governing Bodies and Legal Affairs	426 807	426 807	200 639	215 072	1 280 422	1 230 422	898 996	963 669
C. Communications	561 295	561 295	763 581	818 512	1 683 885	1 733 885	2 059 121	2 207 252
D. External Relations, Policy and Advocacy	1 091 937	1 091 937	1 086 983	1 165 180	3 275 811	3 275 811	3 524 325	3 777 861
E. Science, Technology and Innovation	1 602 685	1 602 685	1 391 784	1 491 908	4 808 055	4 808 055	4 799 334	5 144 593
F. Administrative services	1 024 110	1 024 110	1 179 932	1 264 815	3 072 330	3 072 330	3 508 427	3 760 821
II. Global Mechanism								
G. Global Mechanism	1 847 453	1 847 453	1 525 882	1 635 653	5 542 358	5 542 358	4 514 146	4 838 889
Subtotal (A-G)	7 270 311	7 270 311	6 955 686	7 456 072	21 810 933	21 810 933	21 780 136	23 346 978
Programme support costs	945 140	945 140	904 239	969 289	2 835 421	2 835 421	2 831 418	3 035 107
Working capital reserve	0	0	0	-	-	-	-	-
TOTAL Core Budget of the Secretariat	**8 215 451**	**8 215 451**	**7 859 925**	**8 425 361**	**24 646 354**	**24 646 354**	**24 611 554**	**26 382 085**
Contribution from the host Government	511 292	511 292	511 292	552 151	1 533 876	1 533 876	1 533 876	1 623 088
Indicative contributions	7 704 159	7 704 159	7 704 159	8 550 676	22 991 067	22 991 067	22 991 067	24 644 992
Unspent balances or contributions from prior financial periods (up to)	-	-	-	-	121 411	121 411	121 411	130 145
TOTAL income	**8 215 451**	**8 215 451**	**8 215 451**	**9 102 827**	**24 646 354**	**24 646 354**	**24 646 354**	**26 398 225**
International Working Group on Drought	459 025	459 025	459 025	492 047	929 204	929 204	929 204	996 050
Programme support costs	59 673	59 673	59 673	63 966	120 796	120 796	120 796	129 487
	518 698	**518 698**	**518 698**	**556 013**	**1 050 000**	**1 050 000**	**1 050 000**	**1 125 537**
Financial needs assessment to be conducted by GM	132 743	132 743	132 743	142 293	132 743	132 743	132 743	142 293
Programme support costs	17 257	17 257	17 257	18 498	17 257	17 257	17 257	18 498
	150 000	**150 000**	**150 000**	**160 791**	**150 000**	**150 000**	**150 000**	**160 791**
Contingency budget for conference servicing in the event that the General Assembly decides not to provide resources for these activities in the United Nations regular budget	2 104 660	2 104 660	-	-	2 104 660	2 104 660	-	-
Total other budgets approved by the Conference of the Parties	**2 773 358**	**2 773 358**	**668 698**	**716 804**	**3 304 660**	**3 304 660**	**1 200 000**	**1 286 328**

* At the average monthly exchange rate of the United Nations for the period 2022-2024 with 1 USD = EUR 0.93289, with the exception of the contribution from the host government.

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

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Notes to the financial statements
Page

Note 1: The Reporting Entity

1. The permanent secretariat of the United Nations Convention to Combat Desertification (UNCCD) was established in December 1996. The Strategy is to forge global partnerships to reverse and prevent desertification and land degradation. These partnerships are also meant to mitigate the effects of drought in affected areas. Coupled with the vision is a Strategy mission: To provide a global framework to support the development and implementation of national and regional policies that are to contribute to the reduction of poverty. The Parties adopted the new strategic framework of the Convention for 2018–2030. The new strategy outlines five long-term objectives for the implementation of the UNCCD and directly contributes to the achievement of many SDGs, most notably SDG 15 concerning life on land and its target 15.3 on land degradation neutrality.

2. UNCCD is governed by the following constituent bodies:

Conference of the Parties (COP) is the supreme decision-making body of the UNCCD Convention. All States that are Parties to the Convention are represented at the COP, at which they review the implementation of the Convention and any other legal instruments that the COP adopts and take decisions necessary to promote the effective implementation of the Convention, including institutional and administrative arrangements.

The Bureau of the COP At the beginning of the first meeting of each ordinary session, a President and nine Vice-Presidents are elected from among the representatives of the Parties present at the session in a manner that every geographical region shall be represented by at least two members. They serve as the Bureau of the session. One of the Vice-Presidents shall act as Rapporteur.
The President declares the opening and closing of the session, presides at the meetings of the session, ensures the observance of the present rules, and has complete control of the proceedings and over the maintenance of order thereat. The President, if temporarily absent from a meeting or any part thereof, shall designate a Vice-President to act as President.
The Bureau of the COP has an important role in the UNCCD process also outside the sessions, as it directs various aspects concerning the follow-up of the COP and the preparations of the next one. The COP Bureau is also often assigned by the COP to supervise specific, particularly demanding or sensitive tasks or processes that are carried out between the COP sessions.

The Committee for the Review of the Implementation of the Convention (CRIC) was established by decision 1/COP.5, as a subsidiary body to the COP to assist in it regularly reviewing the implementation of the Convention. Parties at COP 13 adopted new Terms of Reference of the CRIC (decision 13/COP.13). According to its Terms of Reference, the CRIC shall assist the COP in reviewing the implementation of the Convention under the authority and guidance of the COP and as an integral part of the Performance Review and Assessment of Implementation (PRAIS).

The Committee on Science and Technology (CST). In line with Article 24 of the UNCCD, the Committee on Science and Technology (CST) is established as a subsidiary body of the Conference of the Parties (COP) to provide it with information and advice on scientific and technological matters relating to combating desertification and mitigating the effects of drought. The CST meets in conjunction with the ordinary sessions of the COP. It is meant to be multidisciplinary, open to the participation of all Parties, and composed of government representatives competent in the relevant fields of expertise. The CST Bureau is composed of the Chairperson and four Vice-Chairpersons, among them a Rapporteur. The members of the Bureau are appointed with due regard to geographical representation and following the principle of rotation among the regional groups recognized by the practices of the United Nations.

3. The UNCCD is financed by indicative contributions paid by Parties to the Convention, and voluntary contributions from Parties to the Convention and other donors.

4. The permanent secretariat of the UNCCD is located in Bonn, Germany. Other offices are in New York, Rabat, Santiago de Chile until August 2024 and Istanbul until 31 March 2024. The Regional Liaison Office for Latin America and the Caribbean region in Santiago de Chile has been closed and shifted to Panama City.

5. The Organization enjoys privileges and immunities as granted under the 1947 Convention on Privileges and immunities of the United Nations and the 1996 Headquarters agreement with the Federal Government of Germany, notably being exempt from most forms of direct and indirect taxation.

Note 2: Basis of Preparation

Basis of preparation

6. The financial statements of the UNCCD have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention. The statements are prepared on a going concern basis, and the accounting policies have been applied consistently in their preparation and presentation. In accordance with the requirements of IPSAS, the financial statements, which present fairly the assets, liabilities, revenue and expenses of the Organization, consist of the following:

a) Statement of financial position (statement I);
b) Statement of financial performance (statement II);
c) Statement of changes in net assets (statement III);
d) Statement of cash flows (using the indirect method) (statement IV);
e) Statement of comparison of budget and actual amounts (statement V);
f) Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes;
g) Comparative information in respect of all amounts presented in the financial statements indicated in (a) to (e) above and, where relevant, comparative information for narrative and descriptive information presented in the notes to these financial statements

7. This is the tenth set of financial statements to be prepared in accordance with IPSAS. The adoption of IPSAS required changes to be made to the accounting policies previously followed by

UNCCD, including the preparation of a single set of financial statements covering both Core budget and extra-budgetary activities, which are presented throughout in United States dollars (USD). In accordance with IPSAS, the 2024 financial statements are presented on an annual basis covering the period 01 January 2024 to 31 December 2024.

8. The Cash Flow Statement is prepared using the indirect method.

Going concern

9. The going concern assertion is based upon approval by the Conference of Parties (COP16) of the 2025-2026 Programme and budget, the historical trend of collection of indicative and voluntary contributions over the past years and that the Conference of Parties has not made any decision to cease or materially curtail the operations of the Organization.

10. At the fifteenth session of the Conference of Parties (COP 15) held in May 2022, the COP approved the programme budget (core budget) for 2024 amounting to EUR 8.2 million by its decision ICCD/COP(15)/23/Add.1.

Functional and Presentation Currency

11. The financial statements are presented in United States dollars, which is the functional and presentation currency of UNCCD, whereas the budget is prepared and approved in euros.

Foreign Currency Translation

12. Transactions in currencies other than USD are translated into USD at the prevailing United Nations Operational Rates of Exchange (UNORE). Assets and liabilities in currencies other than USD are translated into USD at the UNORE year-end closing rate. The exchange rate for Euro at 31 December 2024 is 0.96. Resulting gains or losses are accounted for in the Statement of Financial Performance.

Materiality and use of judgment and estimates

13. Materiality is central to the preparation and presentation of the Organization's financial statements and its materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

14. Preparing financial statements in accordance with IPSAS requires use of estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

15. Accounting estimates and underlying assumptions are reviewed on an ongoing 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; selection of useful lives and

the depreciation/amortization methods for property, plant and equipment/intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions and classification of contingent assets/liabilities.

Changes in Accounting Policies

16. No changes in accounting policy were realized during the reporting period. However, the actuarial valuations are carried out based on the harmonization of assumption as recommended by IPSAS Task Force.

Future accounting pronouncements

17. UNCCD is an observer of United Nations System Organization Task Force on Accounting Standards which is tasked with keeping abreast with accounting standards developments, and Finance and Budget Network (FBN) which is responsible for formulating policy advice and strategic guidance in respect of finance and budget related issues of common concern to UN System organizations.

18. The progress and impact of the significant future IPSAS Board accounting pronouncements on the Organization's financial statements continue to be monitored. Pronouncements effective on 1st of January 2025 are being reviewed and implemented as per guidance issued by United Nations Task Force on Accounting Standards. Below is list of key future accounting pronouncements:

(a) IPSAS 43: Leases, issued in January 2022 and effective 1 January 2025.

(b) IPSAS 44: Non-current assets held for sale and discontinued operations, issued in May 2022 and effective 1 January 2025.

(c) IPSAS 45: Property, Plant, and Equipment, issued in May 2023 and effective 1 January 2025;

(d) IPSAS 46: Measurement, issued in May 2023 and effective 1 January 2025;

(e) IPSAS 47: Revenue, issued in May 2023 and effective 1 January 2026;

(f) IPSAS 48: Transfer Expenses, issued in May 2023 and effective 1 January 2026;

(g) IPSAS 49: Retirement Benefit Plans, approved in September 2023 and effective 1 January 2026.

Note 3: Significant Accounting Policies

Assets
Financial assets

19. The classification of financial assets depends primarily on the purpose for which the financial assets are acquired. The Organization classifies its financial assets in one of the categories shown below at initial recognition and re-evaluates the classification at each reporting date.

Classification of financial assets

Classification	Financial assets
Fair value through net assets/equity (FVNAE)	Investments in cash pools

Classification	Financial assets
Amortized Cost (AC)	Cash and cash equivalents and receivables.

20. Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at the United Nations operational rates of exchange prevailing at the reporting date, with net gains or losses recognized in surplus or deficit in the statement of financial performance.

21. With the adoption of IPSAS 41, financial assets previously designated at fair value through surplus or deficit have been reclassified to fair value through net asset/equity after an assessment of their contractual cash flows characteristics as well as the determination of the Organisation's management model, which is to both collect contractual cash flows and sell the financial assets. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are now presented in the statement of net assets in the year in which they arise.

22. Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value, plus transaction costs, and are subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

23. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in the statement of financial performance in the year in which they arise.

24. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Organization has transferred substantially all risks and rewards of the financial asset. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

25. UNCCD does not have any financial assets designated at fair value through surplus/deficit.

Investment in cash pools

26. The main cash pool comprises participating entity shares of cash and term deposits, short-term and long-term investments and accrual of investment revenue, all of which are managed by the UN Investment Accounting & Treasury. Cash pool investments are subject to an Expected Credit Loss (ECL) assessment as required by IPSAS 41. UNCCD's share of the cash pool is disclosed in the notes to the financial statements and on the Statement of Financial Position.

Detailed information on the holdings of the main cash pool may be obtained in the Financial Statements of the United Nations (Vol. I).

Cash and Cash Equivalents

27. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Accounts receivable

28. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. UNCCD's receivables comprise indicative contributions receivable from member countries, voluntary contributions receivable and other accounts receivable recognized on the Statement of Financial Position.

29. Contributions receivables represent uncollected revenue from indicative and voluntary contributions committed to the Organization by Member States, non-member States and other donors on the basis of enforceable agreements.

30. Other accounts receivable includes Value Added Tax (VAT) reimbursable under the headquarters agreement with the host government.

31. Indicative and voluntary contributions receivable, as well as other receivables are subject to forward-looking loss allowance calculation using the ECL (expected credit loss) model. Where data is indicative of credit losses, loss allowance is recognized in accordance with IPSAS 41.

32. For indicative contributions receivable, the loss allowance calculation uses a forward-looking model applying historical percentages of previous credit losses as the basis for determining the expected credit loss allowance rates applied to receivable balances. This historical loss rate percentage is updated at each year-end.

33. No expected credit loss allowance rates have been established for voluntary contributions receivable and other receivables due to the nature and limited number of these transactions. Write-off instances are rare and immaterial. Only specific delinquent receivables which are identified as uncollectible are subject to loss allowance. Reimbursable VAT receivable is not subject to ECL calculations.

Other assets

34. Other assets include education grant advances and prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized. Receivables from other United Nations reporting entities are also included in this category.

Property, Plant and Equipment

35. Equipment with a cost equal to or exceeding USD 5,000 is valued at historical cost less accumulated depreciation and any impairment losses. UNCCD is deemed to control equipment if it can use or otherwise benefit from the asset in the pursuit of its objectives and if UNCCD can exclude or regulate the access of third parties to the asset.

36. Property, Plant and Equipment are depreciated over their estimated useful lives using the straight-line method. The estimated useful life for equipment classes are as follows:

Class	**Estimated useful life (years)**
Computer Equipment	5
Communication and audio-visual equipment	5
Furniture and fixtures	10
Machinery and equipment	10
Vehicles	10
Leasehold improvements	10 (or lease term, whichever shorter)

37. Impairment assessments are conducted during annual physical verification procedures and when events or changes in circumstance indicate that carrying amounts may not be recoverable.

Liabilities

Financial liabilities: classification

38. Financial liabilities are classified as 'other financial liabilities'. They include accounts payable, transfers payable, unspent funds held for future refunds and other liabilities such as balances payable to other United Nations system reporting entities and donors.

39. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. The Organization re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled, or expired.

Accounts payable and accrued expenses

40. Accounts payable are financial liabilities in respect of either goods or services that have been acquired and received by UNCCD and for which the invoices have been received from the suppliers. They are initially recognized at fair value and, when applicable, subsequently measured

at amortized cost using the effective interest method. As the accounts payable of UNCCD generally fall due within 12 months, the impact of discounting is immaterial, and nominal values are applied to initial recognition and subsequent measurement.

41. Accrued expenses are liabilities for goods and services that have been received or provided to UNCCD during the year and have not been invoiced by suppliers as at the reporting date.

Advance receipts and deferred revenue

42. Advance receipts and deferred revenue consist of payments received in advance relating to non-exchange as well as exchange transactions, liabilities for conditional funding arrangements and other deferred revenue.

43. UNCCD recognizes a liability in cases where conditions are attached to voluntary contributions. Conditions are imposed by donors on the use of contributions and include both an obligation to use the donation in a specified manner and an obligation to return any amount not expended in accordance with performance specified by the donation. The amount recognised as a liability is the best estimate of the amount that would be required to settle the obligation at the reporting date. As UNCCD satisfies the conditions on voluntary contributions through performance in the specified manner, the carrying amount of the liability is reduced and an amount of revenue equal to that reduction is recognised.

Other Liabilities

44. Other liabilities primarily include obligations for future refunds and other miscellaneous items such as unapplied cash receipts. They are designated similarly to accounts payable and accruals and are recorded at nominal value, as the impact of discounting is immaterial.

Employee Benefits

45. UNCCD provides the following employee benefits:

- Short-term employee benefits comprise first-time employee benefits (assignment grants), regular monthly benefits (wages, salaries, allowances), compensated absences (paid sick leave, maternity/paternity leave) and other short-term benefits (education grant, reimbursement of taxes) which fall due wholly within twelve months after the end of the accounting period in which employees render the related service;
- Post-employment benefits including ASHI, repatriation grant, separation related travel and shipping costs, accumulated annual leave on separation and death benefit; and
- Termination benefits include indemnities for voluntary redundancy payable once a plan has been formally approved.

Defined-benefit plans

46. The following benefits are accounted for as defined-benefit plans: after-service health insurance, repatriation benefits and accumulated annual leave that is commuted to cash upon

separation from the Organization. Defined-benefit plans are those where the Organization's obligation is to provide agreed benefits and therefore the Organization bears the actuarial risks.

47. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation at the reporting date. An independent actuary using the projected unit credit method calculates the defined benefit obligations. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-grade corporate bonds with maturity dates approximating those of the individual plans. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the period in which they occur. Actuarial gains and losses are recognised in the statement of changes in net assets in the period in which they occur.

48. The portion of the ASHI, repatriation benefit and accumulated annual leave benefit that is expected to be settled by means of a monetary payment within 12 months after the reporting date is classified as a current liability.

Pension plan: United Nations Joint Staff Pension Fund

49. The UNCCD is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF or the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability, and related benefits to employees. 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 that participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

50. 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. UNCCD and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify UNCCD'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 UNCCD has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. UNCCD's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

Termination benefits

51. Termination benefits are recognized as an expense only when the Organization is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Provisions

52. Provisions are liabilities recognized for future expenditure of uncertain amount or timing. A provision is recognized if, as a result of a past event, the Organization has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount required to settle the obligation.

Contingent liabilities

53. Contingent liabilities, where their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of UNCCD or where the value cannot be reliably estimated, are disclosed in the notes to the financial statements.

54. Provisions and contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become more or less probable. If it becomes more probable that such an outflow will be required, a provision is recognized in the financial statements of the year in which the change of probability occurs. Similarly, where it becomes less probable that such an outflow will be required, a contingent liability is disclosed in the notes to the financial statements.

Contingent assets

55. Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the effective control of the Organization. Contingent assets are disclosed in the notes when it is more likely than not that economic benefits will flow to the Organization.

Leases

56. Leases of property, plant and equipment where the Organization has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payments. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with the property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term on the basis of the effective interest rate method.

57. Leases where all of the risks and rewards of ownership are not substantially transferred to the Organization are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the term of the lease.

Revenue

Non-exchange revenue

Indicative contributions

58. Indicative contributions to the Core Budget are recognised at the beginning of the year to which the assessment relates. The revenue amount is determined based on the approved budgets and the scale of assessment approved by the United Nations General Assembly as adopted by the Conference of the Parties.

Voluntary contributions

59. Voluntary contributions are recognised when the agreement with the donor becomes binding. Revenue is recognised immediately if no condition is attached. If conditions are attached, including a requirement that funds not utilized in accordance with the agreement must be returned to the contributing entity, revenue is recognised only upon satisfying the conditions. Until such conditions are met a liability (deferred revenue) is recognised.

60. Voluntary contributions such as pledges and other promised donations which are not supported by binding agreements are considered contingent assets and are recognised as revenue when received and disclosed in the notes to the financial statements if receipt is considered probable. Unused funds returned to the donors are netted against voluntary contributions.

61. Multi-year voluntary conditional contributions due in future financial periods are recognized as receivables on the signing of the agreement along with a liability (deferred revenue) until the conditions are met.

62. Goods in kind are recognised at their fair value, measured as of the date the donated assets are acquired. Services in kind including the use of space provided are not recognized.

63. UNCCD charges projects financed by voluntary contributions with the cost of providing programme support services. The charge is recognized as revenue in the funds performing the service and expenses in the funds receiving support services and reflected in the statement of financial performance by fund. In the consolidated Statement of Financial Performance (Statement II) both programme support revenue and expenses are eliminated since they represent inter-fund charges and revenue. The income from Repatriation Grant and ASHI for voluntary contributions are also eliminated with the corresponding expenses recorded by Payroll.

Exchange revenue

64. Exchange transactions are those in which the Organization sells goods or services in exchange for compensation. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met:

- Revenue from sales of goods is recognized when the sale occurs, and risks and rewards have been transferred.
- Revenue from commissions and fees for services rendered is recognized when the service is performed.

65. Internal revenue called a 'programme support cost' is charged to 'extrabudgetary' activities to ensure that the additional costs of supporting activities financed from extrabudgetary contributions are not borne by the Core Budget. The programme support cost is eliminated for the purposes of financial statement preparation. The funding for the programme support cost charge agreed upon with the donor is included as part of voluntary contributions.

Investment revenue and gains / losses on investments

66. Investment revenue includes the Organization's share of net cash pool revenue. The net cash pool revenue includes any gains and losses on the sale of investments, which are calculated as the difference between the sale proceeds and book value. Transaction costs that are directly attributable to the investment activities are netted against revenue and the net revenue is distributed proportionately to all cash pool participants on the basis of their average daily balances.

67. Gains / losses on investments include unrealized market gains and losses on securities, which are distributed proportionately to all participants on the basis of year-end balances.

Expenses

68. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

69. Expenses arising from the purchase of goods and services are recognized when the services or goods have been received and accepted by UNCCD. Services are considered received on the date when the service is certified as rendered. For some service contracts, this process may occur in stages. Balances of unliquidated obligations recognized as expenses in the Core Budget on the Statement of Budget to Actual Comparison related to services or goods not received and accepted by UNCCD at the reporting date are not recognized as expenses on the Statement of Financial Performance.

70. Savings resulting from the cancellation of expenses accrued in prior period and from instances where actual costs incurred are lower than the amount accrued in a prior period are recognized as a reduction of expenses in the current period on the Statement of Financial Performance.

