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## **Steps and time frames to conduct an open and competitive bidding process for selecting host institutions for entities under the Convention**

### **Technical paper**

#### *Summary*

This technical paper presents information and experiences of bodies under the Convention and in the wider United Nations system related to the relevant steps and time frames required to conduct an open and competitive bidding process for selecting host institutions under the Convention and in the wider United Nations system.

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## **I. Introduction**

### **A. Mandate**

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, by decision 3/CMP.8, requested the secretariat to prepare a technical paper, based on the experiences of bodies under the Convention and in the wider United Nations system, on the process of selecting host institutions for entities under the Convention and in the wider United Nations system, including the steps and time frames required to conduct open and competitive bidding processes, for consideration by the Subsidiary Body for Implementation (SBI) at its thirty-eighth session.<sup>1</sup>

### **B. Scope of the paper**

2. This paper is structured as follows:

(a) Chapter II provides an overview of the general United Nations principles for procurement of services, which may serve as a general reference for the generic steps that should be followed in the selection of service providers;

(b) Chapter III relates to the experiences of bodies under the Convention in relation to the process of selecting host institutions. It includes information on the process of selecting the host of the Climate Technology Centre (CTC), mandated by the Conference of the Parties (COP) at its seventeenth session, the selection of the physical location of the permanent UNFCCC secretariat and the selection of the host country for the Green Climate Fund (GCF);

(c) Chapter IV contains an overview of the experience in and processes for selecting host institutions outside of the UNFCCC, in the wider United Nations system, and focuses on the cases of the Global Mechanism (GM) of the United Nations Convention to Combat Desertification (UNCCD), the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and the Rotterdam and Stockholm Conventions.

3. It must be noted that very few examples could be found of concrete, open and competitive bidding processes for the selection of host institutions under the Convention and in the wider United Nations system. The case of the CTC is probably the only example that comes close to meeting all the criteria mentioned in decision 3/CMP.8 for an open and competitive bidding process.

### **C. Possible action by the Subsidiary Body for Implementation**

4. The SBI may wish to consider this paper in its deliberations on the review of the Adaptation Fund and its interim institutional arrangements.

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<sup>1</sup> Decision 3/CMP.8, paragraph 12.

## II. General United Nations principles for procurement of services

5. The following general United Nations principles for procurement of services represent the criteria for conducting procurement of services by any United Nations body in a generic manner:

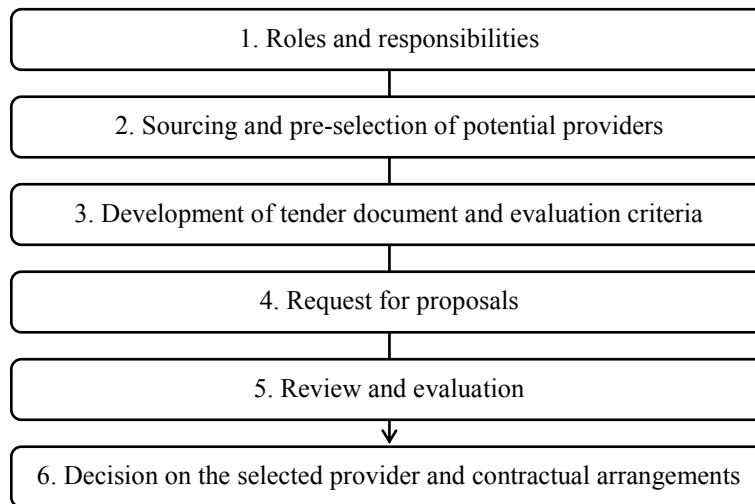
- (a) Best value for money;
- (b) Fairness, integrity and transparency;
- (c) Effective international competition;
- (d) The interest of the United Nations.

6. This does not necessarily mean that all of the principles should be mandatory in every case; rather it provides a conceptual background to establish a coherent and sound selection process.

7. The description of these principles is based on information contained in the Financial Regulations and Rules of the United Nations<sup>2</sup> and can be summarized in figure 1.

Figure 1

### Procurement flow under the general United Nations principles



#### 1. Roles and responsibilities

8. Various actors are involved in a typical United Nations process for the selection of service providers. The roles and responsibilities are strictly segregated as described below, in order to ensure fairness and neutrality and to avoid undue influence or conflict of interest:

(a) The requisitioner is the entity triggering a procurement/selection process by identifying a requirement and specifying the criteria for the selection of the services needed. It is also normally the evaluator of the substantive/technical aspects of the proposals received, often drawing on support from technical experts;

(b) An administrative entity administers the formal tender process, documents it for full transparency, and safeguards the integrity of the process and the actors involved. As part of its responsibilities, it provides guidance on procedural and methodological matters,

<sup>2</sup> United Nations Secretariat document ST/SGB/2003/7.

including the suitability of potential providers, maintains the monopoly on communication with providers throughout the tender process, and evaluates the financial aspects of proposals;

(c) A process review body examines the process for compliance with the principles and formal steps;

(d) The approving authority approves the selection and award upon consideration of the recommendation of the other actors regarding the compliance of the process and the technical and financial adequacy of the selected proposal vis-à-vis the requirement and its overall purpose;

(e) Finally, following legal advice, the selected provider and the organization, represented by the approving authority or its delegate, normally the administrative entity, conclude an agreement (“contract”) on the provision/acquisition of the required services.

## **2. Sourcing and pre-selection of potential providers**

9. At the onset, all potential providers are publicly invited to express their interest in providing the required services. In order to ensure openness and equal opportunity, this call is announced in appropriate online and print publications. Those that express interest and/or are identified through market research are screened for eligibility and suitability (pre-selected) before they are invited to submit proposals.

## **3. Development of tender document and evaluation criteria**

10. The tender document, including the terms of reference, contains further specifications of the requirement for the potential providers to respond to. Specifications must be specific enough to describe the requirement, but also generic enough to allow for all providers of relevant services to develop proposals; in particular, they must not be tailored to one provider only. As a matter of transparency, the formal, technical and financial criteria against which the proposals will be evaluated are also outlined in the tender document, alongside other elements that are relevant to potential providers (the process, legal terms and conditions, etc.).