Personnel expenses

71. Personnel expenses include staff salaries, post adjustment and staff assessment as well as other staff entitlements, such as pension and insurance subsidies and staff assignment, repatriation, hardship and other allowances.

Travel

72. Travel covers the cost of airfare and other transport cost, daily support allowances and terminal allowances.

Contractual services

73. Contractual services include the cost of contracting with individual experts and consultants, related insurances and travel, as well as IT services, production and printing of information materials, and translation and interpretation services.

Grants

74. Grants include outright grants and transfers to the implementing agencies, partners and other entities to carry out the mandates contained in the Convention.

Operating and other direct cost

75. Operating and other direct costs include maintenance, utilities, contracted services, training, security services, shared services, rent, and insurance.

Note 4: Budget Comparison and Reconciliation

76. UNCCD's budget is prepared on a modified cash accounting basis and the financial statements are prepared on a full accrual basis in accordance with IPSAS. The COP approved the triennial Core budget of the secretariat and the Global Mechanism for 2022-2024 in Euros. For presentation in the financial statements, the budget is divided into annual amounts for presentation in the financial statement. Unexpended balances at the end of the first year of the triennium are carried forward and added to the annual budget estimate for the second year of the triennium. Over-expenditure at the end of the first year of the triennium will reduce the available fundings for the remaining years of the triennium.

77. The COP has delegated authority to the Executive Secretary to make transfers between each of the main appropriations lines in Statement V up to an aggregate limit of 20% of the total estimated expenses for those appropriation lines subject to a further limitation of up to minus 25% of each appropriation line.

78. Statement V compares the final budget to actual revenue and expenses amounts calculated on the same basis as the corresponding approved budget. Comparison of budget and actual amounts are presented in euro, with the corresponding amounts of actuals presented in United States dollars. The comparison is only made in respect of budgets adopted by the COP.

79. The actual amounts presented on a comparable basis to the budget are not prepared on a comparable basis to the Statement of Financial Performance, as the accounts are maintained in United States dollars. A reconciliation of the revenue and expenses on the budgetary basis as on the Statement V to the amounts is presented on the Statement II. As required by IPSAS-24 the differences have been categorized as follows:

Presentation differences are differences in the format and classification schemes in the Statement of Financial Performance which includes both revenue and expenses and the Statement of Comparison of Budget and Actual Amounts which includes only revenue.
Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the net results on an IPSAS basis the non-cash elements such as un-liquidated obligations, payments against prior year obligations and outstanding indicative contributions are included as basis differences.
Entity differences represent funds other than Core budget that are reported in the Statement of Financial Performance.

80. The reconciliation between the actual amounts presented in statement V, and the actual amounts presented on the Statement of Financial Performance for the financial year 2024 is as follows:

Reconciliation of net results on budgetary and IPSAS basis
(United States Dollars)

Actual net result on the Statement of budgets to actual comparison	
Core Budget (UXA) Revenue	9 102 827
Statement V-A Core Budget (UXA) expense on budgetary basis	8 425 361
Expense for other budgets approved by the COP	716 804
Core Budget (UXA) Expense	9 142 165
Core Budget (UXA) Actual net result on budgetary basis	(39 338)
Basis differences	
Adjustments to revenue	
Investment revenue	240 466
Unspent balances & contributions from prior financial periods (up to)	-
Gain on Foreign Exchange	-
Miscellaneous revenue not included in budget	240 466
Capitalization of equipment & intangible Assets	(3 938)
Change in provision for doubtful debts	(52 777)
Loss on Foreign Exchange	(434 303)
Other adjustments to expenditure	85 133
Post employment benefit interest and current service cost	(799 000)
	(1 204 885)
Sub-total basis differences	(964 419)
Full accrual based net result for Core Budget	(1 003 757)
Entity differences on IPSAS Basis	
Convention events organized by Secretariat (BMA)	(246 245)
Global Mechanism (GMZ)	21 450 854
Participation in UNCCD COP Sessions (UVA)	957 571
Voluntary Financing of activities (UWA)	(2 192 522)
Programme support costs (ZQA)	1 260 696
Cost Recovery under home country agreement (ZHC)	643 404
Sub-total entity differences	21 873 758
Actual net result on the Statement of Financial Performance	**20 870 001**

Note 5: Budget to Actual variance analysis

81. The statement of comparison of budget and actual amounts (statement V) presents the difference between budget amounts, which are prepared on a modified cash basis, and actual income and expenditure on a comparable basis. Explanations of material differences between the original and final budget amounts, as well as material differences between the final budget amounts and actual income and expenditure on a modified cash basis are considered below.

82. The secretariat had a very challenging three years to manage the approved budget with Zero nominal, noting the problem with inflation. The secretariat did what it could to ensure expenditure remained below the overall budget as decided by the Conference of the Parties. The secretariat had to make a minor shift to the final budget in two programmes. To this effect, a re-allocation had to be made from programme Governing Bodies and Legal Affairs to Communications since it had savings due to the temporary freezing of one of the positions. The expenditures under programme Communications were increased due to the activities including the organization of the United Nations Decade for Deserts and the fight against Desertification and the preparation of the 16th Session of the Conference of the Parties. There were savings under Global Mechanism due to the utilization of voluntary fund contributions wherever possible and used the same to cover the expenditure on other programmes. Further, few positions under Global Mechanisms were vacant during the reporting period. No other changes were made to the final budget of the programmes.

Note 6: Cash, Cash Equivalents and Investments

(United States Dollars)

	31 December 2024	*31 December 2023*
Cash and cash equivalents	6 007 052	6 290 067
Short-term investments	32 052 266	29 769 643
Total current cash and short-term investments	38 059 318	36 059 710
Long-term investments	11 933 430	9 448 243
Total cash, cash equivalents and investments	**49 992 748**	**45 507 953**

83. UNCCD cash forms part of the cash pools that are maintained and managed by the UN Treasury. The cash pools comprise UNCCD's participating share of cash and term deposits, short term and long-term investments and accrual of investment income all of which are managed in the pool. For further information, refer to Note 22: Financial instruments: Cash Pool.

84. The total cash and investments above include USD 41,518,295 (2023: USD 35,586,661) that are subject to general stipulations in the agreements which did not meet the requirements to be conditions under IPSAS 23. Historically, UNCCD has had positive experiences with regard to receiving the payment tranches from donors in accordance with the agreements and has never been in breach of stipulations that would prompt donors to demand refunds or reimbursements.

Note 7: Indicative Contributions Receivable
Indicative Contributions due from Parties to the Convention
(United States dollars)

	31 December 2024	*31 December 2023*
Gross receivable from member states	4 532 259	4 552 665
Accumulated revaluation	(221 475)	18 596
Less allowance for doubtful receivables	(3 271 264)	(3 218 487)
Total indicative contributions receivables	**1 039 520**	**1 352 774**

85. Indicative contributions reflect the contributions receivable from Parties to the Convention to fund the Core Budget in accordance with the Financial Rules adopted by the COP. As the budget is denominated in EUR, indicative contributions receivable are also denominated in EUR. Indicative contributions receivable have been subject to loss allowance calculation in line with IPSAS 41 requirements.

Note 8: Voluntary Contributions Receivable

Voluntary contribution receivable as at 31 December 2023
(United States dollars)

	Current	*Non-current*	*Total 31 December 2023*
Voluntary contributions	3 595 307	4 255 274	7 850 581
Total voluntary contributions receivable	**3 595 307**	**4 255 274**	**7 850 581**

Voluntary contribution receivable as at 31 December 2024
(United States dollars)

	Current	*Non-current*	*Total 31 December 2024*
Voluntary contributions	8 522 118	16 669 216	25 191 334
Total voluntary contributions receivable	**8 522 118**	**16 669 216**	**25 191 334**

86. Voluntary contributions receivable of USD 25,191,334 (2023: USD 7,850,581) includes for both Secretariat and Global Mechanism as per the signed agreements. The voluntary contribution receivables are classified and presented in the Statement Financial Position as current assets USD 8,522,118 and non-current assets USD 16,669,216 based on due dates.

87. The Gross voluntary contribution receivables above include USD 25,160,083 (2023: USD 7,817,285) that are subject to general stipulations in the agreements which did not meet the requirements to be conditions under IPSAS 23. Historically, UNCCD has had positive experiences with regard to receiving the payment tranches from donors in accordance with the agreements and has very limited occurrences of breach of stipulations that would prompt donors to demand refunds or reimbursements. No expected credit loss allowance was recognized in the year ending 31 December 2024.

Note 9: Other accounts receivable

(United States dollars)

	2024	*2023*
VAT	151 791	96 708
Other	-	59 368
Total other accounts receivable	**151 791**	**156 076**

88. Value Added Tax (VAT) for USD 151,791 for taxes reimbursable under the headquarters agreement with the host government.

Note 10: Other current assets

(United States dollars)

	2024	*2023*
Education grant advance	217 816	193 095
Advance Payment to Vendors	692 000	
UNDP Remittances net of charges	539 302	141 745
Travel advance	42 321	166 402
Salary advance	-	12 726
Other	1 595	5 646
Total other current assets	**1 493 034**	**519 614**

89. Advance to vendors relates to a cash advance balance refundable to UNCCD. Internationally recruited staff members received advance for education grants. The education grant advance of USD 217,816 related to 13 staff members paid during 2024 but not claimed at the reporting date.

90. UNDP remittance of net charges related to the fund balance between the amount transferred minus the expenses reported at 31 December 2024. The balance amount of USD 539,302 will be used to cover the payments to implementing partners, consultants, and vendors in 2025.

Note 11: Fixed Assets
(United States dollars)

	Vehicles	*Communications Information Technology Equipment*	*Total*
Cost as at 31 December 2023	**59 806**	**0**	**59 806**
Additions	0	0	0
Impairment	0	0	0
Disposals	0	0	0
Cost as at 31 December 2024	**59 806**	**0**	**59 806**
Accumulated depreciation as at 31 December 2023	**52 915**	**0**	**52 915**
Depreciation	3 938	0	3 938
Impairment	0	0	0
Disposals	0	0	0
Accumulated depreciation as at 31 December 2024	**56 853**	**0**	**56 853**
Net carrying amount			
31 December 2023	6 891	0	6 891
Net carrying amount 31 December 2024	**2 953**	**0**	**2 953**

Note 12: Accounts payables and accrued expenses
(United States dollars)

	2024	*2023*
Vendor payables	2 598 407	993 847
Unexpended balance of contribution from the Government of the Bolivarian Republic of Venezuela	-	5 135
Accrued expenses	2 343 206	991 045
Unapplied deposits	-	-
Total payables and accrued expenses	**4 941 613**	**1 990 027**

91. Payables to vendors relate to amounts due for goods received and services rendered and for which payment had not been completed.

92. The unexpended balance of contribution from the Government of the Bolivarian Republic of Venezuela, which had remained at USD 5,135 for 2023, was offset against outstanding assessed contributions during 2024.

93. Accrued expenses relate to liabilities for goods and services that have been received or provided to UNCCD during the year and which have not been invoiced by suppliers as well as balances refundable to donors as per Host Country Agreements.