11. A more detailed breakdown and weighting of the evaluation criteria is fixed in writing (but not necessarily published) before the proposals are opened, for full transparency and to ensure the consistency and neutrality of the evaluation.

## **4. Request for proposals**

12. The tender document is distributed to potential providers (normally those found eligible and suitable at the sourcing stage) and the submission of proposals is invited by a certain deadline. For transparency purposes, the proposals are all opened and identified publicly immediately after the deadline. For the sake of fairness and to avoid later manipulation, late proposals are not accepted. In addition, clarifications requested by individual providers about the request/tender document are shared with all providers. Notably, at this and all later stages until the final award, only the administrative entity must communicate with the interested providers, in order to ensure the neutrality of the requisitioner and evaluators and equal access to information for all potential providers.

## **5. Review and evaluation**

13. Whenever the relative quality of the proposals is to take preference over cost considerations alone, the technical proposals and the price quotations are submitted and assessed separately. This is to ensure neutrality in the assessment of the technical proposals. It is only once the technical proposals have been finally rated by the technical evaluators

that the financial proposals (price quotations) are opened and assessed by the administrative entity, and then the technical and financial ratings are combined. During the assessment/rating, the evaluation criteria must be applied exactly as previously determined, so as to render the evaluation transparent and fair to all providers.

14. Whenever necessary, clarification/elaboration of the proposals can be sought from the providers through the administrative entity; however, substantive or financial revisions of individual proposals are not allowed, unless fair and equal opportunity to do so is given to all providers simultaneously.

**6. Decision on the selected provider and contractual arrangements**

15. A review body independent from the other players reviews the process for compliance with the principles of openness, transparency, fairness and neutrality, and recommends to the approving authority whether or not to select the provider as per the evaluator's and administrative entity's evaluation. The approving authority considers these evaluations and recommendations and decides on the final award.

16. Once that decision has been finalized, the approving authority and the selected provider jointly initiate consideration of contractual arrangements, including on provisions or acquisitions required for the services, and conclude the agreement as a "contract".

**III. Experiences of bodies under the Convention in relation to the process of selecting host institutions or countries**

**A. Selection of the host of the Climate Technology Centre**

**1. Background**

17. The COP, by decision 1/CP.16, decided to establish a Technology Mechanism, comprising a Technology Executive Committee (TEC) and a Climate Technology Centre and Network.<sup>3</sup>

18. By decision 2/CP.17, the COP decided that the selection process for the host of the CTC should be launched upon the conclusion of COP 17 and should be conducted in an open, transparent, fair and neutral manner in accordance with the process outlined in that decision, and informed by United Nations practices, in order to make the Technology Mechanism become fully operational in 2012.<sup>4</sup>

19. The COP, by the same decision, requested the secretariat:<sup>5</sup>

(a) To prepare and issue the call for proposals by 16 January 2012 and invite interested organizations, including consortia of organizations, to submit their proposals in response to the call for proposals by 16 March 2012;

(b) To provide responses to inquiries from interested organizations in consultation with the evaluation panel referred to in paragraph 19 (d) below, as appropriate;

(c) To compile the executive summaries contained in the submitted proposals and make them available simultaneously on the UNFCCC website;

(d) To convene an evaluation panel, consisting of three members from Parties included in Annex I to the Convention (Annex I Parties) and three from Parties not

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<sup>3</sup> Decision 1/CP.16, paragraph 117.

<sup>4</sup> Decision 2/CP.17, paragraph 136.

<sup>5</sup> Decision 2/CP.17, paragraph 137.

included in Annex I to the Convention (non-Annex I Parties) as nominated by the TEC from within its membership, by the end of February 2012:

- (i) To conduct an assessment of the proposals received based on the methodology described in the criteria to be used to evaluate and select the host of the CTC contained in decision 2/CP.17, annex VIII, paragraph 9;
- (ii) To prepare an evaluation report with a shortlist ranking up to five proponents, including information on how the criteria for the evaluation have been applied, and make it available for consideration by the SBI at its thirty-sixth session;
- (e) To discuss the key elements of the potential host agreement with the top-ranked proponent, and, if needed, with the second-ranked and third-ranked proponents;
- (f) To report the outcome of its discussion on the key elements of the potential host agreement to the SBI at its thirty-seventh session for its consideration, with a view to recommending it for consideration and approval by the COP at its eighteenth session.

20. In response to the request of the COP referred to in paragraph 19 above, the secretariat issued the call for proposals for hosting the CTC on 16 January 2012 and invited interested organizations, including consortia of organizations, to submit their proposals to the secretariat in response to the call for proposals by 16 March 2012. Nine proponents made formal submissions responding to the call for proposals.

21. On the basis of the subsequent evaluation by the evaluation panel<sup>6</sup> and further deliberation by the SBI, the COP, at its eighteenth session, decided that the United Nations Environment Programme (UNEP), as the leader of a consortium of partner institutions, should be selected as the host of the CTC for an initial term of five years.<sup>7</sup>

## 2. Issues in the selection of the host of the Climate Technology Centre

22. On the basis of the general United Nations principles for procurement of services mentioned in paragraph 5 above, the following process and issues were identified in selecting the host of the CTC.

### *Actors, roles and responsibilities*

23. The actors in the selection process were as follows:

- (a) Requisitioner: the COP;
- (b) Evaluator: designated evaluation panel, consisting of three members from Annex I Parties and three from non-Annex I Parties as nominated by the TEC from within its membership;
- (c) Review of process and recommendation of the host: the SBI;
- (d) Approving authority: the COP;
- (e) Provider of administrative, legal and technical/substantive support to the process: the UNFCCC secretariat.

### *Sourcing and pre-selection of potential providers*

24. At the first stage of a solicitation process, potential providers would normally be invited, through publication on the Internet and other appropriate media, to express their interest, so as to ensure openness and equal opportunity. Those that express interest and

<sup>6</sup> FCCC/SBI/2012/INF.4.