Note 13: Advance receipts and deferred revenue
(United States dollars)

	2024	*2023*
Deferred revenue from conditional voluntary contributions	6 100 967	8 381 066
Indicative contributions received in advance	202 679	757 766
Total advance receipts	**6 303 646**	**9 138 832**

94. Deferred revenue for the voluntary contributions in the amount of USD 6,100,967 related mainly due to the conditional agreement between the UNCCD and Saudi Arabia for the project Global Land Initiative (G20). Advances related to indicative contributions relate contributions received before the actual due date.

Note 14: Employee Benefit liability
(United States dollars)

	2024	*2023*
Current liabilities		
Repatriation grant and travel	258 000	320 000
After service health insurance	274 000	223 000
Accumulated annual leave	131 000	121 000
USA Tax reimbursement	60 090	82 924
Home leave	138 563	110 096
Appendix D Compensation	231 246	215 390
Other	-	81 834
Subtotal current liabilities	**1 092 899**	**1 154 244**
Non-current liabilities		
Repatriation grant and travel	1 384 000	1 460 000
After service health insurance	29 974 000	25 534 000
Accumulated annual leave	636 000	709 000
Subtotal non-current liabilities	**31 994 000**	**27 703 000**
Total employee benefits liabilities	**33 086 899**	**28 857 244**

95. The ASHI liability increased from USD 25.76 million to USD 30.25 million mainly due to the changes in the discount rates. The repatriation grant has decreased in 2024 to the amount of USD 1.64 million from 1.78 million in 2023 and the annual leave liability has decreased in 2024 to the amount of USD 0.77 million from 0.83 million in 2023.

96. The methodology for estimating the amounts of each liability is as follows:

- *Education grant:* Internationally recruited staff members are eligible for partial reimbursement of the amounts paid for the education of dependent children up to maximum allowances established by the International Civil Service Commission (ICSC). The liability relates to the amount earned but not claimed at the reporting date. Staff members received advances for education grants. The advances exceeded the respective liability. Hence, the liability against the staff members was offset from the advances and shown under “other current assets”.

- *Home leave:* Non-locally recruited UNCCD staffs are entitled to reimbursement for the costs of travel to their home country in the second year after their initial appointment and thereafter, every second year. The liability recorded has been calculated proportionately reflecting the number of months of home leave entitlement earned by officials since their last entitlement at the reporting date.
- *US taxes:* American citizens that are officials of UNCCD are reimbursed for the amounts of income taxes payable on the compensation they earn from the Organization.

Post-employment benefits

- *Annual leave:* In accordance with UN Staff Rules and Staff Regulations, UNCCD staff may accumulate annual leave of up to 60 working days which is payable on separation from service.
- *Repatriation grant and travel:* In accordance with UN Staff Rules and Staff Regulations, non-locally recruited UNCCD staff are entitled to a grant calculated based on length of services and family status on separation from service if they have completed five year of service outside their home country. In addition, non-locally recruited UNCCD staff are entitled to reimbursement of travel and transport of personal effects on separation for themselves, their spouse and their dependent children.
- *After Service Health Insurance (ASHI):* Staff members (and their spouses, dependent children and survivors) retiring from service at the age of 55 or later are eligible for ASHI coverage if they have contributory health insurance coverage prior to retirement for at least five years of service for staff hired before 1 July 2007 and ten years of service for staff hired after 1 July 2007. Staff hired before 1 July 2007 who retire with less than ten years but more than five years of covered receive unsubsidized coverage until enrolled for ten years at which time the coverage is subsidized. UNCCD’s liability for ASHI is calculated as the residual liability after deducting contributions from retirees and a portion of the contribution from active staff. For 2024, the gross liability was calculated by the actuary as USD 30,248,000 net of contributions from plan participants (USD 25,757,000 at 31 December 2023.).
- After-service health insurance for retired staff members and their survivors and dependents of UNCCD is provided by the United Nations Staff Mutual Insurance Society against Sickness and Accident (UNSMIS) established under article 6.2 of the United Nations Staff Regulation. UNSMIS is governed by its General Assembly approves amendments to the Statutes. An Executive Committee consisting of three members appointed by the Director-General of the United Nations Office at Geneva, three members appointed by the Co-ordinating Council of the United Nations at Geneva in consultation with corresponding bodies of the specialized agencies affiliated to the UNSMIS and one member appointed by the other six members, is responsible for approving the UNSMIS accounts and management report.
- In accordance with Article 11 of the Statute, persons insured by UNSMIS shall pay monthly contributions, the amount of which shall be fixed by its Internal Rules. The UNCCD, or other UNSMIS affiliated organizations, shall contribute to the UNSMIS

funds through the payment of a subsidy, the proportion of which in relation to staff member contributions shall be fixed by the Director-General of the United Nations Office at Geneva. The ASHI liability calculation also includes staff members who contribute to other United Nations insurance plans and accrue eligibility for after-service health insurance.

- *Defined benefit obligations*: An actuarial valuation at 31 December 2024 has been utilized to determine the UNCCD's estimated liability and expenses recognized on the Statement of Financial Performance for repatriation grants and travel, accumulated leave and after-service health insurance at the reporting date.
- The results as at 31 December 2024 presented in this report for defined benefit obligations are based on a roll-forward valuation. Financial assumptions such as discount rates, salary increases, inflation rates and health-care cost trends have been updated since the full actuarial valuation carried out in 2023 to determine UNCCD's estimated liability for defined benefit obligations at the reporting date. Demographic assumptions including probability of marriage at retirement will be updated in the next full actuarial valuation study.

97. Each year, the UNCCD reviews assumptions and methods that will be used by the actuaries in the valuation to determine the expenses and contribution requirements for the UNCCD's after-service medical care plans and separation benefit plans. The discount rate is determined by calculating the expected benefit payments for each future year attributable to past service as of the valuation date and then discounting these benefit payments using spot rates for high quality corporate bonds. A single equivalent discount rate was then determined that resulted in the same past service obligation. The resulting single discount rate was rounded to the nearest 1/2 basis point.

Assumptions used to determine the value of employee benefit liabilities

Assumption	*After-service health insurance*	*Repatriation grant*	*Accumulated annual leave*
Discount rate (31 December 2023)	2.27%	4.93%	4.93%
Discount rate (31 December 2024)	1.98%	5.56%	5.57%
Travel inflation (31 December 2023)	–	2.3%	–
Travel inflation (31 December 2024)	–	2.5%	–
Salary increase rate	Salary scales provided by the UN TFAS which are developed by the UNJSPF for actuarial valuation of the UNJSPF pension plan		

98. The following assumptions were utilized by the actuary in determining the maturity profile of the defined benefit obligations at 31 December 2024:

- ASHI scheme: full eligibility is achieved once the staff member's period of service reaches 10 years in duration (5 years if hired before 01.07.2007) and once he/she reaches 55 years old. The projected duration of the ASHI liability is 25 years.
- Repatriation benefits: historically, for disclosure purposes it has been assumed that full eligibility is achieved from the time when the staff member's period of service reaches 12 years. The projected duration of the repatriation grant liability is 6 years.

- Annual leave: historically, for disclosure purpose sit has been assumed that full eligibility is achieved from the time when the staff member has accumulated 60 days of leave, i.e. once the maximum of benefits has been accumulated. The projected duration of the annual leave liability is 6 years.

99. The principal financial assumptions in the valuation of the defined benefit obligations are the rate at which medical costs are expected to increase in the future and the discount rate curve, which is calculated on the basis of corporate bonds. The sensitivity analysis looks at the change in liability due to changes in the medical cost trend rates and discount rate. The sensitivity analyses below are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, the same method has been applied as when calculating the pension liability recognized in the statement of financial position. Should the discount rate or the medical cost trend assumption vary by 1 percentage point, this would affect the measurement of the defined-benefit obligations as follows:

Sensitivity of defined benefit obligations
(Thousands of United States dollars)

	2024		*2023*	
	Increase	*Decrease*	*Increase*	*Decrease*
0.5% movement in the assumed medical costs trend rate				
Effect on the defined benefit obligation	4 384	(3 725)	3 393	(2 911)
Effect on combined service and interest cost	431	(345)	359	(288)

	2024		*2023*	
	Increase	*Decrease*	*Increase*	*Decrease*
0.5% movement in the assumed discount rate				
Effect on the ASHI defined-benefit obligation	(3 567)	4 227	(2 989)	3 530
Effect on the Repatriation Grant defined-benefit obligation	(48)	50	(50)	54
Effect on the Annual Lease defined-benefit obligation	(23)	24	(23)	23

Reconciliation of opening to closing defined benefit liability and expense in 2024
(Thousands of United States dollars)

	ASHI	*Repatriation Grant & Travel*	*Annual Leave*
Net defined benefit liability as at 1 January	**25 757**	**1 780**	**830**
Current service cost	1 367	100	68
Interest cost	541	79	21
Total costs recognized in the statement of financial performance			
Benefits paid (net of participant contribution)	(223)	(320)	(121)
Liability (gain)/loss due to actuarial assumptions and experience recognized in net assets	2 806	3	(31)
Net defined benefit liability as at 31 December	**30 248**	**1 642**	**830**

Reconciliation of opening to closing defined benefit liability and expense in 2023
(Thousands of United States dollars)

	ASHI	*Repatriation Grant & Travel*	*Annual Leave*
Net defined benefit liability as at 1 January	**24 817**	**1 325**	**812**
Current service cost	1 053	85	83
Interest cost	574	62	39
Total costs recognized in the statement of financial performance			
Benefits paid (net of participant contribution)	(171)	(231)	(120)
Liability (gain)/loss due to actuarial assumptions and experience recognized in net assets	(516)	539	16
Net defined benefit liability as at 31 December	**25 757**	**1 780**	**830**

100. Under IPSAS-39 the liabilities for ASHI, repatriation grant and travel and accumulated annual leave are considered unfunded and, therefore, no fair value of plan assets has been recognized, and the entire liabilities are recognized as liabilities of UNCCD.

101. Effective 01 January 2017, a monthly accrual has been implemented to start funding after-service health insurance liabilities relating to extra-budgetary activities. For this purpose, an accrual rate of 6% is applied on the sum of gross salary and post adjustment.

102. As of 31 December 2024, UNCCD accrued USD 448,386 for repatriation grant and travel and USD 733,374 for ASHI from all funds except core budget and programme support costs. These

amounts were collected in the fund for employee benefits and will be used to (partially) fund future payments for ASHI and repatriation grants relating to the funds participating in the accrual.

103. Beginning in 2014 with the adoption of IPSAS, interest cost and current service cost related to the defined benefit obligation for ASHI liability, repatriation grant and travel, death benefits and accumulated leave have been recognized on the statement of financial performance as a component of staff costs. Actuarial gains or losses for the ASHI defined benefits plan results from changes in actuarial assumptions or experience adjustments including experience adjustments are directly recognized in the consolidated statement of changes in net assets. Actuarial adjustments for other long-term benefits including repatriation grants, death benefits and accumulated leave are recognized directly in the Statement of Financial Performance. The balance of each provision is reviewed annually and adjusted to reflect actual experience.

Historical present value of liability for defined-benefit obligations
(Thousands of United States dollars)

	31 December 2024	*31 December 2023*	*31 December 2022*
After Service Health Insurance	30 248	25 757	24 817
Repatriation Grant and Travel	1 642	1 780	1 325
Annual Leave	767	830	812
Total	**32 657**	**28 367**	**26 954**

104. Short-term employee benefit liabilities for education grants and home leave are recognized at an undiscounted amount. Short-term compensated absences are recognized, as employees earn their entitlement to future compensated absences through rendering a service to the UNCCD. For non-accumulating compensating absences an expense is recognized when the absence occurs.