<sup>7</sup> Decision 14/CP.18, paragraph 2.

others identified through market research would be screened for eligibility and suitability (pre-selected and registered) before they are invited to submit proposals.

*Development of tender document and evaluation criteria*

25. In the case of selecting the host of the CTC, Parties wanted to select the proposal that offered best value for money overall, which meant that the proposal that was eventually selected was not necessarily the cheapest or the most ambitious, but the one that represented the best cost–benefit ratio. In this regard, the method used for solicitation, in United Nations procedural terms, was a Request for Proposals, as opposed to an Invitation to Bid.

26. The contents to be included in the tender document were finalized by the secretariat in conjunction with the formal issuance of the call for proposals on 16 January 2012 after consecutive deliberations among Parties.

27. The evaluation criteria were also deliberated by Parties under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and finalized by the COP at its seventeenth session as the criteria to be used to evaluate and select the host of the CTC and the information required to be included in the proposals.<sup>8</sup>

*Request for proposals*

28. In accordance with the United Nations principles for procurement of services and decision 2/CP.17, paragraph 137(a), the secretariat issued the call for proposals by publishing it openly through the appropriate fora and channels, including posting it on the UNFCCC website and disseminating the tender document to interested organizations upon request, with a view to ensuring openness and equal opportunity.

29. For the purpose of transparency, the call for proposals explicitly stated that:

- (a) Proposals had to be submitted to the secretariat not later than 16 March 2012;
- (b) Proposals would be opened by the UNFCCC secretariat on 16 March 2012 at 3 p.m. CET and the list of proponents and executive summaries included in the proposals would be made available on the UNFCCC website on the next business day;

30. The secretariat also allowed all potential proponents to submit queries relating to the call for proposals in writing by 3 February 2012, which were compiled, responded to and shared with all proponents on 24 February 2012.

*Review and evaluation*

31. Pursuant to decision 2/CP.17, paragraph 137(d), the TEC nominated the members of the evaluation panel from within its membership on 17 February 2012, consisting of three members from Annex I Parties and three from non-Annex Parties.

32. It was essential to ensure the integrity of the process that the evaluators would not be subject to influence from any external party, especially by committing themselves not to be in direct contact with any of the interested organizations in any matter relating to the CTC or the selection of its host for the entire period from the issuance of the call for proposals until a final decision on the selection was made by the COP. Therefore, the evaluation panel, with the support of the TEC, agreed not to disclose its membership at that stage, in the interests of safeguarding the neutrality and integrity of the selection process.

33. In conducting the evaluation of the proposals, the evaluation panel used the following modalities and process:

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<sup>8</sup> Decision 2/CP.17, annex VIII.



(a) Individual assessments and scoring of proposals by evaluation panel members, including narratives providing the rationale for the scoring. The scoring, in the first instance, was based on the merits of the individual proposal, so as to establish the absolute, and not the relative, quality of the proposals. The evaluation panel members completed the evaluation independently and did not discuss and compare scoring with the other evaluation panel members during this step in the evaluation process;

(b) Consolidation of all individual scores by the secretariat and the calculation of average scores for each subcriterion, yielding the average total technical score for each proposal;

(c) Joint evaluation by the evaluation panel. Review by the evaluation panel of the average and individual ratings of the proposals, the individual rationales for the rating and the resulting ranking, with a view to collectively verifying the scoring results. The ratio of value for money was also calculated for proposals meeting the threshold, as specified in decision 2/CP.17, annex VIII, paragraph 10, and was taken into consideration by the evaluation panel.

34. In accordance with the standard practice of the United Nations, all communication between interested organizations, proponents and the evaluation panel and team was channelled through a particular e-mail address and was managed by the secretariat in consultation with the evaluation panel.

35. In accordance with the modalities and process as stated in paragraph 33 above and the evaluation methodology provided in decision 2/CP.17, annex VIII, the evaluation panel conducted a detailed evaluation, including the assessment of the value for money of each proposal, and consequently presented a shortlist ranking three proponents, for consideration by the SBI at its thirty-sixth session.

*Decision on the selected provider and contractual arrangements*

36. The SBI, at its thirty-sixth session, agreed on a ranked list of proponents described in the report on the evaluation of the proposals. The SBI, at its thirty-seventh session, recommended to the COP the selection of the consortium led by UNEP as the host of the CTC, which the COP approved.

37. At the same session, the COP also adopted the memorandum of understanding between the COP and UNEP regarding the hosting of the CTC, on the basis of the recommendation made by the SBI at its thirty-seventh session, which was prepared by the UNFCCC secretariat and UNEP.

**3. Steps in and time frame for the process**

38. The steps in and time frame for the process of selecting the host of the CTC are shown in table 1.

Table 1

**Steps in and time frame for the process of selecting the host of the Climate Technology Centre**

<i>Date</i>	<i>Step</i>
2011	Preparatory deliberation on the modalities of selecting the host of the Climate Technology Centre (CTC), including through the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the Subsidiary Body for Implementation (SBI)
11 December 2011	Decision at the Conference of the Parties (COP) at its seventeenth session on the concrete process, timetable and criteria for selecting the

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<i>Date</i>	<i>Step</i>
	host of the CTC
16 January 2012	Issuance of the call for proposals by the secretariat
3 February 2012	Deadline for submission of all queries relating to the call for proposals from potential proponents
17 February 2012	Constitution of the evaluation panel at the second meeting of the Technology Executive Committee
24 February 2012	Issuance by the secretariat of responses to all of the queries from potential proponents
16 March 2012	Deadline for submission of proposals from proponents, and receipt, opening and preliminary examination of the proposals
19 March 2012	Issuance of the list of proponents and executive summaries of the proposals on the UNFCCC website
2 April 2012	Meeting of the evaluation panel for the joint evaluation of the proposals
23 April 2012	Issuance of the report on the evaluation of the proposals
24 May 2012	Agreement at SBI 36 on a ranked list of proponents
1 December 2012	Recommendation at SBI 37 on the host of the CTC for consideration and finalization at COP 18
7 December 2012	Decision on the host of the CTC and approval of the host agreement at COP 18

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## **B. Selection of the physical location of the permanent UNFCCC secretariat**

### **1. Background**

39. Article 8, paragraph 3, of the Convention stipulates that the COP, at its first session, shall designate a permanent secretariat and make arrangements for its functioning.