United Nations Joint Staff Pension Fund

105. The UNCCD is a member organization participating in the United Nations Joint Staff Pension Fund (the "Fund"), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in 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.

106. The Fund collectively 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 Fund. The UNCCD and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the UNCCD'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, the UNCCD has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee

Benefits. The UNCCD's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

107. 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 Fund's Consulting Actuary. The practice of the Pension Board has usually been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

108. The UNCCD's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% of pensionable remuneration 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 Pension 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 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. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

109. The latest actuarial valuation for the Fund was completed as at 31 December 2023, and a roll forward of the participation data as at 31 December 2023 to 31 December 2024 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

110. The actuarial valuation as at 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0% (117.0% in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0% (158.2 % in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

111. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2023, 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 plan. At the time of this report, the General Assembly has not invoked the provision of Article 26.

112. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, 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 Fund during the preceding three years (2021, 2022 and 2023) amounted to USD 9,499.41 million, of which 0.058% was contributed by the UNCCD.

113. During 2024, contributions paid to the Fund by the UNCCD amounted to USD 2.13 million (2023 USD 2.02 million). Expected contributions due in 2025 are approximately USD 2.25 million.

114. 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.

115. The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund provides weekly information on its investments, and it can be viewed by visiting the Fund at www.unjspf.org.

Note 15: Other current liabilities
Other current liabilities
(United States dollars)

	2024	*2023*
Repatriation grant held in trust	119 103	96 264
Total	**119 103**	**96 264**

116. Other current liabilities represent repatriation grant held in trust related to two former staff members of UNCCD. There are no claims arising from legal actions that are likely to result in a significant liability to UNCCD.

Note 16: Net assets
Reconciliation of opening and closing net assets
(United States dollars)

	Actuarial gain/(loss)	Fair Value gain/(loss)	Accumulated surplus/(deficit)	Total accumulated surplus/(deficit)	Reserves	Total net assets
Balance as at 01 January 2023	(4 641 691)		24 160 885	19 519 194	1 952 255	21 471 449
Surplus/(Deficit) for the period			(6 317 774)	(6 317 774)		(6 317 774)
Actuarial gains/(losses) on employee benefits	(39 000)			(39 000)		(39 000)
Fair value gains/(losses)		(141 486)		(141 486)		(141 486)

on investments held						
Other adjustments			338 333	338 333		338 333
Balance as at 01 January 2024	(4 680 691)	(141 486)	18 181 444	13 359 267	1 952 255	15 311 522
Surplus/(Deficit) for the period			20 870 001	20 870 001		20 870 001
Actuarial gains/(losses) on employee benefits	(2 778 000)			(2 778 000)		(2 778 000)
Fair value gains/(losses) on investments held		83 583		83 583		83 583
Other adjustments			(66 988)	(66 988)		(66 988)
Balance as at 31 December 2024	(7 458 691)	(57 903)	38 984 458	31 467 864	1 952 255	33 420 119

Accumulated surplus

117. The accumulated surplus includes the accumulated surplus of the General Fund and related funds, general trust funds, and after-service employee benefit funds.

118. The 15th Session of the Conference the Parties (COP 15) authorized the Executive Secretary, to set aside funds for after-service health insurance, not exceeding the amount of EUR 500,000. The recent Conference the Parties (COP 16) authorized the secretariat to use those funds to cover the after-service health insurance costs that may occur during the biennium 2025–2026

119. Actuarial gains/(losses) relate to the defined employee benefit plans. Please refer to note 3 (Significant Accounting Policies) for more details

120. Fair value movements relate to unrealised gain/(loss) on cash pool investments classified at fair value through net assets in accordance with IPSAS 41

121. Other adjustments in the period relate to offset of remaining COP14 balance against outstanding assessed contribution of India

Reserves

122. A working capital reserve has been established for the Core Budget as part of the adoption of the budget by the COP along with operating reserves established for the Trust Fund for Voluntary Financing, Trust Fund for participation of State Parties in the Conference and Special Account for Programme Support. The total reserves at the reporting date totalled USD 1.95 million (USD 1.95 million as at 31 December 2023).

Note 17: Revenue from non-exchange transactions
Indicative contributions
(United States dollars)

	2024	*2023*

Indicative contributions approved by the Conference of the Parties	8 550 676	8 204 642
Amount reported in Statement II: Indicative contributions	**8 550 676**	**8 204 642**

123. The above amount of USD 8,550,676 includes the contributions from the following top ten countries which represents 69.26 per cent of total amounts.

(United States dollars)

	Amount	Percent
United States of America	1 833 868	21.45
People's Republic of China	1 271 537	14.87
Japan	669 612	7.83
Germany	509 398	5.96
United Kingdom of Great Britain and Northern Ireland	364 689	4.27
France	359 938	4.21
Italy	265 828	3.11
Canada	219 064	2.56
Republic of Korea	214 563	2.51
European Union	213 767	2.50
Total top ten	**5 922 264**	**69.26**

Voluntary contributions

124. Voluntary contributions are recognised as revenue at the point of signature except where such agreement contains a condition in which case recognition as revenue is deferred until the conditions specified in the donor agreement have been satisfied.

125. Net voluntary contributions revenue includes refunds to donors which consist of revised accruals for the COP and CRIC refunds with overall net impact of USD 488 551 as well as USD 198 766 of other refunds made during 2024.

(In United States dollars)

	2024	*2023*
Voluntary contributions	50 888 817	10 424 950
COP15 & CRIC21 Balance refund accrual	(488 551)	(465 638)
Refunds to donors	(198 766)	(7 967)
Net voluntary contributions	**50 201 500**	**9 951 345**

126. The UNCCD receives in-kind contributions from the government of the Federal Republic of Germany (host government) of the right to use land, office space and other facilities in its operations. The Organization has not received title to these properties which remain with the government. The facilities are provided to UNCCD without charge. The agreement under which the facilities are provided may be cancelled by the UNCCD or by the government with twelve months' notice but, in such case, would remain in force for whatever additional period is required for UNCCD to cease its activities in the Federal Republic of Germany in an orderly manner. UNCCD does not recognize the value of in-kind contributions of services including the financial value of

the donated right to use the facilities provided by the Federal Republic of Germany on the financial statements. In addition to the host government contribution, during 2024 the government of Kingdom of Saudi Arabia hosted the sixteenth session of the Conference of the Parties (COP16) and provided the conference venue and other facilities.

127. Until now UNCCD had no evidence of non-receipt of voluntary contributions from donors. Therefore, no provision was made on voluntary contributions in 2024. UNCCD will however continue to analyse the voluntary contribution receivables and will make necessary credit loss provisions in the financial statements of 2024 if required.

Note 18: Investment revenue

Investment revenue

(United States dollars)

	2024	*2023*
Investment revenue (recorded by UNHQ Treasury New York)	2 247 936	1 746 196
Total investment revenue	**2 247 936**	**1 746 196**

128. There was an increase in investment revenue, compared with 2023, in the amount of USD 504,740 mainly due to the higher amount of voluntary contributions received in cash during 2024.

Note 19: Other revenue

Other Revenue

(United States dollars)

	2024	*2023*
Income for services rendered	-	19 222
Gain on Foreign Exchange	-	681 424
Total other revenue	**-**	**700 646**

129. Due to unfavorable fluctuation in currency exchange rates during 2024, UNCCD recorded overall loss compared to a gain of USD 681,424 during 2023. (see Note 20: Expenses for details). No other revenue was recorded during the reporting year.

Note 20: Expenses

Personnel expenses

(United States dollars)

	2024	*2023*
Salary and wages	8 397 550	8 252 137
Pension and insurance benefits	2 632 891	2 512 523
Interest, service costs and net benefits paid	1 512 000	1 374 000
Other benefits	1 723 213	1 887 908
Total personnel expenses	**14 265 654**	**14 026 568**

130. Personnel expenses include employee salaries, allowances, and benefits. Employee salaries include international, national, and general temporary staff salaries, post adjustment and staff assessment including employment of temporaries. The allowances and benefits include other staff entitlements, such as pension and insurance subsidies and staff assignment, repatriation, hardship, living allowances and post-employment benefits for United Nations Volunteers, and other allowances.

Travel
(United States dollars)

	2024	*2023*
Travel	8 104 073	2 358 873
Total travel	**8 104 073**	**2 358 873**

131. Travel covers the cost of airfare and other transport cost, daily support allowances and terminal allowances. Travel costs increased from USD 2,358,873 in 2023 to USD 8,104,073 in 2024 mainly due to the organization of the sixteenth session of the COP in Riyadh, Kingdom of Saudi Arabia during 2024.

Grants
(United States dollars)

	2024	*2023*
Outright grants	9 104 754	3 594 032
Transfers to implementing agencies	281 440	244 496
Total grants	**9 386 194**	**3 838 528**

132. Grants include outright grants and transfers to the implementing agencies, partners and other entities to carry out the mandates contained in the Convention. The increase in 2024 by USD 5,547,666 compared to 2023 results from increase of USD 4,939,198 attributable to the Secretariat and G20 initiative and USD 608,468 to the Global Mechanism.

Contractual services
(United States dollars)

	2024	*2023*
Consultancy services – individual and institutional	4 367 581	3 041 773
ICT services	429 790	482 929
Translation and interpretation services	85 450	85 234
Information services – production and printing	426 053	403 064
Other	110 255	98 113
Total contractual services	**5 419 128**	**4 111 113**

133. Contractual Services cover the cost of contracting with individual experts and consultants, insurances and their travel expenses, ICT services, production and printing of information materials, translation and interpretation services.

Depreciation of property, plant and equipment
(United States dollars)

	2024	*2023*
Depreciation of property, plant and equipment	3 938	3 938
Total depreciation of property, plant and equipment	**3 938**	**3 938**

134. Depreciation relates to a car acquired in 2015 and depreciated over 10 years.
Other Expenses:

135. Other Expenses include operating and other direct costs; supplies, commodities and materials; Equipment, vehicle and furniture; loss on foreign exchange and change in credit loss provision, as explained below.

	2024	2023
Operating and other direct costs	2 136 750	1 467 129
Equipment vehicles and furniture	55 784	269 045
Supplies commodities and materials	56 927	52 513
Loss on foreign exchange	648 886	-
Expected Credit Loss Provision - indicative contributions receivable	52 777	792 896
Total	**2 951 124**	**2 581 582**

136. Operating and other direct costs include maintenance, shared services, utilities, contracted services, training, security services, shared services, rent, and insurance. Overall increase due to incremental activities related to preparation and hosting of Conference of the Parties (COP16)

137. Equipment, vehicles and furniture have decreased from USD 269,045 in 2023 to USD 52,777 in 2024. This was mainly due to procurement of computer and other IT & communication equipment during 2023.

138. Supplies, commodities and materials include publications, stationery, office supplies and fuel costs.

139. There was a loss on foreign exchange in 2024 of USD 648,886 compared to a gain of USD 681,424 during 2023 (see Note 19: Other Revenue for details). The foreign exchange loss relates to transactions occurring in currencies other than US dollars as well as unrealized loss resulting from revaluation of monetary assets

140. There was a net increase of USD 52,777 in expected credit loss allowance for doubtful receivables for indicative contributions compared with the expenses of 2023.