40. On that basis, the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC-FCCC), at its ninth session, initiated its deliberations on the physical location of the permanent secretariat, for conclusion and a decision by the COP at its first session. At the same session, the INC-FCCC took note with great appreciation of the offer of Uruguay to host the permanent secretariat and that of Switzerland to provide facilities to the permanent secretariat.

41. Taking into account additional offers to host the permanent secretariat made by representatives of Germany and Kenya during the tenth session of the INC-FCCC, the INC-FCCC concluded, following preliminary discussion in a contact group, that it would be useful if the Governments of Germany, Kenya, Switzerland and Uruguay, as well as any other potential host governments, would provide to the interim secretariat, by 30 September 1994, financial and physical details of their offer to provide the physical location of the permanent secretariat, including responses to the questionnaire made by the interim secretariat beforehand.<sup>9</sup>

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<sup>9</sup> INC-FCCC document A/AC.237/79/Add.4, annex I.

42. Details of the offers of the Governments of Canada, Germany, Switzerland and Uruguay were received by the interim secretariat.<sup>10</sup>

43. The INC-FCCC, at its eleventh session, invited the Governments of Canada, Germany, Switzerland and Uruguay to hold consultations before the first session of the COP, with a view to arriving at a common understanding that would facilitate a decision on the physical location of the UNFCCC secretariat.

44. The COP, at its first session, decided to accept the offer of the Government of Germany to host the UNFCCC secretariat, including providing its physical location.

## 2. Brief description of the selection process

45. While all governments were invited to provide financial and physical details of their offers, including responses to the questionnaire, as referred to in paragraph 41 above, there were no specific tender documents or evaluation criteria in selecting the physical location of the UNFCCC secretariat.

46. The process of selecting the physical location included consultation among the proponent governments, and the decision was finally put up for consideration and adoption by the COP.

## 3. Steps in and time frame for the process

47. The steps in and time frame for the process of selecting the physical location of the UNFCCC secretariat are shown in table 2.

Table 2

### Steps in and time frame for the process of selecting the physical location of the permanent UNFCCC secretariat

<i>Date</i>	<i>Step</i>
7–18 February 1994 (ninth session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC-FCCC))	Initiation of deliberations on selecting the physical location of the permanent UNFCCC secretariat
22 August to 2 September 1994 (tenth session of the INC-FCCC)	Invitation to provide financial and physical details of governments' offers, based on the questionnaire prepared by the interim secretariat
30 September 1994	Deadline for provision of offers from governments
21 December 1994	Issuance of compilation of information from potential host governments prepared by the Executive Secretary
6–17 February 1995 eleventh session of the INC-FCCC)	Invitation to the Governments of Canada, Germany, Switzerland and Uruguay to hold consultations with each other
7 April 1995 (first session of the Conference of the Parties)	Decision on the physical location of the permanent UNFCCC secretariat

<sup>10</sup> INC-FCCC document A/AC.237/Misc.45.

## **C. Selection of the host country for the Green Climate Fund**

### **1. Background**

48. The COP, by decision 3/CP.17, requested the Board of the GCF, following the receipt of expressions of interest, to conduct an open and transparent process for the selection of the host country, and to decide on a host country for endorsement by the COP at its eighteenth session, in accordance with paragraph 22 of the governing instrument.<sup>11</sup>

49. By the same decision, the COP invited Parties to submit to the Board expressions of interest for hosting the GCF by 15 April 2012, based on the criteria mentioned in that decision.<sup>12</sup>

50. Taking note with appreciation of the expressions of interest submitted by six countries for hosting the GCF, the Board, at its first meeting, decided to adopt the evaluation criteria and selection process and establish the Host Country Evaluation Committee.<sup>13</sup>

51. On the basis of the report of the Host Country Evaluation Committee,<sup>14</sup> the Board, at its second meeting, decided to select Songdo, Incheon, the Republic of Korea, as the host city of the GCF, which was subsequently endorsed by the COP by decision 6/CP.18.

### **2. Brief description of the selection process**

52. As outlined in paragraphs 48–51 above, the process of selecting the host country for the GCF was open to all interested Parties.

53. In the light of the importance of the process and the need to present a candidate for endorsement at COP 18, the Board of the GCF, at its first meeting, agreed to the following exceptional, one-off process:

- (a) Composition of the Host Country Evaluation Committee;
- (b) Identification of the roles and responsibilities of the Committee;
- (c) Decision on modalities for conducting the evaluation;
- (d) Consideration of the outcome of the evaluation report and selection of the successful candidate.

54. The Board of the GCF, at its first meeting, also defined the Host Country Evaluation Committee for the evaluation of all proposals, as well as the evaluation criteria for the selection process, which included:

- (a) Legal status, including juridical personality and legal capacity of the Fund;
- (b) Privileges and immunities provided to the Fund and its officials;
- (c) Financial arrangements and administrative and logistical support provided to the Fund;
- (d) Local facilities and conditions;
- (e) Other relevant information.

55. In conducting the evaluation of the offers submitted by the six candidate countries, the Host Country Evaluation Committee agreed on its work programme, including the

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<sup>11</sup> Decision 3/CP.17, paragraph 13.

<sup>12</sup> Decision 3/CP.17, paragraph 12.

<sup>13</sup> GCF documents DECISION B.01-12/03 and GCF/B.01-12/10, annex II.