Note 21: Financial instruments and financial risk management
Summary of UNCCD’s financial instruments
(United States dollars)

	Note	*31 December 2024*	*31 December 2023*
Financial assets			
Fair value through net assets and equity (FVNAE)			
Short-term investments: Cash pool	6	32 052 266	29 769 643
Total short-term investments		**32 052 266**	**29 769 643**
Long-term investments: Cash pool	6	11 933 430	9 448 243
Total long-term investments		**11 933 430**	**9 448 243**
Total fair value through net assets and equity (FVNAE)		**43 985 696**	**39 217 886**
Cash and cash equivalents			
Cash and cash equivalents: Cash pool	6	6 007 052	6 290 067
Total cash and cash equivalents		**6 007 052**	**6 290 067**
Loans and receivables			
Indicative contributions receivables	7	1 039 521	1 713 332
Voluntary contributions receivables	8	25 191 333	7 850 581
Other receivables	9	151 791	156 076
Other assets (excluding advances and deferred charges)		-	-
Total of cash and cash equivalents, receivables from exchange and non-exchange transactions and loans		**26 382 645**	**9 719 989**
Total carrying amount of financial assets		**76 375 393**	**55 227 942**
Of which relates to financial assets held in main pool		49 992 748	45 507 953
Financial liabilities at amortized cost			
Accounts payable and accrued expenses	12	4 941 613	1 990 027
Other liabilities		-	-
Total carrying amount of financial liabilities		**1 990 027**	**1 990 027**
Summary of net revenue from financial assets			
Net cash pool revenue		43 517 926	43 517 926
Other investment revenue		-	-
Total net revenue from financial assets		**43 517 926**	**43 517 926**

Financial risk management
Overview

141. The Organization has exposure to the following financial risks:
  a) Credit risk;
  b) Liquidity risk;
  c) Market risk

142. The present note and note 22: “Financial instruments: Cash pool” present information on the Organization's exposure to those risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk management framework

143. The Organization's risk management practices are in accordance with its Financial Regulations and Rules and Investment Management Guidelines. The Organization defines the capital that it manages as the aggregate of its net assets, which comprises accumulated fund balances and reserves. Its objectives are to safeguard its ability to continue as a going concern, to fund its asset base and to accomplish its objectives. The Organization’s capital is managed in the light of global economic conditions, the risk characteristics of the underlying assets and the Organization’s current and future working capital requirements.

Financial risk management: credit risk

144. Credit risk is to the risk of financial loss resulting from a counterparty to a financial instrument failing to meet on its contractual obligations. Credit risk arises from cash and cash equivalents, investments, deposits and forward currency contracts with financial institutions, as well as credit exposure to outstanding receivables. The carrying value of financial assets is to the maximum exposure to credit risk.

145. The investment management function is centralized at the United Nations Treasury. Other areas are not permitted, in normal circumstances, to engage in investing. An area may receive exceptional approval when conditions warrant investing locally under specified parameters that comply with the Investment Management Guidelines.

Credit risk: contributions receivable and other receivables

146. A large portion of the contribution’s receivable is due from sovereign Governments and supranational agencies, including other United Nations entities that do not have significant credit risk. The maximum exposure to credit risk of financial assets equals their carrying amount. As at the reporting date, the Organization held no collateral as security for receivables.

Credit risk: allowance for doubtful receivables

147. The Organization evaluates the allowance for doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the Organization will not collect the full amount due. Management-approved write-offs under the Financial Regulations and Rules or reversals of previously impaired receivables are recognized directly in the statement of financial performance. The movement in the allowances account during the year is shown below.

Movement in the allowance for doubtful receivables
(United States dollars)

	Total allowance for doubtful receivables
Opening balance – indicative contribution receivable	3 218 487
Net movement 2024	52 777

	Total allowance for doubtful receivables
As at 31 December 2024 – indicative contribution receivable	**3 271 264**
Opening balance – voluntary contribution receivable	0
Net movement 2024	0
As at 31 December 2024 – voluntary contribution receivable	**0**
Total as at 31 December 2024	**3 271 264**

148. The carrying amounts of the indicative contribution receivable are denominated in euros. The age and associated allowance of indicative contributions and voluntary contributions at the reporting date are as follows.

Ageing of indicative contributions
(United States dollars)

	31 December 2024		*31 December 2023*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Less than one year	699 357	89 348	455 491	53 121
One to two years	400 579	112 241	793 003	221 081
Two to three years	428 762	205 053	315 675	156 247
Three to four years	149 075	104 632	261 215	182 789
More than four years	2 854 486	2 759 990	2 727 280	2 605 249
Revaluation	(221 475)		18 596	
Total	**4 310 784**	**3 271 264**	**4 571 261**	**3 218 487**

Ageing of voluntary contributions
(United States dollars)

	31 December 2024		*31 December 2023*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Less than one year	23 925 827	0	7 188 062	0
One to two years	761 720	0	(26 324)	0
Two to three years	0	0	130 000	0
More than three years	503 787	0	558 844	0
Total	**25 191 334**	**0**	**7 850 582**	**0**

Credit risk: cash and cash equivalents

149. At the year end, the Organization had cash and cash equivalents of USD 6.01 million (2023: USD 6.29 million), which is the maximum credit exposure on those assets. See Note 22: Financial instruments: Cash Pool.

Financial risk management: liquidity risk

150. Liquidity risk is the risk that the Organization might not have adequate funds to meet its obligations as they fall due. The Organization's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organization's reputation.

151. The Financial Regulations and Rules of the United Nations require that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses before the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to amounts receivable.

152. The Organization performs cash flow forecasting and monitors rolling forecasts of liquidity requirements to ensure that there is sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The Organization maintains a large portion of its investments in cash equivalents and short-term investments sufficient to cover its commitments as and when they fall due.

Liquidity risk: financial liabilities

153. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the cash and cash equivalents, receivables and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations.

Financial risk management: market risk

154. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the Organization's revenue or the value of its financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the Organization's fiscal position.

Market risk: interest rate risk

155. Interest rate risk is the risk of variability in financial instruments' fair values or future cash flows due to a change in interest rates. In general, as an interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, with duration being a number expressed in years. The longer the duration, the greater the interest rate risk. The main exposure to interest rate risks relates to the cash pools and is considered in note 22: Financial instruments: cash pools.

Market risk: currency risk

156. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The Organization has transactions, assets and liabilities in currencies other than in its functional currency and is exposed to currency risk arising from fluctuations in exchange rates.

157. The Organization's financial assets and liabilities are primarily denominated in euros and United States dollars. Non-United States dollar financial assets primarily relate to indicative and voluntary contributions receivables. The Organization participates in the United Nations cash pool and does not maintain own bank accounts.
The most significant exposure to currency risk relates to indicative contributions receivable and voluntary contribution receivable. As at the reporting date, the non-United States dollar denominated balances in those financial assets were primarily Euros.

Currency risk: sensitivity analysis

158. A strengthening or weakening of foreign currencies from United Nations operational rates of exchange as at the reporting date would have affected the measurement of assets and liabilities denominated in a foreign currency. Below analysis includes three main foreign currencies (EUR, CAD and SAR) to which UNCCD is exposed at the reporting date. It is based on foreign currency exchange rate variances considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

Currency exposure as at 31 December 2024

(In United States dollars)

	EUR	CAD	SAR
Indicative contributions receivable	20 585 133	-	-
Voluntary contributions receivable	(290)	-	-
Other accounts receivable	135 527	-	-
Other Current Assets	625	-	-
Accounts payable and accrued expenses	(1 185 977)	(9 355)	(7 527)
Advance receipts	(1 994 251)	-	-

Total	17 540 768	(9 355)	(7 527)
Currency exposure sensitivity analysis			
USD exchange rate as at 31 December 2024	0,960	1,442	3,755
Effect of a 10% increase of the exchange rate (in USD)	1 754 077	936	753
Effect of a 10% decrease of the exchange rate (in USD)	(1 754 077)	(936)	(753)

Other market price risk

159. The Organization is not exposed to other significant market price risk as it has limited exposure to price-related risk with respect to expected purchases of certain commodities used in normal operations. Therefore, change in those prices can only alter cash flows by an immaterial amount.

Accounting classifications and fair value

160. The carrying value of fair value through net assets and equity investments is fair value. For cash and cash equivalents, receivables and accounts payable, carrying value is a fair approximation of fair value.

Fair value hierarchy

161. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
c) Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

162. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the cash pools is the current bid price.

163. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

164. There were no level 3 financial assets or any liabilities carried at fair value or any transfers of financial assets between fair value hierarchy classifications. The fair value hierarchy for the cash pools is disclosed in note 22: Financial instruments: cash pools.

Note 22: Financial instruments: Cash Pool

165. In addition to directly held cash and cash equivalents and investments, the United Nations Convention to Combat Desertification ("UNCCD") participates in the United Nations Treasury cash pool. The main pool comprises operational bank account balances in a number of currencies and investments in United States dollars.

166. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale, and by the ability to spread yield curve exposures across a range of maturities. The allocation of cash pool assets (cash and cash equivalents, short-term investments and long-term investments) and revenue is based on each participating entity's principal balance.

167. As at 31 December 2024, the cash pools and the total assets for $12,076.1 million (2023: $11,548.7 million), of which $50.0 million (or 0.41%) was due to the Organization (2023: $45.5 million), and its share of revenue from cash pools was $2.248 million (2023: $1.746 million).

Summary of assets and liabilities of the main pool as at 31 December 2024
(Thousands of United States dollars)

	Main pool	*UNCCD's share*
Fair value through net asset/equity		
Short-term investments	7 742 472	32 052
Long-term investments	2 882 612	11 934
Total fair value through net asset/equity investments	**10 625 084**	43 986
Loans and receivables		
Cash and cash equivalents	1 312 000	5 431
Accrued investment revenue	139 050	576
Total loans and receivables	**1 451 050**	6 007
Total carrying amount of financial assets	**12 076 134**	**49 993**

Summary of revenue and expenses of the main pool for the year ended 31 December 2024
(Thousands of United States dollars)

	Main pool	*UNCCD's share*
Investment revenue	577 165	2 248
Investment revenue [a]	**577 165**	**2 248**
Foreign exchange gains / (losses)	8 723	39

Bank fees	(733)	(3)
Operating gains (losses)	**7 990**	**36**
Revenue and expenses	**585 155**	**2 284**

[a] Unrealized loss from cash pools mark to market revaluation is reported under the statement of net assets in accordance with IPSAS 41.

Summary of assets and liabilities of the main pool as at 31 December 2023
(Thousands of United States dollars)

	Main pool	*UNCCD's share*
Fair value through the surplus or deficit		
Short-term investments	7 554 712	29 770
Long-term investments	2 397 703	9 448
Total fair value through the surplus or deficit investments	**9 952 415**	**39 218**
Loans and receivables		
Cash and cash equivalents	1 485 897	5 855
Accrued investment revenue	110 348	435
Total loans and receivables	**1 596 245**	**6 290**
Total carrying amount of financial assets	**11 548 660**	**45 508**

Summary of revenue and expenses of the main pool for the year ended 31 December 2023
(Thousands of United States dollars)

	Main pool	*UNCCD's share*
Investment revenue	488 377	1 746
Investment revenue [a]	**488 377**	**1 746**
Foreign exchange gains / (losses)	9 194	33
Bank fees	(808)	(3)
Operating gains (losses)	**8 386**	**30**
Revenue and expenses	**496 763**	**1 776**

Financial risk management

168. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

169. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market rate of return component of the objectives.

170. An investment committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates thereto.

Financial risk management: credit risk

171. The Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible cash pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The cash pools do not invest in derivative instruments such as asset-backed and mortgage-backed securities or equity products.

172. The Guidelines require that investments are not to be made in issuers whose credit ratings are below specifications and also provide for maximum concentrations with given issuers. These requirements were met at the time the investments were made.

173. The credit ratings used for the cash pools are those determined by major credit-rating agencies; Standard & Poor's and Moody's and Fitch are used to rate bonds, certificates of deposit and discounted instruments, and the Fitch viability rating is used to rate bank term deposits. At year-end, the credit ratings were as shown below.

Investments of the cash pool by credit ratings as at 31 December 2024

Main pool	*Ratings as at 31 December 2024*				*Ratings as at 31 December 2023*			
Bonds (Long term ratings)				**Bonds (Long term ratings)**				
	AAA	**AA+/AA-/AA**	**NA**		**AAA**	**AA+/AA-/AA**		**NA**
S&P	22.2%	77.8%	-	S&P	37.1%	62.9%		0.3%
Fitch	**AAA**	**AA+/AA/AA-**	**NA/NR**	Fitch	**AAA**	**AA+/AA/AA-**	**A+**	**NA/NR**
	9.9%	69.4%	20.7%		28.4%	53.3%	1.3%	17.0%
	Aaa	**Aa1/Aa2/Aa3**	**NA**		**Aaa**	**Aa1/Aa2/Aa3**		**NA**
Moody's	37.7%	53.6%	8.7%	Moody's	61.9%	30.5%		7.6%
Commercial papers/ Certificates of Deposit (Short term ratings)				**Commercial papers/ Certificates of Deposit (Short term ratings)**				
	A-1+/A-1				**A-1+/A-1**			
S&P	100.0%			S&P	100.0%			
	F1+/F1		**NR**		**F1+/F1**			**NR**
Fitch	97.6%		2.4%	Fitch	98.8%			1.2%
	P-1				**P-1/P2**			
Moody's	100.0%			Moody's	100.0%			
Term deposits/demand deposit account (Fitch viability ratings)				**Term deposits/demand deposit account (Fitch viability ratings)**				
	aa/aa-	**a+/a/a-**	**NR**		**aa/aa-**	**a+/a/a-**		
Fitch	33.7%	64.9%	1.4%	Fitch	23.8%	76.2%		

174. The United Nations Treasury actively monitors credit ratings and, given that the Organization has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Financial risk management: liquidity risk

175. The cash pools are exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. They maintain sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within a day's notice to support operational requirements. The cash pool liquidity risk is therefore considered to be low.

Financial risk management: interest rate risk

176. The cash pools comprise the Organization's main exposure to interest rate risk with fixed-rate cash and cash equivalents and investments being interest-bearing financial instruments. As at the reporting date, the cash pools had invested primarily in securities with shorter terms to maturity, with the maximum being less than five years (2023: four years). The average duration of the main pool on 31 December 2024 was 0.78 years (2023: 0.65 years), which is considered to be an indicator of low risk

Cash pools interest rate risk sensitivity analysis

177. This analysis shows how the fair value of the cash pools as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. Given that the investments are accounted for at fair value through net asset/equity, the change in fair value represents the increase or decrease in net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). The basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis as at 31 December 2024

Shift in yield curve (basis points)	*-200*	*-150*	*-100*	*-50*	*0*	*+50*	*+100*	*+150*	*+200*
Increase/(decrease) in fair value (Millions of United States dollars):									
Main pool total	180.84	135.62	90.41	45.20	0	(45.20)	(90.39)	(135.57)	(180.75)

Main pool interest rate risk sensitivity analysis as at 31 December 2023

Shift in yield curve (basis points)	*-200*	*-150*	*-100*	*-50*	*0*	*+50*	*+100*	*+150*	*+200*
Increase/(decrease) in fair value (Millions of United States dollars):									
Main pool total	144.78	108.58	72.38	36.19	0	(36.19)	(72.37)	(108.55)	(144.73)

Other market price risk

178. The cash pools are not exposed to significant other price risks because they do not sell short, borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value hierarchy

179. All investments are reported at fair value through net asset/equity. Cash and cash equivalents carried at nominal value are deemed to be an approximation of fair value.

180. The levels are defined as:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liabilities that are not based on observable market data (that is, unobservable inputs).

181. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third-parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held in the cash pools is the current bid price.

182. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximise the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2.

183. The following fair value hierarchy presents the cash pool assets that are measured at fair value at the reporting date. There were no Level 3 financial assets nor any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy for investments of United Nations as at 31 December: main pool
(Thousands of United States dollars)

	31 December 2024			*31 December 2023*		
	Level 1	*Level 2*	*Total*	*Level 1*	*Level 2*	*Total*
Financial assets at fair value through surplus or deficit						
Bonds – corporate	94 875	–	94 875	118 115	–	118 115
Bonds – non-United States agencies	2 608 429	–	2 608 429	2 468 680	–	2 468 680
Bonds – supranational	478 759	–	478 759	770 234	–	770 234
Bonds – United States treasuries	793 328	–	793 328	1 185 059	–	1 185 059
Bonds – non-United States sovereigns	99 527	–	99 527	97 824	–	97 824
Main pool – commercial papers	–	934 677	934 677	–	510 193	510 193
Main pool – certificates of deposit	–	3 245 489	3 245 489	–	2 982 310	2 982 310
Main pool – term deposits	–	2 370 000	2 370 000	–	1 820 000	1 820 000
Total	**4 074 918**	**6 550 166**	**10 625 084**	**4 639 912**	**5 312 503**	**9 952 415**

Note 23: Related Parties

184. The key management personnel of UNCCD are the Executive Secretary, Deputy Executive Secretary and Heads of the units, who have the authority and responsibility for planning, directing, and controlling the activities of UNCCD and influencing its strategic direction.

185. The below table does not include the remuneration and final settlements and repatriation grants for the staff left during and prior to 2024.

Key management remuneration

(United States dollars)

	Number of Individuals (full time equivalents)	*Aggregate Remuneration*	*After-service health insurance, repatriation, and annual leave liability*
Senior Management (2024)	11	2 569 153	735 000
Senior Management (2023)	10	2 356 367	668 000

186. The aggregate remuneration paid to key management personnel includes gross salaries, post adjustment, entitlements, assignments and other grant, rental subsidy, personal effects shipment costs, income tax reimbursement, employer contributions to pension plan and current health insurance contributions. Key management personnel are also qualified for post-employment benefits which are payable only upon separation. In addition to the aggregate remuneration, the post-employment benefits for the key management personnel as at 31 December 2024 in the amount of USD 735,000 provided by the actuary.

187. Key management personnel are ordinary members of the United Nations Joint Staff Pension Fund (UNJSPF).

188. Advances are those made against entitlements in accordance with the staff rules and regulations. There were no loans granted to key management personnel.

189. Except otherwise noted in these statements for revenue from non-exchange transactions including contributions in kind, all transactions made with third parties occur within a normal supplier or client/recipient relationship or at arm's length terms and conditions.

190. The charges paid to the United Nations (UN Office at Geneva – UNOG) for services related to security, payroll, treasury and other services are considered to be provided on a normal supplier basis. The United Nations Secretariat also provides support services on a normal supplier basis such as translation and editing of documents related to the meetings of the Conference of Parties to the Organization. In addition, the United Nations Volunteers (UNV) is responsible for the management of the building occupied by UNCCD in Bonn, Germany. UNV charges UNCCD for the costs of space occupancy and security services on a normal supplier basis.

191. The authority to establish funds is vested in the Secretary General of the United Nations with

the approval of the Conference of the Parties. All such funds must be consistent with the objectives of the UN Convention to Combat Desertification. The termination of any existing fund by the Conference of the Parties and the distribution of any remaining fund balance is subject to consultation with the Secretary General of the United Nations.

192. The Organization reimburses the United Nations for the cost of all services provided at such rates as may from time to time be agreed upon for that purpose by both organizations.

Note 24: Leases and commitments and contingencies

193. UNCCD has an operating lease for photocopiers. The leases for photocopiers consist on monthly rental payments and additional consumable charges. These additional charges are considered contingent rents and are not included in the minimum lease payments disclosed below.

194. The minimum lease payments under non-cancellable property recognised as expenses in 2024 are USD 31,538 compared to USD 22,820 in 2023. There are no leases qualifying as finance leases at the reporting date.

195. Other commitments relate to the acquisition of goods and services contracted for, but not delivered, as at 31 December 2024 amount to USD 3,220,317 (2023: USD 2,949,742).

Contingent assets and liabilities

196. No contingent assets or liabilities during the reporting period.

Note 25: Events after the reporting date

197. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date on which the financial statements were authorized for issue that would have had a material impact on these statements.

Note 26: Fund Accounting

198. The UNCCD is a single purpose entity established by the Parties to the Convention and the United Nations. The UNCCD has one major mandate to assist the signatories of the Convention to improve the living conditions for people in drylands, to maintain and restore land and soil productivity, and to mitigate the impact of land degradation and protect our land so we can provide food, water, shelter and economic opportunity to all people. To provide additional information for use to senior management and Parties to the Convention supplemental disclosures are prepared on a fund accounting basis, showing at the end of the period the consolidated position of all UNCCD funds. Fund balances represent the accumulated residual of revenue and expenses.

199. The following separate funds have been established:

- Trust fund for the Core Budget of UNCCD financed from indicative contributions (or general-purpose contributions from donors) supports the core functions of the secretariat.