<sup>14</sup> GCF document GCF/B.02-12/04.

development of a questionnaire<sup>15</sup> for the candidate countries, building on the evaluation criteria, and in-person meetings with the candidate countries, mainly focused on presentations by the countries as well as subsequent question and answer sessions.<sup>16</sup>

56. In order to assess whether the offer and information provided by the candidate country (a) did not meet the criteria, (b) partially met the criteria, or (c) fully met the criteria, the Committee evaluated the quality of all of the offers against each criterion, checked each offer's compliance with the criteria and allotted each result to one of the aforementioned three categories, employing the traffic light system (i.e. red, yellow and green).

### 3. Steps in and time frame for the process

57. The steps in and time frame for the process of selecting the host country for the GCF are shown in table 3.

Table 3

#### Steps in and time frame for the process of selecting the host country for the Green Climate Fund

<i>Date</i>	<i>Step</i>
11 December 2011	Invitation to Parties to submit expressions of interest for hosting the Green Climate Fund (GCF)
15 April 2012	Deadline for submission of expressions of interest by Parties
23–25 August 2012 (first meeting of the Board of the GCF)	Adoption of the evaluation criteria and selection process and establishment of the Host Country Evaluation Committee
16–18 September 2012	Meeting of the Host Country Evaluation Committee
4 October 2012	Submission of the final report by the Committee to the Board and the six candidate countries
18–20 October 2012 (second meeting of the Board)	Decision to select Songdo, Incheon, the Republic of Korea, as the host city of the GCF
8 December 2012	Endorsement of the consensus decision of the Board by the Conference of the Parties

## IV. Experiences of bodies in the wider United Nations system in selecting host institutions or countries

### A. Selection of new housing arrangements for the Global Mechanism under the United Nations Convention to Combat Desertification

#### 1. Background

58. The GM is a specialized body of the UNCCD mandated to increase the effectiveness and efficiency of existing financial mechanisms and to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of

<sup>15</sup> GCF document GCF/B.02-12/04, annex III.

<sup>16</sup> GCF document GCF/B.02-12/04, Table 2.

technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties.<sup>17</sup>

59. The Conference of the Parties to the UNCCD, by decision 24/COP.1, taken at its first session in Rome in 1997, identified the International Fund for Agricultural Development (IFAD) as the organization to house the GM, after a simplified selection process based on direct invitations to, and consultations with, IFAD and the United Nations Development Programme (UNDP). Subsequently, the GM began its operations in October 1998. A description of that selection process, however, is not included within the scope of this document, as the focus is rather on the current ongoing process to identify a new housing arrangement for the GM.

60. At its tenth session, in Changwon, the Republic of Korea, in 2011, the Conference of the Parties to the UNCCD provided additional guidance on the governance and institutional arrangements of the GM. In the relevant decision it requested, among other guidance, the Executive Secretary of the UNCCD to undertake a process to identify a new housing arrangement for the GM in consultation with the Bureau of the Conference of the Parties to the UNCCD at its tenth session.<sup>18</sup>

61. In its request, the Conference of the Parties to the UNCCD also suggested considering the inclusion of a potential co-location of the GM with the UNCCD secretariat, including consideration of costs, operational modalities and synergies, and governance efficiencies that may be achieved. Information in response to this request was to be provided no later than 1 July 2012.

62. The Executive Secretary of the UNCCD was requested to present a recommendation on the new GM housing arrangement, including potential co-location with the UNCCD secretariat, to the Conference of the Parties to the UNCCD at its eleventh session in 2013 for a final decision.

## 2. Process for selecting new housing arrangements for the Global Mechanism

63. The following elements can be identified in the approach taken under the UNCCD for the selection of new housing arrangements for the GM:

(a) Delegation of authority to the Executive Secretary of the UNCCD to identify a new housing arrangement, in consultation with the Bureau of the Conference of the Parties to the UNCCD at its tenth session, for a decision to be adopted by the Conference of the Parties to the UNCCD at its eleventh session;

(b) Basic evaluation criteria set out in decision 6/COP.10, paragraph 11, including:

- (i) Aspects considered relevant to the mandate and functions of the GM;
  - (ii) Costs;
  - (iii) Operational modalities and synergies;
  - (iv) Governance efficiencies.
- (c) Timelines for the selection process.

64. Regarding the evaluation criteria for selecting the new housing arrangements listed in paragraph 63(b) above, elements considered relevant to the mandate and functions of the

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<sup>17</sup> Article 21, paragraph 4, of the UNCCD.

<sup>18</sup> UNCCD document ICCD/COP(10)/31/Add.1.

GM related to enabling the GM to achieve its core mandate and function and facilitating its ability to implement relevant decisions of the Conference of the Parties to the UNCCD.<sup>19</sup>

65. Cost-related information includes both one-time costs incurred through relocation as well as ongoing overhead expenses on an annual basis. This cost analysis took into account the criteria of avoiding duplication and overlapping in activities and the promotion of complementarities. In addition to the costs, the benefits posed by a new housing arrangement for the GM were also considered.<sup>20</sup>

66. In relation to operational modalities and institutional synergies, a housing arrangement for the GM had to be assessed according to its ability to support the work and operations of the GM and to facilitate synergies between relevant entities. Operational modalities were taken to mean the most effective methods or procedures for ensuring that the GM is able to work and function, on a day-to-day operational level, both administratively as well as substantively in the fulfilment of its mandate, as defined by the text of the UNCCD and subsequent decisions of the Conference of the Parties to the UNCCD. In addition, the feasibility of such an arrangement was understood to consider legal and operational requirements, such as the existence of a Headquarters Agreement with the host government, and the willingness of the housing or host government to extend the provision of privileges and immunities to GM staff.<sup>21</sup>

67. The criteria for efficiency in governance imply that the new housing arrangement would be assessed based on its ability to enable the GM to meet the expectations and requirements of the Conference of the Parties to the UNCCD, in accordance with its mandate and accountability as defined in the text of the UNCCD. These criteria were also aimed at facilitating the role of the Executive Secretary of the UNCCD in ensuring oversight by the Conference of the Parties to the UNCCD, adequate reporting, and the accountability of the GM to the Conference of the Parties to the UNCCD, taking into consideration the implementation of the various administrative, legal and management responsibilities delegated to the Executive Secretary of the UNCCD.<sup>22</sup>

68. Basic timelines are suggested in the information publicly available, referring mostly:<sup>23</sup>

(a) To requesting the Executive Secretary of the UNCCD, in consultation with the Bureau of the Conference of the Parties to the UNCCD at its tenth session, to identify a new housing arrangement for the GM, including potential co-location with the UNCCD secretariat, taking into consideration information on costs, operational modalities and synergies, and governance efficiencies, for presentation to the Bureau of the Conference of the Parties to the UNCCD at its tenth session by 1 July 2012;

(b) To requesting the Executive Secretary of the UNCCD to present a recommendation on the new GM housing arrangement, including potential co-location with the UNCCD secretariat, to the Conference of the Parties to the UNCCD at its eleventh session (2013) for a final decision.

69. According to a UNCCD secretariat document,<sup>24</sup> the following options were assessed in accordance with the criteria outlined above:

(a) GM to remain with IFAD in Rome;

<sup>19</sup> UNCCD. Identification of a new housing arrangement for the Global Mechanism. Note by the secretariat. December 2012.

<sup>20</sup> As footnote 18 above.

<sup>21</sup> As footnote 18 above and UNCCD decision 6/COP.10, paragraph 9.

<sup>22</sup> As footnote 18 above.

<sup>23</sup> As footnote 18 above.

<sup>24</sup> As footnote 18 above.

- (b) GM to relocate to another entity (currently unknown) within Rome;
- (c) Co-location with the secretariat at the UNCCD Headquarters in Bonn;
- (d) Other housing options, including the GM to relocate to the United Nations Office at Geneva;
- (e) GM to relocate to the United Nations Secretariat (or UNDP) in New York;
- (f) GM to relocate to the World Bank or Global Environment Facility in Washington, D.C.

70. The outcome of the assessment presented by the UNCCD secretariat concluded that a decision to co-locate the GM with the UNCCD Headquarters in Bonn, together with the secretariat, has the potential to resolve the majority of the outstanding issues identified in numerous evaluations and to accrue long-term savings for both institutions of the UNCCD. This is thus considered to be the most cost-efficient, logical and straightforward option, providing the most benefits in terms of streamlined operational modalities, synergies between UNCCD bodies, and improved accountability and oversight resulting in governance efficiencies.<sup>25</sup>

### 3. Steps in and time frame for the process

71. The steps in and time frame for the process of selecting new housing arrangements for the Global Mechanism are shown in table 4.

Table 4

#### **Steps in and time frame for the process of selecting new housing arrangements for the Global Mechanism**

<i>Date</i>	<i>Step</i>
January to July 2009	United Nations Joint Inspection Unit reports on the assessment of the Global Mechanism (GM) of the United Nations Convention to Combat Desertification (UNCCD), <sup>a</sup> which was mandated by decision 3/COP.8, paragraph 27, of the UNCCD. Potential relocation of the GM suggested
October 2011	UNCCD decision 6/COP.10 requests the Executive Secretary of the UNCCD to undertake a process to identify a new housing arrangement for the GM in consultation with the Bureau of the Conference of the Parties to the UNCCD at its tenth session. Paragraph 17 of the same decision requests the Executive Secretary of the UNCCD to prepare and submit to the intersessional meeting of the eleventh session of the Committee for the Review of the Implementation of the Convention (CRIC 11) a report on progress made in the implementation of that decision
June/July 2012	UNCCD secretariat presents a report entitled “Identification of a new housing arrangement for the Global Mechanism” to the Bureau of the Conference of the Parties to the UNCCD at its tenth session for its consideration
November 2012	Document updated taking into consideration recent information as well as comments received from Bureau members and other stakeholders
April 2013	Progress report presented to the intersessional meeting of CRIC 11 for its consideration. The report outlines the various steps undertaken by the Executive Secretary of the UNCCD to fulfil the provisions of decision 6/COP.10

<sup>25</sup> As footnote 18.



<i>Date</i>	<i>Step</i>
October/November 2013	Final decision by the Conference of the Parties to the UNCCD expected to be taken in autumn 2013

<sup>a</sup> Joint Inspection Unit document JIU/REP/2009/4.

## **B. Selection of the host institution or institutions of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services secretariat**

### **1. Background**

72. IPBES was established in April 2012 as an independent intergovernmental body open to all member countries of the United Nations. The members are committed to building IPBES as the leading intergovernmental body for assessing the state of the planet's biodiversity, its ecosystems and the essential services they provide to society.<sup>26</sup>

73. After a number of multi-stakeholder meetings to discuss ways to strengthen the science-policy interface on biodiversity and ecosystem services, governments decided at a meeting in June 2010, in Busan, the Republic of Korea, that IPBES should be established to respond to the gaps and needs for strengthening the science-policy interface, and agreed on many of the principles of its operation as part of what was then called the Busan Outcome.

74. The Busan Outcome was welcomed by the Conference of the Parties to the Convention on Biological Diversity at its tenth session, held in Nagoya, Japan, in October 2010, and was subsequently considered at the 65th session of the United Nations General Assembly (UNGA). UNGA passed a resolution requesting UNEP to convene a plenary meeting to fully operationalize IPBES at the earliest opportunity.<sup>27</sup> That resolution was then taken on board by UNEP in a decision adopted at the twenty-sixth session of the UNEP Governing Council, held in February 2011.<sup>28</sup>

### **2. Process for selecting the host institution or institutions of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services secretariat**

75. The first session of the plenary meeting of IPBES was held on 3–7 October 2011 in Nairobi, Kenya. Relevant organizations were invited to signify their interest in hosting the secretariat for the platform and governments to signify their interest in providing the physical location of the secretariat and to submit their proposals.<sup>29</sup> Annex III to the report on the plenary meeting contains information on the process and elements, agreed by governments, to be considered in selecting the host institution or institutions and the physical location of the platform's secretariat.<sup>30</sup>

76. The process and elements were focused basically on the following:

- (a) Elements for consideration in selecting the host institution or institutions of the secretariat;
- (b) Process for inviting organizations to signify their interest in hosting the single administrative secretariat;

<sup>26</sup> <<http://www.ipbes.net/about-ipbes.html>>.