- Trust fund for Participation of Representatives of eligible State Parties affected by Desertification and/or Drought in the sessions of the Conference of the Parties and its Subsidiary Bodies.
- Special Fund for the voluntary financing of activities under the UNCCD (United Nations Convention to Combat Desertification) enabling a donor or a recipient government to make voluntary contributions supports mandated activities for which provisions are not made under the Core budget.
- Trust fund for Convention Events organized by the UNCCD Secretariat.
- Special account for Programme Support Costs financed from charges made to the projects financed from voluntary contributions used to manage the overhead charges payable on all trust funds to cover costs relating to administrative services.
- Special account for UNCCD Cost Recovery under the Host Country Agreement used to finance costs associated with the hosting of the Conference of the Parties under the host country agreement. Balances in this account are refunded to the host country.
- Trust Fund for voluntary financing of Global Mechanism

200. Transactions occurring between funds are accounted for at cost and eliminated on consolidation.

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION
Statement I : Statement of Financial Position by Fund
as at 31 December 2024

	TRUST FUND FOR CONVENTION EVENTS ORGANIZED BY THE UNCCD SECRETARIAT (BMA)		TRUST FUND FOR VOLUNTARY FINANCING OF THE UNCCD GLOBAL MECHANISM (GMZ)		TRUST FUND FOR PARTICIPATION OF REPRESENTATIVES OF STATE PARTIES IN THE SESSION OF THE UNCCD CONFERENCE(UVA)		TRUST FUND FOR VOLUNTARY FINANCING OF ACTIVITIES UNDER THE UNCCD (UWA)		TRUST FUND FOR THE CORE BUDGET OF THE UNCCD (UXA)		SPECIAL ACCOUNT FOR UNCCD PROGRAMME SUPPORT COST (ZQA)		SPECIAL ACCOUNT FOR UNCCD COST RECOVERY UNDER HCA (ZHC)		TOTAL	
	31 December 2024	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*	*31 December 2024*	*31 December 2023*
Assets																
Current Assets																
Cash and cash equivalents	44 564	87 740	1 232 688	993 531	135 535	45 425	3 527 307	4 125 859	407 642	576 706	381 115	163 200	278 200	297 607	6 007 052	6 290 067
Investments	237 785	415 258	6 577 344	4 702 185	723 186	214 986	18 820 912	19 526 875	2 175 083	2 729 434	2 033 545	772 391	1 484 412	1 408 514	32 052 266	29 769 643
Indicative contributions receivable	-	-	-	-	-	-	-	-	1 039 521	1 352 774	-	-	-	-	1 039 521	1 352 774
Voluntary contributions receivable	-	-	6 745 620	1 856 123	1 150 000	35 928	626 498	1 703 255	-	-	-	-	-	-	8 522 118	3 595 307
Other accounts receivable	5 267	443	1 152	120	-	-	50 412	28 915	77 541	109 476	10 033	10 690	7 385	6 432	151 791	156 076
Other current assets	1 770 -	(1 343)	10 234	14 472	682 685	(18 005)	75 518	148 434	705 427	336 864	13 668	13 765	3 732	25 427	1 493 034	519 614
Total current Assets	289 387	502 099	14 567 038	7 566 431	2 691 406	278 334	23 100 647	25 533 338	4 405 214	5 105 253	2 438 361	960 046	1 773 729	1 737 980	49 265 781	41 683 481
Non-Current Assets																
Investments	88 530	131 794	2 448 821	1 492 372	269 250	68 232	7 007 243	6 197 409	809 809	866 263	757 112	245 140	552 664	447 032	11 933 430	9 448 243
Voluntary contributions receivable	-	-	15 541 857	2 000 559	-	-	1 127 358	2 254 716	-	-	-	-	-	-	16 669 215	4 255 275
Fixed Assets	-	-	-	-	-	-	-	-	2 953	6 891	-	-	-	-	2 953	6 891
Total Non-Current Assets	**88 530**	**131 794**	**17 990 679**	**3 492 931**	**269 250**	**68 232**	**8 134 601**	**8 452 125**	**812 762**	**873 154**	**757 112**	**245 140**	**552 664**	**447 032**	**28 605 599**	**13 710 408**
Total Assets	**377 917**	**633 892**	**32 557 717**	**11 059 361**	**2 960 656**	**346 566**	**31 235 248**	**33 985 463**	**5 217 976**	**5 978 408**	**3 195 474**	**1 205 187**	**2 326 393**	**2 185 012**	**77 871 380**	**55 393 889**
Liabilities																
Current liabilities																
Accounts payable and accrued expenses	542	10 445	52 458	49 900	1 843 384	186 648	2 536 313	902 951	180 499	113 403	57 208	16 444	271 207	710 237	4 941 613	1 990 027
Advance receipts	-	-	22 574	22 574	-	-	6 078 393	8 358 492	202 679	757 766	-	-	-	-	6 303 646	9 138 832
Employee benefit liability	684	2 064	38 388	3 778	-	-	59 746	29 342	631 127	790 401	362 954	328 659	-	-	1 092 898	1 154 244
Other current liabilities	(0)	-	-	-	-	-	-	-	53 312	-	65 791	96 264	-	-	119 103	96 264
Total Current Liabilities	**1 226**	**12 509**	**113 420**	**76 252**	**1 843 384**	**186 648**	**8 674 452**	**9 290 784**	**1 067 617**	**1 661 570**	**485 954**	**441 367**	**271 207**	**710 237**	**12 457 261**	**12 379 367**
Non-Current Liabilities																
Employee benefit liability	-	-	-	-	-	-	-	-	18 640 000	16 154 000	13 354 000	11 549 000	-	-	31 994 000	27 703 000
Total Non-Current Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18 640 000**	**16 154 000**	**13 354 000**	**11 549 000**	**-**	**-**	**31 994 000**	**27 703 000**
Total Liabilities	**1 226**	**12 509**	**113 420**	**76 252**	**1 843 384**	**186 648**	**8 674 452**	**9 290 784**	**19 707 617**	**17 815 570**	**13 839 954**	**11 990 367**	**271 207**	**710 237**	**44 451 261**	**40 082 367**
Net Assets	**376 691**	**621 384**	**32 444 297**	**10 983 110**	**1 117 272**	**159 918**	**22 560 796**	**24 694 679**	**(14 489 641)**	**(11 837 162)**	**(10 644 480)**	**(10 785 180)**	**2 055 185**	**1 474 774**	**33 420 119**	**15 311 523**
Accumulated surpluses/(deficits)	(592 073)	(347 381)	31 919 606	10 458 419	1 073 175	115 822	20 974 644	23 108 528	(11 833 913)	(10 839 434)	(4 796 927)	(6 057 627)	2 182 041	1 601 631	38 926 554	18 039 958
Actuarial gain (loss) recognized in net asse	968 764	968 764	524 691	524 691	-	-	902 321	902 321	(3 609 747)	(1 951 747)	(6 244 720)	(5 124 720)	-	-	(7 458 691)	(4 680 691)
Operating reserves	-	-	-	-	44 097	44 097	683 830	683 830	954 018	954 018	397 166	397 166	(126 856)	(126 856)	1 952 255	1 952 255
Total Fund Balances and Reserves	**376 691**	**621 383**	**32 444 297**	**10 983 110**	**1 117 272**	**159 919**	**22 560 795**	**24 694 679**	**(14 489 642)**	**(11 837 163)**	**(10 644 481)**	**(10 785 181)**	**2 055 185**	**1 474 775**	**33 420 118**	**15 311 522**

STATEMENT II

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

Statement of Financial Performance for the period 1 January to 31 December 2024 by fund

(in United States dollars)	TRUST FUND FOR CONVENTION EVENTS ORGANIZED BY THE UNCCD SECRETARIAT (BMA)		TRUST FUND FOR VOLUNTARY FINANCING OF THE UNCCD GLOBAL MECHANISM (GMZ)		TRUST FUND FOR PARTICIPATION OF REPRESENTATIVES OF STATE PARTIES IN THE SESSION OF THE UNCCD CONFERENCE (UVA)		TRUST FUND FOR VOLUNTARY FINANCING OF ACTIVITIES UNDER THE UNCCD (UWA)		TRUST FUND FOR THE CORE BUDGET OF THE UNCCD (UXA)		SPECIAL ACCOUNT FOR UNCCD PROGRAMME SUPPORT COST (ZQA)		SPECIAL ACCOUNT FOR UNCCD COST RECOVERY UNDER HCA (ZHC)		ELIMINATIONS		TOTAL	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
REVENUE																				
Indicative contributions	-	-	-	-	-	-	-	-	8 550 676	8 204 642	-	-	-	-	-	-	8 550 676	8 204 642
Voluntary contributions	567,472	528 740	25 855 745	856 382	4 461 400	369 485	14 876 184	7 637 599	552 151	542 197	-	-	3 888 548	16 942	-	-	50 201 500	9 951 345
Interest Revenue	23,992	22 263	291 270	276 881	76 117	8 865	1 412 137	1 209 651	240 466	116 349	69 806	12 317	134 149	99 869	-	-	2 247 937	1 746 196
Other revenue	-	15 369	-	139 232	-	(391)	-	(40 186)	-	565 015	-	19 880	-	1 727	-	-	-	700 646
Programme support revenue	-	-	-	-	-	-	-	-	-	-	4 491 483	2 930 712	-	-	(4 491 483)	(2 930 712)	-	-
TOTAL REVENUE	**591 463**	**566 372**	**26 147 014**	**1 272 495**	**4 537 517**	**377 959**	**16 288 320**	**8 807 064**	**9 343 293**	**9 428 204**	**4 561 290**	**2 962 909**	**4 022 698**	**118 538**	**(4 491 483)**	**(2 930 712)**	**61 000 112**	**20 602 829**
EXPENSES																				
Personnel expenses	370 014	345 037	548 825	495 002	-	-	2 980 698	3 014 424	7 230 538	6 128 876	3 135 579	4 050 775	- -	(7 547)	-	-	14 265 654	14 026 568
Travel	290 949	93 259	169 745	219 443	3 064 633	278 657	2 455 740	1 313 317	120 944	431 799	3 438	8 011	1 998 623	14 387	-	-	8 104 073	2 358 873
Contractual services	52 241	85 654	701 050	600 413	12 722	-	3 962 542	2 971 758	305 150	348 404	77 625	(11 777)	307 798	116 661	-	-	5 419 128	4 111 113
Grants	-	-	2 511 259	2 053 106	-	-	6 143 991	1 760 422	238 125	25 000	-	-	492 819	-	-	-	9 386 194	3 838 528
Amortization/depreciation	-	-	-	-	-	-	-	-	3 938	3 938	-	-	-	-	-	-	3 938	3 938
Other expenses	24 452	49 651	328 093	118 694	(2 155)	128	782 152	730 839	1 378 478	1 684 966	83 951	(34 612)	356 154	31 917	-	-	2 951 124	2 581 582
Programme support costs	100 052	79 483	437 188	384 853	504 748	36 241	2 155 719	1 384 419	1 069 877	1 045 716	-	-	223 900	-	(4 491 483)	(2 930 712)	-	-
TOTAL EXPENSES	**837 708**	**653 083**	**4 696 160**	**3 871 510**	**3 579 947**	**315 026**	**18 480 842**	**11 175 179**	**10 347 050**	**9 668 699**	**3 300 593**	**4 012 397**	**3 379 294**	**155 419**	**(4 491 483)**	**(2 930 712)**	**40 130 111**	**26 920 603**
SURPLUS/DEFICIT FOR THE PERIOD	**(246 245)**	**(86 711)**	**21 450 854**	**(2 599 016)**	**957 571**	**62 933**	**(2 192 522)**	**(2 368 115)**	**(1 003 757)**	**(240 495)**	**1 260 696**	**(1 049 488)**	**643 404**	**(36 881)**	**-**	**-**	**20 870 001**	**(6 317 774)**

ACRONYMS

ASHI	After Service Health Insurance
COP	Conference of the Parties
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
IPSAS	International Public Sector Accounting Standards
OAH	Office Away from Headquarters
PP&E	Property, plant and equipment
SDG	Sustainable Development Goals
UN	United Nations
UNBOA	United Nations Board of Auditors
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNDSA	United Nations Daily Subsistence Allowance
UNFCCC	United Nations Framework Convention on Climate Change
UNHQ	United Nations Headquarters, New York
UNJSPF	United Nations Joint Staff Pension Fund
UNOG	United Nations Office at Geneva
UNORE	United Nations operational rate of exchange
UNV	United Nations Volunteers
USD	United States Dollar