<sup>27</sup> UNGA document A/RES/65/162.

<sup>28</sup> Governing Council of UNEP document UNEP/GC.26/CW/L.4.

<sup>29</sup> UNEP document UNEP/IPBES.MI/1/8.

<sup>30</sup> UNEP document UNEP/IPBES.MI/1/8, annex III.

(c) Process for reviewing proposals and selecting the host institution or institutions of the secretariat.

77. The elements for consideration in selecting the host institution or institutions relate mostly to institutional resources, experience and capabilities regarded as important and relevant for an appropriate performance of secretariat functions. These include, among others: relevance of the mandate, objectives and functions of the host institution or institutions to the mandate, objectives and functions of the platform; administrative and financial procedures; ability of the host institution or institutions to support and promote networking among relevant institutions and processes; and experience in establishing and servicing intergovernmental bodies, programmes or arrangements.

78. The process for inviting organizations to signify their interest in hosting the single administrative secretariat comprised the following basic actions:

(a) Governments invite interested organizations to signify their interest in hosting the platform's secretariat and to provide detailed information on the conditions and advantages attached to any offers they wish to make;

(b) Governments invite UNEP, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO) and UNDP to submit a joint proposal, which should highlight possible collaborative arrangements, including electronic networking, and clarify the responsibilities of each entity;

(c) Proposals should be submitted to the Chair of the Bureau of the IPBES, both electronically and in hard copy, 12 weeks prior to the second session of the plenary meeting but no later than 15 January 2012, for consideration by the plenary at its second session.

79. Regarding the process for reviewing proposals and selecting the host institution or institutions of the secretariat, the Bureau of IPBES, with the support of the UNEP secretariat, arranged for the collation and translation of all offers from interested organizations and the forwarding of them to governments at least six weeks prior to the second session of the plenary meeting.

80. A joint proposal was submitted by UNEP, UNESCO, FAO and UNDP on the institutional arrangements of IPBES. The proposal was submitted to the Chair of the Bureau of IPBES on 15 January 2012 for consideration at the second session of the plenary meeting.<sup>31</sup>

81. There was general support for UNEP to take the lead in the administration of the secretariat of IPBES and it was proposed by many delegates that the four United Nations organizations should participate in the implementation of the platform's work programme. In addition, governments urged the United Nations organizations to second staff to the IPBES secretariat.<sup>32</sup>

82. No specific tender document was prepared beforehand and, apparently, no evaluation criteria had been made publicly available for consideration by the plenary meeting.

83. The decision on the selection of the host institution or institutions was discussed among representatives of governments participating in the 'friends of the chair' group, and was finally agreed upon by the plenary meeting of IPBES.

84. From the information available, this process does not seem to meet in their entirety the characteristics of an open and, especially, competitive bidding process, although

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<sup>31</sup> UNEP document UNEP/IPBES.MI/2/6.

<sup>32</sup> IPBES document IPBES/1/12.

governments made an open invitation to any institution interested in hosting the secretariat of IPBES.

**3. Steps in and time frame for the process**

85. The steps in and time frame for the process of selecting the host institution or institutions of the IPBES secretariat are shown in table 5.

Table 5

**Steps in and time frame for the process of selecting the host institution or institutions of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services secretariat**

<i>Date</i>	<i>Step</i>
11 June 2010	Agreement by governments that the new Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) should be established as an independent intergovernmental body administered by one or more existing United Nations organizations, agencies, funds or programmes
6 July 2011	Issuance of the draft note on the process and criteria for selecting the host institution or institutions
3–7 October 2011	Conclusion on the process and criteria and invitation to relevant organizations to signify their interest in hosting the secretariat for the platform and invitation to the United Nations Environment Programme (UNEP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP) to submit a joint proposal
15 January 2012	Deadline for submission of expressions of interest by relevant organizations and submission of the joint proposal by the four United Nations organizations
16–21 April 2012 (second plenary meeting to determine modalities and institutional arrangements for IPBES)	Initial presentation by UNESCO on behalf of the four UN organizations to explain their joint proposal and scrutiny by representatives  Invitation to the four United Nations organizations to further elaborate on their proposal and present a final version at the first meeting of the plenary of IPBES
20 December 2012	Submission of the revised joint proposal by the four United Nations organizations
26 January 2013	Decision by the plenary to request the four United Nations organizations to establish an institutional link with IPBES through a collaborative partnership arrangement for the work of IPBES and its secretariat

**C. Selection of the physical location of the Rotterdam Convention secretariat**

**1. Background**

86. Article 19, paragraph 3, of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which

was adopted on 10 September 1998, stipulates that “the secretariat functions for this Convention shall be performed jointly by the Executive Director of UNEP and the Director-General of FAO, subject to such arrangements as shall be agreed between them and approved by the Conference of the Parties”.

87. The Intergovernmental Negotiating Committee for an international legally binding instrument for the application of the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade (INC-PIC), at its sixth session, agreed that the secretariat would prepare a list of elements of information required for further consideration of the issue of the location of the secretariat by the Committee at its next session.

88. Taking note of the offers of the Governments of Germany, Italy and Switzerland to host the secretariat, the INC-PIC, at its seventh session, decided that all offers had to be submitted to the secretariat by 15 April 2001.

89. The INC-PIC, at its eighth session, took note of the offers of Germany, Italy and Switzerland and decided to submit them to the Conference of the Parties to the Rotterdam Convention for a decision on the matter at its first session.

90. The Conference of the Parties, by decision RC-1/12, paragraph 3, decided to accept the offer of the Governments of Italy and Switzerland to host the secretariat jointly.

## 2. Brief description of the selection process

91. Prior to the formal invitation to interested countries to provide detailed information on their offers, the INC-PIC, at its seventh session, decided on the procedure to be followed in the consideration of offers to host the permanent secretariat of the Rotterdam Convention, including categories of information that might be requested from countries interested in hosting the permanent secretariat.<sup>33</sup>

92. The process was undertaken by the INC-PIC and there was no ad hoc subsidiary body or entity, independent from the INC-PIC and the Conference of the Parties to the Rotterdam Convention, tasked with the review and evaluation of the offers made by the governments.

## 3. Steps in and time frame for the process

93. The general steps in and time frame for the process of selecting the physical location of the Rotterdam Convention secretariat, as described in information publicly available, are shown in table 6.

Table 6

### Steps in and time frame for the process of selecting the physical location of the Rotterdam Convention secretariat

<i>Date</i>	<i>Step</i>
30 October to 3 November 2000 (the seventh session of the Intergovernmental Negotiating Committee for an international legally binding instrument for the application of the prior informed consent procedure for certain hazardous	Decision on the procedure to be followed in the consideration of offers to host the permanent secretariat of the Rotterdam Convention
	Invitation to interested governments to submit offers to host the permanent secretariat

<sup>33</sup> INC-PIC decision INC-7/8.

<i>Date</i>	<i>Step</i>
chemicals and pesticides in international trade (INC-PIC))	
15 April 2001	Deadline for the submission of offers by governments
8–12 October 2001 (the eighth session of the INC-PIC)	Decision to submit the offers to the Conference of Parties to the Rotterdam Convention for a decision at its first session
20–24 September 2004 (the first session of the Conference of the Parties to the Rotterdam Convention)	Decision to accept the offer of the Governments of Italy and Switzerland to host the secretariat jointly

## **D. Selection of the physical location of the Stockholm Convention secretariat**

### **1. Background**

94. Article 20, paragraph 3, of the Stockholm Convention on Persistent Organic Pollutants states that “the secretariat functions for this Convention shall be performed by the Executive Director of the United Nations Environment Programme, unless the Conference of the Parties decides, by a three-fourths majority of the Parties present and voting, to entrust the secretariat functions to one or more other international organizations”.

95. To facilitate a comparative analysis of the offers regarding the physical location of the secretariat for consideration and a decision by the Conference of the Parties to the Stockholm Convention at its first session, the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for International Action on Certain Persistent Organic Pollutants (INC-POPs), at its sixth session, invited interested countries to provide the secretariat of the Stockholm Convention on Persistent Organic Pollutants (POPs secretariat), by 30 November 2002, with detailed information on the conditions and advantages attached to their offers to host the permanent secretariat, with special focus on the categories of information that might be requested from countries interested in hosting the permanent secretariat.<sup>34</sup>

96. On the basis of the offers of the Governments of Italy and Switzerland and a comparative analysis of them prepared by the POPs secretariat, the Conference of the Parties to the Stockholm Convention, at its first session, decided to accept the offer of the Government of Switzerland to host the secretariat in Geneva.

### **2. Brief description of the selection process**

97. Prior to the formal invitation to interested countries to provide detailed information on the conditions and advantages attached to them hosting the permanent secretariat, the INC-POPs, at its sixth session, decided on categories of information that might be requested from countries interested in hosting the permanent secretariat, for further consideration and comparative analysis of the offers. These categories of information included:

- (a) Legal framework;
- (b) Features of the office site and related financial issues;

<sup>34</sup> INC-POPs decision INC-6/19, appendix.

(c) Local facilities and conditions;

(d) Other relevant information, such as any additional contributions to be made by the host government to meet the operating costs of the permanent secretariat or to defray conference-servicing expenses.

98. No entity was mandated to review and evaluate the offers of the governments independently from the INC-POPs and the Conference of the Parties to the Stockholm Convention.

**3. Steps in and time frame for the process**

99. The steps in and time frame for the process of selecting the physical location of the Stockholm Convention secretariat are shown in table 7.

Table 7

**Steps in and time frame for the process of selecting the physical location of the Stockholm Convention secretariat**

<i>Date</i>	<i>Step</i>
17–21 June 2002 (the sixth session of the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for International Action on Certain Persistent Organic Pollutants (INC-POPs))	Decision on categories of information that might be requested from countries interested in hosting the permanent secretariat of the Stockholm Convention  Invitation to interested countries to provide detailed information on the conditions and advantages attached to their offers
30 November 2002	Deadline for provision of information by interested countries
14–18 July 2003 (the seventh session of the INC-POPs)	Decision to submit to the Conference of the Parties to the Stockholm Convention for possible consideration at its first meeting the offers and detailed information
2–6 May 2005 (the first session of the Conference of the Parties to the Stockholm Convention)	Decision to accept the offer of the Government of Switzerland to host the secretariat in Geneva

**V. Conclusion**

100. To ensure the integrity, fairness, transparency and credibility of the selection process, it is important that the process to be followed is clearly defined. Although this is not a procurement process, many aspects of a formal selection process may incorporate key principles of [UN] procurement.

101. In order to establish a fair and transparent process, it is recommended that as a minimum the following elements are considered in developing a selection process:

(a) The nature of the expected services and scope of the responsibilities and accountabilities to be assigned to the host institution, is fully developed;

(b) The criteria to be met by the host institution candidate in terms of its institutional resources, experience and specific capabilities that are relevant to the fulfilment of its duties as the host institution, is defined and included in the requests for proposals;

- (c) The steps and timelines to be followed throughout the selection process, clearly outlining specific milestones that will ensure adequate understanding of the process and respective responsibilities by all stakeholders and interested parties;
- (d) The evaluation criteria for assessing the applications;
- (e) The entity of body responsible for assessing the applications and providing recommendations to a decision-making body;
- (f) The decision-making entity and time lines for the decision making process.
- (g) Elaboration on how offers/proposals are to be solicited and tendered.

102. The experiences outlined in this document show that a transparent selection process allows Parties to determine the needs and requirements to be met in a structured manner, as well as allowing the careful selection, in the interest of the Convention, of the host institution or country that will best respond to those needs.

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